

EXHIBIT 9:  
DEFERRAL AND VARIANCE ACCOUNTS  
EB-2016-0056

**Table of Contents**

2.9	Deferral and Variance Accounts: OVERVIEW .....	2
2.9.1	One-Time Incremental IFRS Costs 1508 .....	8
2.9.2	Account 1575, IFRS-CGAAP Transitional PP&E Amounts .....	9
2.9.3	Account 1576, Account Changes Under CGAAP .....	9
2.9.4	Retail Service Charges.....	9
	1518 - Retail Cost Variance Account – Retail.....	9
	1548 - Retail Cost Variance Account – STR .....	10
2.9.5	Disposition of Deferral and Variance Accounts .....	10
	1508 – IFRS Transition Costs.....	11
	1518 Retail Cost Variance Account – Retail .....	12
	1548 Retail Cost Variance Account – STR .....	12
	1555 Smart Meters Stranded meter sub account.....	13
	1568 - LRAM Variance Account.....	14
	1580 – RSVA - Wholesale Market Service Charge (WMS) .....	14
	1584 – RSVA – Retail Transmission Network Charge .....	14
	1586 – RSVA – Transformation Connection Charge .....	14
	1588 RSVA – Power (excluding Global Adjustment).....	15
	1589 RSVA – Global Adjustment .....	15
2.9.5.1	Global Adjustment (GA) USoA 1589.....	18
2.9.6	Establishment of New Deferral and Variance Accounts .....	19
	Appendix A.....	20
	Appendix B .....	21
	Appendix C .....	31

## 2.9 Deferral and Variance Accounts: OVERVIEW

The information contained in this exhibit includes the status and description of Atikokan Hydro's Inc. (Atikokan) deferral and variance accounts and the proposed disposition plan of the account balances. Atikokan has completed the 2017 DVA continuity schedule Version 2.7 and a live Excel format of the schedule will be filed as part of this application.

Atikokan is requesting approval for disposition of Group 1, Group 2 and Other Deferral and Variance accounts balances as of December 31, 2015 and proposed interest for 2016 and January to April 30, 2017. Included in our request is for the residual balance Sub-account 1555 Stranded Meters to be addressed in this application. Recovery over a one year period.

Accounts 1595 sub accounts (2012) and (2015) and 1592 rate riders have not expired as at December 31, 2015. The sunset date is April 30, 2016 and beyond.

Atikokan has an unconventional request for recovery USoA 1508 IFRS Transitional Costs. This is explained in detail in section 2.9.3 of this exhibit.

Atikokan is requesting new sub-accounts in 1595 Recovery/Refunds for Principal and Interest sub accounts for each disposal upon approval.

- Disposition and Recovery/Refund of Regulatory Balances, RSVA Accounts 1584, 1586, Sub-account Balances Approved in 2017- [\$4,405].*
- Disposition and Recovery/Refund of Regulatory Balances, RSVA Accounts 1580 (Wholesale Market Charges) and 1588 (Power) Sub-account Carrying Charges Approved in 2017 [-\$99,330]*
- Disposition and Recovery/Refund of Regulatory Balances, RSVA Account 1589 (Global Adjustment) Sub-account Recoveries Approved in 2017- [\$46,066]*
- Disposition and Recovery/Refund of Regulatory Balances, RSVA Group 2 1508, 1518, 1548, and 1555 Sub-account Balances Approved in 2017. – [\$80,506].*
- Disposition and Recovery/Refund of Regulatory Balances, Account 1568 LRAM Rate Rider in Approved in 2017 – [\$7,264]*

1 Atikokan has listed balances for all outstanding deferral and variance accounts and sub-accounts  
2 as at December 31, 2015. There has been no deviation from the Account Procedures Handbook  
3 (APH). A copy of the completed 2017\_DVA is found in Appendix B.

4  
5 Atikokan addresses two balance variances from RRR Trial Balance 2.1.7 December 31, 2015  
6 under each appropriate USoA account, shown in Table 9.1 – 2.1.7 RRR Balances.

7  
8 The method Atikokan addresses Global Adjustment is in section 2.9.7.1. Atikokan confirms it pro-  
9 rates the IESO Global Adjustment Charge into RPP and non-RPP portions.

10  
11 Atikokan is requesting permission to update the LRAMVA amount as presented in the LRMAVA  
12 work form.

13  
14 Atikokan confirms our Power sales and Purchases agree with our audited Financial Statements  
15 December 31, 2015 in Table 9-4.

**Table 9-1 - 2.1.7 RRR Balances**

2.1.7 RRR Balances		As of Dec 31, 2015	Variance
			RRR vs 2015 Balance <i>Principal &amp; Interest</i>
Smart Metering Entity Charge Variance Account	1551	\$ 1,162	\$ -
RSVA - Wholesale Market Service Charge <sup>10</sup>	1580	-\$ 63,044	\$ -
RSVA - Retail Transmission Network Charge	1584	\$ 15,632	\$ -
RSVA - Retail Transmission Connection Charge	1586	\$ 18,407	\$ -
RSVA - Power (excluding Global Adjustment)	1588	-\$ 48,182	\$ -
RSVA - Global Adjustment	1589	\$ 102,398	\$ -
Disposition and Recovery/Refund of Regulatory Balances (2012) <sup>8</sup>	1595	\$ 10,228	\$ -
Disposition and Recovery/Refund of Regulatory Balances (2015) <sup>8</sup>	1595	-\$ 35,788	\$ -
RSVA - Global Adjustment	1589	\$ 102,398	\$ -
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition	1508	\$ 37,908	-\$ 19,289
Retail Cost Variance Account - Retail	1518	\$ 12,601	\$ -
Retail Cost Variance Account - STR	1548	\$ 9,287	\$ -
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592	-\$ 7,835	\$ -
LRAM Variance Account <sup>12</sup>	1568	\$ 1,507	-\$ 5,653
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs <sup>5</sup>	1555	\$ 576	\$ -

Atikokan applies interest monthly on the opening principal balance. Interest rates applied are 'Prescribed Rates' as per Ontario Energy Board which the board updates quarterly. Interest rates from January 2012 to March 2015 1.47%, April 2015 to present 1.10% are disclosed below. (Table 9-2) Atikokan has applied these interest rates to calculate the carrying charges for each regulatory deferral and variance account. Interest is accordingly applied monthly on opening principal balance as described in the APH.

**Table 9-2 Approved OEB Interest Rates**

<b>Quarter by Year</b>	<b>Deferral Accounts</b>	<b>CWIP</b>
<b>Q3 2016</b>	<b>1.1</b>	<b>2.92</b>
Q2 2016	1.1	2.92
Q1 2016	1.1	2.92
Q4 2015	1.1	2.55
Q3 2015	1.1	2.55
Q2 2015	1.1	2.28
Q1 2015	1.47	2.89
Q4 2014	1.47	3.17
Q3 2014	1.47	3.17
Q2 2014	1.47	3.17
Q1 2014	1.47	3.7
Q4 2013	1.47	3.7
Q3 2013	1.47	3.23
Q2 2013	1.47	3.23
Q1 2013	1.47	3.23
Q4 2012	1.47	3.23
Q3 2012	1.47	3.51
Q2 2012	1.47	3.51
Q1 2012	1.47	3.92

Atikokan is not requesting disposition on residual balances in USoA 1595 sub-accounts as the Rate Riders were not in a sunset position December 31, 2015.

