



August 14, 2017

**VIA RESS and COURIER**

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street, Suite 2700  
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Electricity Distribution Licence No. ED-2002-0556  
2018 Electricity Distribution Rate Application (EB-2017-0052)**

Hydro Ottawa Limited ("Hydro Ottawa") hereby submits an application ("Application") seeking the Ontario Energy Board's ("OEB") approval for proposed electricity distribution rates and other charges, effective January 1, 2018.

This Application represents Hydro Ottawa's second annual rate adjustment under its five-year Custom Incentive Rate-setting ("Custom IR") plan. Hydro Ottawa's Custom IR plan was approved in December 2015, pursuant to an Approved Settlement Agreement reached with intervenor parties and the OEB's Decision and Rate Order in EB-2015-0004. Hydro Ottawa's pole attachment charge was approved in a subsequent OEB Decision and Rate Order in February 2016. The adjustments to Hydro Ottawa's rates and other charges set forth in this Application are wholly consistent with the Approved Settlement Agreement and the OEB's Decisions.

Hydro Ottawa has filed the Application and supporting materials via the OEB's Regulatory Electronic Submission System ("RESS"). In addition, two (2) hard copies of the Application will follow via courier.

Please do not hesitate to contact me if you require anything further.

Yours sincerely,

*Original signed by*

April Barrie  
Manager, Rates and Revenue

**Hydro Ottawa Limited / Hydro Ottawa limitée**  
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Ottawa, Ontario K1G 3S4

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**IN THE MATTER OF** the *Ontario Energy Board Act, 1998*, being  
Schedule B to the *Energy Competition Act, 1998*, S.O. 1998, c.15;

**AND IN THE MATTER OF** an Application by Hydro Ottawa  
Limited to the Ontario Energy Board for an Order or Orders  
approving or fixing just and reasonable rates and other charges  
for the distribution of electricity effective January 1, 2018.

**HYDRO OTTAWA LIMITED**

**2018 RATE APPLICATION UNDER BOARD-APPROVED CUSTOM INCENTIVE RATE-  
SETTING PLAN FOR 2016-2020**

**FILED: AUGUST 14, 2017**

**Applicant**

Hydro Ottawa Limited  
3025 Albion Road North, P.O. Box 8700  
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K1G 3S4

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#### **1 Cost of Capital and Capital Structure**

1 Cost of Capital and Capital Structure

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#### **1 Calculation of Revenue Deficiency or Sufficiency**

1 Calculation of Revenue Deficiency  
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## **ABBREVIATIONS AND DEFINED TERMS**

### **1.0 ABBREVIATIONS**

Abbreviations that are in bolded font will be used throughout the Hydro Ottawa Limited Application and will not be redefined at the start of each exhibit.

**“2017 rate adjustment application” – 2017 Hydro Ottawa Limited Electricity Distribution Rate Application (EB-2016-0084)**

“Allstream” – Allstream Inc.

“APH” – Accounting Procedures Handbook

**“Application” – 2018 Hydro Ottawa Limited Electricity Distribution Rate Application (EB-2017-0052)**

**“Approved Settlement Agreement” – Amended September 18, 2015 Settlement Proposal; Originally Filed September 18, 2015; Refiled December 7, 2015; Approved December 22, 2015 (EB-2015-0004)**

**“Board” – Ontario Energy Board**

“Carriers” – Allstream Inc., Quebecor Media, Rogers Communication Partnership, and TELUS Communications Inc.

