

## 2.9 EXHIBIT 9: DEFERRAL AND VARIANCE ACCOUNTS

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### APPENDICIES

Appendix 9-A	2017 EDDVAR Work Form
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## 2.9 DEFERRAL AND VARIANCE ACCOUNTS OVERVIEW

WHESC has included in this Cost of Service ("COS") Application, a request for approval for disposition of Group 1 and Group 2 Deferral and Variance Account ("DVAs") balances as at December 31, 2015 and the forecasted interest through April 30, 2017. WHESC has followed the Board's guidance in the *Accounting Procedures Handbook and FAQ's* ("APH") for recording amounts in the deferral and variance accounts. Such guidance also includes the Report of the Board on Electricity Distributors' Deferral and Variance Account Review Initiative ("EDDVAR Report").

Table 9-1 contains descriptions of all the outstanding DVAs. WHESC confirms that it has used the DVAs in the same manner described in the APH, and the account balances in Table 9-1 reconcile with the balance reported through the Electricity Reporting and Record-keeping Requirements. WHESC has included a comparison between Deferral and Variance reporting for OEB reporting and Financial Statement reporting in Table 9-1.

WHESC has provided a "PDF" copy of the 2017 EDDVAR model in Appendix 9-A attached. An excel version of the model has also been filed with this application.

The forecasted interest on December 31, 2015 principal balances of the DVAs is calculated using the Board's prescribed rate of 1.10% for the period of January 1, 2016 to April 30, 2017. The interest rates by quarter for each year are provided in Table 9-2 in this Exhibit.

WHESC will continue or discontinue to use the Group 2 & Other variance accounts on a go-forward basis as provided in Table 9-4 in this Exhibit.

WHESC has accepted the allocators as indicated in the EDDVAR Report. Where the EDDVAR Report has not indicated an allocator methodology, WHESC has applied an allocator that it considers appropriate for the various customer rate classes, if applicable. The detailed information on the proposed method of disposition is provided in this Exhibit.

WHESC is not requesting any new accounts or sub-accounts in this COS application.

WHESC has made no adjustments to DVA balances that were previously approved by the Board on a final basis in COS and Incentive Regulation Mechanism ("IRM") proceedings.

A breakdown of energy sales and cost of power expense balances, as reported in the Audited Financial Statements by WHESC, is provided in Table 9-3.

WHESC confirms that the IESO Global Adjustment Charge is pro-rated into the Regulated Price Plan ("RPP") and Non-RPP portions.

### **Account Balances**

Table 9-1 contains account balances from the 2015 Audited Financial Statements as at December 31, 2015 and the differences from balances reported for OEB purposes. The account balances for OEB reporting purposes detailed in Table 9-1 agree with the 2015 year end balances for Reporting and Record Keeping Requirement ("RRR") filing E2.1.7 Trial Balance as filed April 30, 2015. Any accounts not reported in the EDDVAR or not requested for disposition in this rate application are explained in detail in the section "Adjustments to Deferral and Variance Accounts" below.

There are differences between Financial and OEB reporting for deferral and variance accounts as detailed in Table 9-1. There were three entries that WHESC recorded for OEB reporting and excluded in the financial statements. Capital and OM&A expenses relating to Renewable Generation Connection included in accounts 1531 and 1532 are included in Fixed Assets for financial statement reporting. In 2014, a pole line extension in the amount of \$88,852.17 was required to connect a 10mW renewable generation site. This amount is included in account 1531 for OEB purposes and fixed assets for financial reporting purposes. Account 1531 has been reduced by 1.5 years of depreciation totaling \$2,665.56 leaving a balance of \$ 86,186.61 in this account at December 31, 2015. The \$2,665.56 was charged to Account 1532 for OEB reporting and depreciation expense for financial statement reporting. In addition to the depreciation expense of \$2,665.56, a second OM&A expense of \$7,302 was charged to account 1532. This expense relates to additional charges from the settlement service provider relating to hourly meter readings from generation sites required to settle the monthly invoice from the IESO. The combination of these two expenses leave a balance of \$9,967.56 in account 1532 at December 31, 2015. The additional settlement service charges were expensed for financial statement reporting purposes. The third item booked for OEB reporting and not in financial statements relates to account 1568 LRAM. WHESC has elected to defer reporting this amount for financial statement purposes until approval has been received from the OEB. WHESC has not previously applied for an LRAM adjustment in any previous rate application. The above differences will impact Income Statement and Balance Sheet reporting between financial statements and OEB statements.

In this rate application, WHESC has capitalized and added to rate base 17% of the 2014 capital extension amount relating to the generation connection included in account 1531. A capital expenditure of \$14,501 has been added to account 1830 in 2017. The balance of account 1531 will be transferred to account 2075 as per the Accounting Procedures Handbook Guidance March, 2015. Depreciation expenses up to and including 2016 will also be recovered at a rate of 17% from account 1532. WHESC is requesting

1 recovery of the non-direct related capital and expenses for the renewable generation expansion thru the  
2 Calculation of Renewable Generation Connection Direct Benefits/Provincial Amount: Renewable  
3 Expansion Investments found in Appendix 2-FC of the Chapter 2 Appendices. Recovery of this amount is  
4 received from the IESO and has no impact on the customers of WHESC. No Capital Contribution was  
5 required by the generator for this expansion as per calculations set out in the OEB's guidelines.

6 Table 9-1 also details balance sheet classification adjustments which have been made for financial  
7 reporting purposes and not for OEB purposes as a result of the transition to IFRS. There are two  
8 adjustments made under IFRS which are not made for OEB reporting and both relate to income taxes.  
9 Under CGAAP, WHESC would have had a Deferred Income Tax Receivable of \$1,879,443 and a Long  
10 Term Liability for Future Income Taxes in Rates of \$1,547,444 at December 31, 2015. CGAAP would  
11 have recognized the Long Term Liability for Future Income Taxes in Rates as a regulatory balance. The  
12 OEB does not recognize this item as a regulatory item and WHESC reflects this amount as an Other  
13 Long Term Liability in account 2320. Upon conversion to IFRS, WHESC is required to reflect variance  
14 account impacts to both the income statement and balance sheet "net of taxes". As a result, WHESC  
15 was required to restate the Deferred Income Tax Receivable at December 31, 2015 to a "net of taxes"  
16 amount. The adjustment for taxes included in Deferred Income Tax Receivable amounted to \$331,999  
17 which is considered to be a regulatory balance for IFRS reporting purposes. Once again, the OEB does  
18 not recognize this amount as a regulatory balance and the total amount of Deferred Income Taxes  
19 Receivable remains in account 1495 for OEB reporting. These adjustments impact the balance sheet  
20 only for comparisons between financial and OEB reporting.

**Table 9-1**

**December 31, 2015 Audited/RRR Balances – DVAs**

Account Description	USoA	Principal Dec 31, 2015	Interest Dec 31, 2015	Total Principal & Interest Dec 31, 2015	Balance per RRR2.1.7	Variance to RRR Reporting	Balance per 2015 F/S	Variance to Financial Statements
<b>Group 1 Accounts</b>								
Smart Metering Entity Charge Variance Account	1551	6,235	462	6,697	6,697	0	6,697	0
RSVA - Wholesale Market Service Charge	1580	-777,860	-4,900	-782,760	-782,760	0	-782,760	0
RSVA - Retail Transmission Network Charge	1584	-232,128	-2,457	-234,585	-234,585	0	-234,585	0
RSVA - Retail Transmission Connection Charge	1586	-34,892	362	-34,530	-34,530	0	-34,530	0
RSVA - Power (Excluding Global Adjustment)	1588	-4,001	-27,518	-31,519	-31,519	0	-31,519	0
RSVA - Global Adjustment	1589	352,770	1,323	354,093	354,093	0	354,093	0
Disposition and Rec/Ref of Regulatory Balances (2012)	1595	-76,196	-23,007	-99,203	-99,203	0	-99,203	0
Disposition and Rec/Ref of Regulatory Balances (2013)	1595	202,993	17,128	220,121	220,121	0	220,121	0
Disposition and Rec/Ref of Regulatory Balances (2014)	1595	-58,565	-5,207	-63,772	-63,772	0	-63,772	0
Disposition and Rec/Ref of Regulatory Balances (2015)	1595	166,861	1,998	168,859	168,859	0	168,859	0
<b>(A) Subtotal Group 1 Accounts</b>		<b>-454,783</b>	<b>-41,816</b>	<b>-496,599</b>	<b>-496,599</b>	<b>0</b>	<b>-496,599</b>	<b>0</b>
<b>Group 2 Accounts</b>								
Other Regulatory Assets- Sub Deferred IFRS Transition	1508	11,765	216	11,981	11,981	0	11,981	0
Other Regulatory Assets- Sub Lead/Lag Study	1508	450	1	451	451	0	451	0
<b>(B) Subtotal Group 2 Accounts</b>		<b>12,215</b>	<b>217</b>	<b>12,432</b>	<b>12,432</b>	<b>0</b>	<b>12,432</b>	<b>0</b>
<b>Other Accounts</b>								
Renewable Generation Connection Capital	1531	86,187	0	86,187	86,187	0	0	86,187
Renewable Generation Connection OM&A	1532	9,968	0	9,968	9,968	0	0	9,968
LRAM Variance Account	1568	34,250	715	34,965	34,965	0	0	34,965
IFRS-CGAAP Transition PP&E Balance & Returns	1575	35,287	0	35,287	35,287	0	35,287	0
Accounting Changes Under CGAAP	1576	-191,174	0	-191,174	-191,174	0	-191,174	0
<b>(C) Subtotal Other Accounts</b>		<b>-25,482</b>	<b>715</b>	<b>-24,767</b>	<b>-24,767</b>	<b>0</b>	<b>-155,887</b>	<b>131,120</b>
<b>Subtotal Deferral &amp; Variance OEB Reporting (A+B+C)</b>		<b>-468,050</b>	<b>-40,884</b>	<b>-508,934</b>	<b>-508,934</b>	<b>0</b>	<b>-640,054</b>	<b>131,120</b>
<b>Financial Reporting Adjustments</b>								
Remove Tax Impact on Future Tax Receivable		0	0	0	0	0	331,999	-331,999
Long Term Regulatory Liability Future Taxes		0	0	0	0	0	-1,547,444	1,547,444
<b>(D) Subtotal Financial Reporting Adjustments</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1,215,445</b>	<b>1,215,445</b>
<b>Total Deferral &amp; Variance Reporting (A+B+C+D)</b>		<b>-468,050</b>	<b>-40,884</b>	<b>-508,934</b>	<b>-508,934</b>	<b>0</b>	<b>-1,855,499</b>	<b>1,346,565</b>

## **Adjustments to Deferral and Variance Accounts**

### **Variance to 2.1.7 RRR Balances**

As stated WHESC has made no adjustments to DVA balances that were previously approved by the Board on a final basis in COS and Incentive Regulation Mechanism ("IRM") proceedings. In addition, there are no variances between the information reported in WHESC's EDDVAR Continuity Schedule Work Form and the 2.1.7 RRR Balances reported on April 30, 2016. As a result, no explanation of variances is required.

### **Differences between Table 9-1 and Accounts Requested for Disposition**

The purpose of this section is to detail differences (excluding the addition of interest from January 1, 2016 to April 30, 2017) between Table 9-1 OEB reporting and the accounts requested for disposition in WHESC's EDDVAR Continuity Schedule Work Form found in Appendix 9-A.

#### Disposition and Recovery Refund of Regulatory Balances (2012) - 1595 – (\$99,203)

The credit balance of (\$99,203) represents amounts remaining to be disposed of from 2012 variances. The rate rider dealing with the 2012 variances was removed from rates April 30, 2014. In its 2016 IRM Application *EB-2015-0109*, WHESC received approval to dispose of Group 1 balances (including the credit of \$99,203 noted above) over a one year disposition period from May 1, 2016 to April 30, 2017. Any differences between approved and actual disposition amounts will be adjusted for in WHESC's 2019 IRM rate application. Account balances to be audited for 2017 year end reporting.

#### Disposition and Recovery Refund of Regulatory Balances (2013) - 1595 – \$220,121

In its 2013 COS Application *EB-2012-0173*, WHESC received approval to dispose of all variance accounts. With the exception of stranded meter costs, variances were disposed of over a two year disposition period from May 1, 2013 to April 30, 2015. Stranded meters were to be disposed of over a four year period from May 1, 2013 to April 30, 2017. The extended period for stranded meters was to coincide with the removal of account 1576 reductions to current distribution rates. Any differences between approved and actual amounts to be disposed of will be adjusted for in WHESC's 2019 IRM rate application. Account balances to be audited for 2017 year end reporting.