Atikokan has created Table 9.3 summarizing Group 2 Accounts showing the available Board approved USoA accounts stating which accounts are in use or discontinued. Atikokan requests the continuation of RSVA 1518 and RSVA 1548 until further direction from the Board. Other Regulatory Assets, specifically, sub account 1508 will be closed upon disposal of Deferred IFRS Transition Costs.

Atikokan has not made any adjustments to deferral and variance account balances that were previously approved by the OEB on a final basis in both cost of service and IRM proceedings. All entries have been approved by the OEB. Atikokan's last IRM proceeding was for May 1, 2016 effective rates; EB-2015-0052.

**Table 9.3 Group 2 Accounts**

Group 2 USoAccounts		In Use	Discontinued
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	In Use	
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508		Discontinued
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act <sup>3</sup>	1508		Discontinued
Other Regulatory Assets - Sub-Account - Other <sup>4</sup>	1508		Discontinued
Retail Cost Variance Account - Retail	1518	In Use	
Misc. Deferred Debits	1525		Discontinued
Retail Cost Variance Account - STR	1548	In Use	
Board-Approved CDM Variance Account	1567		Discontinued
Extra-Ordinary Event Costs	1572		Discontinued
Deferred Rate Impact Amounts	1574		Discontinued
RSVA - One-time	1582		Discontinued
Other Deferred Credits	2425		Discontinued





## 2.9.1 One-Time Incremental IFRS Costs 1508

Atikokan requests review and disposition of the balance in Account 1508 Other Regulatory Assets, sub-account Deferred IFRS Transition Costs. USoA 1508 balanced to the RRR December 31, 2015. Atikokan received one last incremental cost in April 2016 for amount \$19,288.50 which is included in this application. The expense is one time professional accounting fee incurred for audit transition for presentment of IFRS financial statement. Because this expense is actual and final, Atikokan's unconventional request is to include this final expense in our COS. This will enable closing account 1508. Atikokan proposes a one year recovery period for all customer classes. OEB Appendix 2-YA was completed in Chapter 2 Appendices in Table 9-5 below. A copy of the final invoice supporting the request can be found in Appendix A.

Atikokan does not have any incremental IFRS transition costs embedded in the proposed 2017 revenue requirement.

Atikokan has followed the October 2009 APH FAQ #3 regarding costs that are permitted to be recorded in the Account 1508 sub-accounts and confirm that no capital costs, ongoing IFRS compliance costs, or impacts arising from adopting accounting policy changes are recorded in the accounts.

**Table 9-5 Chapter 2 Appendix 2-YA IFRS**

Nature of One-Time Incremental IFRS Transition Costs <sup>1</sup>	Audited Actual Costs Incurred 2012	Audited Actual Costs Incurred 2013	Audited Actual Costs Incurred 2014	Audited Actual Costs Incurred 2015	Audited Carrying Charges To December 31, 2015	Audited Actual Costs Incurred 2016	Carrying Charges January 1, 2016 to December 31, 2016/A pril 30, 2017 (As	Total Costs and Carrying Charges
Professional accounting fees	\$ 23,355	\$ 12,000			\$ 1,452	\$ 19,289	\$ 519	\$ 56,614
Professional legal fees						\$ -		\$ -
Salaries, wages and benefits of			\$ 694		\$ 16	\$ -	\$ 10	\$ 720
Associated staff training and	\$ 373				\$ 17	\$ -	\$ 5	\$ 396
Costs related to system upgrades,						\$ -		\$ -
previous Board approved rates						\$ -		\$ -
<b>Total</b>	<b>\$ 23,728</b>	<b>\$ 12,000</b>	<b>\$ 694</b>	<b>\$ -</b>	<b>\$ 1,486</b>	<b>\$ 19,289</b>	<b>\$ 534</b>	<b>\$ 57,730</b>

source: Chapter 2 Appendix 2-YA IFRS

2.9.2 Account 1575, IFRS-CGAAP Transitional PP&E Amounts

Atikokan has no request for account 1575.

Atikokan transitioned to MIFRS with PP&E changes effective January 1, 2012 in its last Rate Application EB-2011-0293 and did not record any amounts in account 1575; therefore, Atikokan has no IFRS transition PP&E changes for approval in this 2017 Rate Application.

With no costs recorded in 1575, OEB appendix 2-EA is not applicable and thereby is excluded in this Exhibit.

2.9.3 Account 1576, Account Changes Under CGAAP

Atikokan has no request for account 1576.

Atikokan transitioned to MIFRS in our last COS EB-2011-0293. No amounts were recorded in account 1576.

With no costs recorded in 1576, OEB appendix 2-EB and 2-EC are not applicable and thereby is excluded in this Exhibit.

2.9.4 Retail Service Charges

Atikokan has followed Article 490, Retail Services and Settlement Variances of the Accounting Procedures handbook for Account 1518 and Account 1548.

1518 - Retail Cost Variance Account – Retail

This account (USoA 1518) is the variance of our monthly service charge revenues to our Retailers and expenses, shared hub costs to facilitate the Electronic Transactions and supervision. This account will continue until further direction from the OEB. Other expenses included are banking fees for settlement of Retailers, incremental wages for billing to attach components for billing and

balancing. Table 9.7 shows the applicable accounts used by Atikokan for years 2015 through 2017.

**Table 9.7 RCVA - Retail**

	<b>4082</b>	<b>5305</b>	<b>5315</b>	<b>4405</b>
<b>2015</b>	- 2,655	2,421	2,228	-123
<b>2016</b>	-1,600	1,533	200	-12
<b>2017</b>	-1,600	1,533	200	-12

#### 1548 - Retail Cost Variance Account – STR

This account (USoA 1548) is the variance of our monthly Service Processing Requests and hub costs to facilitate the Electronic Transactions for Retailers and supervision. This account will continue until further direction from the OEB. Table 9.8 shows the applicable accounts used by Atikokan for years 2015 through 2017.

**Table 9.8 RCVA - STR**

	<b>4084</b>	<b>5305</b>	<b>5315</b>	<b>4405</b>
<b>2015</b>	-12	1,200	600	79
<b>2016</b>	-1200	1,200	200	15
<b>2017</b>	-1200	1,200	200	15

#### 2.9.5 Disposition of Deferral and Variance Accounts

Table 9.9 below shows the accounts for disposition and the allocations to each class. Principal balances as at December 31, 2015 including Interest calculated to April 31, 2017. All account balances in the continuity schedule (Table 9.9) matched the Atikokan Financial Statements (AFS) During this Application Atikokan has updated the 1568 LRAMVA from the provided workform and added the BDO invoice shown in Appendix A now included in Account 1508 IFRS. These two accounts are the only variances. Atikokan confirms table 9.9 supports our DVA request effective date May 1, 2017.