“CBR” – Capacity Based Recovery

“CCC” – Consumers Council of Canada

“CCRA” – Connection Cost Recovery Agreement

“CDM” – Conservation and Demand Management

“CGAAP” – Canadian Generally Accepted Accounting Principles

“CIR” – Custom Incentive Rate-setting

“CLD” – Coalition of Large Distributors

**“Custom IR” – Custom Incentive Rate-setting**

**“Custom IR Application” – 2016-2020 Hydro Ottawa Limited Custom Incentive Rate-setting Application (EB-2015-0004)**

“DCB” – Distributor-Consolidated Billing monthly charge

“Decision” – Ontario Energy Board Decision and Rate Order (EB-2015-0004), Hydro

- 1 Ottawa Limited, issued December 22, 2015
- 2 “DRC” – Debt Retirement Charge
- 3 “DSP” – Distribution System Plan
- 4 “DVA” – Deferral and Variance Account
- 5 “EAM” – Efficiency Adjustment Mechanism
- 6 “EDDVAR Report” – Report of the Board on *Electricity Distributors’ Deferral and*
- 7 *Variance Account Review Initiative* (EB-2008-0046), issued July 31, 2009
- 8 “Energy Probe” – Energy Probe Research Foundation
- 9 “ERF” – Energy Resource Facility
- 10 “ESM” – Earnings Sharing Mechanism
- 11 “Filing Requirements” – Ontario Energy Board’s Chapter 2 *Filing Requirements for*
- 12 *Electricity Distribution Rate Applications*, issued July 20, 2017
- 13 “GA” – Global Adjustment
- 14 “GS” – General Service
- 15 “GS >50kW” – General Service with average monthly demand greater than 50 Kilowatts
- 16 “GS <50kW” – General Service with average monthly demand less than 50 Kilowatts
- 17 “Guideline” – Ontario Energy Board Guideline G-2008-0001 Electricity Distribution Retail
- 18 Transmission Service Rates
- 19 “HOL” – Hydro Ottawa Limited
- 20 **“Hydro One” – Hydro One Networks Inc.**
- 21 **“Hydro Ottawa” – Hydro Ottawa Limited**
- 22 “IESO” – Independent Electricity System Operator
- 23 “IFRS” – International Financial Reporting Standards
- 24 “IRM” – Incentive Regulation Mechanism
- 25 “KPI” – Key Performance Indicators
- 26 “kV” – Kilovolt
- 27 “kW” – Kilowatt
- 28 “kWh” – Kilowatt hour
- 29 “LRAM” – Lost Revenue Adjustment Mechanism
- 30 “LRAMVA” – Lost Revenue Adjustment Mechanism Variance Account
- 31 “LV” – Low Voltage

- 1 "MIFRS" – Modified International Financial Reporting Standards
- 2 "MWh" – Megawatt hour
- 3 "OCEB" – Ontario Clean Energy Benefit
- 4 **"OEB" – Ontario Energy Board**
- 5 "OEB Act" – *Ontario Energy Board Act, 1998* (as amended)
- 6 "OESP" – Ontario Electricity Support Program
- 7 "OM&A" – Operating, Maintenance and Administration
- 8 "PA" – Pole Attachments
- 9 "Parties" – Parties to the Amended September 18, 2015 Settlement Proposal; Originally
- 10 Filed September 18, 2015; Refiled December 7, 2015; Approved December 22, 2015
- 11 (EB-2015-0004). These Parties consist of Hydro Ottawa Limited, Consumers Council of
- 12 Canada, Energy Probe Research Foundation, School Energy Coalition, and Vulnerable
- 13 Energy Consumers Coalition.
- 14 "PAWG" – Pole Attachment Working Group
- 15 "PILS" – Payments in Lieu of Taxes
- 16 "PLCC" – Peak Load Carrying Capability
- 17 **"Pole Attachment Decision" – Ontario Energy Board Decision and Rate Order on**
- 18 **Pole Attachment Charge (EB-2015-0004), issued February 25, 2016**
- 19 "P&OPEB" – Pension and other Post-Employment Benefit
- 20 "PP&E" – Property, Plant and Equipment
- 21 "Quebecor" – Quebecor Media
- 22 "RCB" – Retailer-Consolidated Billing monthly credit
- 23 "RCVA" – Retail Cost Variance Account
- 24 "ROE" – Return on Equity
- 25 "Rogers" – Rogers Communications Partnership
- 26 "RPP" – Regulated Price Plan
- 27 "RRFE Report" – Report of the Board – *Renewed Regulatory Framework for Electricity*
- 28 *Distributors: A Performance-Based Approach*, issued October 18, 2012
- 29 "RRFE" – Renewed Regulatory Framework for Electricity Distributors
- 30 "RRR" – Reporting and Record Keeping Requirements
- 31 "RRRP" – Rural or Remote Rate Protection

1 “RSVA” – Retail Settlement Variance Account  
2 “RTSR” – Retail Transmission Service Rate  
3 “SAIDI” – System Average Interruption Duration Index  
4 “SAIFI” – System Average Interruption Frequency Index  
5 “SEC” – School Energy Coalition  
6 “SIA” – Sustainable Infrastructure Alliance of Ontario  
7 “STR” – Service Transaction Requests  
8 “TELUS” – TELUS Communications Inc.  
9 “TOC” – Transformer Ownership Credit  
10 “UTR” – Uniform Transmission Rate  
11 “USL” – Unmetered Scattered Load  
12 “USofA” – Uniform System of Accounts  
13 “VECC” – Vulnerable Energy Consumers Coalition  
14 “WCA” – Working Capital Allowance  
15 “WMP” – Wholesale Market Participant  
16 “WMS” – Wholesale Market Service  
17 “WMSR” – Wholesale Market Service Rate  
18 “/ cust” – per customer  
19 “/ retailer” – per retailer  
20  
21  
22

## 23 **2.0 DEFINED TERMS**

24  
25 “Capital expenditure” is the amount spent on a capital project/program in a given year.  
26 “Capital additions” are the amounts that are capitalized for the project/program in a given  
27 year and are equal to the sum of the capital expenditures in the year plus the  
28 construction work in progress from the previous year minus the construction work in  
29 progress for the given year minus any deletions in the year.  
30  
31

## EXECUTIVE SUMMARY

### 1.0 INTRODUCTION

The Applicant, Hydro Ottawa Limited ("Hydro Ottawa" or "HOL"), is a corporation incorporated pursuant to the *Business Corporation Act* (Ontario) and is licensed under Ontario Energy Board ("OEB" or "Board") Electricity Distributor License No. ED-2002-0556. As of the end of 2016, Hydro Ottawa distributed electricity to approximately 328,000 customers within the City of Ottawa and the Village of Casselman.

