**PUC Distribution Inc.**

**Application Analysis (EB-2016-0102)**

**Tab 3 – Continuity Schedule**

At page 5 of its application, PUC states that “PUC is also not disposing of account 1551 (Smart Metering Entity Charge Variance). The original claim amount of $23,832 has been removed from the total claim column as this balance is a timing variance between payment to the IESO and payment from customers. PUC does not want to dispose of this amount as is it not a permanent variance and will balance out at the ending of the rate rider period.”

OEB staff notes that it is the OEB’s policy to dispose of all Group 1 Accounts once a distributor surpasses the disposition threshold. Please provide further rationale on why PUC Distribution believes it is appropriate to not dispose of Account 1551.

With respect to Account 1588 the total balance of -$5,084,683 alone is 7 times the disposition threshold of $0.001/kWh. While the deferral and variance account balances are audited, balances of this magnitude may put into question whether amounts have been properly allocated between accounts. Please provide an analysis of the accumulation of the balance in Account 1588.

Please clarify why there is not a dollar amount entered into Account 1580 for CBR class A and B.

**Tab 8 – STS - Tax Change**

OEB staff notes that there is no entry in cell L15 for the 2013 Tax Credits from the Cost of Service Tax Calculation. Please provide an explanation as to why this figure is missing.

The Tax Impact (cell L34) is an order of magnitude different from that reported in the Revenue Requirement Work Form from the COS year. Please clarify why.

**Tab 12 – RTSR – Historical Wholesale**

PUC Distribution notes that it does not use Account 1586. Please confirm that PUC Distribution owns all of its transformation connection assets.

**Customer Classification**

Please confirm if there has been any movement of customers from Class A to Class B or from Class B to Class A.