#### Disposition and Recovery Refund of Regulatory Balances (2015) - 1595 – \$168,859

In its 2015 IRM Application *EB-2014-0120*, WHESC received approval to dispose of Group 1 balances over a one year disposition period from May 1, 2015 to April 30, 2016. Any differences between

approved and actual amounts to be disposed of will be adjusted for in WHESC's 2018 IRM rate application. Account balances to be audited for 2016 year end reporting.

LRAM Variance Account \$34,965 to \$13,083

The balance in account 1568 as of December 31, 2015 was based on previous LRAM models. The actual amount claimed has been adjusted to reflect the balance as per the OEB's LRAMVA Workform Version 1.02 updated on August 4, 2016.

Other Regulatory Assets Sub-Account Other (IFRS Transition Costs) – 1508 - \$11,765 to \$26,015

As per the Chapter 2 Filing Requirements WHESC has estimated the 2016 Bridge Year charges related to the transition to IFRS. The estimate is based on year to date actuals as of June 30, 2016 and total \$14,250 which has been reflected in the column "Principal Disposition during 2016 – Instructed by the Board". WHESC believes that there will be no further charges relating to the transition to IFRS. No interest has been applied by WHESC to the additional \$14,250 to be charged to this account in the 2016 Bridge Year. Details of these expenditures will be outlined in section 2.9.3 below.

Other Regulatory Assets Sub-Account Other (Lead/Lag Study) - 1508 – \$451 to NIL

Account 1508 Other Regulatory Balances Sub-Account Lead/Lag Study had a balance of \$450 principal and \$1 interest for a total balance of \$451 at December 31, 2015. These charges represented initial expenses with a service provider to explore conducting a Lead/Lag study in 2016 in preparation for the 2017 COS Application. This was a requirement of the settlement agreement in WHESC's 2013 COS Rate Application EB-2012-0173. However, as previously discussed in this application the settlement agreement has been revised to exclude the requirement of a Lead/Lag study. One of the conditions of the settlement to exclude the requirement of a Lead/Lag study in this rate application is that no charges associated with a Lead/Lag study are recoverable. As a result, WHESC can confirm for the Board that the \$451 included in account 1508 related to Lead/Lag study was reversed in 2016 and therefore will not be recovered at any point from customers.

Renewable Generation Connection Capital Deferral Account – 1531 - \$86,187

Account 1531 is not disposed of thru the EDDVAR model as this variance is recovered thru rate base (Direct Benefit) and monthly payments from the IESO (Provincial Benefit) effective with the 2017 Test Year.

1 Renewable Generation Connection OM&A Deferral Account – 1532 - \$9,968 to \$16,457

2 The direct portion of Account 1532 is disposed of thru the EDDVAR model. This balance is composed of  
3 17% of depreciation related to the pole line extension for generation and 100% of settlement services for  
4 generation accounts for IESO reporting thru December 31, 2016. WHESC has adjusted the EDDVAR  
5 model column "Principal Disposition during 2016 – instructed by Board" to adjust the December 31, 2015  
6 balances to the total amount claimed thru December 31, 2016. The total amount claimed is comprised of  
7 17% of depreciation expenses from 2014 to 2016 or \$755 (\$1,777 X 2.5 years X 17%) and \$15,702 which  
8 represents \$7,302 (2015) and \$8,400 (2016) related to settlement services for generation accounts not  
9 included in current rates. No interest has been added to this variance account.

10 IFRS-CGAAP Transition PP&E Amounts – 1575 - \$35,287 to \$64,607

11 This account represents changes in the treatment of fixed assets upon conversion to IFRS. As WHESC  
12 had already adopted extended useful lives and overhead capitalization changes effective January 1, 2012  
13 this account is dealing with early retirement of assets previously accounted for under the pooling of  
14 assets methodology. WHESC's 2013 COS Distribution Rates reflect the change for useful lives and  
15 overhead capitalization but no amount is currently included for the removal of pooled assets accounting  
16 which results in early retirement of asset expenses under IFRS. WHESC adopted IFRS effective January  
17 1, 2015 with restatement to January 1, 2014. As a result of the restatement there were no early  
18 retirement of assets in 2014. During 2015, WHESC had premature disposition assets of \$35,287 in asset  
19 classifications which were previously reported as pooled assets (assets were not written off when taken  
20 out of service but depreciation continued until the asset was fully depreciated). WHESC has estimated  
21 the amount for early disposition of assets to be \$29,320 for the 2016 Bridge Year. This amount has been  
22 included in the EDDVAR model column "Principal Disposition during 2016 – instructed by Board" and  
23 brings the total amount requested for disposition to \$64,607 as of December 31, 2016. No interest or  
24 return has been added to this variance account. The amounts recorded in account 1575 in 2015 were  
25 mainly related to smart meters failing or being replaced prior to the end of their useful lives. WHESC can  
26 confirm that smart meters continue to be replaced in 2016 and are expected to fail on an annual basis  
27 going forward. Expenses related to the early retirement of assets has been reflected in the 2017  
28 Revenue Requirement as a reduction in Other Revenues as discussed in Exhibit 3 of this application. For  
29 certain assets retirements in both 2014 and 2015, WHESC elected to increase depreciation to bring an  
30 asset to being fully depreciated as opposed to using account 1575 which was to the benefit of customers.

31 Accounting Changes under CGAAP Balance + Return Component – 1576 - (\$191,174)

32 WHESC adopted extended useful lives and overhead capitalization changes to align with MIFRS effective  
33 January 1, 2012. As a result, WHECS's 2013 COS Rate Application set distribution rates which reflected



both changes. In addition, 2013 COS distribution rates were decreased to reflect both principal and return (WACC) related to the 2012 impact of the changes for asset useful lives and overhead capitalization. No rate rider was used to dispose of 1576 balances in the 2013 COS Rate Application. WHESC made an accounting entry in 2012 to record a credit of \$573,531 (principal only) to account 1576 with the offset being a debit to Account 4305 Regulatory Debits. Account 1576 is being reversed to account 4310 Regulatory Credits over 48 months which represents the period in which distribution rates have been artificially reduced. The annual return (WACC) of \$33,093 is treated as a reduction in distribution income. Distribution rates increase in the 2017 COS Rate Application as the impact of the 2012 changes to fixed assets under MIFRS reflected in the 2013 COS Rate Application are removed.

As a result, account 1576 balances are not included in the EDDVAR model by WHESC. The balance will be zero at the end of the four year amortization period and this account will no longer be used by WHESC.

### Interest Rates Applied

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

**Table 9-2**  
**Interest Rates Applied to Deferral and Variance Accounts**

Period	Rate
Carrying Charge Rate Jan 1, 2009 - Mar 31, 2009	2.45%
Carrying Charge Rate Apr 1, 2009 - Jun 30, 2009	1.00%
Carrying Charge Rate Jul 1, 2009 - Jun 30, 2010	0.55%
Carrying Charge Rate Jul 1, 2010 - Sep 30, 2010	0.89%
Carrying Charge Rate Oct 1, 2010 - Dec 31, 2010	1.20%
Carrying Charge Rate Jan 1, 2011 - Mar 31, 2015	1.47%
Carrying Charge Rate Apr 1, 2015 - Dec 31, 2015	1.10%
Estimated Carrying Charge Rate Jan-Dec 2016	1.10%
Estimated Carrying Charge Rate Jan-Apr 2017	1.10%

### Energy Sales and Cost of Power

The sale of energy is a flow through revenue and the cost of power is a flow through expense and WHESC records no profits or losses from energy sales and expenses. Energy sales and the cost of power expense by component are presented in Table 9-3 for both financial statement purposes and OEB (USoA - RRR 2.1.7) reporting purposes. The OEB reporting shows equal and offsetting amounts for

1 Energy Revenues and Cost of Power. However, with the conversion to IFRS effective January 1, 2015  
2 there are significant differences in the accounting of energy sales, cost of power, and rate riders for  
3 financial statement purposes. The impact of current year RSVA variances relating to energy sales and  
4 energy costs are removed from Energy Revenues and Cost of Power. The recovery or disposition of  
5 energy related rate riders are also removed from Energy Revenues and Cost of Power. Current year  
6 RSVA variances and rate rider recoveries/dispositions related Energy Revenues and Cost of Power are  
7 charged or credited to "Net movement in regulatory balances, net of tax" for financial statement purposes.  
8 These entries offset any difference between Energy Revenues and Cost of Power included in the "Net  
9 Income for the Year" in the financial statements. The end result is that the "Net Income for the year and  
10 net movement in regulatory balances" contains no profit or loss on Energy Revenues and Cost of Power.

**Table 9-3**

**Energy Revenue and Cost of Power Expenses**

USoA	Description	Actual				
		2014 Actuals OEB 2.1.7	2014 Financials CGAAP	2014 Financials IFRS	2015 Actuals OEB 2.1.7	2015 Financials IFRS
Energy Revenues						
4006	Residential Energy Sales	14,847,471			16,374,956	
4020	Energy Sales to Large Users	1,568,508			0	
4025	Street Lighting Energy Sales	237,222			212,520	
4030	Sentinel Lighting Energy Sales	72,915			77,677	
4035	General Energy Sales	17,988,036			19,476,532	
4050	Revenue Adjustment	-508,523			0	
4055	Energy Sales for Resale	1,454,820			644,700	
4062	Wholesale Market Services	2,174,837			1,394,481	
4066	Network	2,890,346			2,703,150	
4068	Connection	2,178,821			2,080,905	
4076	Billed - Smart Meter Entity Charge	207,091			209,653	
Total Energy Revenues OEB Reporting		43,111,544	43,111,544	43,111,544	43,174,574	43,174,574
Adjusting Entries for IFRS				221,518		1,160,815
Total Energy Revenues Financial Statements				43,333,062		44,335,389
USoA	Description	Actual				
		2014 Actuals OEB 2.1.7	2014 Financials CGAAP	2014 Financials IFRS	2015 Actuals OEB 2.1.7	2015 Financials IFRS
Cost of Power						
4705	Power Purchased	26,530,710			25,824,415	
4707	Charges Global Adjustment	9,129,739			10,961,970	
4708	Charges Wholesale Market Services	2,174,837			1,394,481	
4714	Charges Network	2,890,346			2,703,150	
4716	Charges Connection	2,178,821			2,080,905	
4751	Charges - Smart Meter Entity Charge	207,091			209,653	
Total Cost of Power for OEB Purposes		43,111,544	43,111,544	43,111,544	43,174,574	43,174,574
Adjusting Entries for IFRS				188,333		704,561
Total Cost of Power for Financial Statements				43,299,877		43,879,135
Net Income for the year (Energy Sales and Cost Only)		0	0	33,185	0	456,254
Adjusting Entries for IFRS Energy Revenue				-221,518		-1,160,815
Adjusting Entries for IFRS Cost of Power				188,333		704,561
Net Income for the year and net movement in regulatory balances (Energy Sales and Cost Only)		0	0	0	0	0

**Group 2 & Other Accounts – To be continued or discontinued on a Go-Forward Basis**

Table 9-4 below lists all Group 2 & Other Variance accounts which WHESC will continue and discontinue on a going-forward basis. This list is comprised of accounts with balances at December 31, 2015 (with the exception of account 1557 Meter Cost Deferral Account) as contained in Table 9-1 and provides an explanation for each variance account.

**Table 9-4**

**Group 2 & Other Variance Accounts - Continue & Discontinue**

Account Description	USoA#	Continue/ Discontinue	Explanation
<b>Group 2 Accounts</b>			
Other Regulatory Assets -Sub Deferred IFRS Transition	1508	Discontinue	Final charges have been estimated for the 2016 Bridge Year.
Other Regulatory Assets -Sub Deferred Lead/Lag	1508	Discontinue	No longer required after reversal in 2016 to bring balance to zero.
<b>Other Variance Accounts</b>			
Renewable Generation Connection Capital	1531	Discontinue	2017 Entries to reflect disposition of 2014 Capital Expenditure. 1531 is to be discontinued following the approval of a rate order that is underpinned by a distributor's first consolidated Distribution System Plan.
Renewable Generation Connection OM&A	1532	Discontinue	2017 Entries to reflect 2015/2016 Settlement Services Cost for Generation accounts and 17% of depreciation to Dec/16. Settlement Services Costs will be reflected in 2017 Distribution Rates. Discontinue use as per account 1531 above.
Meter Cost Deferral Account	1557	Continue	WHESC has not included capital or OM&A expenditures in the 2017 COS application regarding the amendment to the Distribution Settlement Code to require the installation of MIST meters on all GS>50 customers by August 21, 2020.
LRAM Variance Account	1568	Continue	WHESC expects to settle for CDM amounts for years 2015 and beyond.
IFRS-CGAAP Transition PP&E Balance & Returns	1575	Discontinue	2017 Entries to reflect disposition 2015/2016 Early Retirement of Assets. The expenses will be reflected in 2017 Revenue Requirement. As a result, this account will no longer be required.
Accounting Changes Under CGAAP	1576	Discontinue	The impact on the 2013 COS Distribution rates will be removed in 2017 Distribution Rates and this account will no longer be required.