By way of this application, Hydro Ottawa is seeking OEB approval of its proposed distribution rates and other charges, effective January 1, 2018. This 2018 Rate Application ("Application") represents Hydro Ottawa's second annual rate adjustment under its five-year Custom Incentive Rate-setting ("Custom IR" or "CIR") plan. The adjustments to Hydro Ottawa's rates and other charges set forth herein are consistent with the Approved Settlement Agreement, the OEB's Decision and Rate Order in EB-2015-0084 issued on December 22, 2015, and the OEB's Decision and Rate Order on Pole Attachment Charge in EB-2015-0084 issued on February 25, 2016.

The OEB articulated its policies and practices regarding the Custom IR rate-setting method in its 2012 report entitled *Renewed Regulatory Framework for Electricity Distributors: A Performance-Based Approach* ("RRFE Report"). The RRFE Report states that, under the Custom IR method, "rates are set based on a five year forecast of a distributor's revenue requirement and sales volumes."<sup>1</sup> In addition, the RRFE Report stipulates that "the specifics of how the costs approved by the Board will be recovered through rates over the term will be determined in individual rate applications..." and that "[t]his rate-setting method is intended to be customized to fit the specific applicant's circumstances."<sup>2</sup>

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<sup>1</sup> RRFE Report, p. 18.

<sup>2</sup> *Ibid*, pp. 18-19.



1 Under Hydro Ottawa's approved Custom IR plan, its capital spending and operating  
2 expenses have been set for a five-year period (2016 to 2020), pursuant to specific  
3 requirements and formulas set forth in the Approved Settlement Agreement. Consistent  
4 with the Approved Settlement Agreement, this Application seeks approval of targeted  
5 adjustments to rates and other charges, effective January 1, 2018.

6  
7 Both the OEB's Custom IR method and the Approved Settlement Agreement also  
8 require Hydro Ottawa to submit annual reports on actual amounts of capital spending.<sup>3</sup>  
9 This reporting requirement does not apply to this Application, as it is a separate  
10 obligation that requires – among other things – the disclosure of spending results from a  
11 full year of the Custom IR period. With the first full year of Hydro Ottawa's Custom IR  
12 period (2016) having concluded, Hydro Ottawa will submit the inaugural annual report  
13 under its approved Custom IR plan in September 2017, in conjunction with its 2016  
14 Scorecard.

15  
16 Finally, with regard to the RRFE framework, its expectations and goals will continue to  
17 guide Hydro Ottawa in the execution of the company's business plans and capital  
18 investment programs over the course of Hydro Ottawa's Custom IR term. In particular,  
19 Hydro Ottawa views customer engagement as an essential part of doing business and,  
20 as a result, has placed the customer at the centre of everything Hydro Ottawa does by  
21 weighing customer impacts in every decision. This philosophy is reflected in Hydro  
22 Ottawa's *Strategic Direction 2016-2020*, which serves as the renewed strategic plan for  
23 the company and which was filed as Attachment 1-2(A) in the company's 2017 rate  
24 adjustment application.

## 25 26 **2.0 BACKGROUND – HYDRO OTTAWA'S CUSTOM IR APPLICATION & OEB** 27 **DECISION**

28 Hydro Ottawa filed a Custom IR Application (EB-2015-0004) with the OEB on April 29,  
29 2015, in which Hydro Ottawa sought approval for changes to the rates that it charges for

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<sup>3</sup> RRFE Report, p. 20; Approved Settlement Agreement, p. 24.

1 electricity distribution for a period of five years, to be effective January 1, 2016 through  
2 December 31, 2020.

3  
4 The following nine parties requested and were granted intervenor status in that  
5 proceeding.<sup>4</sup>

- 6
- 7 • Consumers Council of Canada (“CCC”);
  - 8 • Energy Probe Research Foundation (“Energy Probe”);
  - 9 • School Energy Coalition (“SEC”);
  - 10 • Vulnerable Energy Consumers Coalition (“VECC”);
  - 11 • Sustainable Infrastructure Alliance of Ontario (“SIA”);
  - 12 • Allstream Inc. (“Allstream”);
  - 13 • Quebecor Media (“Quebecor”);
  - 14 • Rogers Communications Partnership (“Rogers”); and
  - 15 • TELUS Communications Inc. (“TELUS”).
- 16

17 Hydro Ottawa and four intervenors of record (the “Parties”) filed a Settlement Proposal  
18 with the OEB on September 18, 2015.<sup>5</sup> Subsequent to an oral hearing process, the  
19 Parties filed an amendment to the Settlement Proposal on November 5, 2015, relating to  
20 the treatment of Hydro Ottawa’s working capital allowance. In its Decision on Settlement  
21 Proposal and Procedural Order No. 11 issued November 23, 2015, the OEB accepted  
22 the majority of issues in the amended Settlement Proposal, but did not accept provisions  
23 relating to confidentiality and privilege, and to the treatment of new facilities proposed for  
24 construction.

