Exhibit 9:

Deferral & Variance Accounts

TABLE OF CONTENTS

LIST OF ATTACHMENTS

9.1 OVERVIEW

Thunder Bay Hydro has included in this Application, a request for disposition of Group One and Group Two Deferral and Variance Account ("DVAs") balances as of December 31, 2015 with forecasted interest through April 30, 2017.

Thunder Bay Hydro has followed the Ontario Energy Board (the Board")'s guidance in *the Accounting Procedures Handbook* ("APH") and the *Accounting Procedures Handbook Frequently Asked Questions* ("APH FAQ") for recording amounts in the deferral and variance accounts. In addition, Thunder Bay Hydro utilized the guidance of the Report of the Board on *Electricity Distributor's Deferral and Variance Account Review Initiative* ("EDDVAR") issued July 31, 2009 (EB-2008-0046) and the Filing Requirements for Electricity Distribution Rate Applications – 2016 Edition for 2017 Rate Application issued July 14, 2016 ("Filing Requirements").

Thunder Bay Hydro proposes to continue with its traditional Account 1595 disposition methodology, which segregates the disposition of Group One variances (applicable to RPP and Non-RPP customers) and the disposition Global Adjustment ("GA") variances (applicable Non-RPP customer's only).

A breakdown of Energy Sales and Cost of Power expense balances reconciled to the Electricity Reporting and Record-keeping ("RRR") submission and Audited Financial Statements are provided in Section 9.2.2. Thunder Bay Hydro has not made any adjustments to balances previously approved by the Board on final basis.

Thunder Bay Hydro is not requesting any new accounts or sub-accounts in this Application as described in Section 9.6.1. Thunder Bay Hydro confirms that no adjustments have been made to DVA balances previously approved by the Board on a final basis.

Thunder Bay Hydro completed the Boards Continuity "Deferral and Variance Account (Continuity Schedule) Workform – Version 2.7" and has filed it in live Excel format.

Thunder Bay Hydro confirms that the Independent Electricity System Operator ("IESO") GA charge is pro-rated into the Regulated Price Plan ("RPP") and the Non-RPP portions.

9.2 ACCOUNT BALANCES

The DVA balances for Thunder Bay Hydro as of December 31, 2015 are summarized in Table 9-1 below.

TABLE 9-1: DVA BALANCES AS OF DECEMBER 31, 2015

Line No.	USoA	Description	Principle Balance	Interest Balance	Total	Balance at December 31, 2015	Per RRR 2.1.7 & Audited Financial Statements	Variance
1	GROUP 1							
2	1551	Smart Metering Entity	($4,390)	$15	($4,375)	($4,375)	($4,375)	$0
3	1580	RSVA Wholesale Market	($2,261,835)	($11,777)	($2,273,612)	($2,273,612)	($2,273,612)	$0
4	1580	RSVA Wholesale Market - CBDR A	$6,168	$19	$6,187	$6,187	$6,187	$0
5	1580	RSVA Wholesale Market - CBDR B	$237,369	$749	$238,118	$238,118	$238,118	$0
6	1584	RSVA Network	($452,577)	($6,596)	($459,173)	($459,173)	($459,173)	$0
7	1586	RSVA Connection	($651,365)	($12,943)	($664,308)	($664,308)	($664,308)	$0
8	1588	Power	($81,280)	($31,814)	($113,094)	($113,094)	($113,094)	$0
9	1589	RSVA Global Adjustment	$2,517,177	$34,657	$2,551,834	$2,551,834	$2,551,834	$0
10	1595	Disposition and Recovery of Regulatory Assets	($392,409)	($588,314)	($980,723)	($980,723)	($980,723)	$0
11		**Sub-Total**	**($1,083,142)**	**($616,004)**	**($1,699,146)**	**($1,699,146)**	**($1,699,146)**	**$0**
12	GROUP 2							
13	1508	Other Regulatory Assets	$121,162	$5,903	$127,066	$127,066	$127,066	$0
14	1518	RCVA Retail	$229,307	$6,150	$235,457	$235,457	$235,457	$0
15	1532	GEA - Renewable Connection OM&A Deferral	$12,074	$302	$12,376	$12,376	$12,376	$0
16	1533	GEA - Renewable Generation Conn Fund Adder	($48,072)	($710)	($48,782)	($48,782)	($48,782)	$0
17	1548	RCVA STR	$80,196	$2,493	$82,689	$82,689	$82,689	$0
18	1555	Smart Market Meter Capital and Recovery Offset	($62,261)	$12,563	($49,698)	($49,698)	($49,698)	$0
19	1568	LRAMVA	($65,597)	($782)	($66,379)	($66,379)	($66,379)	$0
20	1575	IFRS - CGAAP Transitional PP&E Amounts	$280,386	$0	$280,386	$280,386	$280,386	$0
21	1592	PILS & Tax Variance	($107,701)	($4,917)	($112,618)	($112,618)	($108,695)	$3,923
22		**Sub-Total**	**$439,494**	**$21,002**	**$460,496**	**$460,496**	**$464,419**	**$3,923**
23		**GRAND TOTAL**	**($643,647)**	**($595,002)**	**($1,238,650)**	**($1,238,650)**	**($1,234,726)**	**$3,923**

9.2.1 RECONCILIATION OF ACCOUNTS

Thunder Bay Hydro confirms the balances above reconcile to the 2015 Audited Financial Statements ("AFS") and to the 2015 year end balances for RRR filing 2.1.7 Trial Balance as filed April 30, 2016 through the Board's portal with two exceptions noted below:

- Account 1575 IFRS-CGAAP Transitional PP&E amount of ($24,939) was reported on RRR filing 2.1.7 Trial Balance as filed April 30, 2016 under the requirements of CGAAP. The above amount of $280,386 reconciles to the audited financial statements, which follows International Financial Reporting Standards ("IFRS") reporting guidelines, and;
- Account 1592 HST Tax savings presents a variance of less than 5% due mostly to interest and projections. Given the nature of the contra account, no amount was reported in the RRR 2.1.7, however, Thunder Bay Hydro had accrued $108,695 as a liability (USoA 2205) in its AFS, recognizing the remaining 50% to be returned to the customer. Table 9-2 below summarizes these details.

TABLE 9 – 2: DVA 2015 BALANCE RECONCILIATIONS

Line No.	USoA	Description	Balance at December 31, 2015	Per RRR 2.1.7 & Audited Financial Statements	Variance
1	GROUP 1				
2	1551	Smart Metering Entity	($4,375)	($4,375)	$0
3	1580	RSVA Wholesale Market	($2,273,612)	($2,029,307)	$244,305
4	1580	RSVA Wholesale Market - CBDR A	$6,187	$0	($6,187)
5	1580	RSVA Wholesale Market - CBDR B	$238,118	$0	($238,118)
6	1584	RSVA Network	($459,173)	($459,173)	$0
7	1586	RSVA Connection	($664,308)	($664,308)	$0
8	1588	Power	($113,094)	($113,094)	$0
9	1589	RSVA Global Adjustment	$2,551,834	$2,551,834	$0
10	1595	Disposition and Recovery of Regulatory Assets	($980,723)	($980,723)	$0
11		**Sub-Total**	**($1,699,146)**	**($1,699,146)**	($0)
12	GROUP 2				
13	1508	Other Regulatory Assets	$127,066	$127,066	$0
14	1518	RCVA Retail	$235,457	$235,457	$0
15	1532	GEA - Renewable Connection OM&A Deferral	$12,376	$12,376	$0
16	1533	GEA - Renewable Generation Conn Fund Adder	($48,782)	($48,782)	$0
17	1548	RCVA STR	$82,689	$82,689	$0
18	1555	Smart Market Meter Capital and Recovery Offset	($49,698)	($49,698)	$0
19	1568	LRAMVA	($66,379)	($66,379)	$0
20	1575	IFRS - CGAAP Transitional PP&E Amounts	$280,386	$280,386	$0
19	1592	PILS & Tax Variance	($112,618)	($108,695)	$3,923
20		**Sub-Total**	**$460,496**	**$464,419**	**$3,923**
21		**GRAND TOTAL**	**($1,238,650)**	**($1,234,727)**	**$3,923**

9.2.2 COST OF POWER RECONCILIATION

The sale of energy represents a flow through of revenue to the IESO and the cost of power represents a flow through expense to the IESO. Energy sales and the cost of power expenses by component are presented in Table 9-3 and reconcile to the AFS and the USoA within the RRR 2.1.7 trial balance filing.

Thunder Bay Hydro has recorded no profit or loss resulting from the flow through of energy revenues and expense, however, the variance in 2011 was a result of the Board's direction to move to full accrual accounting for all RSVA accounts, in 2011.