Atikokan's recovery / refund requests are over a one year period.

1

**Table 9.9 Disposal Request**



Ontario Energy Board

## 2017 Deferral/Variance Account Workform

		Amounts from Sheet 2	Allocator	RESIDENTIAL	GENERAL SERVICE < 50KW	GENERAL SERVICE >50 TO 4,999KW	STREET LIGHTING
LV Variance Account	1550	0	kWh	0	0	0	0
Smart Metering Entity Charge Variance Account	1551	33	# of Customers				
RSVA - Wholesale Market Service Charge	1580	(67,349)	kWh	(23,871)	(12,664)	(29,677)	(1,138)
RSVA - Retail Transmission Network Charge	1584	5,919	kWh	2,098	1,113	2,608	100
RSVA - Retail Transmission Connection Charge	1586	(1,513)	kWh	(536)	(285)	(667)	(26)
RSVA - Power (excluding Global Adjustment)	1588	(31,981)	kWh	(11,335)	(6,013)	(14,092)	(540)
RSVA - Global Adjustment	1589	46,066	Non-RPP kWh	613	397	43,392	1,664
<b>Total of Group 1 Accounts (excluding 1589)</b>		<b>(94,892)</b>		<b>(33,644)</b>	<b>(17,849)</b>	<b>(41,828)</b>	<b>(1,604)</b>
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	57,730	kWh	20,461	10,855	25,438	975
Retail Cost Variance Account - Retail	1518	12,780	kWh	4,529	2,403	5,631	216
Retail Cost Variance Account - STR	1548	9,420	kWh	3,339	1,771	4,151	159
Smart Meter 'Stranded Meter' Residual balance	1555	576	kWh	204	108	254	10
<b>Total of Group 2 Accounts</b>		<b>80,506</b>		<b>28,534</b>	<b>15,138</b>	<b>35,474</b>	<b>1,360</b>
LRAM Variance Account (Enter dollar amount for each class)	1568	7,263		2,446	4,733	85	0
(Account 1568 - total amount allocated to classes)		7,264					
<b>Variance</b>		<b>(0)</b>					
<b>Total of Group 1 Accounts (1550, 1551, 1584, 1586 and 1595)</b>		<b>4,405</b>		<b>1,561</b>	<b>828</b>	<b>1,941</b>	<b>74</b>
<b>Total of Account 1580 and 1588 (not allocated to WMPs)</b>		<b>(99,330)</b>		<b>(35,206)</b>	<b>(18,677)</b>	<b>(43,769)</b>	<b>(1,678)</b>
<b>Balance of Account 1589 Allocated to Non-WMPs</b>		<b>46,066</b>		<b>613</b>	<b>397</b>	<b>43,392</b>	<b>1,664</b>
<b>Group 2 Accounts (including 1592, 1532)</b>		<b>80,506</b>		<b>28,534</b>	<b>15,138</b>	<b>35,474</b>	<b>1,360</b>
ended							
<b>Account 1589 reference calculation by customer and consumption</b>							
Account 1589 / Number of Customers		\$28.17					
1589/total kwh		\$0.0017					

2

3

### 1508 – IFRS Transition Costs

5

Atikokan transitioned to MIFRs in our last COS EB-2011-0293. The Incremental Capital Charges had been disposed of at that time.

8

Atikokan's December 31, 2015 did balance at time of filing the 2.1.7 RRR Trial Balance. The final transition was the presentment of Atikokan Financial Statements (AFS) for December 2015. The audit costs for the presentment of AFS 2015 and restated AFS 2014, a cost was incurred. The final expense is \$19,288.50. Atikokan asks that this final invoice be included in COS EB-2016-0056. Atikokan stresses that this is the final transition cost and issued from BDO audit team feel confident there are no issues with this claim. A copy of the invoice is Appendix A.

14

Work sheet from OEB Chapter 2 Appendix 2-YA has been completed and presented below in Table 9-10. Atikokan feels it prudent to make this claim being that this is an 'audit expense'. The annual interest based on present Board Approved interest rate (1.10%) would be approximately \$1,200. Based on the annual interest rate, Atikokan does not feel it would be prudent for its customer's to defer the recovery of the IFRS costs; the balance to recovery would only increase, having a greater bill impact.

Atikokan is seeking \$57,730 disposal of principal and interest. This account can only be rectified during a COS and the average COS is now 5 years. This account will cease upon final disposition.

**Table 9-10 Chapter 2 Appendix 2-YA**

Nature of One-Time Incremental IFRS Transition Costs <sup>1</sup>	Audited Actual Costs Incurred 2012	Audited Actual Costs Incurred 2013	Audited Actual Costs Incurred 2014	Audited Actual Costs Incurred 2015	Audited Carrying Charges To December 31, 2015	Audited Actual Costs Incurred 2016	Carrying Charges January 1, 2016 to December 31, 2016/April 30, 2017 (As)	Total Costs and Carrying Charges
Professional accounting fees	\$ 23,355	\$ 12,000			\$ 1,452	\$ 19,289	\$ 519	\$ 56,614
Professional legal fees						\$ -		\$ -
Salaries, wages and benefits of			\$ 694		\$ 16	\$ -	\$ 10	\$ 720
Associated staff training and	\$ 373				\$ 17	\$ -	\$ 5	\$ 396
Costs related to system upgrades, previous Board approved rates						\$ -		\$ -
<b>Total</b>	<b>\$ 23,728</b>	<b>\$ 12,000</b>	<b>\$ 694</b>	<b>\$ -</b>	<b>\$ 1,486</b>	<b>\$ 19,289</b>	<b>\$ 534</b>	<b>\$ 57,730</b>

source: Chapter 2 Appendix 2-YA IFRS

#### 1518 Retail Cost Variance Account – Retail

In section 2.9.6 how Atikokan's derives its variance is addressed. Atikokan is seeking \$12,780 principal and interest. This account will continue until further Board direction.

#### 1548 Retail Cost Variance Account – STR

In section 2.9.6 how Atikokan's derives its variance is addressed. Atikokan is seeking \$9,420 principal and interest. This account will continue until further Board direction.

1555 Smart Meters Stranded meter sub account

Direction from the OEB Guideline G-2011-0001 for residual balance (net of recoveries) in “Sub-account Stranded Meter Costs” and the balance in “Approved Stranded Meter Costs Carrying Charges” of Account 1555 should be submitted for review and finalization as part of the distributor’s next cost of service application”.

Atikokan is proposing to clear the balance of account 1555 with Board approval. Principal and interest of \$577 shown in Table 9-11. This amount is included in Group 2 Recovery/Refund.

**Table 9-11 Deferral Account 1555**

	Account	Principal	Interest	Total
Smart Meter 'Stranded Meter' Residual balance	1555	57	520	577

Table from OEB Chapter Appendix 2-S Stranded Meter Treatment has been completed confirming the transactions of this account.