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<sup>4</sup> As set out in EB-2015-0004 *Procedural Order No. 1*, issued June 12, 2015, there were originally 10 parties who requested and were granted intervenor status. However, one of these parties – an independent participant – ultimately withdrew.

<sup>5</sup> The four intervenors of record who were parties to the Settlement Proposal, and who remain parties to the Approved Settlement Agreement, are CCC, Energy Probe, SEC, and VECC. SIA was invited to participate in the settlement process, but chose not to do so. Allstream, Quebecor, Rogers, and TELUS – collectively, the “Carriers” – participated only in the discussion of Issue 4.11, related to Access to Power Poles, and did not participate in the discussion and negotiation of any other issues. The Carriers took no position on any of the settled items addressed in the Settlement Proposal and are therefore not parties to the Approved Settlement Agreement. For further details, please see Approved Settlement Agreement, pp. 5-6.

1 On December 7, 2015, the Parties filed a second set of amendments to the Settlement  
2 Proposal. This version represented a comprehensive settlement in relation to the terms  
3 of Hydro Ottawa's Custom IR plan for 2016-2020 on all issues, with the exception of one  
4 item related to a specific service charge called Access to Power Poles, which was the  
5 subject of an oral hearing and which remained outstanding at the time of submittal. In  
6 the December 7, 2015 version of the Settlement Proposal, Parties agreed that all  
7 components of the revenue requirement for 2016-2020 were appropriate, and that the  
8 Custom IR plan provides adequate resources to allow Hydro Ottawa to manage its  
9 assets while satisfying customer preferences and expectations and providing a safe and  
10 reliable electricity distribution service. For each of the years in the Custom IR period,  
11 rates would be effective on January 1, subject to annual adjustments filed by Hydro  
12 Ottawa and the OEB's approval thereof.

13  
14 In the amended Settlement Proposal, the Parties agreed that "the limited off-ramps and  
15 adjustments are appropriate in the specific circumstances of the Hydro Ottawa Custom  
16 IR plan..."<sup>6</sup> The Parties also agreed to three annual adjustment mechanisms: (1) an  
17 asymmetrical Earnings Sharing Mechanism ("ESM") with no dead band; (2) an  
18 asymmetrical capital variance account for certain capital investments; and (3) an  
19 efficiency adjustment that will operate as a proxy stretch factor if Hydro Ottawa's  
20 efficiency ranking declines during the Custom IR term.

21  
22 On December 22, 2015, the OEB issued its Decision and Rate Order ("Decision") on  
23 Hydro Ottawa's Custom IR Application, in which it accepted the December 7, 2015  
24 version of the Settlement Proposal (hereafter referred to as the "Approved Settlement  
25 Agreement"), and approved the rates and charges arising from it. The Decision also set  
26 forth the OEB's finding that "Hydro Ottawa's application and the settlement proposal  
27 prepared by the parties meet the expectations of the RRFE for a Custom IR."<sup>7</sup> In the  
28 December 22, 2015 Decision, the OEB stated that it would issue a separate decision on  
29 the pole attachment charge in due course.

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<sup>6</sup> Approved Settlement Agreement, p. 34.

<sup>7</sup> EB-2015-0004 Hydro Ottawa Limited *Decision and Rate Order*, December 22, 2015, p. 1.

On February 25, 2016, the OEB issued a Decision and Rate Order (“Pole Attachment Decision”) approving a pole attachment charge for Hydro Ottawa of \$53.00 per pole per year, effective January 1, 2016. In its Pole Attachment Decision, the OEB stated that “[t]his charge will be fixed, with no annual inflation adjustments, pending the outcome of the OEB’s generic policy review of electricity distributors’ miscellaneous rates and charges...”<sup>8</sup>

On August 15, 2016, Hydro Ottawa submitted its first annual rate adjustment application under its Custom IR plan. The application sought approval of proposed distribution rates and other charges, effective January 1, 2017.<sup>9</sup> The OEB issued a Decision and Rate Order approving the application on December 21, 2016.<sup>10</sup>

### 3.0 APPLICATION

Hydro Ottawa hereby submits this Application to the OEB for approval of its proposed distribution rates and other charges, effective January 1, 2018. This Application is submitted pursuant to section 78 of the *Ontario Energy Board Act, 1998* (the “OEB Act”), the Decision of the OEB regarding Hydro Ottawa’s Custom IR Application, and relevant OEB guidelines and requirements. In particular, the preparation of this Application has been guided by the *Filing Requirements For Electricity Distribution Rate Applications* issued by the OEB on July 20, 2017<sup>11</sup>, as well as the letter issued by the OEB to licensed electricity distributors on May 23, 2017 regarding the disposition of Accounts 1588 and 1589.<sup>12</sup>

<sup>8</sup> EB-2015-0004 Hydro Ottawa Limited *Decision and Rate Order on Pole Attachment Charge*, February 25, 2016, p. 1.

<sup>9</sup> EB-2016-0084.