TABLE 9-3: ENERGY REVENUE AND COST OF POWER EXPENSES

Line No.	USoA	Description	Actual				
			2011	2012	2013	2014	2015
1	ENERGY REVENUES						
2	4006	Residential Energy Sales	($22,889,098)	($26,196,799)	($28,278,119)	($31,417,891)	($33,171,904)
3	4025	Street Lighting Energy Sales	($440,319)	($732,059)	($882,160)	($903,798)	($892,081)
4	4030	Sentinel Lighting Energy Sales	($13,428)	$54	($11,074)	($11,658)	($10,782)
5	4035	General Energy Sales	($39,491,374)	($41,894,483)	($48,972,790)	($49,429,008)	($56,937,465)
6	4050	Revenue Adjustment	($1,468,988)				
7	4055	Energy Sales for Resale	($6,837,519)	($4,634,723)	($4,653,792)	($5,356,322)	($4,645,168)
8	4060	Interdepartmental Energy Sales	($185,763)	($170,773)	($217,162)	($253,917)	($201,352)
9	4062	Wholesale Market Services	($5,319,245)	($4,804,339)	($5,019,416)	($5,462,714)	($3,697,283)
10	4066	Network	($5,336,244)	($5,869,423)	($6,219,051)	($6,268,462)	($6,109,286)
11	4068	Connection	($3,830,995)	($4,025,380)	($4,091,903)	($4,297,875)	($4,236,428)
12	4076	Smart Metering Entity Charge			($313,278)	($467,877)	($469,927)
13		**Subtotal**	**($85,812,973)**	**($88,327,924)**	**($98,658,745)**	**($103,869,521)**	**($110,371,676)**
14	COST OF POWER EXPENSES						
15	4705	Power Purchased	$71,023,662	$73,628,782	$53,285,882	$63,717,919	$59,813,392
16	4707	Charges - Global Adjustment			$29,729,225	$23,654,674	$36,045,360
17	4708	Wholesale Market Services	$5,343,591	$4,804,339	$5,019,416	$5,462,714	$3,697,283
18	4714	Network	$5,408,439	$5,869,423	$6,219,051	$6,268,462	$6,109,286
19	4716	Connection	$3,935,674	$4,025,380	$4,091,903	$4,297,875	$4,236,428
20	4751	Smart Metering Entity Charge			$313,278	$467,877	$469,927
21		**Subtotal**	**$85,711,366**	**$88,327,924**	**$98,658,756**	**$103,869,521**	**$110,371,675**
22		**Grand Total**	**($101,607)**	**$0**	**$11**	**$0**	**($0)**

9.2.3 CARRYING CHARGES

Thunder Bay Hydro has used the Board's prescribed interest rates when calculating carrying charges on the DVA balances. Table 9-4 below shows the Board's prescribed interest rates starting from 2013 Q1 onward. Interest is calculated based on the opening monthly principle balances.

In accordance with the Filing Requirements, the most recent posted interest rate (1.10% for Q3 of 2016) has been used to forecast carrying charges to April 30, 2017.

TABLE 9 – 4: OEB PRESCRIBED INTEREST RATES

Line No.	Year	Quarter	Prescribed Interest Rate
1	2013	Q1	1.47%
2		Q2	1.47%
3		Q3	1.47%
4		Q4	1.47%
5	2014	Q1	1.47%
6		Q2	1.47%
7		Q3	1.47%
8		Q4	1.47%
9	2015	Q1	1.47%
10		Q2	1.10%
11		Q3	1.10%
12		Q4	1.10%
13	2016	Q1	1.10%
14		Q2	1.10%
15		Q3	1.10%

9.3 PROPOSED DISPOSITION

Thunder Bay Hydro is requesting a net disposition of $282,484 as a refund to customers, based on the 2015 year end balances less the amounts approved through the 2016 IRM (EB-2015-0103), along with timing adjustments. It is confirmed that the continuity schedule agrees to the AFS and RRR filing 2.1.7 Trial Balance as filed April 30, 2016. Details of each account disposition request, including timing adjustments, are discussed in detail in Section 9.4 and Section 9.5.

TABLE 9-5: BALANCES FOR DISPOSITION

Line No.	USoA	Description	Balance at December 31, 2015	2016 Disposition	Timing Adjustments	Projected Interest to Apr 30, 2017	Balance for Disposition
1	GROUP 1						
2	1551	Smart Metering Entity	($4,375)	$805	$0	($75)	($5,255)
3	1580	RSVA Wholesale Market	($2,273,612)	($188,337)	$0	($30,423)	($2,115,698)
4	1580	RSVA Wholesale Market - CBDR A	$6,187	$0	($6,277)	$90	$0
5	1580	RSVA Wholesale Market - CBDR B	$238,118	$0	$0	$3,481	$241,599
6	1584	RSVA Network	($459,173)	($245,475)	$0	($3,118)	($216,816)
7	1586	RSVA Connection	($664,308)	($439,920)	$0	($3,247)	($227,635)
8	1588	Power	($113,094)	($217,505)	$0	$1,565	$105,976
9	1589	RSVA Global Adjustment	$2,551,834	$1,632,777	$0	$13,579	$932,635
10	1595	Disposition and Recovery of Regulatory Assets	($980,723)	$120,386	$1,151,102	$1,356	$51,349
11		**Sub-Total**	**($1,699,146)**	**$662,730**	**$1,144,825**	**($16,793)**	**($1,233,844)**
12	GROUP 2						
13	1508	Other Regulatory Assets	$127,066	$0	$0	$1,777	$128,843
14	1518	RCVA Retail	$235,457	$0	$0	$3,363	$238,820
15	1532	GEA - Renewable Connection OM&A Deferral	$12,376	$0	$0	$177	$12,553
16	1533	GEA - Renewable Generation Conn Fund Adder	($48,782)	$0	$48,782	$0	$0
17	1548	RCVA STR	$82,689	$0	$0	$1,176	$83,866
18	1555	Smart Market Meter Capital and Recovery Offse	($49,698)	$0	$49,698	$0	$0
19	1568	LRAMVA	($66,379)	$0	$103,631	$532	$37,784
20	1575	IFRS - CGAAP Transitional PP&E Amounts	$280,386	$0	$283,306	$0	$563,692
21	1592	PILS & Tax Variance	($112,618)	$0	$0	($1,580)	($114,198)
22		**Sub-Total**	**$460,496**	**$0**	**$485,418**	**$5,446**	**$951,360**
23		**GRAND TOTAL**	**($1,238,650)**	**$662,730**	**$1,630,243**	**($11,347)**	**($282,484)**

9.4 GROUP ONE ACCOUNT ANALYSIS

Thunder Bay Hydro last disposed of Group One account balances in its 2016 IRM Rate Application (EB-2015-0103). Filing Requirement's specify that the continuity schedule should show the balance details from the last disposition. Accordingly, Thunder Bay Hydro has entered continuity data into Tab 2. 2016 Continuity Schedule of the Board Model "Deferral and Variance Account (Continuity Schedule) Workform – Version 2.7".

The following sections provide details about the Group One accounts utilized by Thunder Bay Hydro and the respective disposition requests. All Group One Deferred Variance Account ("DVA") December 31, 2015 balances before adjustments and forecasted interest match the last Audited Financial Statements.

9.4.1 ACCOUNT 1551: SMART METERING ENTITY ("SME")

This account is used to record the difference between the Smart Meter Entity amounts billed to Thunder Bay Hydro customers and the charges paid to the IESO. Thunder Bay Hydro uses the accrual method. The Board prescribed interest rates are used to calculate the carrying charges and the interest is recorded in a sub-account.

Thunder Bay Hydro requests disposition of Account 1551 for the amount of $ 5,255 as a refund to customers, including interest to April 30, 2017.

Please note that the disposition amount of $5,255 for the SME charge will not be retained in the OEB issued "DVA Continuity model – Tab 5. Allocation of Balances' file for the residential and general service less than 5- classes in cells F6 ($4,766) and G6 ($490), respectively. Upon reopening and reviewing the form, the cells will revert to a zero value, and the amounts provided in cells F3, and G3 will require manual input. Thunder Bay Hydro confirms that this amount is included for disposition of group one accounts.

TABLE 9-6: ACCOUNT 1551 DISPOSITION CALCULATION

Line No.	Description	Principle	Interest	Total
1	December 31, 2015 Balance	($4,390)	$15	($4,375)
2	Less: 2016 IRM Disposition (EB-2015-0103)	$749	$56	$805
3	Adjustments	$0	$0	$0
4	**Balance for Disposition**	**($5,139)**	**($41)**	**($5,180)**
5	Interest January to December 2016		($57)	($57)
6	Interest January to April 2017		($19)	($19)
7	**Total Claim**	**($5,139)**	**($116)**	**($5,255)**

9.4.2 ACCOUNT 1580: RSVA – WHOLESALE MARKET SERVICES

This account is used to record the difference between the amounts charged by the IESO for wholesale market services and the amount billed to Thunder Bay Hydro customers using the Board Approved rates. Thunder Bay Hydro uses the accrual method. The Board prescribed interest rates are used to calculate the carrying charges and the interest is recorded in a sub-account.

Thunder Bay Hydro requests disposition of Account 1580 (excluding CBDR Class A and Class B) for the amount of $2,115,698 as a refund to customers, including interest to April 30, 2017.

TABLE 9-7: ACCOUNT 1580 DISPOSITION CALCULATION

Line No.	Description	Principle	Interest	Total
1	December 31, 2015 Balance	($2,261,835)	($11,777)	($2,273,612)
2	Less: 2016 IRM Disposition (EB-2015-0103)	($187,524)	($814)	($188,337)
3	Adjustments	$0	$0	$0
4	**Balance for Disposition**	**($2,074,311)**	**($10,963)**	**($2,085,275)**
5	Interest January to December 2016		($22,817)	($22,817)
6	Interest January to April 2017		($7,606)	($7,606)
7	**Total Claim**	**($2,074,311)**	**($41,386)**	**($2,115,698)**

Capacity Based Demand Response ("CBDR")

In May 2015, the IESO introduced a new wholesale market service charge to recover costs associated with contracted demand response providers active in the wholesale energy market. The program is known as CBDR.

CBDR – Class A

In correspondence dated March 29, 2016, the Board indicated that since the WMS rate is based on a forecast and CBDR costs vary, distributors who serve Class A customers that are not market participants need to take steps during each settlement period to ensure that Class A customers pay the amounts which more closely reflect their proportion of costs. As directed by the Board, Thunder Bay Hydro has tracked CBDR revenues and expenses for Class A customers separately. Thunder Bay Hydro complied with this direction. Additional Board guidance regarding disposition of Class A amounts has determined that any amounts previous to March 29, 2015 would be further determined in a Cost of Service period. Thunder Bay Hydro understands that it is to settle those amounts as appropriate directly with the Class A customer. As such, Thunder Bay Hydro has made an adjustment of $6,277, as it will be settled with the Class A customer in 2016 directly.

TABLE 9-8: ACCOUNT 1580 DISPOSITION CALCULATION – CBDR A

Line No.	Description	Principle	Interest	Total
1	December 31, 2015 Balance	$6,168	$19	$6,187
2	Less: 2016 IRM Disposition (EB-2015-0103)	$0	$0	$0
3	Adjustments	($6,168)	($109)	($6,277)
4	**Balance for Disposition**	**$0**	**($90)**	**($90)**
5	Interest January to December 2016		$68	$68
6	Interest January to April 2017		$23	$23
7	**Total Claim**	**$0**	**$0**	**$0**

CBDR – Class B

As directed by the Board, Thunder Bay Hydro has tracked CBDR revenues and expenses for Class B customers separately.

