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## 9.2 OVERVIEW

### 9.2.1 OVERVIEW

The purpose of this exhibit is to identify the variance/deferral accounts that have been used, provide the principal balance recorded in each variance/deferral account and derive the carrying charges on each account's balance up to and including December 31, 2017. The exhibit also describes the methodology proposed to allocate account balances to customer classes, describe the rationale supporting the proposed disposition period, describe the proposed charge parameters and quantify the proposed rate riders that will dispose of the recorded balances.

Section 9.3.1 contains descriptions of all the outstanding DVAs. CWH follows and is in compliance with the OEB's Uniform System of Accounts for electricity distributors. All accounts are used in accordance with the Accounting Procedures Handbook and CWH confirms that the account balance shown at Table 1 reconciles with the trial balance reported through the Electricity Reporting and Record-keeping Requirements and CWH's Audited Financial Statements.

CWH proposes to dispose of a debit of \$245,893 related to Group 1 (including account 1589 Global Adjustment) and debit of \$152,457 related to Group 2 Variance/Deferral Accounts.

Group 1 and Group 2 DVA balances are proposed to be disposed of over 1 year. CWH has followed the OEB's guidance as provided by the OEB's Electricity Distributor's Disposition of Variance Accounts Reporting Requirements Report.

CWH has not made any adjustments to DVA balances that were previously approved by the Board on a final basis in Cost of Service and/or IRM proceedings.<sup>1</sup>

CWH is not requesting any new accounts or sub-accounts at this time.

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<sup>1</sup> MFR - Statement whether any adjustments made to DVA balances previously approved by OEB on final basis; explanation, amount of adjustment and supporting documents

- 1 A breakdown of energy sales and cost of power expense balances, as reported in CWH's Audited
- 2 Financial Statements, is provided Section 9.10.2.
  
- 3 CWH confirms that it pro-rates the IESO Global Adjustment Charge into the RPP and Non-RPP
- 4 portions.
  
- 5

1 **9.3 STATUS & DISPOSITION OF DEFERRAL & VARIANCE ACCOUNTS**

2 9.3.1 DESCRIPTION OF DVA USED BY THE APPLICANT<sup>2</sup>

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<sup>2</sup> MFR - List of all outstanding DVA and sub-accounts; provide description of DVAs that were used differently than as described in the APH

1 Table 1 below presents the list of deferral and variance accounts, with the proposed selection of  
2 balances for disposition. All account balances selected for disposition are as at December 31,  
3 2016, being the most recent date the balances were subject to audit and have been adjusted by  
4 projected interest for the Period of January 1, 2017 to December 31, 2017.

5 Board policy states that, at the time of rebasing, all account balances should be disposed of  
6 unless otherwise justified by the distributor or as required by a specific Board decision or  
7 guideline. In accordance with the above statement, CWH proposes to dispose of all its balances.  
8 Each account is described at Section 9.3.2. The OEB Deferral and Variance Account Excel model  
9 entitled "CWH 2018\_DVA\_Continuity\_Schedule\_CoS" is being filed in conjunction with this  
10 application.<sup>3</sup>

11

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<sup>3</sup> MFR - Completed DVA continuity schedule for period following last disposition to present - live Excel format

1

**Table 1: Account and Balances sought for Disposition/Recovery**

		Amounts from Sheet 2	Allocator
LV Variance Account	1550	341,359	kWh
Smart Metering Entity Charge Variance Account	1551	(3,047)	# of Customers
RSVA - Wholesale Market Service Charge	1580	(329,142)	kWh
RSVA - Retail Transmission Network Charge	1584	(42,699)	kWh
RSVA - Retail Transmission Connection Charge	1586	9,575	kWh
RSVA - Power (excluding Global Adjustment)	1588	(34,483)	kWh
RSVA - Global Adjustment	1589	318,403	Non-RPP kWh
Disposition and Recovery/Refund of Regulatory Balances (2012)	1595	(1,514)	%
Disposition and Recovery/Refund of Regulatory Balances (2013)	1595	(2,077)	%
Disposition and Recovery/Refund of Regulatory Balances (2014)	1595	(5,351)	%
Disposition and Recovery/Refund of Regulatory Balances (2015)	1595	(5,131)	%
<b>Total of Group 1 Accounts (including 1589)</b>		<b>245,893</b>	
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	91,775	kWh
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508	9,664	kWh
Other Regulatory Assets - Sub-Account - Other	1508	1,069	kWh
Retail Cost Variance Account - Retail	1518	42,287	kWh
Misc. Deferred Debits	1525	0	kWh
Retail Cost Variance Account – STR	1548	478	kWh
<b>Total of Group 2 Accounts</b>		<b>145,273</b>	
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account)	1592	(863)	kWh
<b>Total of Account 1592</b>		<b>(863)</b>	
Renewable Generation Connection OM&A Deferral Account	1532	<b>8,048</b>	kWh
<b>Total of Group 1 Accounts (1550, 1551, 1584, 1586 and 1595)</b>		<b>291,115</b>	
<b>Total of Account 1580 and 1588 (not allocated to WMPs)</b>		<b>(363,625)</b>	
<b>Balance of Account 1589 Allocated to Non-WMPs</b>		<b>318,403</b>	
<b>Group 2 Accounts (including 1592, 1532)</b>		<b>152,457</b>	
IFRS-CGAAP Transition PP&E Amounts Balance + Return Component	1575	0	kWh
Accounting Changes Under CGAAP Balance + Return Component	1576	0	kWh
<b>Total Balance Allocated to each class for Accounts 1575 and 1576</b>		<b>0</b>	
<b>Account 1589 reference calculation by customer and consumption</b>			
<b>Account 1589 / Number of Customers</b>		\$36.73	
<b>1589/total kwh</b>		\$0.0022	

2

3



## 9.3.2 DISPOSITION OF DVAS USED BY THE APPLICANT<sup>4</sup>

### **Group 1 Accounts**

All accounts in Group 1 are used in accordance with the Accounting Procedure Handbook. For definitions of each account listed below, please refer to the Accounting Procedure Handbook using the following link:

[http://www.ontarioenergyboard.ca/oeb/Documents/Regulatory/Accounting\\_Procedures\\_Handbook Elec Distributors.pdf](http://www.ontarioenergyboard.ca/oeb/Documents/Regulatory/Accounting_Procedures_Handbook_Elec_Distributors.pdf)

#### **1550 – LV Variance Account**

For account 1550, CWH is requesting disposition of the December 31, 2016 audited balance. The December 31, 2016 audited reconciles with filing 2.1.7 of the RRR.

The balance requested for disposal, including carrying charges, is a debit of \$341,359.13.

#### **1551 – Smart Metering Entity Charge Variance Account**

For account 1551, CWH is requesting disposition of the December 31, 2016 audited balance. The December 31, 2016 audited reconciles with filing 2.1.7 of the RRR.

The balance requested for disposal, including carrying charges, is a credit of \$3,047.47.

#### **1580 – Retail Settlement Variance Account 1 – Wholesale Market Service Charges (“RSVAWMS”)<sup>5</sup>**

For account 1580, CWH is requesting disposition of the December 31, 2016 audited balance. The December 31, 2016 audited reconciles with filing 2.1.7 of the RRR.

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<sup>4</sup> MFR - Explanation if account balances in continuity schedule differs from trial balance in RRR and AFS

<sup>5</sup> MFR - Proposed disposition of Account 1580 sub-account CBR Class B in accordance with the CBR Accounting Guidance. In the DVA continuity schedule, applicants must indicate whether they serve any Class A customers. Account 1580 sub-account CBR Class A is not to be disposed through rates proceedings but rather follow the OEB's accounting guidance.

1 The balance requested for disposal, including carrying charges is a credit of \$329,141.88. This  
2 amount is broken down between RSVA-Wholesale Market Service Charge of a credit of  
3 \$340,261.31 and Variance WMS-Sub-account CBR Class B of a debit of \$11,119.43.

4 CWH attests that it has followed the Accounting Guidance on Capacity Based Recovery  
5 (previously called Capacity Based Demand Response) issued on July 25, 2016 which describes  
6 the accounting treatment for Class A and Class B customers.

7 **1584 – Retail Settlement Variance Account – Retail Transmission Network Charges**  
8 **(“RSVA-NW”)**

9 For account 1584, CWH is requesting disposition of the December 31, 2016 audited balance. The  
10 December 31, 2016 audited reconciles with filing 2.1.7 of the RRR.

11 The balance requested for disposal, including carrying charges, is a credit of \$42,699.19.

12 **1586 – Retail Settlement Variance Account – Retail Transmission Connection Charges**  
13 **(“RSVA-CN”)**

14 For account 1586, CWH is requesting disposition of the December 31, 2016 audited balance. The  
15 December 31, 2016 audited reconciles with filing 2.1.7 of the RRR.

16 The balance requested for disposal, including carrying charges, is a debit of \$9,575.20.

17 **1588 – Retail Settlement Variance Account – Power (“RSVA-POWER”)**

18 For account 1588, CWH is requesting disposition of the December 31, 2016 audited balance. The  
19 December 31, 2016 audited reconciles with filing 2.1.7 of the RRR.

