**Tillsonburg Hydro Inc.**

**Application Analysis (EB-2016-0106)**

**Tab 3 – Continuity Schedule**

OEB staff notes no figures have been entered following 2013; the year of the last COS. Please explain why there are missing values in 2010-2012.

Please revisit the submissions made for Account 1580, referring to the [OEB Accounting Guidance](http://www.ontarioenergyboard.ca/oeb/_Documents/Regulatory/CBR_Accounting_Guidance_20160725.pdf).

**THI Response:**

THI followed the direction contained within Tab 3 of the rate model, quote provided below:

*“if you have received approval to dispose of balances from prior years, the starting point for entries in the schedule below will be the balance sheet date as per your general ledger for which you received approval. For example, if in the 2016 EDR process (CoS or IRM) you received approval for the December 31, 2014 balances, the starting point for your entries below should be the 2013 year. This will allow for the correct starting point for the 2014 opening balance columns for both principal and interest.”*

In THI’s 2016 IRM application (EB-2015-0104) disposed of balances up to December 31, 2014. As a result, following the direction above (as THI understood), we populated Tab 3 from 2013 onward. If the OEB required more history on these accounts, please let us know and we will populate.

**Tab 8 – STS – Tax Change**

Please explain why the value for Regulatory Taxable Income is positive.

**THI Response:**

THI attempted to provide some explanation for Tab 8 within our Managers Summary. In THI’s most recent CoS application, for 2013 rates (EB-2012-0168), THI did not have any corporate taxes approved within the rates. Tab 8 reflects this for 2013, however, the cells were locked for editing in the 2017 column. As with the 2016 IRM (EB-2015-0104), THI is requesting that the 2017 tax rate be changed to 0%, thus eliminating the Tax Variance Account liability.

**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 during 2015.

**THI Response:**

THI confirms no movement between Class A and Class B for 2015 rate year. THI’s first Class A customer commenced in July 2016.