TABLE 9-9: ACCOUNT 1580 DISPOSITION CALCULATION – CBDR B

Line No.	Description	Principle	Interest	Total
1	December 31, 2015 Balance	$237,369	$749	$238,118
2	Less: 2016 IRM Disposition (EB-2015-0103)	$0	$0	$0
3	Adjustments	$0	$0	$0
4	**Balance for Disposition**	**$237,369**	**$749**	**$238,118**
5	Interest January to December 2016		$2,611	$2,611
6	Interest January to April 2017		$870	$870
7	**Total Claim**	**$237,369**	**$4,230**	**$241,599**

The Board prescribed interest rates is used to calculate the carrying charges. Thunder Bay Hydro requests disposition of CBDR Class B for the amount of $241,599 as a collection from customers, including interest to April 30, 2017.

9.4.3 ACCOUNT 1584: RSVA – RETAIL TRANSMISSION NETWORK

This account is used to record the net of the amount charged by the IESO, based on the settlement invoice for transmission network services, and the amount billed to customers using the OEB-approved Retail Transmission Rate for network services. Thunder Bay Hydro uses the accrual method. The Board prescribed interest rates are used to calculate the carrying charges and the interest is recorded in a sub-account.

Thunder Bay Hydro requests disposition of Account 1584 for the amount of $216,816 as a refund to customers, including interest to April 30, 2017.

TABLE 9-10: ACCOUNT 1584 DISPOSITION CALCULATION

Line No.	Description	Principle	Interest	Total
1	December 31, 2015 Balance	($452,577)	($6,596)	($459,173)
2	Less: 2016 IRM Disposition (EB-2015-0103)	($239,969)	($5,506)	($245,475)
3	Adjustments	$0	$0	$0
4	**Balance for Disposition**	**($212,608)**	**($1,090)**	**($213,698)**
5	Interest January to December 2016		($2,339)	($2,339)
6	Interest January to April 2017		($780)	($780)
7	**Total Claim**	**($212,608)**	**($4,208)**	**($216,816)**

9.4.4 ACCOUNT 1586: RSVA – RETAIL TRANSMISSION CONNECTION

This account is used to record the net of the amount charged by the IESO, based on the settlement invoice for transmission connection services and the amount billed to customers using the Board approved Retail Transmission Rate for connection services. Thunder Bay Hydro uses the accrual method. The Board prescribed interest rates are used to calculate the carrying charges and the interest is recorded in a sub-account.

Thunder Bay Hydro requests disposition of Account 1586 for the amount of $227,635 as a refund to customers, including interest to April 30, 2017.

TABLE 9-11: ACCOUNT 1586 DISPOSITION CALCULATION

Line No.	Description	Principle	Interest	Total
1	December 31, 2015 Balance	($651,365)	($12,943)	($664,308)
2	Less: 2016 IRM Disposition (EB-2015-0103)	($429,963)	($9,957)	($439,920)
3	Adjustments	$0	$0	$0
4	**Balance for Disposition**	**($221,402)**	**($2,986)**	**($224,387)**
5	Interest January to December 2016		($2,435)	($2,435)
6	Interest January to April 2017		($812)	($812)
7	**Total Claim**	**($221,402)**	**($6,233)**	**($227,635)**

9.4.5 ACCOUNT 1588: RSVA – POWER

This account is used to recover the net difference between the energy amount billed to customers and the energy charged to Thunder Bay Hydro using the settlement invoice from the IESO. Thunder Bay Hydro uses the accrual method. The Board prescribed interest rates are used to calculate the carrying charges and the interest is recorded in a sub-account.

Thunder Bay Hydro requests disposition of Account 1588 for the amount of $105,976 as a collection from customers, including interest to April 30, 2017.

TABLE 9-12: ACCOUNT 1588 DISPOSITION CALCULATION

Line No.	Description	Principle	Interest	Total
1	December 31, 2015 Balance	($81,280)	($31,814)	($113,094)
2	Less: 2016 IRM Disposition (EB-2015-0103)	($187,964)	($29,541)	($217,505)
3	Adjustments	$0	$0	$0
4	**Balance for Disposition**	**$106,684**	**($2,273)**	**$104,411**
5	Interest January to December 2016		$1,174	$1,174
6	Interest January to April 2017		$391	$391
7	**Total Claim**	**$106,684**	**($708)**	**$105,976**

9.4.6 ACCOUNT 1589: RSVA – GLOBAL ADJUSTMENT

This account is used to recover the net difference between the provincial benefit amount billed to non-RPP customers and the GA adjustment charge to Thunder Bay Hydro based upon a calculated number based on the allocation between RPP and Non RPP from the IESO. Thunder Bay Hydro uses the accrual method. The Board prescribed interest rates are used to calculate the carrying charges and the interest is recorded in a sub-account.

Thunder Bay Hydro requests disposition of Account 1589 for the amount of $932,635 as a collection from customers, including interest to April 30, 2017.

TABLE 9-13: ACCOUNT 1589 DISPOSITION CALCULATION

Line No.	Description	Principle	Interest	Total
1	December 31, 2015 Balance	$2,517,177	$34,657	$2,551,834
2	Less: 2016 IRM Disposition (EB-2015-0103)	$1,591,357	$41,420	$1,632,777
3	Adjustments	$0	$0	$0
4	**Balance for Disposition**	**$925,819**	**($6,763)**	**$919,057**
5	Interest January to December 2016		$10,184	$10,184
6	Interest January to April 2017		$3,395	$3,395
7	**Total Claim**	**$925,819**	**$6,816**	**$932,635**

9.4.7 Account 1595: RSVA – Disposition and Recovery of Regulatory Balances

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

The amount requested for disposition below relates to residual balances from rate riders that concluded in 2015. Thunder Bay Hydro uses the accrual method. The Board prescribed interest rates are used to calculate the carrying charges and the interest is recorded in a sub-account.

Thunder Bay Hydro requests disposition of Account 1595 for the amount of $51,348 as a collection from customers, including interest to April 30, 2017.

Table 9-14: Account 1595 Disposition Calculation

Line No.	Description	Principle	Interest	Total
1	December 31, 2015 Balance	($392,409)	($588,314)	($980,723)
2	Less: 2016 IRM Disposition (EB-2015-0103)	$538,281	($417,895)	$120,386
3	Adjustment for Rate Riders not yet complete	$1,023,130	$127,971	$1,151,101
4	**Balance for Disposition**	**$92,441**	**($42,449)**	**$49,992**
5	Interest January to December 2016		$1,017	$1,017
6	Interest January to April 2017		$339	$339
7	**Total Claim**	**$92,441**	**($41,093)**	**$51,348**

9.5 GROUP TWO ACCOUNT ANALYSIS

The following sections provide details of each Group Two accounts and the amounts requested for disposition. Thunder Bay Hydro has entered details of the December 31, 2015 balances into the #2 continuity data tab of the TBHEDI_EB_2016_0105_2017_DVA_Continuity_Schedule_CoS_v2_7.xlsm.

9.5.1 ACCOUNT 1508: OTHER REGULATORY ASSETS

This account includes amounts paid for one-time incremental costs for the OEB Cost Assessment Variance and transition to IFRS.

OEB COST ASSESSMENT VARIANCE

The Board issued guidance on February 9, 2016 and April 1, 2016 permitting the use of Account 1508 Other Regulatory Assessments, Sub-Account OEB Cost Assessment Variance to record any material differences between OEB cost assessments currently built into rates and cost assessments that will result from the application of the new Cost Assessment Model ("CAM").

Accordingly, Thunder Bay Hydro has included these differences in this account, with the offsetting entry recorded in Account 5655, Regulatory, as per Board instruction in the 2016 fiscal year. As a result of this timing, this amount will not be brought forward in this Application.

IFRS TRANSITION COSTS

In accordance with the Board's *Accounting Procedures Handbook,* Thunder Bay Hydro has utilized this subaccount to record one-time administrative incremental IFRS transition costs, which are not already approved and included for recovery in distribution rates. Thunder Bay Hydro has not previously applied to the Board for approval to include any IFRS transition costs in distribution rates.

Thunder Bay Hydro has detailed its one-time distribution Incremental IFRS Transition Costs in Table 9-13, which is consistent with the Board's Appendix 2-YA and included in Attachment 9-B. Thunder Bay Hydro has completed its conversion to IFRS as of January 1, 2015. Accordingly, no additional costs are projected in 2016. Further details on major cost type have been provided below.

TABLE 9-15: ONE-TIME INCREMENTAL IFRS TRANSITION COSTS

Nature of One-Time Incremental IFRS Transition Costs [1]	Audited Actual Costs Incurred 2009	Audited Actual Costs Incurred 2010	Audited Actual Costs Incurred 2011	Audited Actual Costs Incurred 2012	Audited Actual Costs Incurred 2013	Audited Actual Costs Incurred 2014	Audited Actual Costs Incurred 2015	Audited Carrying Charges To Dec 31, 2015	ecasted Co 2016	ecasted Co 2017 [3]	Carrying Charges Jan 1, 2016 to Dec 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			$7,774	$28,875	$12,000		$1,805					$50,454	IFRS Consulting
Professional legal fees												$0	No incremental legal fees incurred
Salaries, wages and benefits of staff added to support the transition to IFRS			$12,386	$11,728	$2,534							$26,649	Incremental staff to support project activities
Associated staff training and development costs	$5,640	$2,598	$23,175	$1,808	$1,349		$6,400					$40,971	IFRS training seminars, conferences, with related travel
Costs related to system upgrades, or replacements or changes where IFRS was the major reason for conversion			$624	$325	$2,140							$3,089	Incremental IT system costs
Amounts, if any, included in previous Board approved rates (amounts should be negative) [2]												$0	
Carrying Charges								$5,903			$1,777	$7,680	
Total	$5,640	$2,598	$43,959	$42,737	$18,023		$8,205	$5,903		$0	$1,777	$128,843	

ONE TIME IFRS TRANSITION COSTS

PROFESSIONAL ACCOUNTING FEES

Thunder Bay Hydro engaged Grant Thornton and BDO to conduct an IFRS impact assessment and outline action plans and next steps in preparation of the transition to IFRS. Grant Thorton assisted in determining the level of capital asset componentization required under IFRS and identifying potential changes to overhead capitalization as part of the conversion to IFRS. These costs totaled $50,454.