20 The balance requested for disposal, including carrying charges, is a credit of \$34,483.32.

21 **1589 – Retail Settlement Variance Account – Global Adjustment (“RSVA-GA”)**

22 For account 1589, CWH is requesting disposition of the December 31, 2016 audited balance. The  
23 December 31, 2016 audited reconciles with filing 2.1.7 of the RRR.

24 The balance requested for disposal, including carrying charges, is a debit of \$318,403.14.

1 **1595 – Disposition and Recover/Refund of Regulatory Balances (2012)**

2 CWH is requesting disposition of the December 31, 2016 audited balance. The December 31,  
3 2016 audited balance reconciles with filing 2.1.7 of the RRR.

4 The balance requested for disposal, including carrying charges, is a credit of \$1,513.60 which  
5 relates to the balance of Deferred PILs approved in Decision and Rate order EB-2012-0052.

6 **1595 – Disposition and Recover/Refund of Regulatory Balances (2013)**

7 CWH is requesting disposition of the December 31, 2016 audited balance. The December 31,  
8 2016 audited balance reconciles with filing 2.1.7 of the RRR.

9 The balance requested for disposal, including carrying charges, is a credit of \$2,076.85 and  
10 relates to the Cost of Service Decision and Rate order EB-2012-0113 for the disposal of Group 1  
11 and Group 2 balances as at December 31, 2011 plus projected interest to April 30, 2013.

12 **1595 – Disposition and Recover/Refund of Regulatory Balances (2015)**

13 CWH is requesting disposition of the December 31, 2016 audited balance. The December 31,  
14 2016 audited balance reconciles with filing 2.1.7 of the RRR.

15 The balance requested for disposal, including carrying charges, is a credit of \$5,351.19 and  
16 relates to the IRM Decision and Rate order EB-2014-0062 related to Group 1 Balances plus  
17 projected interest to April 30, 2015.

18 **1595 – Disposition and Recover/Refund of Regulatory Balances (2016)**

19 CWH is requesting disposition of the December 31, 2016 audited balance. The December 31,  
20 2016 audited balance reconciles with filing 2.1.7 of the RRR.

21 The balance requested for disposal, including carrying charges is a credit of \$5,131.16 and is  
22 composed of the Shared Tax Savings amount of \$2,492.00 in the IRM Decision and Rate Order  
23 EB-2011-0160 effective May 1, 2012 and the Shared Tax Savings amount of \$2,420.00 in the IRM  
24 Decision and Rate Order EB-2015-0059 effective May 1, 2016. CWH made a prior period  
25 adjustment for the carrying charges on the Shared Tax Savings that was approved in the EB-

1 2011-0160 rate order and included this in the RRR reporting for 2016. The carrying charges for  
2 Shared Tax Savings approved in EB-2015-0059 was calculated correctly and recorded in 2016 as  
3 well. This error came to CWH's attention during the 2017 IRM EB-2016-0032 process and the  
4 handling of the oversight was discussed and approved by an OEB Rates Analyst. The balance of  
5 \$5,131.16 includes projected interest to December 31, 2017.

6

### 7 **Status of Group 2 Accounts**

8 Table 2 below lists all Group 2 accounts and whether CWH proposes to continue or discontinue  
9 each account on a going-forward basis. CWH has only included those Group 2 accounts that  
10 have balances as of 2017 Bridge Year.<sup>6</sup>

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<sup>6</sup> MFR - Identification of Group 2 accounts that will continue/discontinue going forward, with explanation

1

**Table 2: Group 2 Continuance / Discontinuance**

Account Description	USoA	Continue / Discontinue	Explanation
Other Regulatory Assets	1508	Continue	
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	Discontinue	CWH is seeking recovery in this application, IFRS effective 2015
Other Regulatory Assets - Sub-Account - Incremental Capital Charges (2016-OEB Assessment)	1508	Continue	On-going use
Other Regulatory Assets - Sub-Account - Other <sup>4</sup>	1508	Continue	On-going use
Retail Cost Variance Account - Retail	1518	Continue	On-going use
Miscellaneous Deferred Debits	1525	Continue	On-going use
Renewable Generation Connection Capital Deferral Account <sup>9</sup>	1532	Continue	On-going use
Renewable Generation Connection OM&A Deferral Account <sup>9</sup>	1532	Continue	On-going use
Renewable Generation Connection Funding Adder Deferral Account	1533	Continue	On-going use
Smart Grid Capital Deferral Account	1534	Continue	On-going use
Smart Grid OM&A Deferral Account	1535	Continue	On-going use
Smart Grid Funding Adder Deferral Account	1536	Continue	On-going use
Retail Cost Variance Account - STR	1548	Continue	On-going use
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs <sup>5</sup>	1555	Discontinue	CWH is not seeking recovery and will write-off balance of \$2,031
Board-Approved CDM Program Variance Account	1567	Continue	On-going use
LRAM Variance Account <sup>12</sup>	1568	Continue	On-going use
Extra-Ordinary Event Costs	1572	Continue	On-going use
Deferred Rate Impact Amounts	1574	Continue	On-going use
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below) (includes outstanding balance for 1590 & 1562)	1592	Discontinue	CWH is seeking recovery in this application

2

3

1 **1508 – Other Regulatory Assets, Sub-account Deferred IFRS Transition Costs<sup>7</sup>.**

2 CWH has recorded its incremental costs in this account beginning in 2009. CWH's application for  
3 2018 rates is being filed under IFRS and as such, the utility has completed its transition to IFRS  
4 with the official financial statements using IFRS.

5 CWH has an audited balance in its IFRS transition cost account of \$90,845. The amount being  
6 requested for disposal is \$91,775 which includes projected interest to December 31, 2017 of  
7 \$930. All costs included in the account are fully incremental and CWH does not have any IFRS  
8 transition costs approved in its current rate structure. All costs in the account are one-time costs  
9 related directly to the IFRS project.

10 The one-time costs associated with the transition to IFRS were in relation to a preliminary  
11 analysis performed by BDO back between 2009 and 2014.

12 The analysis which was performed by BDO Canada included the following services:

13 Hands on Assistance: Property, Plant & Equipment Analysis

14 Identify material PP&E accounts and perform the following analysis:

- 15 ◆ Identification of any components which require separate accounting
- 16 ◆ Analysis of original cost and accumulated depreciation under CGAAP vs. IFRS
- 17 ◆ Establish estimates for assets in field on January 1, 2011
- 18 ◆ Assess the remaining useful lives of assets
- 19 ◆ Analyze depreciation under CGAAP vs IFRS
- 20 ◆ Develop a Fixed Asset Listing/Sub-Ledger for the account

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<sup>7</sup> MFR - Request for disposition of Account 1508 sub-account IFRS Transition Costs if balances are still in account and not previously requested for disposition:

- completed Appendix 2-YA

-statement whether any one time IFRS transition costs are embedded in 2017 revenue requirement, where and why it is embedded, and the quantum

-explanation for material variances in Account 1508 sub-account IFRS Transition Costs Variance

- explanation on why costs incurred after adoption of IFRS, if any, and the nature of the costs

- statement that no capital costs, ongoing IFRS compliance costs are recorded in 1508 sub-account; provide explanation if this is not the case.

- 1       ♦ Analyze any required changes to the work order system to track additions and disposals
- 2           into the account
- 3       ♦ Assistance with changes to existing PP&E processes
- 4       ♦ Changes to tracking work orders and projects and setting up new PP&E items including
- 5           components
- 6       ♦ Assistance with communicating changes to your operations staff and consultants

7    Analysis of accounting for the following additional items:

- 8       ♦ Regulatory Assets & Liabilities
- 9       ♦ Overhead & Burdens
- 10      ♦ Borrowing Costs
- 11      ♦ Customer Contributions
- 12      ♦ AROs
- 13      ♦ Computer Software/Land Rights
- 14      ♦ Impairment of Assets

15    CWH attests that no “one-time” administrative incremental IFRS transition costs are embedded  
16    in the proposed 2018 revenue requirement.

17    The October 2009 APH FAQ #3 regarding costs that are permitted to be recorded in the  
18    Account 1508 Other Regulatory Assets, sub-account Deferred IFRS Transition Costs Account and  
19    Account 1508 Other Regulatory Assets, sub-account IFRS Transition Costs Variance Account,  
20    states the following:

21           *“The costs authorized for recording in the deferral or variance account referenced in the*  
22           *answers to questions 1 and 2 above shall be incremental one-time administrative costs*  
23           *caused by the transition of accounting policies, procedures, systems and processes to IFRS.*  
24           *The incremental costs eligible for inclusion in these accounts may include professional*  
25           *accounting and legal fees, salaries, wages and benefits of staff added to support the*  
26           *transition to IFRS and associated staff training and development costs.*

1        *These accounts are exclusively for necessary, incremental transition costs and shall not*  
2        *include ongoing IFRS compliance costs or impacts arising from adopting accounting policy*  
3        *changes that reflect changes in the timing of the recognition of income. The incremental*  
4        *costs in these accounts shall not include costs related to system upgrades, or replacements*  
5        *or changes where IFRS was not the major reason for conversion. In addition, incremental*  
6        *IFRS costs shall not include capital assets or expenditures.*

7        *The costs recorded in these accounts will be subject to a prudence review before*  
8        *disposition. The criteria of materiality, causation and prudence will be considered at the*  
9        *time of proposed disposition. Only costs that are clearly driven by the necessity of*  
10       *transitioning to IFRS, and are genuinely incremental to costs that would have been*  
11       *otherwise incurred, will be considered for approval for recovery in rates.*

12       *The transition to IFRS is effective for fiscal year-ends beginning on or after January 1, 2011.*  
13       *Accordingly, incremental transition costs incurred after the beginning of the year of*  
14       *adoption are expected to be minimal.”*

15       CWH's costs associated to the conversion to IFRS relate solely to professional accounting, such  
16       as preparation of position papers for conversion, and as such meet the criterions of the APH.

