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Joanne Richardson

Director – Major Projects and Partnerships
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BY COURIER

September 20, 2016

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
Suite 27, 2300 Yonge Street
P.O. Box 2319
Toronto, ON
M4P 1E4

Dear Ms. Walli:

Hydro One Networks Inc. (“Hydro One”) Request for an Accounting Order to Establish a Deferral Account for Load Transfer Elimination Mitigation

In the EB-2016-0167 Decision and Order (“the Decision”), the OEB approved Hydro One’s establishment of a deferral account resulting from Distribution System Code amendments made December 21, 2015. The amendments require Hydro One to provide load transfer customer(s), paying higher delivery charges as a result of the load transfer elimination, rate mitigation in a manner that is approved by the Board. A deferral account has been approved by the Board to record:

- (i) lost revenue resulting from the rate impact mitigation plan associated with the transfer of long term load transfer customers; and
- (ii) any costs involved in the set-up of such a plan.

The Decision requested Hydro One to record these costs in account 1508, Other Regulatory Assets, Sub-Account LTLT Rate Impact Mitigation, and required Hydro One to file a Draft Accounting Order.

In accordance with the Decision, Hydro One is providing the following proposed accounting entries to record lost revenue resulting from the rate impact mitigation plan associated with the elimination of load transfer arrangements.

PROPOSED ACCOUNTING ENTRIES
LTLT Rate Impact Mitigation Deferral Account

USofA# 1508 Other Regulatory Assets – Sub account LTLT Rate Impact Mitigation Deferral Account

Entry #1:

Dr 1508 Other Regulatory Assets – Sub account “LTLT Rate Impact Mitigation Deferral Account”
Cr: 1100 Customer Accounts Receivable

To record the lost revenue resulting from the rate impact mitigation plan.

Entry #2:

Dr: 1508 Other Regulatory Assets – Sub account “LTLT Rate Impact Mitigation Deferral Account”
Cr: 6035 Other Interest Expense

To record interest improvement on the principal balance of the “LTLT Rate Impact Mitigation Deferral Account”

Should you have any questions on this application, please contact Pasquale Catalano at (416) 345-5405 or via email at Pasquale.Catalano@HydroOne.com.

Sincerely,

ORIGINAL SIGNED BY JOANNE RICHARDSON

Joanne Richardson