**Table 9-12**

**Appendix 2-S  
Stranded Meter Treatment**

Year	Notes	Gross Asset Value	Accumulated Amortization	Contributed Capital (Net of Amortization)	Net Asset	Proceeds on Disposition	Residual Net Book Value
		(A)	(B)	(C)	(D) = (A) - (B) - (C)	(E)	(F) = (D) - (E)
2006					\$ -		\$ -
2007					\$ -		\$ -
2008					\$ -		\$ -
2009		\$ 104,713	\$ 52,320		\$ 52,393		\$ 52,393
2010		\$ 104,713	\$ 66,829		\$ 37,884		\$ 37,884
2011		\$ 104,713	\$ 81,338		\$ 23,375	\$ 23,376	-\$ 1
2012						\$ 23,376	-\$ 23,376
2013					\$ -		\$ -
2014					\$ -		\$ -
2015							
2016	(1)				\$ -		\$ -

Atikokan will discontinue this account upon Board approval.

1 1568 - LRAM Variance Account

2  
3 LRAMVA 1568 did balance at time of reporting Trial Balance RRR.2.1.7. The variance occurred  
4 upon completing the generic LRAMVA work form. Balances in 2017\_DVA are input from the  
5 generic LRAMVA workform as calculated. The associated rate riders are calculated in the DVA  
6 continuity schedule.

7  
8 Atikokan did not keep current information for LRAM variances. Upon completing the LRAMVA  
9 work form Atikokan is requesting permission to update the LRAMVA Account 1568 to reflect the  
10 correct dollars and carrying charges, and include these dollars in our Disposal request.

11  
12 Atikokan is seeking \$7,264 disposal of principal and interest which includes the updated dollars  
13 from the LRAMVA work form.

14  
15 1580 – RSVA - Wholesale Market Service Charge (WMS)

16  
17 Variance is calculated monthly based on the variances arising in power bill verses customer billing  
18 Wholesale Market Service Charge amounts. Interest is calculated monthly as of the opening  
19 balance using the Board prescribed interest rates. Atikokan is seeking disposition of (\$67,349)  
20 including principal and interest.

21  
22 Atikokan does not have any Class A nor WMP customers. Atikokan adheres to the rates for WMS  
23 as designed by the Board under Regulatory Charges.

24  
25 1584 – RSVA – Retail Transmission Network Charge

26 1586 – RSVA – Transformation Connection Charge

27  
28 Variances for these accounts are calculated monthly power bill verses customer billing. Interest  
29 is calculated monthly as of the opening balance using the Board prescribed interest rates. These  
30 rates are aligned each January by the Board and can be found in our Tariff Sheets May 1, 2017.  
31 Atikokan has completed the OEB 2017\_RTISR\_Workform-Excel. Full account of this information  
32 is in Exhibit 8. Atikokan has four main customer classes (excluding microFIT).

Atikokan is seeking disposition of \$5,919 for Account 1584 RSVA Transmission Network Charge and disposition of (\$1,513) for account 1586 RSVA Transmission Connection Charge recovery/refund. Both proposed dispositions include actual principal and interest balances as of December 31, 2015 prorated to included April 30, 2017 interest amounts.

**1588 RSVA – Power (excluding Global Adjustment)**

Variance is calculated monthly power bill verses customer billing. Interest is calculated monthly as of the opening balance using the Board prescribed interest rates. Atikokan is seeking (\$31,981) recovery/refund.

**1589 RSVA – Global Adjustment**

Variance is calculated monthly power bill verses customer billing. Interest is calculated monthly as of the opening balance using the Board prescribed interest rates. Atikokan is seeking \$46,066 recovery including principal and interest.

Below is a listing of all approved USoA accounts for use for Deferral and Variance Accounts and accounts. Atikokan is not requesting disposition of these accounts and sub accounts:

**1508 Other Regulatory Assets –Sub account Incremental Capital Charges and Financial Assistance payment and Recovery** this balance has been previously disposed.

**1551 Smart Metering Entity Charge Variance Account** has a balance of \$33.00 and Atikokan is not asking for disposition of this account as the variance is very negligible.

**1592 PILs and Tax Variance for 2006 and Subsequent Years** has a residual balance as at December 31, 2015. The rate riders have not been audited as the sunset date was April 30, 2016. At this time the balance will be transferred to 1595 Recovery/Refund of Regulatory Balances (2012) upon its completion.

**1595 Disposition and Recovery/Refund of Regulatory Balances (2012) and sub account (2015).** These rate riders have not met their sunset date, April 30, 2016 and April 30, 2017.



1 While preparing this Cost of Service application Atikokan noted the balance of account 1595 Sub  
2 account Rate Rider for Disposition of Global Adjustment Account (2016) was growing  
3 substantially in a position favourable to our customers. Not wanting the balances to continue to  
4 grow Atikokan put in a request to stop all riders at this time so the situation could be addressed.  
5 It should be noted these balances are unaudited thereby request for disposal will be deferred to  
6 Atikokan's next IRM for effective May 1, 2018 rates. The recovery of this rate rider will now be  
7 explained in greater detail.

8  
9 The letter addressed to Board Secretary was delivered to the OEB dated August 23, 2016 via  
10 website August 23, 2016 e-filing reference number '30503'. A copy of the letter is attached; see  
11 Appendix C. Two hard copies of this letter were also mailed to the Board Office. This anomaly of  
12 the Global Adjustment rate rider is because a General Service >50 customer which started  
13 production. When completing the last Cost of Service Load Forecast this customer had just gone  
14 bankrupt with no buyers insight for take over. There was no expectation of start-up or actual load  
15 data for forecasting.

16  
17 The table below shows at the time of the rate rider approval; demand was designed to be at  
18 15,188 kW for the year (2012 Board Approved). Actual demand for historical years 2012, 2013  
19 and 2014 were at least 56% more than the Board Approved total Demand. The load forecast  
20 model is designed with the average not actual demand. A few reasons explain the extra demand  
21 causing a quicker recover. Atikokan had forecasted in its previous Cost of Service Application to  
22 have General Service Customers > 50 move into the General Service < 50; this did not  
23 materialize. Additionally, as mentioned previously, the historic GS > 50 customer had significantly  
24 and recently changed at the time of the 2012 COS and whereby Atikokan did not have evidence  
25 of its load, best practices were used in predicting the load forecast; managing risk of load. As a  
26 result of this additional demand levels, this Rate Rider for Disposition of Global Adjustment  
27 Account (2016) – effective until April 30, 2017 had fully recovered quicker than originally  
28 anticipated. As the 2017 Test Year Load Forecast supports, load is not expected to change;  
29 therefore, Atikokan Hydro is amendable to applying to suspend the rate riders as a preliminary  
30 matter as part of its cost of service Application. Atikokan will work with the Board in determining  
31 the optimal solution.