17       CWH notes that no material variances in excess of the materiality threshold have been recorded  
18       in 1508 Other Regulatory Assets, sub-account IFRS Transition Costs Variance account. CWH also  
19       notes that no capital costs, ongoing IFRS compliance costs, or impacts arising from adopting  
20       accounting policy changes are recorded in Account 1508 Other Regulatory Assets, sub-account  
21       Deferred IFRS Transition Costs Account or Account 1508 Other Regulatory Assets, sub-account  
22       IFRS Transition Costs Variance Account.

23       With the adoption of IFRS in 2015, CWH is not planning on using this account once its  
24       disposition is complete. This statement is based on the utility's best known information at the  
25       time of the application.

26       OEB Appendix 2-YA of the OEB 2017\_Filing\_Requirements\_Chapter2\_Appendices is presented as  
27       Table 3.



**Table 3: One-Time Incremental IFRS Transition Costs – Appendix 2-YA**

## Appendix 2-YA

## One-Time Incremental IFRS Transition Costs

The following table should be completed based on the information requested below. An explanation should be provided for any blank entries. The entries should include one-time incremental IFRS transition costs that are currently included in Account 1508, Other Regulatory Assets, sub-account Deferred IFRS Transition Costs Account, or Account 1508, Other Regulatory Assets, sub-account IFRS Transition Costs Variance Account.

Nature of One-Time Incremental IFRS Transition Costs <sup>1</sup>	Audited Actual Costs Incurred	Audited Actual Costs Incurred	Audited Actual Costs Incurred	Audited Actual Costs Incurred	Audited Carrying Charges	Forecasted Costs	Forecasted Costs	Carrying Charges January 1, 2017 to December 31, 2017 (As appropriate)	Total Costs and Carrying Charges	Reasons why the costs recorded meet the criteria of one-time IFRS administrative incremental costs
	2012	2013	2014	2015	To December 31, 2016	2017	2018 <sup>3</sup>			
Professional accounting fees	\$ 83,018		\$ 1,500		\$ 6,327			\$ 757	\$ 91,602	Consultants Fees related to IFRS Conversion
Professional legal fees									\$ -	
Salaries, wages and benefits of staff added to support the transition to IFRS									\$ -	
Associated staff training and development costs									\$ -	
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>	\$ 83,018	\$ -		\$ -	\$ 6,327		\$ -		\$ 91,602	

**Note:**

1 The Deferred IFRS Transition Costs Account and the IFRS Transition Costs Variance Account are exclusively for necessary, incremental transition costs and shall not include ongoing IFRS compliance costs or impacts arising from adopting accounting policy changes that reflect changes in the timing of the recognition of income. The incremental costs in these accounts shall not include costs related to system upgrades, or replacements or changes where IFRS was not the major reason for conversion. In addition, incremental IFRS costs shall not include capital assets or expenditures.

2 If there were any amounts approved in previous Board approved rates, please state the EB #:

3 Any forecasted One-time costs past 2015 should be fully explained in the application, since distributors were required to adopt IFRS or an alternative accounting standard by January 1, 2015.

1 **1508 - Other Regulatory Assets - Sub-Account – OEB Annual Assessment**

2 CWH is requesting disposition of the December 31, 2016 audited balance of \$9,664. The  
3 December 31, 2016 audited balance reconciles with filing 2.1.7 of the RRR.

4 A letter was received from the OEB dated April 1, 2016 regarding “Regulated Entities Subject to  
5 the OEB’s Cost Assessment Model (“CAM”); this letter refers to the OEB letter of February 9, 2016  
6 stating that “the following variance account has been setup for electricity distributors and  
7 transmitters to record any material differences between OEB cost assessments currently built  
8 into rates and cost assessments that will result from the application of the new CAM. Account  
9 1508 Other Regulatory Assets, Sub-account OEB Cost Assessment Variance and Note: the  
10 offsetting entry to this account shall be to Account 5655, Regulatory Expenses”.

11 CWH has complied with the directions as provided by the OEB and implemented the variance  
12 account as at April 1, 2016. This account will remain as on-going for 2017 to record variance in  
13 CAM.

14 **1508 - Other Regulatory Assets - Sub-Account – Other-Trans Canada Pipelines**

15 CWH is requesting disposition of the December 31, 2016 audited balance of \$1,069. The  
16 December 31, 2016 audited balance reconciles with filing 2.1.7 of the RRR.

17 In a letter from the OEB, dated June 13, 2014, regarding “Board Costs Associated with  
18 Consultations on TransCanada PipeLines Limited’s Proposed Energy East Pipeline Project Board  
19 File No.: EB-2013-0398, the Board has established the following deferral account to record the  
20 Energy East consultation costs allocated by the Board to rate-regulated electricity distributors:  
21 Account 1508 Other Regulatory Assets, Sub-Account Energy East Consultations Costs.”

22 CWH has complied with the directions as provided by the OEB.

23 **1518 - Retail Cost Variance Account – Retail**

24 CWH is requesting disposition of the December 31, 2016 audited balance of \$42,287. The  
25 December 31, 2016 audited balance reconciles with filing 2.1.7 of the RRR.

1 Details regarding balances and compliance with the Accounting Procedures Handbook (“APH”)  
2 can be found at Section 9.5.

3 **1548 - Retail Cost Variance Account - STR**

4 CWH is requesting disposition of the December 31, 2016 audited balance of \$478. The  
5 December 31, 2016 audited balance reconciles with filing 2.1.7 of the RRR.

6 Details regarding balances and compliance with the APH can be found at Section 9.5.

7 **1532 - Renewable Generation Connection OM&A Deferral Account**

8 CWH is requesting disposition of the December 31, 2016 audited balance of \$8,048. The  
9 December 31, 2016 audited balance reconciles with filing 2.1.7 of the RRR.

10 This account was established in accordance with the OEB guidelines as provided in the APH-  
11 FQAs date October 2009 and per Board issued guidelines: Deemed Conditions of Licence:  
12 Distribution System Planning (G-2009-0087).

13 This amount consists of a principal amount of \$7,560 and carrying charges of \$488 for Metsco  
14 Energy Solutions in the creation of CWH GEA Plan as provided in CWH’s 2013 Cost of Service  
15 application EB-2012-0113. Disposition was not asked for in the 2013 CoS because the amount  
16 had not be audited by our external auditors.

1 **9.3.3 INTEREST RATE APPLIED**

2 Table 4 below provides the interest rates by quarter that are applied to calculate actual and  
 3 forecast carrying charges for each regulatory and variance account.<sup>8</sup>

4 **Table 4: Interest Rates Applied to Deferral and Variance Accounts (%)**

Period	Interest Rate
Q1 2011 (Actual)	1.47%
Q2 2011 (Actual)	1.47%
Q3 2011 (Actual)	1.47%
Q4 2011 (Actual)	1.47%
Q1 2012 (Actual)	1.47%
Q2 2012 (Actual)	1.47%
Q3 2012 (Actual)	1.47%
Q4 2012 (Actual)	1.47%
Q1 2013 (Actual)	1.47%
Q2 2013 (Actual)	1.47%
Q3 2013 (Actual)	1.47%
Q4 2013 (Actual)	1.47%
Q1 2014 (Actual)	1.47%
Q2 2014 (Actual)	1.47%
Q3 2014 (Actual)	1.47%
Q4 2014 (Actual)	1.47%
Q1 2015 (Actual)	1.47%
Q2 2015 (Actual)	1.10%
Q3 2015 (Actual)	1.10%
Q4 2015 (Actual)	1.10%
Q1 2016 (Actual)	1.10%
Q2 2016 (Actual)	1.10%
Q3 2016 (Actual)	1.10%
Q4 2016 (Actual)	1.10%
Q1 2017 (Actual)	1.10%
Q2 2017 (Actual)	1.10%
Q3-4 2017 (Projected)	1.10%

5  
 6 Note that CWH has used the latest OEB prescribed interest rates as published on the website at:  
 7 <http://www.ontarioenergyboard.ca/OEB/Industry/Rules+and+Requirements/Rules+Codes+Guidelines+and+Forms/Prescribed+Interest+Rates>  
 8

---

<sup>8</sup> MFR - Confirm use of interest rates established by the OEB by month or by quarter for each year

1

2 CWH seeks to align the rate year with the fiscal year, moving rates from May 1 to April 30 for  
3 each year to January 1 to December 31 for each year. This application is for rates starting  
4 January 1, 2018.

5

1 **9.3.4 DEPARTURE FROM BOARD APPROVED BALANCES**

2 CWH has not made any adjustments to deferral and variance account balances that were  
 3 previously approved by the Board on a final basis either cost of service or IRM proceedings.