<sup>10</sup> EB-2016-0084 Hydro Ottawa Limited *Decision and Rate Order*, December 21, 2016. The OEB released a corrected version of this Decision and Rate Order on January 17, 2017.

<sup>11</sup> OEB Letter to Licensed Electricity Distributors re: I. Updated Filing Requirements, II. Process for 2018 Incentive Regulation Mechanism (IRM) Distribution Rate Applications, July 20, 2017, p. 2.

<sup>12</sup> OEB Letter to Licensed Electricity Distributors re: Guidance on the Disposition of Accounts 1588 and 1589, May 23, 2017.

1 Consistent with the first annual rate adjustment application filed under its Custom IR plan  
2 (for 2017 rates), Hydro Ottawa has opted to structure this Application using a Cost of  
3 Service format. The intended objective of this approach is to facilitate comparisons  
4 which Board members and staff, intervenors, and consumers may wish to make between  
5 this Application, Hydro Ottawa's original Custom IR Application, the 2017 rate  
6 adjustment application, and future annual rate adjustment filings. Hydro Ottawa believes  
7 that it is in the interests of all parties to ensure such ease of reference for the principal  
8 pieces of evidence in the record for this proceeding.

10 In addition, in the interests of supporting similar efficiencies, Hydro Ottawa has prepared  
11 the two tables below. Table 1 summarizes relevant actions and commitments which  
12 were agreed upon by the Parties and enshrined in the Approved Settlement Agreement.  
13 Table 2 provides an updated summary of Hydro Ottawa's 2016-2020 revenue  
14 requirement, as approved pursuant to the Approved Settlement Agreement and the Pole  
15 Attachment Decision.

17 With respect to Table 1, Hydro Ottawa hopes that its inclusion will not only ensure ease  
18 of reference between this Application and the Approved Settlement Agreement, but that  
19 it will also signal Hydro Ottawa's commitment to ensure it remains accountable in  
20 fulfilling applicable actions set forth in the Approved Settlement Agreement.

22 Table 1 is organized in columns that identify the relevant action, the corresponding  
23 description in the Approved Settlement Agreement of the agreed action, the specific  
24 page number of the Approved Settlement Agreement in which the action is referenced,  
25 and the Exhibit in this Application which corresponds to the action. It should be noted  
26 that Table 1 does not represent an exhaustive list of all agreed actions from the  
27 Approved Settlement Agreement. Actions omitted from Table 1 have either been  
28 completed, in accordance with the Approved Settlement Agreement, or are not germane  
29 to the scope of this Application.

1 **Table 1 – Summary of Remaining Actions from Approved Settlement Agreement**

2

#	Item	Description of Agreed Action	Settlement Agreement Page Number	2018 Rate Application Exhibit
1	Working Capital Allowance ("WCA")	HOL will not adjust the WCA during any year of Custom IR period (including 2019 and 2020)	Page 15	Exhibit 2 – Rate Base
2	Capital Investment Variance Account	HOL will track, on an annual basis, variances in the cumulative revenue requirement impacts arising from variances in three distinct capital forecasts: (a) System Renewal/System Service; (b) System Access; (c) General Plant	Page 16-17	Exhibit 9 – Deferral and Variance Accounts
3	Y Factor Account	HOL will create a deferral account to provide rate recovery of amounts up to the approved \$66 million	Page 19	Exhibit 9 – Deferral and Variance Accounts
4	New Facilities Account	1. HOL will create a new deferral or variance account to capture and record revenue requirement impacts arising from costs that are above the approved \$66 million  2. HOL will apply for disposition of approved amounts at its next rebasing	Page 19	Exhibit 9 – Deferral and Variance Accounts
5	2017-2020 Operations, Maintenance and Administration ("OM&A") budget	HOL will increase the 2016 OM&A budget amount annually from the 2016 base amount, using an escalator factor	Page 20	Exhibit 4 – Operating Expenses
6	2019 and 2020 OM&A budget escalator factor	HOL will revise the 2019 and 2020 OM&A based on updated inflation factor calculated consistent with methodology described	Page 20	Exhibit 4 – Operating Expenses
7	Efficiency Adjustment Mechanism	If HOL is placed in lower efficiency cohort (as compared to 2014) in any year during the IR term, the Efficiency Adjustment will be calculated by taking into account the difference between the 2014	Page 21	Exhibit 9 – Deferral and Variance Accounts