**Table 9-13 Load Comparison**

LOAD COMPARISON	2012 Board Approved	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Bridge	2017 Test
<b>Billed Kwh</b>	23,044,163	21,958,203	22,559,900	23,377,488	32,370,291	27,232,313	27,331,580
<b>Billed kW</b>	26,091	23,785	23,130	26,091	52,335	35,040	35,532
<b>Residential</b>							
Customers	1,424	1,410	1,413	1,411	1,405	1,397	1,389
kWh	11,113,021	9,445,561	9,833,794	9,743,006	9,225,364	9,625,755	9,687,147
<b>GS&lt;50 kW</b>							
Customers	235	234	235	234	234	231	228
kWh	6,246,087	5,320,355	5,238,114	5,315,999	5,110,232	5,275,055	5,139,223
<b>GS&gt;50 kW</b>							
Customers	15	20	18	19	19	17	17
kWh	5,218,563	6,722,750	7,020,268	7,851,921	17,571,100	11,869,754	12,043,461
kW	13,872	22,335	21,680	24,636	50,899	33,610	34,102
<b>Street Lights</b>							
Connections	623	635	635	633	628	625	625
kWh	466,493	469,537	467,724	466,563	463,596	461,749	461,749
kW	1,316	1,450	1,450	1,455	1,436	1,430	1,430
Total of Above							
Customer/Connections	2,297	2,299	2,300	2,297	2,286	2,270	2,260
kWh	23,044,164	21,958,203	22,559,900	23,377,488	32,370,291	27,232,313	27,331,580
kW from applicable classes	15,188	23,785	23,130	26,091	52,335	35,040	35,532

Atikokan also had second rate rider for Group 1 offsetting our recovery therefor the credit balance was not recognized as soon as it should have been. The balances involved are unaudited with interest calculated to July 31, 2016 , Principal balances mid-August 2016; Account 1595 – 2012 group 1 and 2 (\$11,355.62); 1595-2015 group 1 and 2 (\$99,053.29); 1595 – 2016 group 1 and 2 \$42,214.57. There has been no direction at this time from the OEB. Atikokan's request is to stop (suspend) all approved current rate riders immediately. Atikokan will continue to bill with these rates riders until direction is received. Until our accounts are audited, and confirmed Atikokan will refrain from asking to clear all residual balances. Atikokan does request the OEB to permit Atikokan to stop billing with these approved current rate riders that have been recovered/refunded. Atikokan believes the monthly impact to be material and it is most prudent to cease.

Atikokan has no market participants therefor there no request to establish separate rate riders.

Atikokan has no proposal for disposition of Account 1580 sub-account CBR Class B at this time.  
A chart below in Table 9-14 showing which accounts are not in use by Atikokan.

**Table 9-14**

<b>Group 1 Accounts</b>		
LV Variance Account	1550	Not in Use
<b>Group 2 Accounts</b>		
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508	Not in Use
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery	1508	Not in Use
Other Regulatory Assets - Sub-Account - Other <sup>4</sup>	1508	Not in Use
Misc. Deferred Debits	1525	Not in Use
Board-Approved CDM Variance Account	1567	Not in Use
Extra-Ordinary Event Costs	1572	Not in Use
Deferred Rate Impact Amounts	1574	Not in Use
RSVA - One-time	1582	Not in Use
Other Deferred Credits	2425	Not in Use
Renewable Generation Connection Capital Deferral Account <sup>9</sup>	1531	Not in Use
Renewable Generation Connection OM&A Deferral Account <sup>9</sup>	1532	Not in Use
Renewable Generation Connection Funding Adder Deferral Account	1533	Not in Use
Smart Grid Capital Deferral Account	1534	Not in Use
Smart Grid OM&A Deferral Account	1535	Not in Use
Smart Grid Funding Adder Deferral Account	1536	Not in Use
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital	1555	Not in Use
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries	1555	Not in Use
Smart Meter OM&A Variance <sup>5</sup>	1556	Not in Use
Meter Cost Deferral Account (MIST Meters) <sup>11</sup>	1557	Not in Use
IFRS-CGAAP Transition PP&E Amounts Balance + Return Component <sup>6</sup>	1575	Not in Use
Accounting Changes Under CGAAP Balance + Return Component <sup>6</sup>	1576	Not in Use

#### 2.9.5.1 Global Adjustment (GA) USoA 1589

Atikokan's Non-RPP customers are billed with the 1st estimate GA (Class "B") rate. This rate is added into the billing system as rates present themselves from the IESO.

To settle RPP verses Non-RPP sales the report is submitted via IESO portal within the first four working days of the month.

This process involves submitting consumption sold with pricing cost estimates from the IESO. A true-up reconciles both RPP and non-RPP consumption once actuals are known, generally the following month. Atikokan uses the IESO current estimates for GA (Class B) and Average Weighted Price. Our monthly billing of all classes is beneficial for this report.

Consumption estimates are based on the previous year's consumption history until actuals are known and updated.

The balance of USoA 1589 as at December 31, 2015 is Principal and Interest \$45,404 adding projected interest of \$338 totaling \$46,066 for disposition.

The proposed rate rider is \$0.0036 per kWh in each class. The model states Rate riders for Global Adjustment is to be calculated on the basis of kWh for all classes in Table 9-15.

This proposed rate rider is applicable only to Non-RPP Customers in each respective class.

**Table 9-15**

<b>Rate Rider Calculation for RSVA - Power - Global Adjustment</b>				
<i>Balance of Account 1589 Allocated to Non-WMPs</i>				
<b>Rate Class</b> (Enter Rate Classes in cells below)	<b>Units</b>	<b>kWh</b>	<b>Balance of RSVA - Global Adjustment</b>	<b>Rate Rider for RSVA - Global Adjustment</b>
Residential	kWh	170,205	\$ 613	<b>0.0036</b> <i>\$/kWh</i>
General Service <50 kW	kWh	110,276	\$ 397	<b>0.0036</b> <i>\$/kWh</i>
General Service >50 to 4,999 kW	kWh	12,043,461	\$ 43,392	<b>0.0036</b> <i>\$/kWh</i>
Street Lighting	kWh	461,749	\$ 1,664	<b>0.0036</b> <i>\$/kWh</i>
<b>Total</b>			<b>\$ 46,066</b>	

As of July 1, 2015 per O. Reg 429/04, an eligible customer with a maximum hourly demand over three megawatts, but less than five megawatts, can elect to become a Class A for an applicable adjustment period of one year. At this time Atikokan has no such customer.

#### 2.9.6 Establishment of New Deferral and Variance Accounts

Atikokan confirms it does not require an account order to establish new deferral and variance accounts.

1 Appendix A



Tel: 807 274 9848  
Fax: 807 274 5142  
www.bdo.ca

BDO Canada LLP  
375 Scott Street  
Port Frances ON P9A 1H1 Canada

April 30, 2016

Atikokan Hydro Inc.  
117 Corrie Street  
PO Box 1480  
Atikokan ON P0T 1C0

Attention: Mrs. Jen Wiens

Invoice 88512824

Electronic Banking Account No. 151360128459

HST Registration No. 131585366RT0043

For Professional Services

One time billing for all support throughout the year related to the planning and execution of full audit and transition of financial statements reporting to International Financial Reporting Standards ("IFRS"), as required by the Ontario Energy Board. These incremental costs include complete preparation and drafting of compliant IFRS financial statements for Board review and approval.