4 **9.3.5 RECONCILIATION OF ENERGY SALES AND COST OF POWER EXPENSES TO**  
 5 **FINANCIAL STATEMENTS**

6 The filing requirements state that a breakdown of energy sales and cost of power expenses, as  
 7 reported in the 2016 audited financial statements is requested. The sale of energy is a flow  
 8 through revenue and the cost of power is a flow through expense. CWH has no profit or loss  
 9 resulting from the flow through of energy revenues and expenses as variances are included in  
 10 the RSVA balances.

11 Please refer to the table below for a reconciliation of the 2016 RRR 2.1.7 with the 2016 Financial  
 12 Statements.<sup>9</sup>

14 **Table 5 Energy Sales and Cost of Power Expenses from Financial Statements**

	<b>2016</b>
4705-Power Purchased	\$8,659,824
4707-Global Adjustment	\$7,732,303
4708-Charges-WMS	\$812,474
4710-Cost of Power Adjustments	\$0
4712-Charges-One-Time	\$0
4714-Charges-NW	\$953,294
4715-System Control and Load Dispatching	\$0
4716-Charges-CN	\$714,386
4720-Other Expenses	\$0
4725-Competition Transition Expense	\$0
4730-Rural Rate Assistance Expense	\$0
4750-Charges - LV	\$243,652
4751-IESO Smart Meter Entity Expenses	\$63,081
<b>Total</b>	<b>\$19,179,014</b>

15

---

<sup>9</sup> MFR - Breakdown of energy sales and cost of power by USoA - as reported in AFS mapped and reconciled to USoA. Provide explanation if making a profit or loss on commodity.

1

4006-Residential Energy Sales	-\$4,877,530
4010-Commercial Energy Sales	\$0
4015-Industrial Energy Sales	\$0
4020-Energy Sales to Large Users	\$0
4025-Street Lighting Energy Sales	-\$65,659
4030-Sentinel Lighting Energy Sales	-\$2,988
4035-General Energy Sales	-\$9,403,254
4040-Other Energy Sales to Public Authorities	\$0
4045-Energy Sales to Railroads and Railways	\$0
4050-Revenue Adjustment	-\$79,836
4055-Energy Sales for Resale	-\$1,962,860
4060-Interdepartmental Energy Sales	\$0
4062-Billed WMS	-\$812,474
4064-Billed One-Time	\$0
4066-Billed NW	-\$953,294
4068-Billed CN	-\$714,386
4071-Charges – Smart Metering Entity Charge	\$0
4075-Billed - LV	-\$243,652
4076-IESO Smart Meter Entity Billed	-\$63,081
Total	\$19,179,014

2

3 As can be seen in the comparison above, there is no difference between energy sales and cost  
4 of power expense reported numbers. CWH confirms that this is the case for all historical years as  
5 well.

6

### 9.3.6 PROPOSED CHARGE PARAMETERS

CWH proposes to return the balances recorded in variance/deferral accounts through a volumetric rate rider and will follow the Board's guidance as provided in its Decision on the disposition of Regulatory Assets. The table below summarizes the proposed charge parameters by customer class.

**Table 6: Summary of Proposed Charge Parameters**

		Allocator
LV Variance Account	1550	kWh
Smart Metering Entity Charge Variance Account	1551	# of Customers
RSVA - Wholesale Market Service Charge	1580	kWh
RSVA - Retail Transmission Network Charge	1584	kWh
RSVA - Retail Transmission Connection Charge	1586	kWh
RSVA - Power (excluding Global Adjustment)	1588	kWh
RSVA - Global Adjustment	1589	Non-RPP kWh
Disposition and Recovery/Refund of Regulatory Balances (2012)	1595	%
Disposition and Recovery/Refund of Regulatory Balances (2013)	1595	%
Disposition and Recovery/Refund of Regulatory Balances (2014)	1595	%
Disposition and Recovery/Refund of Regulatory Balances (2015)	1595	%
<b>Total of Group 1 Accounts (excluding 1589)</b>		
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	kWh
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508	kWh
Other Regulatory Assets - Sub-Account - Other	1508	kWh
Retail Cost Variance Account - Retail	1518	kWh
Misc. Deferred Debits	1525	kWh
Retail Cost Variance Account - STR	1548	kWh
<b>Total of Group 2 Accounts</b>		
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account)	1592	kWh
<b>Total of Account 1592</b>		
Renewable Generation Connection OM&A Deferral Account	1532	kWh
IFRS-CGAAP Transition PP&E Amounts Balance + Return Component	1575	kWh
Accounting Changes Under CGAAP Balance + Return Component	1576	kWh



## 9.4 DERIVATION OF COST OF POWER

### 9.4.1 BREAKDOWN OF THE COST OF POWER

CWH calculated the cost of power for the 2017 Bridge Year and the 2018 Test Year based on the results of the load forecast discussed in detail in Exhibit 3. The commodity prices used in the calculation were prices published on October 19, 2016 in the Board’s Regulated Price Plan Report – November 1, 2016 to October 31, 2017. Should the Board publish a revised Regulated Price Plan Report prior to the Board’s Decision in the application, CWH will update the electricity prices in the forecast.

The sale of energy is a flow through revenue and the cost of power is a flow through expense. Energy sales and the cost of power expense by component are presented in the table below. CWH records no profit or loss resulting from the flow through energy revenues and expenses. Any temporary variances are included in the RSVA account balances.

The components of CWH’s cost of power are:

**Table 7: Calculation of Commodity**

Customer Class Name	Last Actual kWh's	non-RPP	RPP	%	%
Residential	44,896,468	2,237,918	42,658,550	4.98%	95.02%
General Service < 50 kW	23,270,826	4,473,332	18,797,494	19.22%	80.78%
General Service 50 to 2999 kW	50,553,990	49,709,096	844,894	98.33%	1.67%
General Service 3000-4999 kW	18,344,949	18,344,949	0	100.00%	0.00%
Unmetered Scattered Load	562,067	22,368	539,699	3.98%	96.02%
Sentinel Lighting	39,303	12,954	26,349	32.96%	67.04%
Street Lighting	566,049	566,049	0	100.00%	0.00%
other	-	-	0		
other	-	-	0		
<b>TOTAL</b>	<b>138,233,652</b>	<b>75,366,666</b>	<b>62,866,986</b>	<b>Loblaw %</b>	
%	100.00%	54.52%	45.48%	5.89%	
HOEP (\$/MWh)		\$24.63			
Global Adjustment (\$/MWh)		\$87.76			
Adjustments					
<b>TOTAL (\$/MWh)</b>		<b>\$112.39</b>	<b>\$112.39</b>		
<b>\$/kWh</b>		<b>\$0.11239</b>	<b>\$0.11239</b>		
%		54.52%	45.48%		
<b>WEIGHTED AVERAGE PRICE</b>	<b>\$0.1124</b>	<b>\$0.0613</b>	<b>\$0.0511</b>		

1

**Table 8: Electricity Projections**

Customer		2017					2018		
		Revenue	Expense						
Class Name		USA #	USA #	Volume	rate (\$/kWh):	Amount	Volume	rate (\$/kWh):	Amount
Residential	kWh	4006	4705	47,768,829	0.1118	\$5,340,555	46,938,990	\$0.11239	\$5,275,473
General Service < 50 kW	kWh	4010	4705	22,002,634	0.1118	\$2,459,895	21,620,405	\$0.11239	\$2,429,917
General Service 50 to 2999 kW	kWh	4035	4705	63,319,812	0.1118	\$7,079,155	62,219,820	\$0.11239	\$6,992,886
General Service 3000-4999 kW	kWh	4010	4705	19,904,327	0.1118	\$2,225,304	19,558,549	\$0.11239	\$2,198,185
Unmetered Scattered Load	kWh	4025	4705	587,229	0.1118	\$65,652	575,823	\$0.11239	\$64,717
Sentinel Lighting	kWh	4025	4705	41,291	0.1118	\$4,616	40,153	\$0.11239	\$4,513
Street Lighting	kWh	4025	4705	596,240	0.1118	\$66,660	586,684	\$0.11239	\$65,937
other	kWh	4025	4705	0	0.1118	\$0	0	\$0.11239	\$0
other	kWh	4025	4705	0	0.1118	\$0	0	\$0.11239	\$0
<b>TOTAL</b>				<b>154,220,361</b>		<b>\$17,241,836</b>	<b>151,540,423</b>		<b>\$17,031,628</b>

2

3 The Commodity share of the Cost of Power is calculated in the same manner as has been  
4 previously approved by the OEB in CWH's previous Cost of Service applications as well as other  
5 applications. CWH used Table ES-1: Average RPP Supply Cost Summary from the Regulated  
6 Price Plan Price Report - November 1, 2016 to October 31, 2017 issued by the Ontario Energy  
7 Board on October 19, 2016.

8

**Table 9: RPP Supply Cost Summary**

**Table ES-1: Average RPP Supply Cost Summary (for the 12 months from May 1, 2016)**

<b>RPP Supply Cost Summary</b>	
for the period from November 1, 2016 through October 31, 2017	
Forecast Wholesale Electricity Price	\$22.59
Load-Weighted Price for RPP Consumers (\$ / MWh)	\$24.63
Impact of the Global Adjustment (\$ / MWh)	+ \$84.50
Adjustment to Address Bias Towards Unfavourable Variance (\$ / MWh)	+ \$1.00
Adjustment to Clear Existing Variance (\$ / MWh)	+ \$2.26
<b>Average Supply Cost for RPP Consumers (\$ / MWh)</b>	<b>= \$112.39</b>

9

10 The utility uses the split between the RPP and Non-RPP to determine the weighted average  
11 price. The weighted average price is applied to the projected 2018 Load Forecast to determine  
12 the commodity to be included in the Cost of Power. The commodity for 2018 is projected at  
13 \$16,714,785.