**2.9.1 ONE-TIME INCREMENTAL IFRS COSTS**

WHESC has detailed its One-Time Incremental IFRS Transition Costs in Table 9-5 which provides a summary of these incremental costs and is consistent with Board Appendix 2-YA.

**Professional & Accounting Fees**

WHESC retained the services of KPMG to conduct an IFRS impact assessment and outline action plans and next steps in preparation of the anticipated transition to IFRS. KPMG assisted with determining the level of Property, Plant and Equipment ("PP&E") componentization required under IFRS, establishing updated useful lives referencing the Kinectrics Report and examining changes to overhead capitalization as part of the planned conversion to MIFRS. These costs were incurred in 2012 and prior years. In 2015 the focus switched to financial statement reporting under IFRS effective January 1, 2015 and the restatement to January 1, 2014. Consulting costs from KPMG during this period included revised financial statement presentation and changes in the notes to the statements. In 2016, there were additional one-time audit fees related to the first audit under IFRS from WHESC's audit firm (Deloitte).

WHESC has not included any one-time administrative incremental IFRS transition costs in its 2017 revenue requirement.

WHESC confirms that no capital, ongoing IFRS compliance costs, or impacts arising from adopting accounting policy changes are recorded in Account 1508 Other Regulatory Assets, sub-account Deferred IFRS Transition Costs.

1  
2  
3

**Table 9-5**  
**Appendix-2YA**  
**One-Time Incremental IFRS Transition Costs**

4

Nature of One-Time Incremental IFRS Transition Costs <sup>1</sup>	Audited Actual Costs Incurred  2009/2010	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 <sup>3</sup>	Total Costs Including Carrying Charges	Carrying Charges January 1, 2016 to December 31, 2016/April 30, 2017 (As appropriate)	Total Costs and Carrying Charges	Reasons why the costs recorded meet the criteria of one-time IFRS administrative incremental costs
professional accounting fees	\$ 24,075	\$ 20,000	\$ 4,265	\$ 44,673	\$ -	\$ 7,500	\$ 216	\$ 14,250	\$ -	\$ 25,633	\$ 172	\$ 25,806	Accounting Fees not included in Rates
professional legal fees										\$ -		\$ -	
salaries, wages and benefits of staff added to support the transition to IFRS										\$ -		\$ -	
associated staff training and development costs	\$ 598									\$ 598		\$ 598	
costs related to system upgrades, or replacements or changes where IFRS was the major reason for conversion										\$ -		\$ -	
										\$ -		\$ -	
										\$ -		\$ -	
										\$ -		\$ -	
										\$ -		\$ -	
Amounts, if any, included in previous Board approved rates (amounts should be negative) <sup>2</sup>										\$ -		\$ -	
										\$ -		\$ -	
Insert description of additional item(s) and new rows if needed.										\$ -		\$ -	
<b>Total</b>	\$ 24,673	\$ 20,000	\$ 4,265	\$ 44,673	\$ -		\$ 216	\$ 14,250	\$ -	\$ 26,231		\$ 26,404	

## 2.9.2 ACCOUNT 1575, IFRS-CGAAP TRANSITION PP&E AMOUNTS

WHESC has submitted its 2017 COS in MIFRS for the 2016 Bridge Year and the 2017 Test Year and has recorded transitional adjustments to the PP&E component of its rate base for the 2014 Actual (NIL-no early retirement of assets), 2015 Actual, 2016 Bridge Year, and the 2017 Test Year. The applicable adjustments to these years relate to the early retirement of distribution assets. Specifically, accounts which were previously considered pool assets and are no longer pooled under IFRS. The net amount of the adjustments for the 2015 Actual and 2016 Bridge Years are charged to account 1575. No early retirement of assets are included in account 1575 in the 2017 Test Year. WHESC has requested that an estimated annual amount related to the early disposition of assets be included in the determination of 2017 Revenue Requirement thru a reduction in Other Revenues as discussed in Exhibit 3. Table 9-6 provides a summary, by USoA #, of WHESC's disposals related to the retirement of assets as a result of new construction rebuilds or replacements. Table 9-7 below, which is consistent with Board Appendix 2-EA, shows the impact of the retirement of assets to the Net Book Value ("NBV") of PP&E.

WHESC is not requesting return (WACC) on account 1575 and will create a separate rate rider specifically relating to account 1575 as required by the OEB.

**Table 9-6**

**Summary of Asset Disposals**

PP&E Disposals	USoA #	Year	Asset Cost	Accumulated Depreciation	Net Book Value (Loss on Retirement of Assets)
Poles, Towers and Fixtures	1830	2015	-921	183	-738
Smart Meters	1860	2015	-59,324	24,776	-34,549
Smart Meters	1860	2016	-60,000	30,680	-29,320
<b>Total Disposals</b>			<b>-120,245</b>	<b>55,639</b>	<b>-64,607</b>

1

**Table 9-7**

**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	2012	2013	2014	2015	2016	2017 Rebasing Year
	CGAAP	CGAAP	CGAAP	CGAAP	MIFRS	MIFRS	MIFRS
	Forecast	Actual	Actual	Actual	Actual	Forecast	Forecast
				\$	\$	\$	
<b>PP&amp;E Values under CGAAP</b>							
Opening net PP&E - Note 1				25,872,710	26,894,319	27,665,588	
Net Additions - Note 4				2,136,221	2,063,634	2,498,138	
Net Depreciation (amounts should be negative) - Note 4				-1,114,612	-1,292,365	-1,084,347	
<b>Closing net PP&amp;E (1)</b>				26,894,319	27,665,588	29,079,379	
<b>PP&amp;E Values under MIFRS (Starts from 2014, the transition year)</b>							
Opening net PP&E - Note 1				25,872,710	26,894,319	27,630,302	
Net Additions - Note 4				2,136,221	2,003,389	2,438,138	
Net Depreciation (amounts should be negative) - Note 4				-1,114,612	-1,267,406	-1,053,667	
<b>Closing net PP&amp;E (2)</b>				26,894,319	27,630,302	29,014,773	
<b>Difference in Closing net PP&amp;E, former CGAAP vs. revised CGAAP</b>				0	35,287	64,607	

**Effect on Deferral and Variance Account Rate Riders**

Closing balance in Account 1576	64,607
Return on Rate Base Associated with Account 1576	
balance at WACC - Note 2	-
<b>Amount included in Deferral and Variance Account Rate Rider Calculation</b>	<b>64,607</b>

WACC

# of years of rate rider  
disposition period

2

**2.9.3 ACCOUNT 1576, ACCOUNTING CHANGES UNDER CGAAP**

WHESC's current distribution rates include the change to assets useful lives and the change to overhead capitalization rates. As a result, no accounting for 1576 is required in this rate application. As stated previously, the current distribution rates were artificially reduced in the 2013 COS Rate Application by accounting for the impact of 1576 without the use of a rate rider. In its letter dated June 25, 2013, the Board stated that effective for the 2014 cost of service rate applications and subsequent rate years, the OEB will require a rate of return component to be applied to the balance in Account 1576 and require the use of a separate rider for the disposition of the balance in Account 1576. WHESC's settlement conference for its 2013 COS Rate Application took place prior to this new directive. WHESC did agree to apply a rate of return component to the principal balance in Account 1576 in the 2013 COS Revenue Requirement. The impact of the reduction to 2013 COS distribution rates is being removed in this 2017 COS Rate Application and accounts for a material portion of the increase in distribution rates.

**2.9.4 RETAIL SERVICE CHARGES**

WHESC does not have any balances in Account 1518 RCVA Retail or Account 1548 RCVA STR to be disposed of. WHESC has not followed Article 490, Retail Services and Settlement Variances of the Accounting Procedures Handbook for Account 1518 and Account 1548 as it believes the variance between retail revenues collected and incremental costs incurred to service the retail customers are not material. WHESC has seen a decrease in customers who have retail contracts since its 2013 COS Rate Application.

**2.9.5 DISPOSITION OF DEFERRAL AND VARIANCE ACCOUNTS**

**Accounts Submitted for Disposition**

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

WHESC has followed the guidelines in the Report of the Board and requests disposition over a one-year period.

WHESC is requesting the disposition of the following Group 1 Accounts, Group 2 Accounts and Other Accounts as shown in Table 9-8. These amounts are comprised of the audited balances as of December 31, 2015, adjustments as referenced in the section "Adjustments to Deferral and Variance Accounts" on page 6 of this Exhibit, and the forecasted interest through April 30, 2017.



WHESC confirms that the account balances, listed in Table 9-8, proposed for disposition before the projected interest are consistent with the last Audited Financial Statements, with the exception of the variances explained in the "Account Balances" section of this Exhibit pages 3 to 4. WHESC confirms that account balances, listed in Table 9-8 reconcile with the trial balance reported through the Electricity Reporting and Record-keeping Requirements, with the exception of the variances explained in the "Adjustments to Deferral and Variance Accounts" on page 6 of this Exhibit.

**Table 9-8**

**Accounts Submitted for 2017 Disposition**

Account Description	USoA	Balances to Dispose		2016 Adjustments	Projected Interest Jan/16- Apr/17	Total Claim
		Principal	Interest			
Group 1 Accounts						
Smart Metering Entity Charge Variance Account	1551	-2,118	-31	0	-31	-2,180
RSVA-Wholesale Marketing Service Charge	1580	-725,611	-4,237	0	-10,643	-740,490
RSVA-Retail Transmission Network Charge	1584	-148,772	-1,360	0	-2,181	-152,313
RSVA-Retail Transmission Connection Charge	1586	-70,493	-600	0	-1,033	-72,126
RSVA-Power (Excluding Global Adj)	1588	504,522	2,310	0	7,400	514,232
RSVA-Global Adjustment	1589	200,038	-127	0	2,933	202,844
Dispositon Rec/Ref of Regulatory Balances (2014)	1595	-58,565	-5,207	0	-859	-64,633
Subtotal Group 1 Accounts		-300,999	-9,252	0	-4,414	-314,666
Group 2 Accounts						
Other Regulatory Assets - IFRS Transition Costs	1508	11,765	216	14,250	172	26,403
Other Regulatory Assets - Lead/Lag Study	1508	450	1	-450	-1	0
Subtotal Group 2 Accounts		12,215	217	13,800	171	26,403
Other Accounts						
LRAM Variance Account	1568	34,250	715	-22,068	187	13,083
Renewable Generation Connection OM&A Deferral	1532	9,968	0	6,489	0	16,457
IFRS-CGAAP Transition PP&E Amounts Balance	1575	35,287	0	29,320	0	64,607
Total Other Accounts		79,505	715	13,741	187	94,147
Total		-209,279	-8,320	27,541	-4,056	-194,115

**Group 1 DVA Accounts Proposed for Disposition**

WHESC received Board approval on March 17, 2016, EB-2015-0109, for the disposition of Group 1 balances at December 31, 2014 and interest projected on these balances to April 30, 2016. WHESC thus notes, that the Group 1 balances being proposed for disposition in this filing will reflect only activities for 2015 and interest projected to April 30, 2017.

**Group 2 DVA Accounts Proposed for Disposition**

Account 1508 Other Regulatory Assets contains sub-accounts dealing with IFRS Transition Costs and the Lead/Lag Study. As previously stated WHESC has expensed amounts related to the Lead/Lag study in 2016. IFRS Transition Costs include expected costs in 2016 as directed in Chapter 2 Filing Guidelines. Both sub-accounts of Account 1508 will be discontinued in 2017.

**Other DVA Accounts Proposed for Disposition**

Details on the disposition claim for Account 1568, LRAM Variance Account, of \$13,083 can be found in Exhibit 4 – Operating Costs.

Account 1532 Renewable Generation OM&A Deferral Account represents 17% of depreciation expenses and settlement services expenses related to generation accounts to December 31, 2016. Increased annual settlement services expenses related to generation accounts have been reflected in 2017 OM&A expenses. This account will be discontinued in 2017.

Account 1575 IFRS-CGAAP Transition PP&E Amounts represents early retirement of assets previously accounted for under the pooled asset methodology. Total amounts for disposition represent early retirements to December 31, 2016. An estimated amount related to early retirements has been included in the 2017 Revenue Requirement thru a reduction in Other Revenue. This account will be discontinued in 2017.

**Method of Disposition**

The following methods are proposed for the disposition of the DVA balances selected for disposition.

**Group One Accounts, Excluding 1595 and 1551**

Method of disposition: allocation to rate classes on basis of the 2017 forecasted kWh energy consumption by customer class and disposition through a variable component rate rider based on kWh or kW.