#	Item	Description of Agreed Action	Settlement Agreement Page Number	2018 Rate Application Exhibit
		starting point and the current year end stretch factor as multiplied by the rate year plan revenue requirement for the relevant rate year for the purposes of calculating rates for that year		
8	Cost of Capital (Return on Equity – “ROE”)	HOL will update in 2019 and 2020, using the applicable level of ROE for electricity distributors established by the OEB in 2018 for January 1, 2019 rates	Page 22	Exhibit 5 – Cost of Capital and Capital Structure
9	Cost of long-term debt	HOL will re-set forecasted rates in 2018 for 2019 and 2020, using new consensus long-term forecast (to be issued October 2018)	Page 22	Exhibit 5 – Cost of Capital and Capital Structure
10	Pole attachment revenue	Distribution rates will be adjusted by an equal amount so that the service revenue requirement for each year is unchanged, as a result of OEB decision on pole attachment revenue	Page 22	Exhibit 6 – Calculation of Revenue Deficiency or Surplus
11	Pole Attachment Charge Variance Account	HOL to review and dispose of the balance in the Variance Account as part of its next Custom IR rate adjustment in 2017	Per Pole Attachment Decision <sup>13</sup>	Exhibit 9 – Deferral and Variance Accounts
12	Cost of Capital (ROE)	The parties agree that if the OEB changes its policy governing cost of capital parameters during the HOL CIR term, including any changes to the deemed capital structure, HOL shall follow any mandated direction given by the OEB with respect to the implementation of such changes during the CIR period	Page 23	Exhibit 5 – Cost of Capital and Capital Structure
13	Earnings Sharing Mechanism (“ESM”)	1. HOL will share with ratepayers any earnings that exceed its regulatory ROE in any year of Custom IR term	Page 23-24	Exhibit 9 – Deferral and Variance Accounts

<sup>13</sup> Pole Attachment Decision, p. 15.



#	Item	Description of Agreed Action	Settlement Agreement Page Number	2018 Rate Application Exhibit
		<p>2. HOL will calculate earnings in same manner as net income for regulatory purposes under Reporting and Record Keeping Requirements ("RRR") filings</p> <p>3. HOL will ensure that the nature and timing of revenues, expenses, and costs is consistent with regulatory rules in existence on the date of Settlement Proposal</p>		
14	Accounting Policies and Practices	HOL will not make any material changes, that have the effect of either reducing or increasing utility earnings unless otherwise directed to do so by the OEB, or by an accounting standards body and/or provincial or federal government, and approved by OEB	Page 24	Exhibit 9 – Deferral and Variance Accounts
15	Annual scorecard and RRR reporting	HOL will provide its annual Scorecard and RRR reporting, as per the OEB schedule	Page 24	N/A
16	Actual capital spending	HOL will report annually, on a program level based on three categories: (a) Service Access; (b) System Service and System Renewal; (c) General Plant	Page 24	Exhibit 2 – Rate Base
17	Key Performance Indicators ("KPIs") and SAIDI/SAIFI	HOL will report annually	Page 24	N/A
18	Metrics and reporting for recommended outcomes	HOL will work together with intervenors to develop and define (including in the context of OEB consultations related to the Distribution System Plan)	Page 24	N/A
19	Three deferral accounts (Account 1518, Account 1548, and account for recording loss on disposal of assets)	HOL will adopt treatment accorded to these accounts, as per OEB determination in Toronto Hydro Custom IR	Page 25	Exhibit 9 – Deferral and Variance Accounts



#	Item	Description of Agreed Action	Settlement Agreement Page Number	2018 Rate Application Exhibit
20	Low voltage charges	HOL will update these rates annually and file update with OEB for approval	Page 25	Exhibit 8 – Rate Design
21	Retail Transmission Service Rates	HOL will update these rates annually and file update with OEB for approval	Page 25	Exhibit 8 – Rate Design
22	Ten new deferral and variance accounts	HOL will establish the 10 new deferral and variance accounts	Page 25	Exhibit 9 – Deferral and Variance Accounts
23	Clearing deferral and variance accounts	Hydro Ottawa's deferral and variance accounts will be cleared during the Custom IR period in accordance with the OEB policies as they exist each year of the term	Page 26	Exhibit 9 – Deferral and Variance Accounts
24	Sentinel lighting rates	HOL will make changes to move these rates within OEB approved cost/benefit ratio range by 2020	Page 27	Exhibit 8 – Rate Design
25	Fixed charge for General Service ("GS") > 50 class	HOL will reduce the fixed charge for this class from \$260 to \$200 for GS 50 to 1,499 kW	Page 27	Exhibit 8 – Rate Design
26	Fixed charge for other commercial customers	HOL will maintain at \$200 for other commercial classes throughout Custom IR term	Page 27	Exhibit 8 – Rate Design
27	Charges for residential class	HOL will move to fully fixed rates for residential customers by 2020	Page 27	Exhibit 8 – Rate Design
28	Wireless Attachment Revenues	HOL will create deferral account to credit customers with revenues earned, if any	Page 27	Exhibit 9 – Deferral and Variance Accounts
29	OEB working group on unmetered load and consumption data	HOL will comply with any decisions or directions emanating from Navigant and the OEB working group	Page 28	Exhibit 7 – Cost Allocation
30	2020 rebasing application (for 2021 rates)	HOL will ensure application is filed consistent with OEB policies and filing guidelines that exist at that time and will include information in accordance with OEB filing guidelines related to its performance under the Custom IR plan, and the extent to which	Page 29	Exhibit 1 – Administration