1

**Table 10: Transmission Network**

Customer		2017					2018		
		Revenue	Expense						
Class Name		USA #	USA #	Volume	Rate	Amount	Volume	Rate	Amount
Residential	kWh	4066	4714	47,768,829	0.0064	\$305,721	46,938,990	0.0065	\$303,794
General Service < 50 kW	kWh	4066	4714	22,002,634	0.0059	\$129,816	21,620,405	0.0060	\$128,998
General Service 50 to 2999 kW	kW	4066	4714	163,126	2.3924	\$390,263	160,292	2.4194	\$387,804
General Service 3000-4999 kW	kW	4066	4714	44,308	2.6756	\$118,549	43,538	2.7057	\$117,802
Unmetered Scattered Load	kWh	4066	4714	587,229	0.0059	\$3,465	575,823	0.0060	\$3,436
Sentinel Lighting	kW	4066	4714	109	1.8133	\$198	106	1.8338	\$195
Street Lighting	kW	4066	4714	1,561	1.8042	\$2,816	1,536	1.8245	\$2,802
other	0	4066	4714	0	0.0000	\$0	0	0.0000	\$0
other	0	4066	4714	0	0.0000	\$0	0	0.0000	\$0
<b>TOTAL</b>				<b>70,567,796</b>		<b>\$950,827</b>	<b>69,340,690</b>		<b>\$944,831</b>

2

3 The Transmission Network charges are calculated in the OEB's RTSR model. The Rates are  
4 applied to the 2018 Load Forecast to determine the amount to be included in the Cost of Power.  
5 The RTSR model is filed in conjunction with this application. The amount included in the Cost of  
6 Power is \$944,831.

7

**Table 11: Transmission Connection**

Customer		2017					2018		
		Revenue	Expense						
Class Name		USA #	USA #	Volume	Rate	Amount	Volume	Rate	Amount
Residential	kWh	4068	4716	47,768,829	0.0052	\$248,398	46,938,990	0.0052	\$246,109
General Service < 50 kW	kWh	4068	4716	22,002,634	0.0047	\$103,412	21,620,405	0.0047	\$102,459
General Service 50 to 2999 kW	kW	4068	4716	163,126	1.8318	\$298,815	160,292	1.8470	\$296,061
General Service 3000-4999 kW	kW	4068	4716	44,308	2.1604	\$95,722	43,538	2.1783	\$94,840
Unmetered Scattered Load	kWh	4068	4716	587,229	0.0047	\$2,760	575,823	0.0047	\$2,729
Sentinel Lighting	kW	4068	4716	109	1.4457	\$158	106	1.4577	\$155
Street Lighting	kW	4068	4716	1,561	1.4161	\$2,210	1,536	1.4279	\$2,193
other	0	4068	4716	0	0.0000	\$0	0	0.0000	\$0
other	0	4068	4716	0	0.0000	\$0	0	0.0000	\$0
<b>TOTAL</b>				<b>70,567,796</b>		<b>\$749,107</b>	<b>69,340,690</b>		<b>\$744,546</b>

8

9 The Transmission Connection charges are also calculated in the OEB's RTSR model. The Rates  
10 are applied to the 2018 Load Forecast to determine the amount to be included in the Cost of

1 Power. The amount included in the Cost of Power is \$744,546. The RTSR model is filed in  
2 conjunction with this application.

3

4

**Table 12: Wholesale Market Services**

Customer						2017		2018	
		Revenue	Expense		rate (\$/kWh):	0.0052	Volume	rate (\$/kWh):	0.0052
Class Name		USA #	USA #	Volume		Amount	Volume		Amount
Residential	kWh	4062	4708	47,768,829	0.0036	\$171,968	46,938,990	0.0036	\$168,980
General Service < 50 kW	kWh	4062	4708	22,002,634	0.0036	\$79,209	21,620,405	0.0036	\$77,833
General Service 50 to 2999 kW	kWh	4062	4708	63,319,812	0.0036	\$227,951	62,219,820	0.0036	\$223,991
General Service 3000-4999 kW	kWh	4062	4708	19,904,327	0.0036	\$71,656	19,558,549	0.0036	\$70,411
Unmetered Scattered Load	kWh	4062	4708	587,229	0.0036	\$2,114	575,823	0.0036	\$2,073
Sentinel Lighting	kWh	4062	4708	41,291	0.0036	\$149	40,153	0.0036	\$145
Street Lighting	kWh	4062	4708	596,240	0.0036	\$2,146	586,684	0.0036	\$2,112
other	0	4062	4708	0	0.0036	\$0	0	0.0036	\$0
other	0	4062	4708	0	0.0036	\$0	0	0.0036	\$0
<b>TOTAL</b>				<b>154,220,361</b>		<b>\$555,193</b>	<b>151,540,423</b>		<b>\$545,545</b>

5

6 On December 5, 2016, the OEB released Decision and Order for the Wholesale Market Service  
7 (WMS) effective January 1, 2017. The Board's decision is summarized as follows:

- 8 • The WMS rate used by rate-regulated distributors to bill their customers shall be \$0.0032  
9 per kilowatt-hour, effective January 1, 2017. For Class B customers, a CBR component of  
10 \$0.0004 per kilowatt-hour shall be added to the WMS rate for a total of \$0.0036 per  
11 kilowatt-hour. For Class A customers, distributors shall bill the actual CBR costs to Class A  
12 customers in proportion to their contribution to peak.

13 In compliance with this order, CWH has applied the Board Approved \$0.0036/kWh to its 2018  
14 Load Forecast in order to include \$545,545 its Cost of Power.

15

1

**Table 13: Remote Electricity Rate Protection**

Customer		2017					2018			
		Revenue	Expense		rate (\$/kWh):			rate (\$/kWh):		
Class Name		USA #	USA #	Volume		Amount	Volume		Amount	
Residential	kWh	4062	4730	47,768,829	0.0021	\$100,315	46,938,990	0.0021	\$98,572	
General Service < 50 kW	kWh	4062	4730	22,002,634	0.0021	\$46,206	21,620,405	0.0021	\$45,403	
General Service 50 to 2999 kW	kWh	4062	4730	63,319,812	0.0021	\$132,972	62,219,820	0.0021	\$130,662	
General Service 3000-4999 kW	kWh	4062	4730	19,904,327	0.0021	\$41,799	19,558,549	0.0021	\$41,073	
Unmetered Scattered Load	kWh	4062	4730	587,229	0.0021	\$1,233	575,823	0.0021	\$1,209	
Sentinel Lighting	kWh	4062	4730	41,291	0.0021	\$87	40,153	0.0021	\$84	
Street Lighting	kWh	4062	4730	596,240	0.0021	\$1,252	586,684	0.0021	\$1,232	
other	0	4062	4730	0	0.0021	\$0	0	0.0021	\$0	
other	0	4062	4730	0	0.0021	\$0	0	0.0021	\$0	
<b>TOTAL</b>				<b>154,220,361</b>		<b>\$323,863</b>	<b>151,540,423</b>		<b>\$318,235</b>	

2

3 On December 15, 2016, the OEB released Decision and Order for the Rural or Remote Electricity  
4 Rate Protection (RRRP) effective January 1, 2017. The Board's decision is summarized as  
5 follows:

- 6 • The RRRP charge used by rate regulated distributors to bill their customers shall be 0.21  
7 cents per kilowatt-hour, effective January 1, 2017. This unit rate shall apply to a  
8 customer's metered energy consumption adjusted by the distributor's Board-approved  
9 Total Loss Factor.

10 In compliance with this order, CWH has applied the Board Approved \$0.0021/kWh to its 2018  
11 Load Forecast in order to include \$318,235 in its Cost of Power.

12

13

**Table 14: Smart Meter Entity**

Customer Class Name	2017			2018		
	Volume	rate	Amount	Volume	rate	Amount
	kWh	(\$/kWh)	\$	kWh	(\$/kWh)	\$
Residential	6,047	0.7900	\$57,330	6,107	0.7900	\$57,894
General Service < 50 kW	750	0.7900	\$7,108	758	0.7900	\$7,187
General Service > 50 to 4999 kW	45	0.0000	\$0	45	0.0000	\$0
<b>TOTAL</b>	<b>6,843</b>		<b>\$64,438</b>	<b>6,911</b>		<b>\$65,081</b>

1 In compliance with this order, CWH has applied the Board Approved \$0.79/kWh to its 2018  
 2 Customer Forecast in order to include \$65,081 in its Cost of Power.

3

4 **OESP**

5 As per the OEB Decision and Order EB-2017-0135, dated March 23,2017, effective May 1, 2017  
 6 the OESP is no longer to be charged to electricity consumers; therefore, CWH has not used it in  
 7 the calculation of Cost of Power. As seen in Table 15.