SUPPORT COSTS

Thunder Bay Hydro incurred various incremental support costs throughout the IFRS transition process in the amount of $70,709. These costs included salaries, wages, benefits, development and training of staff added to support Thunder Bay Hydro's IFRS transition efforts, which incorporated the following activities:

- In-depth analysis, implementation and documentation of changes to overhead capitalization, asset componentization and depreciation
- Development of accounting policies and procedures, systems and business and IT processes to comply with IFRS

Thunder Bay Hydro has not embedded any one-time administrative incremental IFRS transition costs in its 2017 Revenue Requirement calculation.

Thunder Bay Hydro confirms that no capital costs, ongoing IFRS compliance costs or impacts arising from adopting accounting policy changes are recoded in this subaccount.

The Board prescribed interest rates are used to calculate the carrying charges and the interest is recorded in a sub-account.

Thunder Bay Hydro requests disposition of Account 1508 for the amount of $128,843 as a collection from customers, including interest to April 30, 2017.

TABLE 9-16: ACCOUNT 1508 – SUB ACCOUNT ONE-TIME INCREMENTAL IFRS TRANSITION COSTS

Line No.	Description	Principle	Interest	Total
1	December 31, 2015 Balance	$121,162	$5,903	$127,066
2	Less: 2016 IRM Disposition (EB-2015-0103)	$0	$0	$0
3	Adjustments	$0	$0	$0
4	**Balance for Disposition**	**$121,162**	**$5,903**	**$127,066**
5	Interest January to December 2016		$1,333	$1,333
6	Interest January to April 2017		$444	$444
7	**Total Claim**	**$121,162**	**$7,680**	**$128,843**

9.5.2 ACCOUNT 1518: RCVA RETAIL

This account is used to recover the net differences between the revenues,

- establishing service agreements,
- distributor-consolidated billing, and
- retail-consolidated billing

Recovered from Retailer Service Agreements and the cost of managing the retailer contracts,

- cost of entering into Service Agreements, and
- related contract administration, monitoring and other expenses

Necessary to maintain the contract, as well as the incremental costs incurred to provide the services. As such, Thunder Bay Hydro confirms that the variances are the incremental costs of providing retail services.

Thunder Bay Hydro confirms that it has followed Article 490 of the *Accounting Procedures Handbook* when determining these costs. The Board prescribed interest rates are used to calculate the carrying charges and the interest is recorded in a sub-account.

Thunder Bay Hydro requests disposition of Account 1518 for the amount of $238,820 as a collection from customers, including interest to April 30, 2017.

TABLE 9-17: ACCOUNT 1518 DISPOSITION CALCULATION

Line No.	Description	Principle	Interest	Total
1	December 31, 2015 Balance	$229,307	$6,150	$235,457
2	Less: 2016 IRM Disposition (EB-2015-0103)	$0	$0	$0
3	Adjustments	$0	$0	$0
4	**Balance for Disposition**	**$229,307**	**$6,150**	**$235,457**
5	Interest January to December 2016		$2,522	$2,522
6	Interest January to April 2017		$841	$841
7	**Total Claim**	**$229,307**	**$9,513**	**$238,820**

9.5.3 ACCOUNT 1532: GEA – RENEWABLE CONNECTION OM&A DEFERRAL

This account is used to recover the incremental operating, maintenance, amortization and administrative expenses directly related to expansions to connect renewable generation facilities and renewable enabling improvements related to the Green Energy Act ("GEA") that was approved in Thunder Bay Hydro's Cost of Service application (EB-2012-0167).

The costs included in this subaccount pertain to design and incremental administration expenses incurred by Thunder Bay Hydro related to renewable generation improvements, specifically to one project, Horizon Wind Project, that was subsequently cancelled.

The Board prescribed interest rates are used to calculate the carrying charges and the interest is recorded in a sub-account.

Thunder Bay Hydro requests disposition of Account 1532 for the amount of $12,553 as a collection from customers, including interest to April 30, 2017.

TABLE 9-18: ACCOUNT 1532 DISPOSITION CALCULATION

Line No.	Description	Principle	Interest	Total
1	December 31, 2015 Balance	$12,074	$302	$12,376
2	Less: 2016 IRM Disposition (EB-2015-0103)	$0	$0	$0
3	Adjustments	$0	$0	$0
4	**Balance for Disposition**	**$12,074**	**$302**	**$12,376**
5	Interest January to December 2016		$133	$133
6	Interest January to April 2017		$44	$44
7	**Total Claim**	**$12,074**	**$480**	**$12,553**

9.5.4 Account 1533: GEA – Renewable Generation Connection Funding Adder

This account records the net amount received by the IESO collected as a result of GEA.

Ontario Regulation 330/09 under the *Ontario Energy Board Act, 1998*, regarding cost recovery for eligible investments for the purpose of connecting or enabling the connection of a qualifying generation facility to a distribution system, requires the Ontario Energy Board to calculate the monthly amount to compensate qualifying distributors for rate protection provided to consumers. Thunder Bay Hydro confirms that the one GEA project identified has been cancelled.

Thunder Bay Hydro had been collecting amounts from the IESO, in relation to the GEA. As of December 31, 2015, Thunder Bay Hydro collected $48,072 from the IESO, which has attracted carrying charges of $710. In accordance with EB-2016-0012 issued on January 28, 2016, Thunder Bay Hydro will continue to collect $1,809 per month effective January 1, 2016. In 2016, Thunder Bay Hydro adjusted the DVA 1533 December 31, 2015 balance to zero and recognized a liability, as this balance is not to be returned to customer through rates.

Thunder Bay Hydro has forecasted total payments to be received from the IESO of $1,809 per month until April 30, 2017 to be $77,016, along with associated interest of $1,614, which is to be returned to the IESO. The Board prescribed interest rates is used to calculate the carrying charges.

Thunder Bay Hydro requests approval to return $77,016 plus associated interest of $1,614, of which it expects to collect until April 30, 2017, back to the IESO.

Table 9-19: Account 1533 Disposition Calculation

Line No.	Description	Principle	Interest	Total
1	December 31, 2015 Balance	($48,072)	($710)	($48,782)
2	Less: 2016 IRM Disposition (EB-2015-0103)	$0	$0	$0
3	Adjustments	$48,072	$710	$48,782
4	**Balance for Disposition**	**$0**	**$0**	**$0**
5	Interest January to December 2016		$0	$0
6	Interest January to April 2017		$0	$0
7	**Total Claim**	**$0**	**$0**	**$0**

9.5.5 Account 1548: RCVA Service

This account is used to recover the net differences between the revenues recovered from Service Transaction Requests,

- request fee, processing fee,

- information request fee,
- default fee, and
- other associated costs fees and

The incremental costs

- incremental labour,
- internal information system maintenance costs and
- delivery costs

Related to providing these services. As such, Thunder Bay Hydro confirms that the variances are incremental costs of providing retail service transaction requests.

Thunder Bay Hydro confirms that it has followed Article 490 of the Accounting Procedures Handbook when determining these costs. The Board prescribed interest rates are used to calculate the carrying charges and the interest is recorded in a sub-account.

Thunder Bay Hydro requests disposition of Account 1548 for the amount of $83,866 as a collection from customers, including interest to April 30, 2017.

TABLE 9-20: ACCOUNT 1548 DISPOSITION CALCULATION

Line No.	Description	Principle	Interest	Total
1	December 31, 2015 Balance	$80,196	$2,493	$82,689
2	Less: 2016 IRM Disposition (EB-2015-0103)	$0	$0	$0
3	Adjustments	$0	$0	$0
4	**Balance for Disposition**	**$80,196**	**$2,493**	**$82,689**
5	Interest January to December 2016		$882	$882
6	Interest January to April 2017		$294	$294
7	**Total Claim**	**$80,196**	**$3,669**	**$83,866**

9.5.6 ACCOUNT 1555: SMART METER CAPITAL

Amounts recorded in this account include the revenues from smart meter adders approved by the Board for smart meters and related capital costs incurred by Thunder Bay Hydro.

On July 5, 2012, Thunder Bay Hydro received its rate order from the Board in regards to its Smart Meter Disposal and Cost Recovery application EB-2012-0015. Smart meters had been 100% installed for Residential and General Service < 50 kW customers and costs incurred up to December 31, 2011 and the incremental revenue requirement for Operational, Maintenance and Administrative ("OM&A") costs in 2012 were approved by the Board.

Thunder Bay Hydro received approval to dispose of its estimated net book value of stranded assets as at December 31, 2012 in its 2013 Cost of Service Application (EB-2012-0167). In 2012, amounts were transferred to the 'sub-account Stranded Meter Costs" of Account 1555.

The Board approved recovery of stranded meter costs through applicable rate riders over a 12 month period, ending April 30, 2014.

In 2013, Thunder Bay Hydro had incorrectly recognized $70,221 for the period January 1 – April 30, 2013, drawing down the smart meter asset, believing that this period was to be recognized to coincide with the re-basing of rates. Thunder Bay Hydro understands that this adjustment was not required, as it should have aligned with the calendar year. As a result, in 2016, Thunder Bay Hydro corrected this entry, resulting in a net asset of $7,960. Thunder Bay Hydro has written off this small remaining asset balance, along with related carrying charges. Accordingly, Thunder Bay Hydro does not request disposition of Account 1555, given that no balance remains in this account as of June 30, 2016.