#	Item	Description of Agreed Action	Settlement Agreement Page Number	2018 Rate Application Exhibit
		performance has provided suitable outcomes and met expectations of customers		
31	Summary of Adjustments	Summary of going in, annual and mid-term adjustments	Page 59	Exhibit 1 – Administration
32	Z-factor relief	HOL is not precluded from applying for Z-factor relief in the event that an unforeseen event results in a financial impact that exceeds Hydro Ottawa's \$880,000 materiality threshold	Page 27	Exhibit 1 – Administration
33	Timing of Application	HOL must apply for an update to its rates, or confirm that no update is required, no later than the deadline for [Incentive Regulation Mechanism] adjustments for distributors with rates effective January 1, which is typically in August each year.	Per Board Instruction <sup>14</sup>	Exhibit 1 – Administration

Regarding Table 2, it is intended to synthesize the approvals emerging from the Approved Settlement Agreement, the OEB's Decision on Hydro Ottawa's Custom IR Application, and the Pole Attachment Decision, and to offer a clear overview of the resultant updates to Hydro Ottawa's revenue requirement. Revenue requirements for the period 2016 to 2018 have been set, while those for 2019 and 2020 will be adjusted as part of Hydro Ottawa's annual rate adjustment application to be filed in 2018. For further details, please see Exhibit 6-1-1.

<sup>14</sup> EB-2015-0004 *Decision and Rate Order*, p. 8; OEB Letter to Licensed Electricity Distributors re: I. Updated Filing Requirements, II. Process for 2018 Incentive Regulation Mechanism (IRM) Distribution Rate Applications, July 20, 2017, p. 2.

1 **Table 2 – Updated Summary of Hydro Ottawa’s 2016-2020 Revenue Requirement**

2

Item (\$millions)	2016	2017	2018	2019	2020	Totals (16-20)
Original Revenue Requirement	\$187.1	\$197.1	\$208.0	\$217.7	\$224.3	\$1,034.3
Change	(\$12.1)	(\$15.0)	(\$17.4)	(\$19.7)	(\$22.0)	(\$86.2)
Amended Settlement Revenue Requirement	\$175.0	\$182.1	\$190.6	\$198.0	\$202.3	\$948.1

#### Deficiency Per Approved Settlement Agreement

Deficiency over 2015 Rates per Settlement Agreement	(\$5.1)	(\$12.6)	(\$20.6)	(\$27.4)	(\$31.1)	(\$96.7)
Yearly Change in Deficiency per Settlement Agreement	(\$5.1)	(\$7.5)	(\$7.9)	(\$6.8)	(\$3.7)	(\$31.1)
Weighted Average Increase over 2015 Rates	3.2%	7.9%	12.9%	17.1%	19.4%	12.1%
Weighted Average Change in Revenue Deficiency	3.2%	4.6%	4.6%	3.8%	2.0%	3.6%

#### Deficiency Reflecting Pole Attachment Decision

Deficiency over 2015 Rates per Settlement Agreement	(\$5.3)	(\$12.9)	(\$20.8)	(\$27.6)	(\$31.4)	(\$98.0)
Yearly Change in Deficiency per Settlement Agreement	(\$5.3)	(\$7.5)	(\$8.0)	(\$6.8)	(\$3.7)	(\$31.4)
Weighted Average Increase over 2015 rates	3.3%	8.1%	13.1%	17.3%	19.5%	12.3%
Weighted Average Change in Revenue Deficiency	3.3%	4.6%	4.6%	3.8%	2.0%	3.7%

#### New Regulator Assets for Items Taken out of Base Rates

Connection Cost Recovery Agreement Payments <sup>1</sup>	\$0.2	\$0.6	\$0.9	\$1.3	\$1.7	\$4.7
Land for New Facilities <sup>1</sup>	\$0.0	\$0.4	\$1.0	\$1.2	\$1.2	\$3.9
Estimated Revenue Requirement for future Regulatory Assets	\$0.2	\$1.0	\$2.0	\$2.5	\$2.9	\$8.6

1. Numbers are estimates based on original budgeted amounts and timing.

#### Revenue Requirement Including New Regulatory Assets

Final Revenue Requirement	\$175.3	\$183.1	\$192.6	\$200.5	\$205.2	\$956.7
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3

#### 4.0 SPECIFIC RELIEF REQUESTED

Consistent with relevant provisions of the Approved Settlement Agreement, as summarized in Table 1 above, Hydro Ottawa applies for an Order or Orders approving:

- a) 2018 revenue requirement, as adjusted by the Pole Attachment Decision, as proposed in Exhibit 6-1-1;
- b) 2018 electricity distribution rates and charges, as proposed in Exhibit 8-10-1;
- c) Approvals related to deferral and variance accounts, as proposed in Exhibit 9-1-2 and Exhibit 9-2-1; and
- d) Approval of other items or amounts that may be requested by Hydro Ottawa in the course of the proceeding and such other relief or entitlements as the OEB may grant.