Allocation of costs to customer classes is based upon kWh energy consumption by customer class in accordance with the default cost allocation methodology established by the Board for Group 1 deferral and variance accounts in the Electricity Distributor's Deferral and Variance Account Review Initiative (EDDVAR Report), dated July 31, 2010.

For the purposes of allocating the costs of Account 1589 – Global Adjustment, WHESC utilized Non-RPP kWh as the allocator. For the Residential and GS <50kW customer classes, 2015 billed Non-RPP kWh was used. For the GS >50kW and Sentinel Light customer classes, WHESC used the ratio of Non-RPP

1 vs. RPP kWh billed in 2015 and applied the percentage to the 2017 forecasted kWh. The forecasted kWh  
2 was used for the Street Light customer class.

3 The 2017 EDDVAR model ensures that WHESC's Market Participant account in the GS>50 kW class is  
4 only allocated accounts to which they contributed to the variance.

5 **Group One Account – 1595 Disposition and Recovery/Refund Regulatory Balance (2014):**

6 The recovery share proportion used to allocate the residual amounts in 1595 (2014) to customer classes  
7 is based on weighted ratios by customer class that account for the amounts to be disposed of for both the  
8 2014 RSVA rate rider and the 2014 Global Adjustment rate rider.

9 **Group One Account – 1551 Smart Metering Entity Charge:**

10 The Smart Metering Entity Charge is only charged to the Residential and GS<50 kW rate Classes in  
11 proportion to their forecasted 2017 customer numbers. This treatment is consistent with the 2016 IRM  
12 instruction "The proportion of customers for the Residential and GS<50 Classes will be used to Allocate  
13 1551".

14 **Group Two Accounts**

15 **Account 1508 Other Regulatory Assets Sub-Account Deferred IFRS Transition Costs:**

16 Method of disposition: allocation to rate classes on basis of the 2017 forecasted kWh energy consumption  
17 by customer class and disposition through a variable component rate rider based on kWh or kW with the  
18 exception of the Residential Class that is a fixed component rate rider based on number of customers.

19 **Other Accounts**

20 **Account 1568 LRAMVA:**

21 Method of disposition: allocation to rate classes on basis of the lost revenue allocated by class based  
22 upon the IESO/OPA's Final Reports for 2011, 2012, 2013 and 2014 with disposition through a variable  
23 component rate rider based on 2017 forecasted kWh energy consumption and kW demand by customer  
24 class. LRAMVA amounts related to the Large Use class have been combined with the GS>50 kW class.  
25 This customer was reclassified for billing purposes effective January 1, 2015.

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

Method of disposition: allocation to rate classes on basis of the 2017 forecasted kWh energy consumption by customer class and disposition through a variable component rate rider based on kWh or kW with the exception of the Residential Class that is a fixed component rate rider based on number of customers. The 2017 EDDVAR disposes of the DVA as a Group 2 Variance account.

**Account 1575 IFRS-CGAAP Transition PP&E Amounts Balance:**

Method of disposition: allocation to rate classes on basis of the 2017 forecasted kWh energy consumption by customer class and disposition through variable component rate rider based on kWh or kW with the exception of the Residential Class that is a fixed component rate rider based on number of customers.

**Proposed Rate Riders**

Table 9-9 to Table 9-15 below summarizes the proposed rates that result from the disposal of the DVA balance. WHESC has used a one-year recovery period in the proposed rate rider calculations. All the relevant calculations, including the rationale for the allocation of each account and the proposed billing determinants can be found in the EDDVAR model.

**Table 9-9**

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

1550, 1551, 1584, 1586, 1595

Rate Class (Enter Rate Classes in cells below)	Units	kW / kWh / # of Customers	Allocated Balance (excluding 1589)	Rate Rider for Deferral/Variance Accounts	
RESIDENTIAL	kWh	161,051,510	-\$ 140,197	- 0.0009	\$/kWh
GENERAL SERVICE LESS THAN 50 KW	kWh	54,658,680	-\$ 46,863	- 0.0009	\$/kWh
GENERAL SERVICE 50 TO 4,999 KW	kW	362,937	-\$ 101,750	- 0.2804	\$/kW
UNMETERED SCATTERED LOAD	kWh	944,313	-\$ 869	- 0.0009	\$/kWh
SENTINEL LIGHTING	kW	2,077	-\$ 681	- 0.3279	\$/kW
STREET LIGHTING	kW	3,560	-\$ 958	- 0.2690	\$/kW
		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
<b>Total</b>			-\$ 291,317		



1 **Table 9-12**

**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	21,042	\$ 19,872	\$ 0.08	per customer per month
GENERAL SERVICE LESS THAN 50 KW	kWh	54,658,680	\$ 6,744	\$ 0.0001	\$/kWh
GENERAL SERVICE 50 TO 4,999 KW	kW	362,937	\$ 15,876	\$ 0.0437	\$/kW
UNMETERED SCATTERED LOAD	kWh	944,313	\$ 117	\$ 0.0001	\$/kWh
SENTINEL LIGHTING	kW	2,077	\$ 93	\$ 0.0448	\$/kW
STREET LIGHTING	kW	3,560	\$ 158	\$ 0.0444	\$/kW
		-	\$ -	\$ -	
		-	\$ -	\$ -	
		-	\$ -	\$ -	
		-	\$ -	\$ -	
		-	\$ -	\$ -	
		-	\$ -	\$ -	
		-	\$ -	\$ -	
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		-	\$ -	\$ -	
		-	\$ -	\$ -	
		-	\$ -	\$ -	
		-	\$ -	\$ -	
		-	\$ -	\$ -	
<b>Total</b>			<b>\$ 42,860</b>		

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3 **Table 9-13**

**Rate Rider Calculation for Accounts 1575 and 1576**

Please indicate the Rate Rider Recovery Period (in years)

Rate Class (Enter Rate Classes in cells below)	Units	# of Customers	Balance of Accounts 1575 and 1576	Rate Rider for Accounts 1575 and 1576	
RESIDENTIAL	# of Customers	21,042	\$ 29,955	\$ 0.1186	per customer per month
GENERAL SERVICE LESS THAN 50 KW	kWh	54,658,680	\$ 10,166	\$ 0.0002	\$/kWh
GENERAL SERVICE 50 TO 4,999 KW	kW	362,937	\$ 23,931	\$ 0.0659	\$/kW
UNMETERED SCATTERED LOAD	kWh	944,313	\$ 176	\$ 0.0002	\$/kWh
SENTINEL LIGHTING	kW	2,077	\$ 140	\$ 0.0675	\$/kW
STREET LIGHTING	kW	3,560	\$ 238	\$ 0.0670	\$/kW
		-	\$ -	\$ -	
		-	\$ -	\$ -	
		-	\$ -	\$ -	
		-	\$ -	\$ -	
		-	\$ -	\$ -	
		-	\$ -	\$ -	
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<b>Total</b>			<b>\$ 64,607</b>		

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1 **Table 9-14**

**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	161,051,510	-\$ 19,004	-	<b>0.0001</b> \$/kWh
GENERAL SERVICE LESS THAN 50 KW	kWh	54,658,680	\$ 5,154	-	<b>0.0001</b> \$/kWh
GENERAL SERVICE 50 TO 4,999 KW	<b>kW</b>	362,937	\$ 28,613	-	<b>0.0788</b> \$/kW
UNMETERED SCATTERED LOAD	kWh	944,313	-\$ 272	-	<b>0.0003</b> \$/kWh
SENTINEL LIGHTING	<b>kW</b>	2,077	-\$ 473	-	<b>0.2277</b> \$/kW
STREET LIGHTING	<b>kW</b>	3,560	-\$ 935	-	<b>0.2626</b> \$/kW
		-	\$ -	-	-
		-	\$ -	-	-
		-	\$ -	-	-
		-	\$ -	-	-
		-	\$ -	-	-
		-	\$ -	-	-
		-	\$ -	-	-
		-	\$ -	-	-
		-	\$ -	-	-
		-	\$ -	-	-
		-	\$ -	-	-
		-	\$ -	-	-
		-	\$ -	-	-
		-	\$ -	-	-
<b>Total</b>			<b>\$ 13,083</b>		

**2.9.5.1 DISPOSITION OF GLOBAL ADJUSTMENT**

- 2 WHESC did not have any customers switch from Class B to Class A during the 2015 rate year. As a  
3 result, completion of tab 5a. GA\_Allocation\_Class A is not applicable.

**GLOBAL ADJUSTMENT AND THE IESO SETTLEMENT PROCESS**

- 4 The manner in which WHESC settles with the IESO is provided in Table 9-15 below and depends on the  
5 following: (i) whether the customer is a Regulated Price Plan ("RPP") consumer; and (ii) whether the  
6 customer is a Class A or Class B consumer. It is not dependent on the rate class.

1 **Table 9-15 IESO Settlement Process**

Customer	GA Rate used for Billing	GA Rate used to Record Cost	Settlement Process	Consumption Estimates	Impact on GA Variance Account
Class A	Actual	Actual	Welland Hydro pays the IESO Actual GA and bills the customers Actual GA-no further settlement with the IESO is required	Class A consumptions actuals are submitted to the IESO-actuals are known at the time of submission; therefore an estimate is not required	None
Class B non-RPP	1st Estimate	Actual	Welland Hydro pays the IESO Actual GA and bills customers 1st estimate GA-no further settlement with the IESO is required	Class B non-RPP consumption is not submitted to the IESO	Difference between revenues and costs recorded to GA variance account on a monthly basis and recovered from/repaid to Class B non-RPP consumers on disposal of the GA Variance Account
Class B RPP	RPP Time of Use ("TOU") or Tiered Rates (1)	Actual	Welland Hydro pays the IESO Actual GA and bills customers RPP rates - Welland Hydro settles with the IESO on a monthly basis via the RPP vs. Market Claim (2)	RPP consumption is estimated and provided to the IESO as part of the RPP vs. Market Price Claim (2) provided to the IESO. Settlement with the IESO is then adjusted once actual RPP consumption is known	Timing Differences Only - Estimate vs Actual (Three Month Lag)
(1) GA is not billed separately for Class B RPP customers; incorporated into RPP rates					
(2) RPP vs. Market Price Claim is discussed in further detail below					

2

3 **Class A Customers**

4 WHESC's only Class A customer elected to move to Class B for Global Adjustment purposes effective

5 July 1, 2014. As a result, there are no variances related to Class A customers in the 2015 Global

6 Adjustment Variances being disposed of in this rate application.

7 **Class B non-RPP Customers**

8 Class B non-RPP customers are billed by WHESC throughout the month. These customers pay the spot

9 price for energy – either the Weighted Average Hourly Spot price ("WAHSP") or the Hourly Ontario

10 Energy Price ("HOEP"); and the GA. WHESC bills its Class B non-RPP customers using the IESO's 1st

11 estimate for GA for the month which is published by the IESO on the last business day of the preceding

12 month. WHESC pays the IESO Class B GA based on its actual Class B volume at the actual Class B

13 rate. No further settlement with the IESO is required. Any difference between GA revenues and GA

14 costs are recorded in the GA variance account to be recovered from or repaid to Class B non-RPP

15 customers based on consumption. Total Class B consumption is defined as the following:

16 **Total kWh wholesale power purchased from the IESO**

17 **Add:** Embedded Generation

18 **Less:** Class A consumption

19 WHESC verifies the amount of Class B GA invoiced by the IESO using the kWh calculated above

20 multiplied by the actual GA rate for the month.

21 The determination of Class B RPP consumption is discussed in further detail below.



**Class B RPP Customers**

Class B RPP customers are billed by WHESC throughout the month at RPP TOU or Tiered Rates. The difference between how much WHESC recovers from RPP customers at these rates and the amount WHESC pays for the commodity supply in the wholesale market place to the IESO is submitted to the IESO on a monthly basis ("the RPP vs. Market Price claim"). The RPP consumption for the month is estimated using billed kWh from WHESC's billing system and is used to determine the GA allocated to Class B non-RPP customers on a monthly basis. The amount submitted to the IESO is reflected on the invoice as either a debit (WHESC collected more revenue from RPP customers than it paid for electricity) or a credit (WHESC collected less revenue from RPP customers than it paid for electricity). As the initial process is based on estimated RPP consumption a true up process occurs once actual consumption is known and is discussed in the following section.

**True-up of "Current Month" Claim using Actual Billed Consumption**

WHESC's billing system is used to determine the actual kWh consumed by and billed to RPP customers. As WHESC bills customers on a monthly basis a three month lag is used to ensure all amounts invoiced to RPP customers have been finalized. WHESC recalculates the monthly RPP vs. "Market Claim" for each calendar month and submits the adjustment to the IESO on a quarterly basis for the difference between the estimated amount and the actual amount. As an example, WHESC would true up January to March estimates in the June IESO submission so that no more than three months of estimates is outstanding in the variance accounts at any time. This quarterly true up is recorded separately from the monthly estimate to ensure proper coding between the cost of power and the GA variance accounts. A reconciliation is maintained between the amounts invoiced by the IESO and the GL to ensure that variance accounts are maintained accurately.