TABLE 9-21: ACCOUNT 1555 DISPOSITION CALCULATION

Line No.	Description	Principle	Interest	Total
1	December 31, 2015 Balance	($62,261)	$12,563	($49,698)
2	Less: 2016 IRM Disposition (EB-2015-0103)	$0	$0	$0
3	Adjustments	$62,261	($12,563)	$49,698
4	**Balance for Disposition**	**$0**	**$0**	**$0**
5	Interest January to December 2016		$0	$0
6	Interest January to April 2017		$0	$0
7	**Total Claim**	**$0**	**$0**	**$0**

9.5.7 ACCOUNT 1568: LRAMVA

This account includes the lost revenue adjustment mechanism ("LRAM") variances in relation to the conservation and demand management ("CDM") programs or activities undertaken by Thunder Bay Hydro in accordance with Board prescribed requirements.

As part of its Incentive Regulation Mechanism ("IRM") 2015 Price Cap IR application for 2016 rates (EB-2015-0103), Thunder Bay Hydro had requested the approval for the recovery of lost revenue and related carrying charges, resulting from its CDM activities pertaining to 2011 persistence, 2012, 2013 and 2014 results, persisting until December 31, 2014. During the IRM process, Board staff inquired and requested supporting evidence on several aspects of the LRAMVA claim, all of which were addressed. Board staff did not find any issue with the LRAMVA as originally submitted by Thunder Bay Hydro.

On March 3, 2016, the Board issued notice that further review of the appropriate approach to calculating any claim for lost revenues as a result of the deployment of Demand Response initiatives, where program results have been verified by the IESO was required. As a result, the generic nature of these issues

required further review outside of the IRM application and Thunder Bay Hydro's proposed lost revenues with corresponding interest was not approved as part of the IRM for 2016 rates. Accordingly, Thunder Bay Hydro did not adjust LRAMVA amounts recorded in its RRR 2.1.7 filing until further direction was provided.

On May 19, 2016 (EB-2016-0182), the Board issued direction regarding LRAMVA, and as a result, an adjustment of $101,877 to principle and $1,755 to carrying charges were made to reflect the Board direction as of December 31, 2015.

For more details regarding LRAMVA, please see Exhibit 4, Section 4.16.

The Board prescribed interest rates are used to calculate the carrying charges and the interest is recorded in a sub-account. Thunder Bay Hydro requests disposition of Account 1568 for the amount of $37,784 as a collection from customers, including interest to April 30, 2017.

TABLE 9-22 : ACCOUNT 1568 DISPOSITION CALCULATION

Line No.	Description	Principle	Interest	Total
1	December 31, 2015 Balance	($65,597)	($782)	($66,379)
2	Less: 2016 IRM Disposition (EB-2015-0103)	$0	$0	$0
3	Adjustments	$101,877	$1,755	$103,631
4	**Balance for Disposition**	**$36,280**	**$972**	**$37,252**
5	Interest January to December 2016		$399	$399
6	Interest January to April 2017		$133	$133
7	**Total Claim**	**$36,280**	**$1,504**	**$37,784**

9.5.8 ACCOUNT 1575: IFRS – CGAAP TRANSITIONAL PP&E AMOUNTS

This account is used to record differences arising as a result of accounting policy changes caused by the transition to IFRS, with the exception of those related to capitalization and depreciation which are captured in Account 1576.

Thunder Bay Hydro has tracked the impact of these changes for 2014 and 2015. In accordance with Board direction, Thunder Bay Hydro has completed Appendix 2-EA for Account 1575 IFRS – CGAAP Transition for PP&E, which can be found in Attachment 9-C of this Exhibit. This schedule reflects the 2016 Bridge Year closing balance forecast, along with the rate of return associated with this application. Thunder Bay Hydro understands that the calculation is to be adjusted once the cost of capital is updated and finalized in the rate application.

Thunder Bay proposes a one year rate rider. The details in this account are as follows:

- IFRS required restatement of the 2014 comparative financial information. A constructive obligation with respect to the future decommissioning of station assets in the amount of $228,306 was recorded as at January 2014;
- The 2014 income statement was restated to remove the amortization of actuarial valuation gains on Future Employee Benefit and such transactions were flowed through Other Comprehensive Income and Retained Earnings. The portion of the gain that related to capital was $42,653;
- Additionally, Thunder Bay Hydro restated 2014 income statement to accrue the non-vested sick leave, $9,428 related to capitalized charges; bringing the total 2014 amount to $280,387.
- The 2016 Bridge Year reflects an additional $256,890 capital related provision for the constructive obligation for the distribution stations bringing Account 1575 to $537,277; and
- Finally, the Return on Rate Base associated with this account is $26,415.

Thunder Bay Hydro confirms that these costs were not adjusted through PP&E and as a result have not been included in the fixed asset continuity schedule (Appendix 2-BA).

Thunder Bay Hydro requests disposition of Account 1575 for the amount of $563,692 as a collection from customers. Thunder Bay Hydro confirms that no carrying charges are included in these amounts nor has been recorded in Account 1575 the rate of return component. Thunder Bay Hydro confirms that it has not used Deferral Account 1575 and variance Account 1576 interchangeably.

TABLE 9-23 : ACCOUNT 1575 IFRS – CGAAP TRANSITION PP&E

Line No.	Description	Principle	Interest	Total
1	December 31, 2015 Balance	$280,386	$0	$280,386
2	Less: 2016 IRM Disposition (EB-2015-0103)	$0	$0	$0
3	Adjustments	$283,306	$0	$283,306
4	**Balance for Disposition**	**$563,692**	**$0**	**$563,692**
5	Interest January to December 2016		$0	$0
6	Interest January to April 2017		$0	$0
7	**Total Claim**	**$563,692**	**$0**	**$563,692**

9.5.9 ACCOUNT 1576: ACCOUNTING CHANGES UNDER CGAAP

On July 17, 2012, the Board issued a letter that provided direction to electricity distributors that had elected to defer the adoption of IFRS and remain on CGAAP. In this letter, the Board gave these distributors the option of implementing IFRS-compliant capitalization and depreciation accounting policies in 2012 (i.e., effective January 1, 2012). The letter also specified that these accounting changes were

mandatory effective January 1, 2013, regardless of whether the Canadian Accounting Standards Board permitted further IFRS adoption deferrals beyond 2013. The Board established Account 1576, Accounting Changes under CGAAP, for distributors to record the financial differences arising from these accounting changes.

Thunder Bay Hydro filed its last Cost of Service Application (EB-2012-0167), on the basis of the above direction from the Board, thus, its capital and depreciation policies were in line with IFRS. Accordingly, deferral Account 1576 was not required. As a result, Thunder Bay Hydro is not required to complete Board Appendix 2-EB and 2-EC.

9.5.10 Account 1592: PILS and HST Variances

Thunder Bay Hydro utilizes two sub accounts for PILS and HST Savings. The following provides details of the amounts requested.

PILS

Thunder Bay Hydro does not have a balance related to PILs for disposition.

HST Savings

The Board directed electricity distributors to record in the deferral account 1592 (PILs and Tax Variances for 2006 and subsequent years, Sub-account HST/OVAT ITCs), beginning July 1, 2010, for the incremental ITCs received on distribution revenue requirement items that were previously subject to PST and became subject to HST. Board policy stated that 50% of the savings are to be shared with the customers.

Thunder Bay Hydro complied with this requirement in its last Cost of Service Application (EB-2012-0167), and refunded back to customers 50% of savings of $92,434, inclusive of interest. In order to supply the EDDVAR model with the correct amounts to be disposed, the contra account information was removed and the amounts that had not been disposed of previous were divided in half. This will assign half of the HST savings to customers, as intended, resulting in the correct requested amount for disposition.

The Board prescribed interest rates are used to calculate the carrying charges and the interest is recorded in a sub-account, as well as the related contra sub-account.

Thunder Bay Hydro requests the remaining 50% of this balance to be refunded to customers of $114,198, inclusive of interest to April 30, 2017.

Thunder Bay Hydro confirms that only 50% of the 1592 principle and interest balance has been recorded in the EDDVAR Continuity Schedule, as shown in Table 9-24 below.

TABLE 9-24 : ACCOUNT 1592 – SUB-ACCOUNT HST SAVINGS

Line No.	Description	Principle	Interest	Total
1	December 31, 2013 Balance	($107,701)	($4,917)	($112,618)
2	Less: 2016 IRM Disposition (EB-2015-0103)	$0	$0	$0
3	Adjustments	$0	$0	$0
4	**Balance for Disposition**	($107,701)	($4,917)	($112,618)
5	Interest May 2013 to December 2016		($1,185)	($1,185)
6	Interest January to April 2017		($395)	($395)
7	**Total Claim**	**($107,701)**	**($6,497)**	**($114,198)**

9.6 ACCOUNT STATUS

9.6.1 NEW ACCOUNTS

Thunder Bay Hydro is not seeking an order to establish any new deferral or variance accounts.

9.6.2 CONTINUATION OF ACCOUNTS

GROUP ONE ACCOUNTS

Thunder Bay Hydro plans to continue to the utilize Group One accounts currently used, as per the APH. The accounts are as follows:

- Account 1551: Smart Metering Entity,
- Account 1580: RSVA Wholesale Market Service (Class A/ Class B),
- Account 1584: RSVA Retail Transmission Network,
- Account 1586: RSVA Retail Transmission Connection,
- Account 1588: RSVA Power,
- Account 1589: RSVA Global Adjustment, and
- Account 1595: Disposition of Regulatory Balances.

GROUP TWO ACCOUNTS

Thunder Bay Hydro plans to continue to the utilize Group Two accounts currently available. The accounts are as follows:

- Account 1508, Subaccount OEB Cost Assessment Variance – Continue to utilize until next Cost of Service, per Board letter February 9, 2016 and April , 2016 and per APH
- Account 1518: RCVA Retail – Continue to utilize per APH
- Account 1548: RCVA STR – Continue to utilize per APH
- Account 1568: LRAMVA – Continue to utilize per APH

9.6.3 DISCONTINUATION OF ACCOUNTS

Thunder Bay Hydro proposed the discontinuation of the following accounts:

- Account 1508, Subaccount One Time IFRS Transition Costs – Upon disposition this sub-account will no longer be required
- Account 1532: GEA – Renewable Connection OM&A Deferral – Upon disposition this account will no longer be required
- Account 1533: GEA – Renewable Generation Connection Funding Adder – Account has been adjusted in 2016 and is not required

- Account 1555: Smart Meter Capital and Recovery Offset – Account has been adjusted in 2016 and is not required.
- Account 1575: IFRS – CGAAP Transitional PP&E Amounts- Upon disposition this account will no longer be required.
- Account 1592: HST Savings – upon disposition this account will no longer be required.