\$18,370.00

Administration, technology and disbursement fee:

918.50

Our Fee \$19,288.50

HST 2,507.51

Total \$21,796.01

15080401

IFRS Transition

INVOICE AUTHORIZED FOR PAYMENT

CEO

BDO is pleased to offer you  
electronic bill payment  
For more information, visit:  
<http://www.bdo.ca/electronic-payments>

Accounts are due when rendered

Interest at 1.02% per month (12.00% per annum) will be charged on accounts over 30 days

1204-K11 192-4

BDO Canada is a Canadian limited liability partnership, a member of BDO International Limited, a UK company limited by guarantee, and hence part of the network of BDO member firms.

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1 Appendix B



Ontario Energy Board

## 2017 Deferral/Variance Account Workform

Version 2.7

Utility Name Atikokan Hydro Inc.

Service Territory

Assigned EB Number EB:2016:0056

Name of Contact and Title Jennifer Wiens, CEO Secretary/Treasurer

Phone Number 807-597-6600

Email Address jen.wiens@athydro.com

2  
3  
4

Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-11	Transaction s1 Debit / (Credit) during 2011	OEB- Approved Disposition during 2011	Principal Adjustments during 2011	Closing Principal Balance as of Dec-31-11	Opening Interest Amounts as of Jan-1-11	Interest Jan- 1 to Dec-31- 10	OEB- Approved Disposition during 2011	Interest Adjustments 2 during 2011	Closing Interest Amounts as of Dec-31- 11	Opening Principal Amounts as of Jan-1-12
<b>Group 1 Accounts</b>												
LV Variance Account	1550	0				0	0				0	0
Smart Metering Entity Charge Variance Account	1551											
RSVA - Wholesale Market Service Charge <sup>10</sup>	1580											
Variance WMS – Sub-account CBR Class A <sup>10</sup>	1580											
Variance WMS – Sub-account CBR Class B <sup>10</sup>	1580					0					0	0
RSVA - Retail Transmission Network Charge	1584	0				0	0				0	0
RSVA - Retail Transmission Connection Charge	1586	0				0	0				0	0
RSVA - Power (excluding Global Adjustment)	1588	0				0	0				0	0
RSVA - Global Adjustment	1589	0				0	0				0	0
Disposition and Recovery/Refund of Regulatory Balances (2009) <sup>8</sup>	1595	0				0	0				0	0
Disposition and Recovery/Refund of Regulatory Balances (2010) <sup>8</sup>	1595	0				0	0				0	0
Disposition and Recovery/Refund of Regulatory Balances (2011) <sup>8</sup>	1595	0				0	0				0	0
Disposition and Recovery/Refund of Regulatory Balances (2012) <sup>8</sup>	1595	0				0	0				0	0
Disposition and Recovery/Refund of Regulatory Balances (2013) <sup>8</sup>	1595	0				0	0				0	0
Disposition and Recovery/Refund of Regulatory Balances (2014) <sup>8</sup>	1595	0				0	0				0	0
Disposition and Recovery/Refund of Regulatory Balances (2015) <sup>8</sup>	1595											
<i>Not to be disposed of unless rate rider has expired and balance has been audited</i>												
		0	0	0	0	0	0	0	0	0	0	0
<b>Group 1 Sub-Total (including Account 1589 - Global Adjustment)</b>		0	0	0	0	0	0	0	0	0	0	0
<b>Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)</b>		0	0	0	0	0	0	0	0	0	0	0
<b>RSVA - Global Adjustment</b>	<b>1589</b>											
<b>Group 2 Accounts</b>												
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	0				0	0				0	0
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508	0				0	0				0	0
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery												
Variance - Ontario Clean Energy Benefit Act <sup>3</sup>	1508	0				0	0				0	0
Other Regulatory Assets - Sub-Account - Other <sup>4</sup>	1508	0				0	0				0	0
Retail Cost Variance Account - Retail	1518	0			10,009	10,009	0			128	128	10,009
Misc. Deferred Debits	1525	0				0	0				0	0
Retail Cost Variance Account - STR	1548	0			22,066	22,066	0			592	592	22,066
Board-Approved CDM Variance Account	1567	0				0	0				0	0
Extra-Ordinary Event Costs	1572	0				0	0				0	0
Deferred Rate Impact Amounts	1574	0				0	0				0	0
RSVA - One-time	1582	0				0	0				0	0
Other Deferred Credits	2425	0				0	0				0	0
<b>Group 2 Sub-Total</b>		0	0	0	32,074	32,074	0	0	0	719	719	32,074
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592	0				0	0				0	0
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592	0				0	0				0	0
<b>Total of Group 1 and Group 2 Accounts (including 1592)</b>		0	0	0	32,074	32,074	0	0	0	719	719	32,074
<b>LRAM Variance Account<sup>12</sup></b>	<b>1568</b>	0				0	0				0	0
<b>Total including Account 1568</b>		0	0	0	32,074	32,074	0	0	0	719	719	32,074
Renewable Generation Connection Capital Deferral Account <sup>6</sup>	1531	0				0	0				0	0
Renewable Generation Connection OM&A Deferral Account <sup>6</sup>	1532	0				0	0				0	0
Renewable Generation Connection Funding Adder Deferral Account	1533	0				0	0				0	0
Smart Grid Capital Deferral Account	1534	0				0	0				0	0
Smart Grid OM&A Deferral Account	1535	0				0	0				0	0
Smart Grid Funding Adder Deferral Account	1536	0				0	0				0	0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital <sup>5</sup>	1555	0				0	0				0	0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries <sup>5</sup>	1555	0				0	0				0	0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs <sup>5</sup>	1555	0				0	0				0	0
Smart Meter OM&A Variance <sup>5</sup>	1556	0				0	0				0	0
Meter Cost Deferral Account (MIST Meters) <sup>11</sup>	1557											
IFRS-CGAAP Transition PP&E Amounts Balance	1575					0						0
Accounting Changes Under CGAAP Balance	1576											