8

9

**Table 15: OESP**

Customer		2017				2018			
		Revenue	Expense	rate (\$/kWh):	Amount	Volume	rate (\$/kWh):	Amount	
Class Name		USA #	USA #	Volume	Amount	Volume	Amount	Amount	
Residential	kWh	4062	4730	47,768,829	0.0011	\$52,546	46,938,990	0.0000	\$0
General Service < 50 kW	kWh	4062	4730	22,002,634	0.0011	\$24,203	21,620,405	0.0000	\$0
General Service 50 to 2999 kW	kWh	4062	4730	63,319,812	0.0011	\$69,652	62,219,820	0.0000	\$0
General Service 3000-4999 kW	kWh	4062	4730	19,904,327	0.0011	\$21,895	19,558,549	0.0000	\$0
Unmetered Scattered Load	kWh	4062	4730	587,229	0.0011	\$646	575,823	0.0000	\$0
Sentinel Lighting	kWh	4062	4730	41,291	0.0011	\$45	40,153	0.0000	\$0
Street Lighting	kWh	4062	4730	596,240	0.0011	\$656	586,684	0.0000	\$0
	kWh	4062	4730	0	0.0011	\$0	0	0.0000	\$0
0	0	4062	4730	0	0.0011	\$0	0	0.0000	\$0
<b>TOTAL</b>				<b>154,220,361</b>		<b>\$169,642</b>	<b>151,540,423</b>		<b>\$0</b>

10

11 **Low Voltage Charges:**

12 The table below presents the derivation of proposed retail rates for Low Voltage ("LV") service.  
 13 The 2018 estimates of total LV charges were calculated based on an average of the last 2 years.  
 14 The projections were allocated to customer classes, according to each class' share of projected  
 15 Transmission-Connection revenue, in accordance with Board policy. The resulting allocated LV  
 16 charges for each class were divided by the applicable 2018 volumes from the load forecast, as  
 17 presented in Exhibit 3. Current LV revenues are recovered through a separate rate adder and  
 18 therefore are not embedded within the approved Distribution Volumetric rate. 2018 LV rates  
 19 appear on a distinct line item on the proposed schedule of rates.

1

**Table 16: Low Voltage Charges**

	2013	2014	2015	2016	2017	2018
4075-Billed - LV	-171,221	-247,918	-242,373	-243,652	-243,652	-243,652
4750-Charges - LV	342,961	333,159	332,421	401,337	401,337	401,337

2

**Low Voltage Charges – Allocation of LV Charges based on Transmission Connection Revenues**

ALLOCATION BASED ON TRANSMISSION-CONNECTION REVENUE					
Customer Class Name		RTSR Rate	Uplifted Volumes	Revenue	% Alloc
Residential	kWh	\$0.0052	46,938,990	\$246,109	33.05%
General Service < 50 kW	kWh	\$0.0047	21,620,405	\$102,459	13.76%
General Service 50 to 2999 kW	kW	\$1.8470	160,292	\$296,061	39.76%
General Service 3000-4999 kW	kW	\$2.1783	43,538	\$94,840	12.74%
Unmetered Scattered Load	kWh	\$0.0047	575,823	\$2,729	0.37%
Sentinel Lighting	kW	\$1.4577	106	\$155	0.02%
Street Lighting	kW	\$1.4279	1,536	\$2,193	0.29%
<b>TOTAL</b>			<b>69,340,690</b>	<b>\$744,545</b>	<b>100%</b>

3

**Low Voltage Charges Rate Rider Calculations**

PROPOSED LOW VOLTAGE CHARGES & RATES					
Customer Class Name	% Allocation	Charges	Not Uplifted Volumes	Rate	per
Residential	33.05%	132,662	44,716,576	\$0.0030	kWh
General Service < 50 kW	13.76%	55,229	20,596,746	\$0.0027	kWh
General Service 50 to 2999 kW	39.76%	159,588	160,292	\$0.9956	kW
General Service 3000-4999 kW	12.74%	51,122	43,538	\$1.1742	kW
Unmetered Scattered Load	0.37%	1,471	548,560	\$0.0027	kWh
Sentinel Lighting	0.02%	83	106	\$0.7858	kW
Street Lighting	0.29%	1,182	1,536	\$0.7697	kW
<b>TOTAL</b>	<b>100.00%</b>	<b>401,337</b>	<b>66,067,354</b>		

4

**Low Voltage Charges to be added to power supply expense for bridge and test year**

Customer	Class Name	Revenue		Expense		2017			2018		
		USA #	USA #	Volume	Rate	Amount	Volume	Rate	Amount		
Residential	kWh	4075	4750	47,768,829	\$0.0018	\$85,984	44,716,576	\$0.0030	\$134,149.73		
General Service < 50 kW	kWh	4075	4750	22,002,634	\$0.0016	\$35,204	20,596,746	\$0.0027	\$55,611.22		
General Service 50 to 2999 kW	kW	4075	4750	163,126	\$0.6302	\$102,802	160,292	\$0.9956	\$159,587.06		
General Service 3000-4999 kW	kW	4075	4750	44,308	\$0.7433	\$32,934	43,538	\$1.1742	\$51,122.18		
Unmetered Scattered Load	kWh	4075	4750	587,229	\$0.0016	\$940	548,560	\$0.0027	\$1,481.11		
Sentinel Lighting	kW	4075	4750	109	\$0.4974	\$54	106	\$0.7858	\$83.49		
Street Lighting	kW	4075	4750	1,561	\$0.4872	\$760	1,536	\$0.7697	\$1,181.93		
other	0	4075	4750	0	\$0.0000	\$0	0	\$0.0000	\$0.00		
other	0	4075	4750	0	\$0.0000	\$0	1	\$0.0000	\$0.00		
<b>TOTAL</b>		<b>0</b>	<b>0</b>	<b>70,567,796</b>		<b>\$258,678</b>	<b>66,067,355</b>		<b>\$403,216.71</b>		

5

## 9.5 RETAIL SERVICE CHARGE

### 9.5.1 OVERVIEW<sup>1011</sup>

CWH attests that it has followed Article 490 of the Accounting Procedures Handbook.

#### **Account 1518 – Retail Cost Variance Account – Retail**

With respect to Account 1518, CWH confirms that the account has been used to record the net of revenues, including accruals, derived from establishing service agreements, distributor-consolidated billing and retailer-consolidated billing. Account 1518 also includes the costs of entering into Service Agreements, and related contract administration, monitoring, and other expenses necessary to maintain the contract, as well the incremental costs incurred to provide the services related to distributor-consolidated billing, and retailer-consolidated billing.

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

With respect to Account 1548, CWH confirms that the amount has been used to record the revenues derived, including accruals, from the Service Transaction Request services and charged by the distributor in the form of: Request fee, processing fee, information request fee, default fee, and other associated fees. The account also includes the cost of labour, internal information system maintenance costs, and delivery cost related to the provision of the services associated with the previous mentioned services.

CWH is requesting disposition of the December 31, 2016 audited debit balances in accounts 1518-Retail Cost Variance Account-Retail of \$42,287 and 1548-Retail Cost Variance Account-STR of \$478. These variances are incremental costs of providing retail services. The following table

---

<sup>10</sup> MFR - Retail Service Charges - material balance in 1518 or 1548

- confirm variances are incremental costs of providing retail services; identify drivers for balances  
- provide schedule identifying all revenues and expenses listed by USoA for 2013, actual/forecast for bridge and test year  
- state whether Article 490 of APH has been followed; explanation if not followed

<sup>11</sup> MFR - Retail Service Charges - zero balance in 1518 or 1548 - state whether Article 490 of APH has been followed; explanation if not followed



1 displays actual income and expenses from 2012 to 2016, with estimated values for 2017 and  
2 2018.

3

4

**Table 17: Income and Expenses for Providing Retail Services**

<b>1518-Retail Cost Variance Account - Retail</b>								
<b>Account</b>	<b>Account Description</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017 Bridge Year</b>	<b>2018 Test Year</b>
4082	Retail Service Revenue	(9,764.40)	(8,343.60)	(8,274.10)	(7,932.30)	(6,824.80)	(7,900.00)	(7,900.00)
5315.056	Billing - Retail Service Spoke EBTs	5,717.75	6,021.10	5,469.83	5,723.30	5,220.53	5,900.00	5,900.00
5315.057	Billing - Rtr Settlement	9,574.34	4,727.11	4,093.16	4,023.32	3,164.95	4,300.00	4,300.00
5315.001	Billing - Retail Service Labour		8,522.62	8,014.86	6,052.13	4,471.48	7,800.00	5,700.00
<b>1518</b>	<b>Retail Cost Variance Account- Retail</b>	<b>5,527.69</b>	<b>10,927.23</b>	<b>9,303.75</b>	<b>7,866.45</b>	<b>6,032.16</b>	<b>10,100.00</b>	<b>8,000.00</b>
	<b>Principal Balance for Disposition</b>					<b>39,657.28</b>		
<b>1548-Retail Cost Variance Account - STR</b>								
<b>Account</b>	<b>Account Description</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017 Bridge Year</b>	<b>2018 Test Year</b>
4084	Retailer STR Fees	(165.25)	(77.00)	(105.25)	(70.50)	(62.25)	(100.00)	(100.00)
5315	Billing - STR Expenses	261.18	179.09	241.92	133.56	107.61	100.00	100.00
<b>1548</b>	<b>Retail Cost Variance Account- STR</b>	<b>95.93</b>	<b>102.09</b>	<b>136.67</b>	<b>63.06</b>	<b>45.36</b>	<b>-</b>	<b>-</b>
	<b>Principal Balance for Disposition</b>					<b>443.11</b>		

5

1 **9.6 ONE-TIME INCREMENTAL IFRS COST**

2 **9.6.1 OVERVIEW OF ONE TIME COSTS**

3 CWH has detailed its One-Time Incremental IFRS Transition Costs in Appendix 2-YA which  
4 provides a summary of these incremental costs and is consistent with Board. Details are  
5 presented in Section 9.3.2.