9.7 CALCULATION OF RATE RIDERS

9.7.1 BILLING DETERMINANTS USED

For the calculation of proposed rate riders, Thunder Bay Hydro has utilized the billing determinants arising from the 2017 Load Forecast inclusive of CDM Adjustments, as presented in Table 9-25 below. For more details regarding the 2017 Load Forecast and billing determinants please see Exhibit 3.

TABLE 9-25 : TOTAL BILLING DETERMINANTS

Line No	Rate Class	Customer/ Connections	Total kWh	Total kW
1	Residential	45,489	336,152,125	-
2	General Service <50 kW	4,674	140,123,695	-
3	General Service > 50 kW to 999 kW	467	264,244,674	660,386
4	General Service 1000 kW to 4999 kW	21	133,371,195	378,529
5	Large User	1	36,734,784	74,268
6	Unmetered Scattered Load	451	2,203,935	-
7	Sentinel Lights	171	112,765	308
8	Street Lighting	13,250	8,166,036	23,236
9	**Total**	**64,524**	**921,109,210**	**1,136,726**

In Section 3.2.3 of the Board's Filing Requirements it is stated that

- "… distributors must establish separate rate riders to recover the balances in the RSVAs from Market Participants ("MPs") who must not be allocated the RSVA account balances related to charges for which the MPs settle directly with the IESO"; and,

- "Distributors who serve Class A customers per O. Reg 429/04 (i.e. customers greater than 5 MW) must propose an appropriate allocation for the recovery of the global adjustment variance balance based on their settlement process with the IESO."

As of December 31, 2015, the Thunder Bay Hydro customer's affected by these requirements is described as follows:

- No market participants settle directing with the IESO, therefore, no separate rate riders to recover Retail Settlement Variance Accounts ("RSVA"'s) is required, and
- One Class A customer will reside in the Large Use rate class effective with this Application.

As of July 1, 2016, Thunder Bay Hydro notes the Large Use customer has opted to remain as a Class A customer. Since the DVA balances proposed for disposition relate to variances created prior to December 31, 2015, Thunder Bay Hydro proposes the rate riders be applicable to the customers who contributed to those variances. In this case, this customer was a Class A customer before December 31,

2015, and as described below, they did not contribute to the variance in account 1589, and thus there is no requirement to dispose of variances created prior to December 31, 2015.

For Class A customers, Thunder Bay Hydro settles the GA based on the actual GA rate. In contrast, for Class B Non-RPP customers, Thunder Bay Hydro settles GA based on the First Estimate GA rate. Accordingly, Thunder Bay Hydro's Class A customer has not and will not contribute to the creation of Account 1589 variances and should be excluded from its disposition.

Thunder Bay Hydro does not have an Embedded Distributor rate, thus, is not included in its calculations. As discussed above, Thunder Bay Hydro does not have market participants who settle directly with the IESO, as such, no separate rate riders to recover balances are required.

CLASS A CUSTOMERS

As noted above, as of December 31, 2015, Thunder Bay Hydro has one Class A customer who is excluded from any GA variance account disposition. As there is only one Class A customer, there is no residual GA variance balances that have accrued prior to the customer being classified as a Class A customer. As mentioned previously, Thunder Bay Hydro settles GA with Class A customers on a monthly basis and on the basis of actual cost. As a result, the Class A customer does not contribute to the balance in RSVA 1589 GA for the period they were a Class A customer. The RSVA 1589 GA balance has been allocated to the remaining Non-RPP customers based on the total Non-RPP consumption per class, excluding Class A customers. The table below summarizes the applicable Class A billing determinants below.

TABLE 9-26: 2017 CLASS "A" BILLING DETERMINANTS

Line No	Rate Class	Customer/ Connections	Total kWh	Total kW
1	Residential			
2	General Service <50 kW			
3	General Service > 50 kW to 999 kW			
4	General Service 1000 kW to 4999 kW			
5	Large User	1	36,734,784	74,268
6	Unmetered Scattered Load			
7	Sentinel Lights			
8	Street Lighting			
9	**Total**	**1**	**36,734,784**	**74,268**

NON – RPP BILLING DETERMINANTS

To develop the 2017 Non-RPP billing determinants to be applied to the calculation of the proposed GA rate riders, Thunder Bay Hydro first calculated the relationship by rate class of the 2015 Non-RPP results as a percentage of the 2015 actual total by rate class for each the kWh consumption and the kW demand. Thunder Bay Hydro then applied the rate class specific percentage to the 2017 Load Forecast results presented in Table 9-27 below.

TABLE 9-27: 2017 NON- RPP BILLING DETERMINANTS

Line No	Rate Class	Percent of 2015 kWh	2017 Non-RPP kWh	Percent of 2015 kW	2017 Non-RPP kW
1	Residential	3.47%	11,679,411	-	-
2	General Service <50 kW	16.43%	23,023,713	-	-
3	General Service > 50 kW to 999 kW	83.74%	221,273,288	83.74%	552,994
4	General Service 1000 kW to 4999 kW	100.00%	133,371,198	100.00%	378,529
5	Large User	100.00%	36,734,784	100.00%	74,268
6	Unmetered Scattered Load	17.41%	383,685	-	-
7	Sentinel Lights	0.00%	0	0.00%	-
8	Street Lighting	99.37%	8,114,545	99.37%	23,089
9	**Total**		**434,580,625**		**1,028,880**

BILLING DETERMINANTS USED TO DEVELOP RATE RIDERS

The final billing determinants used to calculate the proposed disposition rate riders are presented in Table 9-28 below.

TABLE 9-28: 2017 DETAILED LOAD FORECAST BILLING DETERMINANTS FOR DISPOSITION CALCULATIONS

Line No	Rate Class	Customer/ Connections	Total kWh	Total kW	Non-RPP kWh	Non-RPP kW
1	Residential	45,489	336,152,125	-	11,679,411	-
2	General Service <50 kW	4,674	140,123,695	-	23,023,713	-
3	General Service > 50 kW to 999 kW	467	264,244,674	660,386	221,273,288	552,994
4	General Service 1000 kW to 4999 kW	21	133,371,195	378,529	133,371,198	378,529
5	Large User	1	36,734,784	74,268	36,734,784	74,268
6	Unmetered Scattered Load	451	2,203,935	-	383,685	-
7	Sentinel Lights	171	112,765	308	-	-
8	Street Lighting	13,250	8,166,036	23,236	8,114,545	23,089
9	**Total**	**64,524**	**921,109,210**	**1,136,726**	**434,580,625**	**1,028,880**
	Total Excluding Class A	64,523	884,374,425	1,062,458	397,845,840	954,612

9.7.2 PROPOSED RATE RIDERS

Thunder Bay Hydro is proposing that all rate riders be disposed of within a one year period. `Consistent with the EDDVAR model provided by the Board, Thunder Bay Hydro has calculated the following rate riders:

- Group One Deferral Disposition,
- Group Two Deferral Disposition,
- Account 1568 - LRAMVA Deferral Disposition, and
- Account 1575 – GCAAP to IFRS Transitional PP&E Disposition

Each calculation and results will be discussed in the sections below. Balances have been allocated by kWh\kW as appropriate by class. Thunder Bay Hydro has combined group 1 and group 2 rate rider on the proposed tariff sheet.

GROUP ONE RATE RIDERS

- Account 1551 – allocated based on total kWh, Residential and GS<50 kWh
- Account 1580 – allocated based on total kWh,
- Account 1584 – allocated based on total kWh,
- Account 1586 – allocated based on total kWh,
- Account 1588 – allocated based on total kWh,
- Account 1589 – allocated based on total kWh, excluding Class A customers, and
- Account 1595 – allocated based on the allocation from the original rate rider calculation.

Thunder Bay Hydro proposes to dispose of the balances over one year commencing on May 1, 2017. Table 9-29 below shows the proposed rate riders by rate class for the above noted dispositions.

TABLE 9-29: PROPOSED GROUP ONE RATE RIDERS

Line No	Rate Class	Billing Unit	Group One Disp Total $	Group One Rate Rider	Billing Unit	Non-RPP, Excl Class A	Non-RPP Rate Rider
1	Residential	kWh	($791,732)	($0.0024)	kWh	$27,379	$0.0023
2	General Service <50 kW	kWh	($329,202)	($0.0023)	kWh	$53,972	$0.0023
3	General Service > 50 kW to 999 kW	kW	($620,712)	($0.9399)	kWh	$518,712	$0.0023
4	General Service 1000 kW to 4999 kW	kW	($303,892)	($0.8028)	kWh	$312,650	$0.0023
5	Large User	kW	($96,391)	($1.2979)	kWh		
6	Unmetered Scattered Load	kWh	($5,166)	($0.0023)	kWh	$899	$0.0023
7	Sentinel Lights	kW	($262)	($0.8512)	kWh		
8	Street Lighting	kW	($19,123)	($0.6746)	kWh	$19,022	$0.0023
9	**Total**		**($2,166,480)**			**$932,635**	

GROUP TWO RATE RIDERS

Thunder Bay Hydro has calculated a single rate rider for the disposition of the Group Two accounts which includes the following accounts and basis of allocation:

- Account 1508 balance relating to one-time IFRS transition costs - allocated based on total kWh,
- Account 1518 – allocated based on total kWh,
- Account 1532 – allocated based on total kWh,
- Account 1533 – allocated based on total kWh,
- Account 1548 – allocated based on total kWh, and
- Account 1592 – allocated based on total kWh

Consistent with the Filing Requirements, Thunder Bay Hydro has calculated the Residential rate rider as a monthly fixed charge rather than the traditional volumetric charge. The remaining balances have been allocated by kWh/kW as appropriate. Thunder Bay Hydro proposes these balances be disposed over a one year period beginning May 1, 2017. Table 9-30 presents the proposed Group Two disposition rate riders.