WHESC can confirm for the Board that it uses the accrual method to record amounts unbilled at month and year ends.

**Settlement with IESO for Embedded Generation**

WHESC receives a report detailing kWh generated by all its embedded generators on a monthly calendar basis which outlines the generation amounts on an hourly basis. The resultant generation by hour is multiplied by the hourly electricity cost (excluding global adjustment) invoiced by the IESO. The difference between the total cost invoiced by the IESO and the amounts paid to generators (various actual contract prices) is then submitted to the IESO for recovery. There is no impact to the variance accounts as a result of this process.

1     **2.9.6 ESTABLISHMENT OF NEW DEFERRAL AND VARIANCE ACCOUNTS**

2     WHESC is not requesting any new deferral and variance accounts in this rate application.

**APPENDIX 9-A**  
**2017 EDDVAR MODEL**



# 2017 Deferral/Variance Account Workform

Version 2.8

Utility Name Welland Hydro Electric System Corp.

Service Territory Welland, Ontario

Assigned EB Number EB-2016-0110

Name of Contact and Title Wayne Armstrong - Director of Finance & COO

Phone Number 905-732-1381 Ext 234

Email Address warmstrong@wellandhydro.com

## General Notes

### Notes

Pale green cells represent input cells.

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

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

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		2012									
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-12	Transactions' Debit/(Credit) during 2012	OEB-Approved Disposition during 2012	Principal Adjustments' 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
<b>Group 1 Accounts</b>											
LV Variance Account	1550	\$0				\$0	\$0				\$0
Smart Metering Entity Charge Variance Account	1551										
RSVA - Wholesale Market Service Charge <sup>1u</sup>	1580	\$0			-\$951,150	-\$951,150	\$0			-\$18,042	-\$18,042
Variance WMS – Sub-account CBR Class A <sup>1u</sup>	1580										
Variance WMS – Sub-account CBR Class B <sup>1u</sup>	1580										
RSVA - Retail Transmission Network Charge	1584	\$0			\$380,414	\$380,414	\$0			\$4,387	\$4,387
RSVA - Retail Transmission Connection Charge	1586	\$0			\$190,333	\$190,333	\$0			\$1,072	\$1,072
RSVA - Power (excluding Global Adjustment)	1588	\$0			-\$427,871	-\$427,871	\$0			-\$3,658	-\$3,658
RSVA - Global Adjustment	1589	\$0			\$470,582	\$470,582	\$0			\$9,091	\$9,091
Disposition and Recovery/Refund of Regulatory Balances (2009) <sup>9</sup>	1595	\$0				\$0	\$0			-\$6,731	-\$6,731
Disposition and Recovery/Refund of Regulatory Balances (2010) <sup>9</sup>	1595	\$0			-\$32,927	-\$32,927	\$0			-\$7,848	-\$7,848
Disposition and Recovery/Refund of Regulatory Balances (2011) <sup>9</sup>	1595	\$0				\$0	\$0				\$0
Disposition and Recovery/Refund of Regulatory Balances (2012) <sup>9</sup>	1595	\$0			-\$994,227	-\$994,227	\$0			-\$10,507	-\$10,507
Disposition and Recovery/Refund of Regulatory Balances (2013) <sup>9</sup>	1595	\$0				\$0	\$0				\$0
Disposition and Recovery/Refund of Regulatory Balances (2014) <sup>9</sup>	1595	\$0				\$0	\$0				\$0
Disposition and Recovery/Refund of Regulatory Balances (2015) <sup>9</sup>	1595	\$0				\$0	\$0				\$0
<i>Not to be disposed of unless rate rider has expired and balance has been audited</i>											
Group 1 Sub-Total (including Account 1589 - Global Adjustment)		\$0	\$0	\$0	-\$1,364,846	-\$1,364,846	\$0	\$0	\$0	-\$32,236	-\$32,236
Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)		\$0	\$0	\$0	-\$1,835,428	-\$1,835,428	\$0	\$0	\$0	-\$41,327	-\$41,327
RSVA - Global Adjustment	1589	\$0	\$0	\$0	\$470,582	\$470,582	\$0	\$0	\$0	\$9,091	\$9,091
<b>Group 2 Accounts</b>											
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	\$0			\$44,673	\$44,673	\$0			\$1,288	\$1,288
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508	\$0				\$0	\$0				\$0
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Variance											
- Ontario Clean Energy Benefit Act <sup>3</sup>	1508	\$0				\$0	\$0				\$0
Other Regulatory Assets - Sub-Account - Other <sup>4</sup>	1508	\$0				\$0	\$0				\$0
Retail Cost Variance Account - Retail	1518	\$0				\$0	\$0				\$0
Misc. Deferred Debits	1525	\$0				\$0	\$0				\$0
Retail Cost Variance Account - STR	1548	\$0				\$0	\$0				\$0
Board-Approved CDM Variance Account	1567	\$0				\$0	\$0				\$0
Extra-Ordinary Event Costs	1572	\$0				\$0	\$0				\$0
Deferred Rate Impact Amounts	1574	\$0				\$0	\$0				\$0
RSVA - One-time	1582	\$0				\$0	\$0				\$0
Other Deferred Credits	2425	\$0				\$0	\$0				\$0
Group 2 Sub-Total		\$0	\$0	\$0	\$44,673	\$44,673	\$0	\$0	\$0	\$1,288	\$1,288
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592	\$0				\$0	\$0				\$0
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592	\$0				\$0	\$0				\$0
Total of Group 1 and Group 2 Accounts (including 1592)		\$0	\$0	\$0	-\$1,320,173	-\$1,320,173	\$0	\$0	\$0	-\$30,948	-\$30,948

		2012									
Account Descriptions	Account Number	Opening Principal Amounts as of Jan- 1-12	Transactions' Debit / (Credit) during 2012	OEB-Approved Disposition during 2012	Principal Adjustments <sup>2</sup> 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 <sup>2</sup> during 2012	Closing Interest Amounts as of Dec-31-12
LRAM Variance Account <sup>1c</sup>	1568	\$0				\$0	\$0				\$0
<b>Total including Account 1568</b>		\$0	\$0	\$0	-\$1,320,173	-\$1,320,173	\$0	\$0	\$0	-\$30,948	-\$30,948
Renewable Generation Connection Capital Deferral Account <sup>a</sup>	1531	\$0				\$0	\$0				\$0
Renewable Generation Connection OM&A Deferral Account <sup>a</sup>	1532	\$0				\$0	\$0				\$0
Renewable Generation Connection Funding Adder Deferral Account	1533	\$0				\$0	\$0				\$0
Smart Grid Capital Deferral Account	1534	\$0				\$0	\$0				\$0
Smart Grid OM&A Deferral Account	1535	\$0				\$0	\$0				\$0
Smart Grid Funding Adder Deferral Account	1536	\$0				\$0	\$0				\$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital <sup>b</sup>	1555	\$0				\$0	\$0				\$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries <sup>b</sup>	1555	\$0				\$0	\$0				\$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs <sup>b</sup>	1555	\$0				\$0	\$0				\$0
Smart Meter OM&A Variance <sup>b</sup>	1556	\$0				\$0	\$0				\$0
Meter Cost Deferral Account (MIST Meters) <sup>11</sup>	1557										
IFRS-CGAAP Transition PP&E Amounts Balance + Return Component <sup>d</sup>	1575	\$0				\$0					
Accounting Changes Under CGAAP Balance + Return Component <sup>d</sup>	1576					\$0					

		2013									
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-13	Transactions' Debit/ (Credit) during 2013	OEB-Approved Disposition during 2013	Principal Adjustments <sup>2</sup> 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 <sup>2</sup> during 2013	Closing Interest Amounts as of Dec-31-13
<b>Group 1 Accounts</b>											
LV Variance Account	1550	\$0				\$0	\$0				\$0
Smart Metering Entity Charge Variance Account	1551	\$0	\$12,286			\$12,286	\$0	\$198			\$198
RSVA - Wholesale Market Service Charge <sup>10</sup>	1580	-\$951,150	-\$240,570	-\$415,650		-\$776,070	-\$18,042	-\$13,149	-\$12,447		-\$18,744
Variance WMS – Sub-account CBR Class A <sup>10</sup>	1580										
Variance WMS – Sub-account CBR Class B <sup>10</sup>	1580										
RSVA - Retail Transmission Network Charge	1584	\$380,414	-\$84,402	\$249,250		\$46,762	\$4,387	\$2,382	\$5,614		\$1,155
RSVA - Retail Transmission Connection Charge	1586	\$190,333	\$4,842	\$135,550		\$59,625	\$1,072	\$1,233	\$2,690		-\$385
RSVA - Power (excluding Global Adjustment)	1588	-\$427,871	\$514,405	\$306,835		-\$220,301	-\$3,658	-\$11,003	\$6,524		-\$21,185
RSVA - Global Adjustment	1589	\$470,582	\$253,642	\$112,037		\$612,187	\$9,091	\$8,858	\$5,907		\$12,042
Disposition and Recovery/Refund of Regulatory Balances (2009) <sup>8</sup>	1595	\$0				\$0	-\$6,731		-\$6,731		\$0
Disposition and Recovery/Refund of Regulatory Balances (2010) <sup>8</sup>	1595	-\$32,927		-\$32,927		\$0	-\$7,848	-\$161	-\$1,164		-\$8,845
Disposition and Recovery/Refund of Regulatory Balances (2011) <sup>8</sup>	1595	\$0				\$0	\$0				\$0
Disposition and Recovery/Refund of Regulatory Balances (2012) <sup>8</sup>	1595	-\$994,227	\$683,246			-\$310,981	-\$10,507	-\$9,976			-\$20,483
Disposition and Recovery/Refund of Regulatory Balances (2013) <sup>8</sup>	1595	\$0	-\$196,732	-\$833,065		\$636,333	\$0	\$6,375			\$6,375
Disposition and Recovery/Refund of Regulatory Balances (2014) <sup>8</sup>	1595	\$0				\$0	\$0				\$0
Disposition and Recovery/Refund of Regulatory Balances (2015) <sup>8</sup>	1595	\$0				\$0	\$0				\$0
<i>Not to be disposed of unless rate rider has expired and balance has been audited</i>											
Group 1 Sub-Total (including Account 1589 - Global Adjustment)		-\$1,364,846	\$946,717	-\$477,970	\$0	\$59,841	-\$32,236	-\$15,243	\$393	\$0	-\$47,872
Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)		-\$1,835,428	\$693,075	-\$590,007	\$0	-\$552,346	-\$41,327	-\$24,101	-\$5,514	\$0	-\$59,914
RSVA - Global Adjustment	1589	\$470,582	\$253,642	\$112,037	\$0	\$612,187	\$9,091	\$8,858	\$5,907	\$0	\$12,042
<b>Group 2 Accounts</b>											
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	\$44,673	\$4,265	\$44,673		\$4,265	\$1,288	\$282	\$1,489		\$81
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508	\$0				\$0	\$0				\$0
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Variance											
- Ontario Clean Energy Benefit Act <sup>3</sup>	1508	\$0				\$0	\$0				\$0
Other Regulatory Assets - Sub-Account - Other <sup>4</sup>	1508	\$0				\$0	\$0				\$0
Retail Cost Variance Account - Retail	1518	\$0				\$0	\$0				\$0
Misc. Deferred Debits	1525	\$0				\$0	\$0				\$0
Retail Cost Variance Account - STR	1548	\$0				\$0	\$0				\$0
Board-Approved CDM Variance Account	1567	\$0				\$0	\$0				\$0
Extra-Ordinary Event Costs	1572	\$0				\$0	\$0				\$0
Deferred Rate Impact Amounts	1574	\$0				\$0	\$0				\$0
RSVA - One-time	1582	\$0				\$0	\$0				\$0
Other Deferred Credits	2425	\$0				\$0	\$0				\$0
Group 2 Sub-Total		\$44,673	\$4,265	\$44,673	\$0	\$4,265	\$1,288	\$282	\$1,489	\$0	\$81
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592	\$0				\$0	\$0				\$0
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592	\$0				\$0	\$0				\$0
Total of Group 1 and Group 2 Accounts (including 1592)		-\$1,320,173	\$950,982	-\$433,297	\$0	\$64,106	-\$30,948	-\$14,961	\$1,882	\$0	-\$47,791