## Page 23 of 31

1

OEB- Approved Disposition during 2012	Principal Adjustments during 2012	Closing Principal Balance as of Dec-31-12	Opening Interest Amounts as of Jan-1-12	Interest Jan- 1 to Dec-31- 12	OEB- Approved Disposition during 2012	Interest Adjustments during 2012	Closing Interest Amounts as of Dec-31- 12	Opening Principal Amounts as of Jan-1-13	Transaction s (Debit / (Credit) during 2013	OEB- Approved Disposition during 2013	Principal Adjustments during 2013	Closing Principal Balance as of Dec-31- 13	Opening Interest Amounts as of Jan-1-13	Interest Jan- 1 to Dec-31- 13	OEB- Approved Disposition during 2013	Interest Adjustments 2 during 2013	Closing Interest Amounts as of Dec-31- 13	Opening Principal Amounts as of Jan-1-14
		0	0				0	0				0	0				0	0
								0				0	0				0	0
		0	0				0	0				0	0				0	0
		0	0				0	0				0	0				0	0
		0	0				0	0				0	0				0	0
		0	0				0	0				0	0				0	0
		0	0				0	0				0	0				0	0
		0	0				0	0				0	0				0	0
-40,866		35,783	0	290	-39,173		39,463	35,783	-21,397			14,386	39,463	1,072			40,536	14,386
		0	0				0	0				0	0				0	0
		0	0				0	0				0	0				0	0
		0	0				0	0				0	0				0	0
		0	0				0	0				0	0				0	0
		0	0				0	0				0	0				0	0
		0	0				0	0				0	0				0	0
		0	0				0	0				0	0				0	0
		0	0				0	0				0	0				0	0
-40,866	0	35,783	0	290	-39,173	0	39,463	35,783	-21,397	0	0	14,386	39,463	1,072	0	0	40,536	14,386
-40,866	0	35,783	0	290	-39,173	0	39,463	35,783	-21,397	0	0	14,386	39,463	1,072	0	0	40,536	14,386
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		0	0				0	0			35,728	35,728	0			525	525	35,728
		0	0				0	0				0	0				0	0
		0	0				0	0				0	0				0	0
		0	0				0	0				0	0				0	0
6,879		5,179	128	150	157		120	5,179	2,678			7,857	120	79			199	7,857
		0	0				0	0				0	0				0	0
20,293		3,558	592	32	601		22	3,558	1,934			5,493	22	43			65	5,493
		0	0				0	0				0	0				0	0
		0	0				0	0				0	0				0	0
		0	0				0	0				0	0				0	0
		0	0				0	0				0	0				0	0
		0	0				0	0				0	0				0	0
27,172	0	8,737	719	181	758	0	142	8,737	4,612	0	35,728	49,077	142	122	0	525	790	49,07



1

Account Descriptions	Account Number	Interest Disposition during 2016 - instructed by OEB	Closing Principal Balances as of Dec 31-15 Adjusted for Dispositions	Closing Interest Balances as of Dec 31-15 Adjusted for Dispositions	Interest from Jan 1, 2016 to December 31, 2016 on Dec 31 -15 balance	Interest from January 1, 2017 to April 30, 2017 on Dec 31 -15 balance adjusted for	Total Interest	Total Claim	RRR As of Dec 31-15	Variance RRR vs. 2015 Balance (Principal + Interest)
<b>Group 1 Accounts</b>										
LV Variance Account	1550		0	0			0	0		0
Smart Metering Entity Charge Variance Account	1551		33	0	0		0	33	1,162	0
RSVA - Wholesale Market Service Charge <sup>10</sup>	1580		0	0			0	0		0
Variance WMS – Sub-account CBR Class A <sup>10</sup>	1580	6,579	-65,812	-572	-724	-241	-1,537	-67,349	-63,044	0
Variance WMS – Sub-account CBR Class B <sup>10</sup>	1580	159	5,868	-36	65	22	51	5,919	15,632	0
RSVA - Retail Transmission Network Charge	1584	310	-1,482	-53	16	5	-31	-1,513	18,407	0
RSVA - Retail Transmission Connection Charge	1586	291	-30,928	-599	-340	-113	-1,053	-31,981	-48,182	0
RSVA - Power (excluding Global Adjustment)	1588	-279	45,115	289	496	165	951	46,066	102,398	0
RSVA - Global Adjustment	1589		0	0			0	0		0
Disposition and Recovery/Refund of Regulatory Balances (2009) <sup>8</sup>	1595		0	0			0	0		0
Disposition and Recovery/Refund of Regulatory Balances (2010) <sup>8</sup>	1595		0	0			0	0		0
Disposition and Recovery/Refund of Regulatory Balances (2011) <sup>8</sup>	1595		-30,408	40,636	-334	-111	40,190	0	10,228	0
Disposition and Recovery/Refund of Regulatory Balances (2012) <sup>8</sup>	1595		0	0			0	0		0
Disposition and Recovery/Refund of Regulatory Balances (2013) <sup>8</sup>	1595		0	0			0	0		0
Disposition and Recovery/Refund of Regulatory Balances (2014) <sup>8</sup>	1595		-16,631	-19,158	-183	-61	-19,402	0	-35,788	0
Disposition and Recovery/Refund of Regulatory Balances (2015) <sup>8</sup>	1595									
<i>Not to be disposed of unless rate rider has expired and balance has been audited</i>										
		7,060	-94,244	20,507	-1,004	-335	19,168	-48,826	812	
<b>Group 1 Sub-Total (including Account 1589 - Global Adjustment)</b>		7,339	-139,359	20,218	-1,501	-500	18,217	-94,892	-101,586	0
<b>Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)</b>		-279	45,115	289	496	165	951	46,066	102,398	0
<b>RSVA - Global Adjustment</b>	<b>1589</b>									
<b>Group 2 Accounts</b>										
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508		55,710	1,486	401	134	2,020	57,730	37,908	-19,289
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508		0	0			0	0		0
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery										
Variance - Ontario Clean Energy Benefit Act <sup>3</sup>	1508		0	0			0	0		0
Other Regulatory Assets - Sub-Account - Other <sup>4</sup>	1508		0	0			0	0		0
Retail Cost Variance Account - Retail	1518		12,166	435	134	45	613	12,780	12,601	0
Misc. Deferred Debits	1525		0	0			0	0		0
Retail Cost Variance Account - STR	1548		9,071	216	100	33	350	9,420	9,287	0
Board-Approved CDM Variance Account	1567		0	0			0	0		0
Extra-Ordinary Event Costs	1572		0	0			0	0		0
Deferred Rate Impact Amounts	1574		0	0			0	0		0
RSVA - One-time	1582		0	0			0	0		0
Other Deferred Credits	2425		0	0			0	0		0
<b>Group 2 Sub-Total</b>		0	76,947	2,137	634	211	2,983	79,930	59,796	-19,289
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592		0	0			0	0		0
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592		-101	0	0		0	0	-7,835	0
<b>Total of Group 1 and Group 2 Accounts (including 1592)</b>		6,959	-17,297	22,644	-370	-123	22,151	31,104	52,773	-19,289
<b>LRAM Variance Account<sup>12</sup></b>	<b>1568</b>		7,035	125	77	26	228	7,263	1,507	-5,653
<b>Total including Account 1568</b>		6,959	-10,262	22,769	-293	-97	22,379	38,367	54,281	-24,941
Renewable Generation Connection Capital Deferral Account <sup>9</sup>	1531		0	0			0	0		0
Renewable Generation Connection OM&A Deferral Account <sup>9</sup>	1532		0	0			0	0		0
Renewable Generation Connection Funding Adder Deferral Account	1533		0	0			0	0		0
Smart Grid Capital Deferral Account	1534		0	0			0	0		0
Smart Grid OM&A Deferral Account	1535		0	0			0	0		0
Smart Grid Funding Adder Deferral Account	1536		0	0			0	0		0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital <sup>5</sup>	1555		0	0			0	0		0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries <sup>5</sup>	1555		0	0			0	0		0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs <sup>5</sup>	1555		57	518	1	0	519	576	576	0
Smart Meter OM&A Variance <sup>5</sup>	1556		0	0			0	0		0
Meter Cost Deferral Account (MIST Meters) <sup>11</sup>	1557		0	0			0	0		0
IFRS-CGAAP Transition PP&E Amounts Balance	1575		0					0		0
Accounting Changes Under CGAAP Balance	1576		0					0		0

## 2017 Deferral/Variance Account Workform

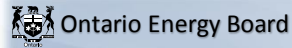
Accounts that produced a variance on the continuity schedule are listed below.