TABLE 9-30: PROPOSED GROUP TWO RATE RIDERS

Line No	Rate Class	Billing Unit	Group Two Disp Total $	Group Two Rate Rider
1	Residential	Customer	$127,688	$0.2339
2	General Service <50 kW	kWh	$53,226	$0.0004
3	General Service > 50 kW to 999 kW	kW	$100,374	$0.1520
4	General Service 1000 kW to 4999 kW	kW	$50,661	$0.1338
5	Large User	kW	$13,954	$0.1879
6	Unmetered Scattered Load	kWh	$837	$0.0004
7	Sentinel Lights	kW	$43	$0.1392
8	Street Lighting	kW	$3,102	$0.1335
9	**Total**		**$349,884**	

1568 - LRAM RATE RIDER

Consistent with the Filing Requirements, Thunder Bay Hydro has calculated the Residential rate rider as a monthly fixed charge rather than the traditional volumetric charge. The remaining balances have been allocated by kWh/kW as appropriate. These balances have been allocated to the rate classes as identified in the reports provided in Exhibit 4, Attachments 4-W and 4-X) and is consistent with information provided in Exhibit 4, section 4.13. Thunder Bay Hydro proposes to dispose of these balances over one year period beginning May 1, 2017. Table 9-31 below presents the proposed rate riders by rate class.

TABLE 9-31: PROPOSED LRAMVA RATE RIDERS

Line No	Rate Class	Billing Unit	LRAMVA Disp Total $	LRAMVA Rate Rider
1	Residential	kWh	($36,254)	($0.0001)
2	General Service <50 kW	kWh	$72,418	$0.0005
3	General Service > 50 kW to 999 kW	kW	$12,508	$0.0189
4	General Service 1000 kW to 4999 kW	kW	($5,297)	($0.0140)
5	Large User	kW	($714)	($0.0096)
6	Unmetered Scattered Load	kWh	($691)	($0.0003)
7	Sentinel Lights	kW	($55)	($0.1776)
8	Street Lighting	kW	($4,131)	($0.1778)
9	**Total**		**$37,784**	

1575 - CGAAP TO IFRS PP&E RATE RIDER

Consistent with the Filing Requirements, Thunder Bay Hydro has calculated the Residential rate rider as a monthly fixed charge rather than the traditional volumetric charge. The remaining balances have been

allocated by kWh/kW as appropriate. Thunder Bay Hydro proposes to dispose of these balances over a one year period beginning May 1, 2017. Table 9-32 below presents the proposed rate riders by rate class.

TABLE 9-32: PROPOSED ACCOUNTING CHANGES RATE RIDERS

Line No	Rate Class	Billing Unit	IFRS-GAAP Disp Total $	IRFS-GAAP Rate Rider
1	Residential	Customer	$205,715	$0.3769
2	General Service <50 kW	kWh	$85,752	$0.0006
3	General Service > 50 kW to 999 kW	kW	$161,710	$0.2449
4	General Service 1000 kW to 4999 kW	kW	$81,619	$0.2156
5	Large User	kW	$22,481	$0.3027
6	Unmetered Scattered Load	kWh	$1,349	$0.0006
7	Sentinel Lights	kW	$69	$0.2243
8	Street Lighting	kW	$4,997	$0.2151
9	**Total**		**$563,692**	

9.8 IESO SETTLEMENT PROCESS

9.8.1 GLOBAL ADJUSTMENT

On a monthly basis, Thunder Bay Hydro must settle with the IESO for GA. GA is applicable to all provincial customers who pay the Hourly Ontario Energy Price ("HOEP"), or have signed a retail contract, and accounts for the differences between the market price and the rates paid to regulated and contracted generators and for CDM programs.

The GA varies from month to month, responding to changes in both the HOEP and contract terms. Generally speaking, when the HOEP is lower, then the GA is higher in order to cover the additional costs.

Thunder Bay Hydro confirms that the GA charge is pro-rated into RPP and non-RPP.

9.8.2 CLASS A CUSTOMERS

Class A customers were traditionally defined as customers with a peak demand of 5 MW or more. However, on July 1, 2015, Class A eligibility was expanded under a new conservation initiative to allow customers with a peak demand greater than 3 MW but less than or equal to 5 MW to opt into this category. Conversely, customers with a peak demand of 5 MW or more may opt into Class B.

The GA for Class A customers is based on their percentage contribution to the top five peak Ontario demand hours. Hence, it encourages users to shift their energy use away from system-wide peaks. The IESO monthly GA Class A charges are passed on directly to each Class A customer. Accordingly, Thunder Bay Hydro's Class A customer does not contribute to Account 1589 variances and are excluded from disposition calculation.

As of July 1, 2016, Thunder Bay Hydro had one Class A customer in the GS>1000 rate class. This customer has been classified into the Large User class for the 2017 Test Year. Thunder Bay Hydro's peak demand factor for the July 1, 2015 to June 30, 2016 period was 0.00019637 and for the July 1, 2016 to June 30, 2017 period is 0.00015929.

9.8.3 CLASS B CUSTOMERS

Class B customers include: (a) customers with a peak demand below 5MW (or who have opted into this category) and (b) residential and business customers who have retail contract for electricity. As of December 31, 2015, the majority of Thunder Bay Hydro's large volume customers were included in Class B.

For Class B customers, the IESO provides three variations of the GA, which can be used by distributors to bill customers. These variations are described as follows:

1ST ESTIMATE VARIATION

The 1st Estimate for a given month comprises three components - an estimate of the GA costs based on the previous month, an estimate of Ontario demand for the given month, and a true up accounting for the difference between the previous month's 1st Estimate and the actual rate.
The 1st Estimate for the upcoming month is published on the last business day of the preceding month. For example, the 1st Estimate for April is published at the end of March.

Thunder Bay Hydro currently bills all Class B customers using the 1st Estimate Variation, including Residential, GS < 50kW, GS > 50kW, GS> 50-999, GS >1000kW, Unmetered Scattered Load, Sentinel Light and Street Light customers.

2ND ESTIMATE VARIATION

The 2nd Estimate is a separate calculation based on actual GA costs and demand information available at the time it is published, an estimate for GA and demand for the remaining days of the month, and a true up accounting for the difference between the previous month's 2nd Estimate and the actual rate.

The 2nd Estimate for a given month is published on the last business day of that month. For example, the 2nd Estimate for April is published at the end of April.

Thunder Bay Hydro currently does not bill any Class B using the 2nd Estimate Variation. This is due to the fact that Thunder Bay Hydro does not wish to create inequities within rate classes related to the GA variances accumulating in GA account 1589. Since Thunder Bay Hydro has ongoing monthly billing cycles, some customers within each rate class are billed based on a period which ends prior to the availability of the IESO's 2nd Estimate. Thus, by using only the 1st estimate, Thunder Bay Hydro ensures that all customers within a rate class contribute equally to the GA variance accumulating in account 1589. This ensures an equitable disposition of the 1589 variance account to all rate classes.

ACTUAL VARIATION

The Actual rate, based on actual electricity demand and GA costs, is published on the tenth business day of each month. For example, the Actual rate for April is published on the tenth business day of May.

9.8.4 IESO REPORTING PROCESS

Thunder Bay Hydro settles with the IESO for the estimated difference between spot and RPP pricing, for RPP customers within four business days of month end.

Conventional meters (Designated customers on Tier1\2 pricing) – Total estimated consumption (kWh) is determined by multiplying the current number of active customers (excluding those with retailers) by same month of the previous year's average consumption for that group. This estimated consumption is then split between Tier 1 and Tier 2 pricing based on historical trending.

Time of use meters - Total estimated consumption (kWh) is determined by multiplying the current number of active customers (excluding those with retailers) by same month of the previous year's average consumption for that group. This estimated consumption is then split between on-peak, off-peak and mid-peak, based on historical trending.

Total RPP consumption is then calculated by adding the consumption of customers on conventional meters to the time of use customer consumption.

Thunder Bay Hydro notes that its process for providing consumption (kWh) estimates to the IESO contains some inherent assumptions, in part due to data timing and data limitations. Thunder Bay Hydro performs quarterly true-ups to provide timely adjustments for any variances from the initial estimates.

Thunder Bay Hydro has completed the IESO RPP Self-Certification process, as required by all distributors. This documentation was submitted to the IESO by the March 31, 2016 due date.

Thunder Bay Hydro uses the IESO reconciliation as the basis for its quarterly accounting accrual journal entries and subsequently reverses these accruals and records the actual IESO invoice when it is received.

THE TRUE-UP PROCESS

As described above, Thunder Bay Hydro reconciles the estimates of RPP and Non-RPP consumption to actuals on a quarterly basis.

The total volume is determined by taking the actual kWh volume purchased from the IESO plus any embedded generation volume and less any Class A volume, to determine the total actual volume to be split between RPP and Non-RPP. An IT system query is run, which identifies monthly consumption for Non-RPP customers, with the difference being RPP volume.

The RPP volume is multiplied by the actual GA rate to determine the GA allocated to RPP customers and is netted against the estimate that was either paid to or received from the IESO on a monthly basis. This difference is then settled with the IESO on a quarterly basis.

Embedded generation is taken into consideration with determining the total power purchases for the month.

ATTACHMENT 9 – A

Thunder Bay Hydro's

EDDVAR Disposition Model

Ontario Energy Board

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 significant).