		2013									
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-13	Transactions' Debit/ (Credit) during 2013	OEB-Approved Disposition during 2013	Principal Adjustments' 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' during 2013	Closing Interest Amounts as of Dec-31-13
LRAM Variance Account <sup>14</sup>	1568	\$0				\$0	\$0				\$0
Total including Account 1568		-\$1,320,173	\$950,982	-\$433,297	\$0	\$64,106	-\$30,948	-\$14,961	\$1,882	\$0	-\$47,791
Renewable Generation Connection Capital Deferral Account <sup>d</sup>	1531	\$0				\$0	\$0				\$0
Renewable Generation Connection OM&A Deferral Account <sup>d</sup>	1532	\$0				\$0	\$0				\$0
Renewable Generation Connection Funding Adder Deferral Account	1533	\$0				\$0	\$0				\$0
Smart Grid Capital Deferral Account	1534	\$0				\$0	\$0				\$0
Smart Grid OM&A Deferral Account	1535	\$0				\$0	\$0				\$0
Smart Grid Funding Adder Deferral Account	1536	\$0				\$0	\$0				\$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital <sup>p</sup>	1555	\$0				\$0	\$0				\$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries <sup>p</sup>	1555	\$0				\$0	\$0				\$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs <sup>b</sup>	1555	\$0				\$0	\$0				\$0
Smart Meter OM&A Variance <sup>p</sup>	1556	\$0				\$0	\$0				\$0
Meter Cost Deferral Account (MIST Meters) <sup>11</sup>	1557										
IFRS-CGAAP Transition PP&E Amounts Balance + Return Component <sup>8</sup>	1575	\$0				\$0					
Accounting Changes Under CGAAP Balance + Return Component <sup>8</sup>	1576	\$0				\$0					



2014											
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-14	Transactions' Debit/(Credit) during 2014	OEB-Approved Disposition during 2014	Principal Adjustments' during 2014	Closing Principal Balance as of Dec-31-14	Opening Interest Amounts as of Jan-1-14	Interest Jan-1 to Dec-31-14	OEB-Approved Disposition during 2014	Interest Adjustments' during 2014	Closing Interest Amounts as of Dec-31-14
<b>Group 1 Accounts</b>											
LV Variance Account	1550	\$0				\$0	\$0				\$0
Smart Metering Entity Charge Variance Account	1551	\$12,286	-\$3,933			\$8,353	\$198	\$165			\$363
RSVA - Wholesale Market Service Charge <sup>10</sup>	1580	-\$776,070	-\$52,249	-\$535,500		-\$292,819	-\$18,744	-\$4,563	-\$16,091		-\$7,216
Variance WMS – Sub-account CBR Class A <sup>10</sup>	1580										
Variance WMS – Sub-account CBR Class B <sup>10</sup>	1580										
RSVA - Retail Transmission Network Charge	1584	\$46,762	-\$83,356	\$131,164		-\$167,758	\$1,155	-\$1,452	\$1,343		-\$1,640
RSVA - Retail Transmission Connection Charge	1586	\$59,625	\$35,601	\$54,783		\$40,443	-\$385	\$502	-\$544		\$661
RSVA - Power (excluding Global Adjustment)	1588	-\$220,301	-\$508,498	-\$734,706		\$5,907	-\$21,185	-\$11,816	-\$24,582		-\$8,419
RSVA - Global Adjustment	1589	\$612,187	\$152,706	\$358,545		\$406,348	\$12,042	\$4,040	\$10,211		\$5,871
Disposition and Recovery/Refund of Regulatory Balances (2009) <sup>8</sup>	1595	\$0				\$0	\$0				\$0
Disposition and Recovery/Refund of Regulatory Balances (2010) <sup>8</sup>	1595	\$0				\$0	-\$6,845		-\$6,845		\$0
Disposition and Recovery/Refund of Regulatory Balances (2011) <sup>8</sup>	1595	\$0				\$0	\$0				\$0
Disposition and Recovery/Refund of Regulatory Balances (2012) <sup>8</sup>	1595	-\$310,981	\$234,785			-\$76,196	-\$20,483	-\$1,651			-\$22,134
Disposition and Recovery/Refund of Regulatory Balances (2013) <sup>8</sup>	1595	\$636,333	-\$275,578			\$380,755	\$6,375	\$7,441			\$13,816
Disposition and Recovery/Refund of Regulatory Balances (2014) <sup>8</sup>	1595	\$0	\$467,336	\$762,222		-\$294,886	\$0	-\$4,289			-\$4,289
Disposition and Recovery/Refund of Regulatory Balances (2015) <sup>8</sup>	1595	\$0				\$0	\$0				\$0
<i>Not to be disposed of unless rate rider has expired and balance has been audited</i>											
Group 1 Sub-Total (including Account 1589 - Global Adjustment)		\$59,841	-\$33,186	\$36,508	\$0	-\$9,853	-\$47,872	-\$11,623	-\$36,508	\$0	-\$22,987
Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)		-\$552,346	-\$185,892	-\$322,037	\$0	-\$416,201	-\$59,914	-\$15,663	-\$46,719	\$0	-\$28,858
RSVA - Global Adjustment	1589	\$612,187	\$152,706	\$358,545	\$0	\$406,348	\$12,042	\$4,040	\$10,211	\$0	\$5,871
<b>Group 2 Accounts</b>											
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	\$4,265				\$4,265	\$81	\$62			\$143
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508	\$0				\$0	\$0				\$0
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Variance											
- Ontario Clean Energy Benefit Act <sup>3</sup>	1508	\$0				\$0	\$0				\$0
Other Regulatory Assets - Sub-Account - Other <sup>4</sup>	1508	\$0				\$0	\$0				\$0
Retail Cost Variance Account - Retail	1518	\$0				\$0	\$0				\$0
Misc. Deferred Debits	1525	\$0				\$0	\$0				\$0
Retail Cost Variance Account - STR	1548	\$0				\$0	\$0				\$0
Board-Approved CDM Variance Account	1567	\$0				\$0	\$0				\$0
Extra-Ordinary Event Costs	1572	\$0				\$0	\$0				\$0
Deferred Rate Impact Amounts	1574	\$0				\$0	\$0				\$0
RSVA - One-time	1582	\$0				\$0	\$0				\$0
Other Deferred Credits	2425	\$0				\$0	\$0				\$0
Group 2 Sub-Total		\$4,265	\$0	\$0	\$0	\$4,265	\$81	\$62	\$0	\$0	\$143
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592	\$0				\$0	\$0				\$0
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592	\$0				\$0	\$0				\$0
Total of Group 1 and Group 2 Accounts (including 1592)		\$64,106	-\$33,186	\$36,508	\$0	-\$5,588	-\$47,791	-\$11,561	-\$36,508	\$0	-\$22,844

		2014									
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-14	Transactions <sup>1</sup> Debit/ (Credit) during 2014	OEB-Approved Disposition during 2014	Principal Adjustments <sup>2</sup> during 2014	Closing Principal Balance as of Dec-31-14	Opening Interest Amounts as of Jan-1-14	Interest Jan-1 to Dec-31-14	OEB-Approved Disposition during 2014	Interest Adjustments <sup>3</sup> during 2014	Closing Interest Amounts as of Dec-31-14
LRAM Variance Account <sup>14</sup>	1568	\$0				\$0	\$0				\$0
Total including Account 1568		\$64,106	-\$33,186	\$36,508	\$0	-\$5,588	-\$47,791	-\$11,561	-\$36,508	\$0	-\$22,844
Renewable Generation Connection Capital Deferral Account <sup>4</sup>	1531	\$0				\$0	\$0				\$0
Renewable Generation Connection OM&A Deferral Account <sup>4</sup>	1532	\$0				\$0	\$0				\$0
Renewable Generation Connection Funding Adder Deferral Account	1533	\$0				\$0	\$0				\$0
Smart Grid Capital Deferral Account	1534	\$0				\$0	\$0				\$0
Smart Grid OM&A Deferral Account	1535	\$0				\$0	\$0				\$0
Smart Grid Funding Adder Deferral Account	1536	\$0				\$0	\$0				\$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital <sup>5</sup>	1555	\$0				\$0	\$0				\$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries <sup>5</sup>	1555	\$0				\$0	\$0				\$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs <sup>5</sup>	1555	\$0				\$0	\$0				\$0
Smart Meter OM&A Variance <sup>5</sup>	1556	\$0				\$0	\$0				\$0
Meter Cost Deferral Account (MIST Meters) <sup>11</sup>	1557	\$0				\$0	\$0				\$0
IFRS-CGAAP Transition PP&E Amounts Balance + Return Component <sup>6</sup>	1575	\$0				\$0					
Accounting Changes Under CGAAP Balance + Return Component <sup>6</sup>	1576	\$0				\$0					

		2015									
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-15	Transactions' Debit/ (Credit) during 2015	OEB-Approved Disposition during 2015	Principal Adjustments <sup>2</sup> during 2015	Closing Principal Balance as of Dec-31-15	Opening Interest Amounts as of Jan-1-15	Interest Jan-1 to Dec-31-15	OEB-Approved Disposition during 2015	Interest Adjustments <sup>2</sup> during 2015	Closing Interest Amounts as of Dec-31-15
<b>Group 1 Accounts</b>											
LV Variance Account	1550	\$0				\$0	\$0				\$0
Smart Metering Entity Charge Variance Account	1551	\$8,353	-\$2,118			\$6,235	\$363	\$99			\$462
RSVA - Wholesale Market Service Charge <sup>10</sup>	1580	-\$292,819	-\$824,851	-\$240,570		-\$877,100	-\$7,216	-\$5,052	-\$7,368		-\$4,900
Variance WMS – Sub-account CBR Class A <sup>10</sup>	1580	\$0				\$0	\$0				\$0
Variance WMS – Sub-account CBR Class B <sup>10</sup>	1580	\$0	\$99,240			\$99,240	\$0				\$0
RSVA - Retail Transmission Network Charge	1584	-\$167,758	-\$148,772	-\$84,402		-\$232,128	-\$1,640	-\$2,660	-\$1,843		-\$2,457
RSVA - Retail Transmission Connection Charge	1586	\$40,443	-\$70,493	\$4,842		-\$34,892	\$661	-\$45	\$254		\$362
RSVA - Power (excluding Global Adjustment)	1588	\$5,907	\$504,522	\$514,430		-\$4,001	-\$8,419	-\$5,619	\$13,480		-\$27,518
RSVA - Global Adjustment	1589	\$406,348	\$200,038	\$253,616		\$352,770	\$5,871	\$2,254	\$6,802		\$1,323
Disposition and Recovery/Refund of Regulatory Balances (2009) <sup>9</sup>	1595	\$0				\$0	\$0				\$0
Disposition and Recovery/Refund of Regulatory Balances (2010) <sup>9</sup>	1595	\$0				\$0	\$0				\$0
Disposition and Recovery/Refund of Regulatory Balances (2011) <sup>9</sup>	1595	\$0				\$0	\$0				\$0
Disposition and Recovery/Refund of Regulatory Balances (2012) <sup>9</sup>	1595	-\$76,196				-\$76,196	-\$22,134	-\$873			-\$23,007
Disposition and Recovery/Refund of Regulatory Balances (2013) <sup>9</sup>	1595	\$360,755	-\$157,762			\$202,993	\$13,816	\$3,312			\$17,128
Disposition and Recovery/Refund of Regulatory Balances (2014) <sup>9</sup>	1595	-\$294,886	\$236,321			-\$58,565	-\$4,289	-\$918			-\$5,207
Disposition and Recovery/Refund of Regulatory Balances (2015) <sup>9</sup>	1595	\$0	-\$292,380	-\$459,241		\$166,661	\$0	\$1,998			\$1,998
<i>Not to be disposed of unless rate rider has expired and balance has been audited</i>											
Group 1 Sub-Total (including Account 1589 - Global Adjustment)		-\$9,853	-\$456,255	-\$11,325	\$0	-\$454,783	-\$22,987	-\$7,504	\$11,325	\$0	-\$41,816
Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)		-\$416,201	-\$656,293	-\$264,941	\$0	-\$807,553	-\$28,858	-\$9,758	\$4,523	\$0	-\$43,139
RSVA - Global Adjustment	1589	\$406,348	\$200,038	\$253,616	\$0	\$352,770	\$5,871	\$2,254	\$6,802	\$0	\$1,323
<b>Group 2 Accounts</b>											
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	\$4,265	\$7,500			\$11,765	\$143	\$73			\$216
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508	\$0				\$0	\$0				\$0
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Variance											
- Ontario Clean Energy Benefit Act <sup>3</sup>	1508	\$0				\$0	\$0				\$0
Other Regulatory Assets - Sub-Account - Other <sup>4</sup>	1508	\$0	\$450			\$450	\$0	\$1			\$1
Retail Cost Variance Account - Retail	1518	\$0				\$0	\$0				\$0
Misc. Deferred Debits	1525	\$0				\$0	\$0				\$0
Retail Cost Variance Account - STR	1548	\$0				\$0	\$0				\$0
Board-Approved CDM Variance Account	1567	\$0				\$0	\$0				\$0
Extra-Ordinary Event Costs	1572	\$0				\$0	\$0				\$0
Deferred Rate Impact Amounts	1574	\$0				\$0	\$0				\$0
RSVA - One-time	1582	\$0				\$0	\$0				\$0
Other Deferred Credits	2425	\$0				\$0	\$0				\$0
Group 2 Sub-Total		\$4,265	\$7,950	\$0	\$0	\$12,215	\$143	\$74	\$0	\$0	\$217
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592	\$0				\$0	\$0				\$0
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592	\$0				\$0	\$0				\$0
Total of Group 1 and Group 2 Accounts (including 1592)		-\$5,588	-\$448,305	-\$11,325	\$0	-\$442,568	-\$22,844	-\$7,430	\$11,325	\$0	-\$41,599