## 9.7 ACCOUNT 1575 IFRS-CGAAP TRANSITIONAL PP&E AMOUNT

### 9.7.1 OVERVIEW<sup>12</sup>

CWH did not use account 1575; as explained in the 2013 Cost of Service application, CWH changed the useful lives with no other changes in the Capitalization policy. The adoption of new useful lives coincided with the 2013 Cost of Service application and therefore eliminated the need for this account.

CWH has not used this account in this application and is therefore requesting the discontinuation of this account.

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<sup>12</sup> MFR - 1575 IFRS-CGAAP PP&E account

- Account 1575 and 1576 can't be used interchangeably
- breakdown of balance, including explanation for each accounting change; Appendix 2-EA
- listing and quantification of drivers
- volumetric rate rider to clear 1575; separate rider must be on a fixed basis for the residential class;
- rate of return component is to be applied to 1575 but not recorded in 1575
- statement confirming no carrying charges applied to 1575
- explanation for the basis of the proposed disposition period to clear Account 1575 rate rider
- show the balance in DVA continuity schedule

## 1 9.8 ACCOUNT 1576, ACCOUNTING CHANGES UNDER CGAAP

### 2 9.8.1 OVERVIEW

3 CWH officially transitioned to MIFRS in January 1, 2015. As was presented in CWH's 2013 CoS,  
4 the difference in depreciation due to the adoption of new useful lives coincided with the 2013  
5 Cost of Service application and therefore Account 1576 was not required. CWH has not used  
6 Account 1576 in this application; accordingly CWH is requesting the discontinuation of this  
7 account.<sup>13</sup>

---

<sup>13</sup> MFR - Changes to depreciation and capitalization in 2012 or 2013 - Account 1576 IFRS-CGAAP PP&E  
- Appendix 2-BA must not be adjusted for 1576  
- breakdown of balance related to 1576, Appendix 2-EB or 2-EC  
drivers of change in closing net PP&E identified and quantified  
- volumetric rate rider to clear 1576; the rider for the residential class must be on a fixed basis  
- rate of return component is to be applied to 1576 but not recorded in 1576  
- statement confirming no carrying charges applied to 1576  
- explanation for the basis of the proposed disposition period to clear Account 1576 rate rider

## 9.9 DIST DISPOSITION OF DEFERRAL AND VARIANCE ACCOUNTS

### 9.9.1 DVA BALANCES

Table 18 below presents the list of deferral and variance accounts, with the proposed selection of balances for disposition. All account balances selected for disposition are as at December 31, 2016 being the most recent date the balances was subject to audit.

Board policy states: 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. In accordance with the above statement, CWH proposes to dispose of all its balances listed in the table below.

CWH confirms that amounts in the in the DVA model and being requested for disposal balances with the amounts reported in the RRR filing.<sup>14</sup>

The 2018\_DVA\_Continuity\_Schedule detailing each account is being filed in conjunction with this application.<sup>15</sup>

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<sup>14</sup> MFR - Provide an explanation of variance > 5% between amounts proposed for disposition and amounts reported in RRR for each account.

<sup>15</sup> MFR - Identify all accounts for which LDC is seeking disposition; identify DVA for which LDC is not proposing disposition and the reasons why

1

2

**Table 18: DVA Balances Sought for Disposition**

		Amounts from Sheet 2	Allocator
LV Variance Account	1550	341,359	kWh
Smart Metering Entity Charge Variance Account	1551	(3,047)	# of Customers
RSVA - Wholesale Market Service Charge	1580	(329,142)	kWh
RSVA - Retail Transmission Network Charge	1584	(42,699)	kWh
RSVA - Retail Transmission Connection Charge	1586	9,575	kWh
RSVA - Power (excluding Global Adjustment)	1588	(34,483)	kWh
RSVA - Global Adjustment	1589	318,403	Non-RPP kWh
Disposition and Recovery/Refund of Regulatory Balances (2012)	1595	(1,514)	%
Disposition and Recovery/Refund of Regulatory Balances (2013)	1595	(2,077)	%
Disposition and Recovery/Refund of Regulatory Balances (2014)	1595	(5,351)	%
Disposition and Recovery/Refund of Regulatory Balances (2015)	1595	(5,131)	%
<b>Total of Group 1 Accounts (excluding 1589)</b>		<b>(72,510)</b>	
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	91,775	kWh
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508	9,664	kWh
Other Regulatory Assets - Sub-Account - Other	1508	1,069	kWh
Retail Cost Variance Account – Retail	1518	42,287	kWh
Misc. Deferred Debits	1525	0	kWh
Retail Cost Variance Account – STR	1548	478	kWh
<b>Total of Group 2 Accounts</b>		<b>145,273</b>	
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account)	1592	(863)	kWh
<b>Total of Account 1592</b>		<b>(863)</b>	
Renewable Generation Connection OM&A Deferral Account	1532	<b>8,048</b>	kWh
<b>Total of Group 1 Accounts (1550, 1551, 1584, 1586 and 1595)</b>		<b>291,115</b>	
<b>Total of Account 1580 and 1588 (not allocated to WMPs)</b>		<b>(363,625)</b>	
<b>Balance of Account 1589 Allocated to Non-WMPs</b>		<b>318,403</b>	
<b>Group 2 Accounts (including 1592, 1532)</b>		<b>152,457</b>	
IFRS-CGAAP Transition PP&E Amounts Balance + Return Component	1575	0	kWh
Accounting Changes Under CGAAP Balance + Return Component	1576	0	kWh
<b>Total Balance Allocated to each class for Accounts 1575 and 1576</b>		<b>0</b>	
<b>Account 1589 reference calculation by customer and consumption</b>			
<b>Account 1589 / Number of Customers</b>		\$36.73	
<b>1589/total kwh</b>		\$0.0022	

3

1 CWH confirms that all balances proposed for disposition are consistent with the last Audited  
2 Financial Statements. Therefore, no explanations for any variances are required.<sup>16 17</sup>

3

#### 4 9.9.2 CALCULATION OF RATE RIDER

5 CWH notes that all relevant calculations are embedded in the  
6 2018\_DVA\_Continuity\_Schedule\_CoS OEB provided model.

7 The 2017 EDDVAR model ensures that CWH's Market Participant ("WMS") account in the GS 50-  
8 2,999 kW class is only allocated to account to which they contributed to the variance.

9 CWH is proposing to dispose of these balances over a period of one year. The rate rider  
10 calculations are calculated in the OEB's DVA model. The rate riders are reproduced at the next  
11 page.<sup>18</sup>

12 The following explains the recovery for each grouping in accordance with both the minimum  
13 filing requirements and Rate Design Policy.<sup>19</sup>

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

- 15 • Rate riders for Deferral / Variance Accounts Balances excluding Global Adj. is to be  
16 calculated on the basis of kWh/KW for all classes.

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

#### 18 **NON-WMP**

---

<sup>16</sup> MFR - Statement whether DVA balances before forecasted interest match the last AFS; explain any variances

<sup>17</sup> MFR - Provide explanations if variances are < 5% threshold if the variances in question relate to: (1) matters of principle (i.e. conformance with the APH or prior OEB decisions, and prior period adjustments); and/or, (2) the cumulative effect of immaterial differences over several accounts total to a material difference between what is proposed for disposition in total before forecasted interest and what is recorded in the RRR filings

<sup>18</sup> MFR - Propose rate riders for recovery or refund of balances that are proposed for disposition. The default disposition period is one year; if the applicant is proposing an alternative recovery period must provide explanation.

<sup>19</sup> MFR - Propose charge type (fixed or variable) for recovery purposes in accordance with Rate Design Policy

- 1       • Rate riders for Global Adjustment is to be calculated on the basis of kWh/W for all  
2       classes.

3       **Rate Rider Calculation for RSVA - Power - Global Adjustment**

- 4       • Rate riders for Deferral / Variance Accounts Balances excluding Global Adj. - NON-WMP  
5       is to be calculated on the basis of kWh/kW for all classes.

6       **Rate Rider Calculation for Group 2 Accounts**

- 7       • As per the Board's letter issued July 16, 2015 outlining details regarding the  
8       implementation of the transition to fully fixed distribution charges for residential  
9       customers, Residential rates for group 2 accounts are to be on a per customer basis.