Account Descriptions	Account Number	Variance RRR vs. 2015 Balance (Principal + Interest)	Explanation
		\$ -	
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	\$ (19,288.50)	actual cost for IFRS received in 2016 Atikokan is requesting to claim to close Deferral Account 1508 sub account IFRS transition
		\$ -	
LRAM Variance Account	1568	(5,652.88)	LRAMVA has not been calculated after 2013

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

[illegible]

\$	7,263
\$	0



## 2017 Deferral/Variance Account Workform

		Amounts from Sheet 2	Allocator	RESIDENTIAL	GENERAL SERVICE < 50KW	GENERAL SERVICE >50 TO 4,999KW	STREET LIGHTING
LV Variance Account	1550	0	kWh	0	0	0	0
Smart Metering Entity Charge Variance Account	1551	33	# of Customers				
RSVA - Wholesale Market Service Charge	1580	(67,349)	kWh	(23,871)	(12,664)	(29,677)	(1,138)
RSVA - Retail Transmission Network Charge	1584	5,919	kWh	2,098	1,113	2,608	100
RSVA - Retail Transmission Connection Charge	1586	(1,513)	kWh	(536)	(285)	(667)	(26)
RSVA - Power (excluding Global Adjustment)	1588	(31,981)	kWh	(11,335)	(6,013)	(14,092)	(540)
RSVA - Global Adjustment	1589	46,066	Non-RPP kWh	613	397	43,392	1,664
<b>Total of Group 1 Accounts (excluding 1589)</b>		<b>(94,892)</b>		<b>(33,644)</b>	<b>(17,849)</b>	<b>(41,828)</b>	<b>(1,604)</b>
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	57,730	kWh	20,461	10,855	25,438	975
Retail Cost Variance Account - Retail	1518	12,780	kWh	4,529	2,403	5,631	216
Retail Cost Variance Account - STR	1548	9,420	kWh	3,339	1,771	4,151	159
Smart Meter 'Stranded Meter' Residual balance	1555	576	kWh	204	108	254	10
<b>Total of Group 2 Accounts</b>		<b>80,506</b>		<b>28,534</b>	<b>15,138</b>	<b>35,474</b>	<b>1,360</b>

LRAM Variance Account (Enter dollar amount for each class)	1568	7,263		2,446	4,733	85	0
(Account 1568 - total amount allocated to classes)		7,264					
<b>Variance</b>		<b>(0)</b>					

<b>Total of Group 1 Accounts (1550, 1551, 1584, 1586 and 1595)</b>	<b>4,405</b>		<b>1,561</b>	<b>828</b>	<b>1,941</b>	<b>74</b>
<b>Total of Account 1580 and 1588 (not allocated to WMPs)</b>	<b>(99,330)</b>		<b>(35,206)</b>	<b>(18,677)</b>	<b>(43,769)</b>	<b>(1,678)</b>
<b>Balance of Account 1589 Allocated to Non-WMPs</b>	<b>46,066</b>		<b>613</b>	<b>397</b>	<b>43,392</b>	<b>1,664</b>

<b>Group 2 Accounts (including 1592, 1532)</b>	<b>80,506</b>		<b>28,534</b>	<b>15,138</b>	<b>35,474</b>	<b>1,360</b>
ended						

<b>Account 1589 reference calculation by customer and consumption</b>	
Account 1589 / Number of Customers	\$28.17
1589/total kwh	\$0.0017

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## 2017 Deferral/Variance Account Workf

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## 1580 and 1588

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## 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	kWh	Balance of RSVA - Power - Global Adjustment	Rate Rider for RSVA - Power - Global Adjustment
RESIDENTIAL	kWh	170,205	\$ 613	0.0036
GENERAL SERVICE < 50KW	kWh	110,276	\$ 397	0.0036
GENERAL SERVICE >50 TO 4,999KW	kWh	12,043,461	\$ 43,392	0.0036
STREET LIGHTING	kWh	461,749	\$ 1,664	0.0036
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
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		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
<b>Total</b>			<b>\$ 46,066</b>	

### Rate Rider Calculation for Group 2 Accounts

Rate Class (Enter Rate Classes in cells below)	Units	# of Customers	Balance of Group 2 Accounts	Rate Rider for RSVA - Power - Global Adjustment
RESIDENTIAL	# of Customers	1,389	\$ 28,534	\$ 1.71
GENERAL SERVICE < 50KW	kWh	5,139,223	\$ 15,138	\$ 0.0029
GENERAL SERVICE >50 TO 4,999KW	kW	34,102	\$ 35,474	\$ 1.0402
STREET LIGHTING	kW	1,430	\$ 1,360	\$ 0.9511
		-	\$ -	\$ -
		-	\$ -	\$ -
		-	\$ -	\$ -
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		-	\$ -	\$ -
		-	\$ -	\$ -
<b>Total</b>			\$ 80,506	

## 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	kWh	9,687,147	\$ 2,446	0.0003
GENERAL SERVICE < 50KW	kWh	5,139,223	\$ 4,733	0.0009
GENERAL SERVICE >50 TO 4,999KW	kW	34,102	\$ 85	0.0025
STREET LIGHTING	kW	1,430	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
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		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
<b>Total</b>			<b>\$ 7,264</b>	

## Appendix C

Appendix C, listed on the next page, is a copy of the letter sent to Board Secretary as noted on page 16 in regards to the Account 1589 Global Adjustment Rate Rider.





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Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON, M4P 1E4

August 23, 2016

**Re: Atikokan Hydro Inc. IRM EB-2014-0056 and EB-2015-0052**

Dear Ms. Walli,

Atikokan Hydro Inc. has recovered in full the RSVA from IRM EB-2014-0056. The sunset of this rate rider is in effect until April 30, 2018. We are requesting permission to cease this recovery immediately for 2015 Sub Account [EB-2014-0056]. As the table below reflects Atikokan is now in a position to pay back to our customers. Balances as of August 23, 2016 are as follows:

1595 Recovery	Principal	Interest	Balance
2012 sub account (completed 2016)	(13,865.82)	2,510.20	(\$11,355.62)
2015 sub account (sunset Apr 2018)	(98,586.23)	(467.06)	(\$99,053.29)
2016 sub account (sunset Apr 2017)	42,206.92	7.65	\$42,214.57
<b>Total</b>	<b>(\$70,245.13)</b>	<b>\$2,050.79</b>	<b>(\$68,194.34)</b>

The reason for the quicker recovery than the proposed recovery period is our local mill is in production and the kW's purchased is substantially higher than at the time of implementation of the rate rider.

Atikokan further proposes the rate rider EB-2015-0056 in affect also cease immediately and the balances for disposition be considered in our COS EB-2016-0056. At this time, both the 2015 and 2016 sub account balances can be addressed; potentially offsetting one another.

Sincerely,

Jen Wiens  
CEO/Sec/Tres