		2015									
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-15	Transactions' Debit/ (Credit) during 2015	OEB-Approved Disposition during 2015	Principal Adjustments <sup>2</sup> during 2015	Closing Principal Balance as of Dec-31-15	Opening Interest Amounts as of Jan-1-15	Interest Jan-1 to Dec-31-15	OEB-Approved Disposition during 2015	Interest Adjustments <sup>2</sup> during 2015	Closing Interest Amounts as of Dec-31-15
LRAM Variance Account <sup>1c</sup>	1568	\$0	\$34,250			\$34,250	\$0	\$715			\$715
Total including Account 1568		-\$5,588	-\$414,055	-\$11,325	\$0	-\$408,318	-\$22,844	-\$6,715	\$11,325	\$0	-\$40,884
Renewable Generation Connection Capital Deferral Account <sup>d</sup>	1531	\$0	\$86,187			\$86,187	\$0				\$0
Renewable Generation Connection OM&A Deferral Account <sup>d</sup>	1532	\$0	\$9,968			\$9,968	\$0				\$0
Renewable Generation Connection Funding Adder Deferral Account	1533	\$0				\$0	\$0				\$0
Smart Grid Capital Deferral Account	1534	\$0				\$0	\$0				\$0
Smart Grid OM&A Deferral Account	1535	\$0				\$0	\$0				\$0
Smart Grid Funding Adder Deferral Account	1536	\$0				\$0	\$0				\$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital <sup>a</sup>	1555	\$0				\$0	\$0				\$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries <sup>b</sup>	1555	\$0				\$0	\$0				\$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs <sup>b</sup>	1555	\$0				\$0	\$0				\$0
Smart Meter OM&A Variance <sup>a</sup>	1556	\$0				\$0	\$0				\$0
Meter Cost Deferral Account (MIST Meters) <sup>11</sup>	1557	\$0				\$0	\$0				\$0
IFRS-CGAAP Transition PP&E Amounts Balance + Return Component <sup>8</sup>	1575	\$0	\$35,287			\$35,287					
Accounting Changes Under CGAAP Balance + Return Component <sup>8</sup>	1576	\$0				\$0					

		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 <sup>7</sup>	Projected Interest from January 1, 2017 to April 30, 2017 on Dec 31 -15 balance adjusted for disposition during 2016 <sup>7</sup>	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	\$0.00		\$0
Smart Metering Entry Charge Variance Account	1551	\$8,353	\$493	-\$2,118	-\$31	-\$23	-\$8	-\$62	-\$2,180.00	\$6,697	\$0
RSVA - Wholesale Market Service Charge <sup>10</sup>	1580	-\$52,249	-\$663	-\$824,851	-\$4,237	-\$9,073	-\$3,024	-\$16,335	-\$841,186.81	-\$782,780	\$98,240
Variance WMS – Sub-account CBR Class A <sup>10</sup>	1580			\$0	\$0			\$0	\$0.00		\$0
Variance WMS – Sub-account CBR Class B <sup>10</sup>	1580			\$99,240	\$0			\$1,456	\$100,696.52		-\$99,240
RSVA - Retail Transmission Network Charge	1584	-\$83,356	-\$1,097	-\$148,772	-\$1,360	-\$1,636	-\$545	-\$3,541	-\$152,313.00	-\$234,585	\$0
RSVA - Retail Transmission Connection Charge	1586	\$35,601	\$962	-\$70,493	-\$600	-\$775	-\$258	-\$1,633	-\$72,126.00	-\$34,530	\$0
RSVA - Power (excluding Global Adjustment)	1588	-\$508,523	-\$29,828	\$504,522	\$2,310	\$5,550	\$1,850	\$9,710	\$514,232.00	-\$31,519	\$0
RSVA - Global Adjustment	1589	\$152,732	\$1,450	\$200,038	-\$127	\$2,200	\$733	\$2,806	\$202,844.00	\$354,093	\$0
Disposition and Recovery/Refund of Regulatory Balances (2009) <sup>8</sup>	1595			\$0	\$0			\$0	\$0.00		\$0
Disposition and Recovery/Refund of Regulatory Balances (2010) <sup>8</sup>	1595			\$0	\$0			\$0	\$0.00		\$0
Disposition and Recovery/Refund of Regulatory Balances (2011) <sup>8</sup>	1595			\$0	\$0			\$0	\$0.00		\$0
Disposition and Recovery/Refund of Regulatory Balances (2012) <sup>8</sup>	1595	-\$76,196	-\$23,007	\$0	\$0			\$0	\$0.00	-\$99,203	\$0
Disposition and Recovery/Refund of Regulatory Balances (2013) <sup>8</sup>	1595			\$202,993	\$17,128			\$17,128	\$0.00	\$220,121	\$0
Disposition and Recovery/Refund of Regulatory Balances (2014) <sup>8</sup>	1595			-\$58,565	-\$5,207	-\$645	-\$216	-\$8,068	-\$64,633.00	-\$63,772	\$0
Disposition and Recovery/Refund of Regulatory Balances (2015) <sup>8</sup>	1595			\$166,861	\$1,998			\$1,998	\$0.00	\$168,859	\$0
Not to be disposed of unless rate order has expired and balance has been audited											
Group 1 Sub-Total (including Account 1589 - Global Adjustment)		-\$523,638	-\$51,690	\$68,855	-\$9,874	-\$3,311	-\$1,105	\$5,459	-\$314,566.28	-\$496,599	\$0
Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)		-\$676,370	-\$53,140	-\$131,183	\$10,001	-\$5,511	-\$1,838	\$2,653	-\$517,510.28	-\$850,692	\$0
RSVA - Global Adjustment	1589	\$152,732	\$1,450	\$200,038	-\$127	\$2,200	\$733	\$2,806	\$202,844.00	\$354,093	\$0
Group 2 Accounts											
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	-\$14,250		\$26,015	\$216	\$129	\$43	\$388	\$26,403.00	\$11,981	\$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 -											\$0
Ontario Clean Energy Benefit Act <sup>2</sup>	1508			\$0	\$0			\$0	\$0.00		\$0
Other Regulatory Assets - Sub-Account - Other <sup>4</sup>	1508			\$450	\$1			\$1	\$0.00	\$451	\$0
Retail Cost Variance Account - Retail	1518			\$0	\$0			\$0	\$0.00		\$0
Misc. Deferred Debits	1525			\$0	\$0			\$0	\$0.00		\$0
Retail Cost Variance Account - STR	1548			\$0	\$0			\$0	\$0.00		\$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	\$0.00		\$0
Group 2 Sub-Total		-\$14,250	\$0	\$26,465	\$217	\$129	\$43	\$389	\$26,403.00	\$12,432	\$0
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592			\$0	\$0			\$0	\$0.00		\$0
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592			\$0	\$0			\$0	\$0.00		\$0
Total of Group 1 and Group 2 Accounts (including 1592)		-\$537,888	-\$51,690	\$95,320	\$10,091	-\$3,182	-\$1,062	\$5,848	-\$288,263.29	-\$484,167	\$0

Account Descriptions	Account Number	2016				Projected Interest on Dec-31-15 Balances				2.1.7 RRR	Variance RRR vs. 2015 Balance (Principal + Interest)
		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 <sup>7</sup>	Projected Interest from January 1, 2017 to April 30, 2017 on Dec 31 -15 balance adjusted for disposition during 2016 <sup>7</sup>	Total Interest	Total Claim	As of Dec 31-15	
LRAM Variance Account <sup>4</sup>	1568	\$21,519	\$549	\$12,731	\$166	\$140	\$46	\$352	\$13,063.00	\$34,985	\$0
<b>Total Including Account 1568</b>		<b>-\$516,369</b>	<b>-\$51,141</b>	<b>\$108,051</b>	<b>\$10,257</b>	<b>-\$3,042</b>	<b>-\$1,018</b>	<b>\$6,200</b>	<b>-\$275,180.29</b>	<b>-\$449,202</b>	<b>\$0</b>
Renewable Generation Connection Capital Deferral Account <sup>6</sup>	1531	\$86,167		\$0	\$0			\$0	\$0.00	\$86,167	\$0
Renewable Generation Connection OM&A Deferral Account <sup>6</sup>	1532	-\$9,489		\$18,457	\$0			\$0	\$16,457.00	\$9,968	\$0
Renewable Generation Connection Funding Adder Deferral Account	1533			\$0	\$0			\$0	\$0.00	\$0	\$0
Smart Grid Capital Deferral Account	1534			\$0	\$0			\$0	\$0.00	\$0	\$0
Smart Grid OM&A Deferral Account	1535			\$0	\$0			\$0	\$0.00	\$0	\$0
Smart Grid Funding Adder Deferral Account	1536			\$0	\$0			\$0	\$0.00	\$0	\$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital <sup>9</sup>	1555			\$0	\$0			\$0	\$0.00	\$0	\$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries <sup>9</sup>	1555			\$0	\$0			\$0	\$0.00	\$0	\$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs <sup>9</sup>	1555			\$0	\$0			\$0	\$0.00	\$0	\$0
Smart Meter OM&A Variance <sup>9</sup>	1556			\$0	\$0			\$0	\$0.00	\$0	\$0
Meter Cost Deferral Account (MIST Meters) <sup>11</sup>	1557			\$0	\$0			\$0	\$0.00	\$0	\$0
IFRS-CGAAP Transition PP&E Amounts Balance + Return Component <sup>8</sup>	1575	-\$29,320		\$64,607					\$64,607.00	\$35,287	\$0
Accounting Changes Under CGAAP Balance + Return Component <sup>8</sup>	1576			\$0					\$0.00		\$0

## 2017 Deferral/Variance Account Workform

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

3  
3.2

Account Descriptions	Account Number	Variance RRR vs. 2015 Balance (Principal + Interest)	Explanation
RSVA - Wholesale Market Service Charge10	1580	\$ 99,240.00	RRR Includes Sub-Account
Variance WMS - Sub-account CBR Class B10	1580	\$ (99,240.00)	RRR Includes Sub-Account

# 2017 Deferral/Variance Account Workform

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

Rate Class (Enter Rate Classes in cells below as they appear on your current tariff of rates and charges)	Units	# of Customers	A		B		Distribution Revenue
			Total Metered kWh	Total Metered kW	Metered kWh for Non-RPP Customers	Estimated Metered kW for Non-RPP Customers	
RESIDENTIAL	kWh	21,042	161,051,510		9,091,026	-	6,428,016
GENERAL SERVICE LESS THAN 50 KW	kWh	1,783	54,658,680		7,942,259	-	1,085,145
GENERAL SERVICE 50 TO 4,999 KW	kW	149	128,665,764	362,937	117,131,188	330,401	1,266,329
UNMETERED SCATTERED LOAD	kWh	257	944,313		173,703	-	44,252
SENTINEL LIGHTING	kW	515	753,964	2,077	23,309	64	29,138
STREET LIGHTING	kW	6,853	1,282,067	3,560	1,282,067	3,560	193,391
						-	
						-	
						-	
						-	
						-	
						-	
						-	
						-	
						-	
						-	
						-	
						-	
						-	
<b>Total</b>		<b>30,599</b>	<b>347,356,298</b>	<b>368,574</b>	<b>135,643,552</b>	<b>334,025</b>	<b>\$ 9,046,271</b>





## erral/Variance Account Workform

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

Identify the total consumption for former Class B customers prior to becoming Class A customers (i.e. Jan 1. to June 30, 2015) in column Q.