10



1

**Table 19: Deferral and Variance Rate Riders<sup>20</sup>**

Please indicate the Rate Rider Recovery Period (in years)

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	44,716,576	\$88,373.70	0.0020	\$/kWh
GENERAL SERVICE LESS THAN 50 KW	kWh	20,596,746	\$41,660.21	0.0020	\$/kWh
GENERAL SERVICE 50 TO 2,999 KW	kW	160,292	\$120,700.80	0.7530	\$/kW
GENERAL SERVICE 3,000 TO 4,999 KW	kW	43,538	\$38,082.85	0.8747	\$/kW
UNMETERED SCATTERED LOAD	kW	-	\$1,115.07	-	\$/kW
SENTINEL LIGHTING	kWh	38,252	\$77.63	0.0020	\$/kWh
STREET LIGHTING	kW	1,536	\$1,104.61	0.7193	\$/kW
Total			\$291,114.87		

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	44,716,576	-\$115,263.22	- 0.0026	\$/kWh
GENERAL SERVICE LESS THAN 50 KW	kWh	20,596,746	-\$53,090.99	- 0.0026	\$/kWh
GENERAL SERVICE 50 TO 2,999 KW	kW	152,766	-\$144,289.84	- 0.9445	\$/kW
GENERAL SERVICE 3,000 TO 4,999 KW	kW	43,538	-\$48,027.90	- 1.1031	\$/kW
UNMETERED SCATTERED LOAD	kW	-	-\$1,413.99	-	\$/kW
SENTINEL LIGHTING	kWh	38,252	-\$98.60	- 0.0026	\$/kWh
STREET LIGHTING	kW	1,536	-\$1,440.66	- 0.9382	\$/kW
Total			-\$363,625.20		

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<sup>20</sup> MFR - Show relevant calculations: rationale for allocation of each account, proposed billing determinants

1

Rate Rider Calculation for RSVA - Power - Global Adjustment

*Balance of Account 1589 Allocated to Non-WMPs*

Rate Class (Enter Rate Classes in cells below)	Units	kWh	Balance of RSVA - Power - Global Adjustment	Rate Rider for RSVA - Power - Global Adjustment	
RESIDENTIAL	kWh	2,228,951	\$8,821.02	0.0040	\$/kWh
GENERAL SERVICE LESS THAN 50 KW	kWh	3,959,296	\$15,668.83	0.0040	\$/kWh
GENERAL SERVICE 50 TO 2,999 KW	kWh	55,041,972	\$217,827.39	0.0040	\$/kWh
GENERAL SERVICE 3,000 TO 4,999 KW	kWh	18,632,513	\$73,737.76	0.0040	\$/kWh
UNMETERED SCATTERED LOAD	kWh	21,830	\$86.39	0.0040	\$/kWh
SENTINEL LIGHTING	kWh	12,607	\$49.89	0.0040	\$/kWh
STREET LIGHTING	kWh	558,906	\$2,211.86	0.0040	\$/kWh
Total			\$318,403.14		

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	6,107	\$47,222.97	\$ 0.64	per customer per month
GENERAL SERVICE LESS THAN 50 KW	kWh	20,596,746	\$21,751.21	\$ 0.0011	\$/kWh
GENERAL SERVICE 50 TO 2,999 KW	kW	160,292	\$62,596.25	\$ 0.3905	\$/kW
GENERAL SERVICE 3,000 TO 4,999 KW	kW	43,538	\$19,676.88	\$ 0.4519	\$/kW
UNMETERED SCATTERED LOAD	kWh	548,560	\$579.31	\$ 0.0011	\$/kWh
SENTINEL LIGHTING	kW	106	\$40.40	\$ 0.3802	\$/kW
STREET LIGHTING	kW	1,536	\$590.23	\$ 0.3844	\$/kW
Total			\$152,457.23		

2

## 9.10 GLOBAL ADJUSTMENT

### 9.10.1 PRO-RATA OF GLOBAL ADJUSTMENT INTO RPP/NON-RPP<sup>21 22</sup>

CWH confirms that it pro-rated the IESO Global Adjustment Charge into the RPP and non-RPP portions and that Global Adjustment is only being applied to customers that are non-RPP. CWH maintains a database which splits the Global Adjustment between the amounts belonging to the RPP customers versus the amount belonging to the Non-RPP customers. This has been done in order to determine the portion belonging to the Account 1588 – RSVA – Power (excluding Global Adjustment) and Account 1589 – Power – Sub-account – Global Adjustment.

The proration of the monthly Global Adjustment amount on the database based on the RPP versus Non-RPP kWh quantities submitted on the monthly IESO settlement reports. This allows for effective splitting of Account 1589 Global Adjustment variance account from the Account 1588 Cost of Power variance account.

### 9.10.2 DERIVATION AND CALCULATION OF THE GA RATE RIDER

CWH did not have any customers switch from Class B to Class A during the 2016 rate year. As a result, completion of tab 5a. GA\_Allocation\_Class A is not applicable.

The 2017 EDDVAR model ensures that CWH's Market Participant ("WMP") account in the GS 50-2,999 kW class is only allocated to accounts to which they contributed to the variance.<sup>23</sup>

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<sup>21</sup> MFR - Statement confirming that IESO GA charge is pro-rated into RPP and non-RPP; provide explanation if not pro-rated.

<sup>22</sup> MFR - Establishment of a separate rate rider included in the delivery component of the bill that would apply prospectively to Non-RPP customers when clearing balances from the GA Variance Account

<sup>23</sup> MFR - Establish separate rate riders to recover balances in the RSVA's from Market Participants who must not be allocated the RSVA balances related to charges for which the MP's settle directly with the IESO.

### 9.10.3 GLOBAL ADJUSTMENT AND THE IESO SETTLEMENT PROCESS<sup>24</sup>

The manner in which CWH settles with the IESO depends on the following: (i) whether the customer is a Regulated Price Plan (“RPP”) consumer; and (ii) whether the customer is a Class A or Class B consumer. It is not dependent on the rate class.

CWH has not changed its GA process since it completed the OEB’s Global Adjustment questionnaire in early 2016 and since it also reported its process as part of its 2017 IRM.

CWH’s process can be summarized as follows.<sup>25</sup>

CWH does not have any Class A customers. For its Class B customers, CWH reviews the general service accounts not eligible on an annual basis to determine which customers are eligible for the RPP and at the time that an account changes ownership. Any billing adjustments are done as part of the next billing period.

CWH uses the Global Adjustment 2nd estimate rate posted on the IESO website for the settlement month and Global Adjustment Actual Rate posted on the IESO website for the annual reconciliation. The variance is recorded and reflected in RSVA GA 1589 on a monthly basis and reported to the OEB quarterly.

When completing the monthly submission via the IESO Portal, CWH uses a top down approach. CWH starts from the Net System Load Shape provided by our third-party meter management vendor, Utilismart, and then deducts the non RPP data, gathered from our billing system, to calculate the RPP volume. This volume is multiplied by the Global Adjustment 2nd estimate and these values are submitted by the 4th business day of the following month to the IESO.

Once the Global Adjustment actual rate is released and verified on the IESO

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<sup>24</sup> MFR - Description of settlement process with IESO or host distributor, specify GA rate used for each rate class, itemize process for providing estimates and describe true-up process, details of method for estimating RPP and non-RPP consumption, treatment of embedded generation/distribution.

<sup>25</sup> MFR - Indicate whether a Class B customer switched to Class A during the 2015 rate year in DVA Continuity Schedule

1 monthly invoice, CWH updates their spreadsheet that was used for the IESO  
2 submission and submits the adjustment on the following month's submission.

3 CWH uses a bottom up approach to complete the annual reconciliation, by  
4 using actual RPP volume and the Global Adjustment Actual rate. Any difference  
5 is accrued into the appropriate fiscal year and settled in the month when the  
6 reconciliation is complete.

7 In terms of Control and Oversight, CWH follows a substantive approach using reconciliation  
8 procedures to ensure accuracy and completeness for the settlement submission process where  
9 possible. In addition, CWH does regular bill testing for each class of customer, recalculates the  
10 various charges based on approved rates and ensures all correct general ledger accounts are  
11 used.

12 **Amended June 14, 2017**

13 CWH does not have its own embedded generation.  
14

15 CWH however does have MicroFIT, FITs, and RESOP customers. The kWh generated is reported  
16 to the IESO as actual on-peak and off-peak kWh generation. The difference between the  
17 contracted IESO price and the WAP is reported on the 1598 monthly submission and the  
18 difference is credited back to the LDC on the IESO monthly invoice.  
19

20 The amounts submitted to the IESO via charge codes 1410-Renewable energy standard offer  
21 program settlement amount and 1412-Feed-in tariff program settlement amount is reported to  
22 the IESO by the 4<sup>th</sup> business day of the month at the actual amounts as provided by our 3<sup>rd</sup> party  
23 settlement provider.  
24

25

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1 **9.11 OTHER RATE RIDERS INCLUDING NEW RATE RIDERS**

2 **9.11.1 REQUEST FOR NEW VARIANCE ACCOUNT**

3 The applicant is not requesting any new accounts or sub-accounts at this time. CWH will  
4 continue to monitor OEB directives and implement new accounts as set out by the OEB and  
5 identified in the Accounting Procedures Handbook or other sources of information as required  
6 complying with regulation.<sup>26 27</sup>

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<sup>26</sup> MFR - Statement as to any new accounts, and justification.

<sup>27</sup> MFR - New DVA - information provided which addresses that the requested DVA meets the following criteria: causation, materiality, prudence; include draft accounting order.