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	$0	$0	$0	$0	$0	$0	$0		$0.00	$0	$0
Smart Metering Entity Charge Variance Account	1551	$749	$56	-$5,139	-$41	-$57	-$19	-$116		-$5,255.74	($4,375)	$0
RSVA - Wholesale Market Service Charge[10]	1580	-$187,524	-$814	-$2,074,311	-$10,983	-$22,817	-$7,606	-$41,386		-$2,115,697.12	($2,029,307)	$244,305
Variance WMS – Sub-account CBR Class A[10]	1580			$6,168	$19	$68	$23	$109	☐	$0.00	$0	-$6,186
Variance WMS – Sub-account CBR Class B[10]	1580			$237,369	$749	$2,611	$870	$4,230	☑	$241,599.41	$0	-$238,118
RSVA - Retail Transmission Network Charge	1584	-$239,969	-$5,506	-$212,608	-$1,090	-$2,339	-$780	-$4,208		-$216,815.92	($459,173)	$0
RSVA - Retail Transmission Connection Charge	1586	-$429,963	-$9,957	-$221,402	-$2,986	-$2,435	-$812	-$6,233		-$227,635.07	($664,308)	$0
RSVA - Power (excluding Global Adjustment)	1588	-$187,964	-$29,541	$106,684	-$2,273	$1,174	$391	-$708		$105,975.95	($113,094)	$0
RSVA - Global Adjustment	1589	$1,591,357	$41,420	$925,820	-$6,763	$10,184	$3,395	$6,816		$932,635.29	$2,551,834	$0
Disposition and Recovery/Refund of Regulatory Balances (2009)[8]	1595	$5	-$4	$0	$1	$0	$0	$1	☑	$0.87	$2	$0
Disposition and Recovery/Refund of Regulatory Balances (2010)[8]	1595	$4	-$3	$0	$1	$0	$0	$1	☑	$1.00	$2	$0
Disposition and Recovery/Refund of Regulatory Balances (2011)[8]	1595	-$34	$643	$0	$11	$0	$0	$11	☑	$11.00	$620	$0
Disposition and Recovery/Refund of Regulatory Balances (2012)[8]	1595	$192,604	-$186,369	$0	-$729	$0	$0	-$729	☑	-$729.00	$5,506	$0
Disposition and Recovery/Refund of Regulatory Balances (2013)[8]	1595	$345,701	-$232,162	-$130	-$1,272	-$1	-$0	-$1,274	☑	-$1,403.91	$112,137	$0
Disposition and Recovery/Refund of Regulatory Balances (2014)[8]	1595	$0	$0	$92,576	-$40,485	$1,018	$339	-$39,107	☑	$53,468.78	$52,111	$0
Disposition and Recovery/Refund of Regulatory Balances (2015)[8]	1595	$0	$0	-$1,023,130	-$127,971	-$11,254	-$3,751	-$142,977	☐	$0.00	($1,151,101)	$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)		$1,084,966	-$422,237	-$2,168,104	-$193,772	-$23,849	-$7,950	-$225,571		-$1,233,844.45	-$1,699,146	$0
Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)		-$506,391	-$463,657	-$3,093,923	-$187,009	-$34,033	-$11,344	-$232,386		-$2,166,479.73	-$4,250,980	$0
RSVA - Global Adjustment	**1589**	$1,591,357	$41,420	$925,820	-$6,763	$10,184	$3,395	$6,816		$932,635.29	$2,551,834	$0

Ontario Energy Board

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 significant).

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. ☑

Account Descriptions	Account Number	2016 Principal Disposition during 2016 - instructed by OEB	2016 Interest Disposition during 2016 - instructed by OEB	2016 Closing Principal Balances as of Dec 31-15 Adjusted for Dispositions during 2016	2016 Closing Interest Balances as of Dec 31-15 Adjusted for Dispositions during 2016	Projected Interest on Dec-31-15 Balances: Projected Interest from Jan 1, 2016 to December 31, 2016 on Dec 31 -15 balance adjusted for disposition during 2016 [7]	Projected Interest on Dec-31-15 Balances: 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		2.1.7 RRR As of Dec 31-15	Variance RRR vs. 2015 Balance (Principal + Interest)
Group 2 Accounts												
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	$0	$0	$121,162	$5,904	$1,333	$444	$7,681		$128,843.04	$127,066	$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 [8]	1508			$0	$0			$0		$0.00		$0
Other Regulatory Assets - Sub-Account - Other [4]	1508			$0	$0			$0	☑ Check to Dispose of Account	$0.00		$0
Retail Cost Variance Account - Retail	1518	$0	$0	$229,308	$6,149	$2,522	$841	$9,512		$238,820.16	$235,457	$0
Misc. Deferred Debits	1525			$0	$0			$0	☑ Check to Dispose of Account	$0.00		$0
Retail Cost Variance Account - STR	1548	$0	$0	$80,196	$2,494	$882	$294	$3,670		$83,865.20	$82,689	$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
Other Deferred Credits	2425			$0	$0			$0	☑ Check to Dispose of Account	$0.00		$0
Group 2 Sub-Total		$0	$0	$430,666	$14,547	$4,737	$1,579	$20,863		$451,528.43	$445,212	$0
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592			$0	$0			$0		$0.00	$0	$0
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592			-$107,701	-$4,917	-$1,185	-$395	-$5,497		-$114,197.61	$0	$112,618
Total of Group 1 and Group 2 Accounts (including 1592)		$1,084,966	-$422,237	-$1,845,139	-$184,142	-$20,297	-$6,766	-$211,204		-$896,513.63	-$1,253,934	$112,618
LRAM Variance Account [10]	1568			$36,279	$973	$399	$133	$1,505		$37,784.09	-$66,379	-$103,631
Total including Account 1568		$1,084,966	-$422,237	-$1,808,860	-$183,169	-$19,897	-$6,632	-$209,699		-$858,729.54	-$1,320,313	$8,987
Renewable Generation Connection Capital Deferral Account [5]	1531			$0	$0			$0		$0.00		$0
Renewable Generation Connection OM&A Deferral Account [5]	1532			$12,074	$302	$133	$44	$479		$12,553.44	$12,376	$0
Renewable Generation Connection Funding Adder Deferral Account	1533			$0	$0			$0		$0.00	-$48,782	-$48,782
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 [6]	1555			$0	$0			$0		$0.00		$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries [9]	1555			$0	$0			$0		$0.00		$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs [7]	1555			$1	-$1			-$1		$0.00	-$49,698	-$49,698
Smart Meter OM&A Variance [9]	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 [8]	1575			$563,692					☑ Check to Dispose of Account	$563,692.00	-$24,939	-$588,631
Accounting Changes Under CGAAP Balance + Return Component [8]	1576			$0					☐ Check to Dispose of Account	$0.00	$0	$0

ATTACHMENT 9 – B

One Time Incremental

IFRS Transition Costs

Board Appendix 2-YA

File Numbe	EB-2016-0105
Exhibit:	9
Tab:	
Attachment	9-B
Page:	
Date:	09-Sep-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 2009**	**Audited Actual Costs Incurred 2010**	**Audited Actual Costs Incurred 2011**	**Audited Actual Costs Incurred 2012**	**Audited Actual Costs Incurred 2013**	**Audited Actual Costs Incurred 2014**	**Audited Actual Costs Incurred 2015**	**Audited Carrying Charges To Dec 31, 2015**	**Forecasted Costs 2016**	**Forecasted Costs 2017 [3]**	**Carrying Charges Jan 1, 2016 to Dec 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	$0	$0	$7,774	$28,875	$12,000	$0	$1,805	$0	$0	$0	$0	$50,454	IFRS Consulting
Professional legal fees	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	No incremental legal fees incurred
Salaries, wages and benefits of staff added to support the	$0	$0	$12,386	$11,728	$2,534	$0	$0	$0	$0	$0	$0	$26,649	Incremental staff to support project activities
Associated staff training and development costs	$5,640	$2,598	$23,175	$1,808	$1,349	$0	$6,400	$0	$0	$0	$0	$40,971	IFRS training seminars, conferences, with related travel
Costs related to system upgrades,	$0	$0	$624	$325	$2,140	$0	$0	$0	$0	$0	$0	$3,089	Incremental IT system costs
Amounts, if any, included in	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	
Carrying Charges	$0	$0	$0	$0	$0	$0	$0	$5,903	$0	$0	$0	$5,903	
Total	$5,640	$2,598	$43,959	$42,737	$18,023		$8,205	$5,903		$0	$0	$127,066	

Note:

1 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,

2 If there were any amounts approved in previous Board approved rates, please

3 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.

ATTACHMENT 9 – C

IFRS-CGAAP Transitional PP&E Amounts

Account 1575

Board Appendix 2-EA

File Number:	B-2016-0105
Exhibit:	9
Tab:	
Attachment:	9-C
Page:	
Date:	09-Sep-16

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** CGAAP Forecast	**2014** CGAAP Actual	**2015** CGAAP Actual	**2016 Bridge Year** MIFRS Forecast	**2017 Rebasing Year** MIFRS Forecast
			$	$	
PP&E Values under CGAAP					
Opening net PP&E - Note 1		$84,209,458	$89,238,952	$95,608,984	
Net Additions - Note 4		$6,908,174	$7,990,672	$8,776,791	
Net Depreciation (amounts should be negative) - Note 4		($1,878,680)	($1,620,640)	($1,932,153)	
Closing net PP&E (1)		$89,238,952	$95,608,984	$102,453,622	
PP&E Values under MIFRS (Starts from 2014, the transition year)					
Opening net PP&E - Note 1		$84,209,458	$89,519,339	$95,889,371	
Net Additions - Note 4		$7,188,561	$7,990,672	$9,033,681	
Net Depreciation (amounts should be negative) - Note 4		($1,878,680)	($1,620,640)	($1,932,153)	
Closing net PP&E (2)		$89,519,339	$95,889,371	$102,990,899	
Difference in Closing net PP&E, former CGAAP vs. revised CGAAP		($280,387)	($280,387)	($537,277)	

Effect on Deferral and Variance Account Rate Riders		
Closing balance in Account 1576	-	537,277
Return on Rate Base Associated with Account 1576 balance at WACC - Note 2	-	26,415
Amount included in Deferral and Variance Account Rate Rider Calculation	-	563,692

WACC	4.92%
# of years of rate rider disposition period	1

Notes:

1 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.

2 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.

3 The PP&E deferral account is cleared by including the total balance in the deferral and variance account rate rider calculation.

4 Net additions are additions net of disposals; Net depreciation is additions to depreciation net of disposals.