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

	C	D=A-C	E	F =B-C-E
Rate Class <i>(Enter Rate Classes in cells below as they appear on your current tariff of rates and charges)</i>	Metered kWh for Wholesale Market Participants (WMP)	Metered kW for Wholesale Market Participants (WMP) Total Metered kWh less WMP consumption (if applicable)	Total Metered kW less WMP consumption (if applicable) Metered kWh for any Class A Customers in 2015 (partial or full year) (if applicable)*	Metered kWh Consumption for New Class A customer(s) in the period prior to becoming Class A (i.e. Jan. 1 - June 30, 2015) Metered Consumption kWh for Current Class B Customers (Non-RPP consumption LESS WMP, Class A and new Class A's former Class B consumption, if applicable)
RESIDENTIAL		161,051,510	-	9,091,026
GENERAL SERVICE LESS THAN 50 KW		54,658,680	-	7,942,259
GENERAL SERVICE 50 TO 4,999 KW	3,358,021	125,307,743	356,912	113,773,167
UNMETERED SCATTERED LOAD		944,313	-	173,703
SENTINEL LIGHTING		753,964	2,077	23,309
STREET LIGHTING		1,282,067	3,560	1,282,067
		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
<b>Total</b>	<b>3,358,021</b>	<b>343,998,277</b>	<b>362,549</b>	<b>132,285,531</b>



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

Rate Class (Enter Rate Classes in cells below as they appear on your current tariff of rates and charges)	1595 Recovery Share Proportion (2014) <sup>1</sup>	1595 Recovery Share Proportion (2015) <sup>1</sup>	1568 LRAM Variance Account Class Allocation <sup>3</sup> (\$ amounts)	Number of Customers for Residential and GS<50 classes <sup>2</sup>
RESIDENTIAL	53%		(19,004)	21,042
GENERAL SERVICE LESS THAN 50 KW	18%		5,154	1,783
GENERAL SERVICE 50 TO 4,999 KW	29%		28,613	
UNMETERED SCATTERED LOAD	0%		(272)	
SENTINEL LIGHTING	0%		(473)	
STREET LIGHTING	0%		(935)	
<b>Total</b>		0%	\$ 13,083	

# 2017 Deferral/Variance Account Workform

		Amounts from Sheet 2	Allocator	RESIDENTIAL	GENERAL SERVICE LESS THAN 50 KW	GENERAL SERVICE 50 TO 4,999 KW	UNMETERED SCATTERED LOAD	SENTINEL LIGHTING	STREET LIGHTING
LV Variance Account	1550	0	kWh	0	0	0	0	0	0
Smart Metering Entity Charge Variance Account	1551	(2,180)	# of Customers	(2,010)	(170)	0	0	0	0
RSVA - Wholesale Market Service Charge	1580	(740,490)	kWh	(346,679)	(117,658)	(269,737)	(2,033)	(1,623)	(2,780)
RSVA - Retail Transmission Network Charge	1584	(152,313)	kWh	(70,620)	(23,967)	(56,419)	(414)	(331)	(562)
RSVA - Retail Transmission Connection Charge	1586	(72,126)	kWh	(33,441)	(11,349)	(26,717)	(195)	(157)	(256)
RSVA - Power (excluding Global Adjustment)	1588	514,232	kWh	240,751	81,708	187,319	1,412	1,127	1,917
RSVA - Global Adjustment	1589	202,844	Non-RPP kWh	13,940	12,179	174,458	266	36	1,966
Disposition and Recovery/Refund of Regulatory Balances (2009)	1595	0	%	0	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2010)	1595	0	%	0	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2011)	1595	0	kWh	0	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2012)	1595	0	%	0	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2013)	1595	0	kWh	0	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2014)	1595	(64,633)	%	(34,126)	(11,375)	(18,614)	(259)	(194)	(129)
Disposition and Recovery/Refund of Regulatory Balances (2015)	1595	0	%	0	0	0	0	0	0
<b>Total of Group 1 Accounts (excluding 1589)</b>		<b>(517,510)</b>		<b>(246,125)</b>	<b>(82,813)</b>	<b>(184,169)</b>	<b>(1,490)</b>	<b>(1,177)</b>	<b>(1,801)</b>
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	26,403	kWh	12,242	4,155	9,780	72	57	97
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508	0	kWh	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act	1508	0	kWh	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Other	1508	0	kWh	0	0	0	0	0	0
Retail Cost Variance Account - Retail	1518	0	kWh	0	0	0	0	0	0
Misc. Deferred Debits	1525	0	kWh	0	0	0	0	0	0
Retail Cost Variance Account - STR	1548	0	kWh	0	0	0	0	0	0
Board-Approved CDM Variance Account	1567	0	kWh	0	0	0	0	0	0
Extra-Ordinary Event Costs	1572	0	kWh	0	0	0	0	0	0
Deferred Rate Impact Amounts	1574	0	kWh	0	0	0	0	0	0
RSVA - One-time	1582	0	kWh	0	0	0	0	0	0
Other Deferred Credits	2425	0	kWh	0	0	0	0	0	0
<b>Total of Group 2 Accounts</b>		<b>26,403</b>		<b>12,242</b>	<b>4,155</b>	<b>9,780</b>	<b>72</b>	<b>57</b>	<b>97</b>
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account)	1592	0	kWh	0	0	0	0	0	0
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/QVAT Input Tax Credits (ITCs)	1592	0	kWh	0	0	0	0	0	0
<b>Total of Account 1592</b>		<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
LRAM Variance Account (Enter dollar amount for each class)	1568	13,083		(19,004)	5,154	28,613	(272)	(473)	(935)
(Account 1568 - total amount allocated to classes)		13,083							
<b>Variance</b>		<b>0</b>							
Renewable Generation Connection OM&A Deferral Account	1532	16,457	kWh	7,630	2,590	6,096	45	36	61
<b>Total of Group 1 Accounts (1550, 1551, 1584, 1586 and 1595)</b>		<b>(291,317)</b>		<b>(140,197)</b>	<b>(46,863)</b>	<b>(101,750)</b>	<b>(869)</b>	<b>(681)</b>	<b>(958)</b>
<b>Total of Account 1580 and 1588 (not allocated to WMPs)</b>		<b>(226,258)</b>		<b>(105,929)</b>	<b>(35,951)</b>	<b>(82,419)</b>	<b>(621)</b>	<b>(496)</b>	<b>(843)</b>
<b>Balance of Account 1589 Allocated to Non-WMPs</b>		<b>202,844</b>		<b>13,940</b>	<b>12,179</b>	<b>174,458</b>	<b>266</b>	<b>36</b>	<b>1,966</b>
<b>Group 2 Accounts (including 1592, 1532)</b>		<b>42,860</b>		<b>19,872</b>	<b>6,744</b>	<b>15,876</b>	<b>117</b>	<b>93</b>	<b>158</b>
IFRS-CGAAP Transition PP&E Amounts Balance + Return Component	1575	64,607	kWh	29,955	10,166	23,931	176	140	238
Accounting Changes Under CGAAP Balance + Return Component	1576	0	kWh	0	0	0	0	0	0
<b>Total Balance Allocated to each class for Accounts 1575 and 1576</b>		<b>64,607</b>		<b>29,955</b>	<b>10,166</b>	<b>23,931</b>	<b>176</b>	<b>140</b>	<b>238</b>
<b>Account 1589 reference calculation by customer and consumption</b>									
Account 1589 / Number of Customers		\$6.63							
1589/total kwh		\$0.0006							

# 2017 Deferral/Variance Account Workform

This tab allocates the GA balance to former Class B customers who contributed to the current GA balance but are now Class A customers. The tables below calculate specific amounts for each customer who made the change. Consistent with both decisions for 2016 rates and EDDVAR, distributors are generally expected to settle the amount through 12 equal adjustments to bills. A one-time settlement is acceptable if the affected customer has expressed a clear preference for this approach. (see Filing Requirements section 2.9.5.1)

Year of Group 1 Account Balance Last Disposed

2014

(e.g. If in the 2015 EDR process, you received approval to dispose the GA variance account balance as of December 31, 2013, please enter 2013 in cell B16.)

## Allocation of total Non-RPP consumption (kWh) between Class B and New Class A (Former Class B) customers

		Total	2015
Total Class B Consumption for Years Since Last Disposition (Non-RPP consumption LESS WMP and Class A)	A	113,773,167	113,773,167
New Class A Customer(s)' Former Class B Consumption	B	-	-
Portion of Consumption of Former Class B Customers	C=B/A	0.00%	

## Allocation of Total GA Balance \$

Total GA Balance	D	\$	202,844
New Class A Customer(s)' Former Class B Portion of GA Balance	E=C*D	\$	-
GA Balance to be disposed to Current Class B Customers	F=D-E	\$	202,844

## Allocation of GA Balances to Former Class B Customers

# of Former Class B customer(s)		0				
Customer		Total Metered kWh Consumption for each new Class A customer for the period prior to becoming Class A	Metered kWh Consumption for each new Class A customer for the period prior to becoming Class A in 2015	% of kWh	Customer specific GA allocation for the period prior to becoming Class A	Monthly Equal Payments



## 2017 Deferral/Variance Account Workform

1

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

1550, 1551, 1584, 1586, 1595

Rate Class (Enter Rate Classes in cells below)	Units	kW / kWh / # of Customers	Allocated Balance (excluding 1589)	Rate Rider for Deferral/Variance Accounts
RESIDENTIAL	kWh	161,051,510	-\$ 140,197	- 0.0009 \$/kWh
GENERAL SERVICE LESS THAN 50 KW	kWh	54,658,680	-\$ 46,863	- 0.0009 \$/kWh
GENERAL SERVICE 50 TO 4,999 KW	kW	362,937	-\$ 101,750	- 0.2804 \$/kW
UNMETERED SCATTERED LOAD	kWh	944,313	-\$ 869	- 0.0009 \$/kWh
SENTINEL LIGHTING	kW	2,077	-\$ 681	- 0.3279 \$/kW
STREET LIGHTING	kW	3,560	-\$ 958	- 0.2690 \$/kW
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
Total			-\$ 291,317	

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

### 1580 and 1588

Rate Class (Enter Rate Classes in cells below)	Units	kW / kWh / # of Customers	Allocated Balance (excluding 1589)	Rate Rider for Deferral/Variance Accounts	
RESIDENTIAL	kWh	161,051,510	-\$ 105,929	- 0.0007	\$/kWh

GENERAL SERVICE LESS THAN 50 KW	kWh	54,658,680	-\$	35,951	-	0.0007	\$/kWh
GENERAL SERVICE 50 TO 4,999 KW	kW	356,912	-\$	82,419	-	0.2309	\$/kW
UNMETERED SCATTERED LOAD	kWh	944,313	-\$	621	-	0.0007	\$/kWh
SENTINEL LIGHTING	kW	2,077	-\$	496	-	0.2388	\$/kW
STREET LIGHTING	kW	3,560	-\$	843	-	0.2369	\$/kW
		-	\$	-		-	
		-	\$	-		-	
		-	\$	-		-	
		-	\$	-		-	
		-	\$	-		-	
		-	\$	-		-	
		-	\$	-		-	
		-	\$	-		-	
		-	\$	-		-	
		-	\$	-		-	
		-	\$	-		-	
		-	\$	-		-	
		-	\$	-		-	
Total			\$	226,258			

**Balance of Account 1589 Allocated to Non-WMPs**

Rate riders for Global Adjustm  
basis of kWh f

Total			\$	202,844
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### 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	21,042	\$ 19,872	\$ 0.08
GENERAL SERVICE LESS THAN 50 KW	kWh	54,658,680	\$ 6,744	\$ 0.0001
GENERAL SERVICE 50 TO 4,999 KW	kW	362,937	\$ 15,876	\$ 0.0437
UNMETERED SCATTERED LOAD	kWh	944,313	\$ 117	\$ 0.0001
SENTINEL LIGHTING	kW	2,077	\$ 93	\$ 0.0448
STREET LIGHTING	kW	3,560	\$ 158	\$ 0.0444
		-	\$ -	\$ -
		-	\$ -	\$ -
		-	\$ -	\$ -
		-	\$ -	\$ -
		-	\$ -	\$ -
		-	\$ -	\$ -
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		-	\$ -	\$ -
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		-	\$ -	\$ -
		-	\$ -	\$ -
Total			\$ 42,860	

per customer per month  
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### Rate Rider Calculation for Accounts 1575 and 1576

Please indicate the Rate Rider Recovery Period (in years)

Rate Class (Enter Rate Classes in cells below)	Units	# of Customers	Balance of Accounts 1575 and 1576	Rate Rider for Accounts 1575 and 1576
RESIDENTIAL	# of Customers	21,042	\$ 29,955	\$ 0.1186
GENERAL SERVICE LESS THAN 50 KW	kWh	54,658,680	\$ 10,166	\$ 0.0002
GENERAL SERVICE 50 TO 4,999 KW	kW	362,937	\$ 23,931	\$ 0.0659
UNMETERED SCATTERED LOAD	kWh	944,313	\$ 176	\$ 0.0002
SENTINEL LIGHTING	kW	2,077	\$ 140	\$ 0.0675
STREET LIGHTING	kW	3,560	\$ 238	\$ 0.0670
		-	\$ -	\$ -
		-	\$ -	\$ -
		-	\$ -	\$ -

per customer per month  
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