Hydro Ottawa requests that its current (i.e. 2017) rates provided in Attachment 8-10-A be declared interim effective January 1, 2018, as necessary, if the preceding approvals cannot be issued by the OEB in time to implement final rates effective January 1, 2018. In such event, Hydro Ottawa also requests the Board to approve establishment of an account that would provide for the recovery of any differences between the interim rate and the approved rates, as determined by the OEB in its final Decision and Order.

For additional details on the specific approvals and relief that Hydro Ottawa is seeking in this Application, please see Exhibit 1-3-1.

#### 5.0 ANNUAL ADJUSTMENTS

Hydro Ottawa has calculated adjustments to its 2018 revenue requirement, consistent with the Approved Settlement Agreement and revised per the Pole Attachment Decision. Where appropriate, Hydro Ottawa has used the Cost of Service Models and directions provided by the OEB for 2018 Cost of Service Applications.

1 Table 3 summarizes relevant going-in, annual, and mid-term adjustments. It is a copy of  
2 Attachment 5 from the Approved Settlement Agreement.

3

4 **Table 3 – Going-in, Annual and Mid-term Adjustments**

5

6

#	Name of Adjustment	Timing	Description Adjustment
1	Working Capital Allowance	Going-in rates	See the working capital factors for each year as set out on page 18 above. <sup>15</sup>
2	ROE	Going-in ROE	Using OEB's Fall 2015 deemed ROE results.
3		Mid-term adjustment to ROE	Using OEB's Fall 2018 deemed ROE results.
	Cost of Capital	2016-2018	April 2015 consensus long term forecast. The revised RRWF already has this information embedded in it. It is noted here as an adjustment to Hydro Ottawa's updated application filed June 29, 2015.
		2019-2020	Using October 2018 consensus long term forecast.
4	Inflation Factor for OM&A	Mid-term adjustment to inflation factor for OM&A escalator	OEB's 2018 inflation factor adjusted to use a weighting of 60% labour and 40% non-labour inflation rate as adjusted by weights and values appropriate to the OM&A spending of Hydro Ottawa.
5	Low Voltage Charges	Annually Adjusted	Annual.
6	Retail Transmission Service Rates	Annually Adjusted	Based on Board Approved adjustments to the Hydro One Uniform Transmission Rates ("UTRs") using the RTSR model, which is part of the IRM model.
7	Deferral Accounts	Generally in accordance with OEB policy on threshold dispositions with some exceptions	<ul style="list-style-type: none"> <li>Group 1 accounts on an annual basis as set out in Table 7 above.<sup>16</sup></li> <li>Group 2 accounts when applying for 2019 &amp; 2020 rates except for LRAMVA. As set out in Table 7 above.</li> <li>New D&amp;V accounts per disposition stipulations set out in Table 7 above.</li> </ul>
8	Third Party non-distribution charges	Ad Hoc	Further to OEB direction.

7

8

<sup>15</sup> The reference to page 18 in this instance is to page 18 of the Approved Settlement Agreement.

<sup>16</sup> The reference to Table 7 in these instances is to Table 7 in the Approved Settlement Agreement.

Hydro Ottawa is including the following annual rate adjustments in this Application, as per the Approved Settlement Agreement:

- *Retail Transmission Service Rates (“RTSRs”)* – Per the Approved Settlement Agreement, Hydro Ottawa is using the RTSRs for its 2018 rates, as calculated by the OEB’s RTSR Workform. RTSR updates will also be based upon OEB-approved adjustments to the Hydro One Uniform Transmission Rates (“UTRs”). Given that Hydro One UTRs are not typically approved in time for adjusting Hydro Ottawa’s rates on January 1, UTRs for 2018 will be set using those from the previous year (i.e. 2017). Differences from the new yearly rates will be captured in Uniform System of Accounts 1584 – RSVA Network and 1586 – RSVA Connection for future disposition. For additional information, please see Exhibit 8-3-1.
- *Retail Service Charges* – These charges apply to services provided by a distributor to retailers or customers, with respect to the supply of competitive electricity through retailer contracts. Hydro Ottawa proposes direct notification to retailers of the approved Retail Service Charges for 2018. For additional information, please see Exhibit 8-4-1.
- *Wholesale Market Service Rate (“WMSR”)* – Hydro Ottawa has used the current OEB generic WMSRs in its Proposed Tariff of Rates and Charges, as outlined in Exhibit 8-10-1. For additional information, please see Exhibit 8-5-1.
- *Smart Metering Charge* – In 2013, the OEB issued a Decision and Order (EB-2012-0100/EB-2012-0211) establishing a Smart Metering charge of \$0.79 per month for Residential and General Service < 50 kW customers effective May 1, 2013. Hydro Ottawa has reflected this charge in its Proposed Tariff of Rates and Charges, as outlined in Exhibit 8-10-1. For additional information, please see Exhibit 8-6-1.

- 1       • *Revised and New Specific Service Charges* – Service charges apply to services  
2       that are over and above Hydro Ottawa’s standard level of service offerings and  
3       may result from a customer’s action or inaction. The revenue from these charges  
4       offset the total revenue requirement. Multiple currently-approved service charges  
5       will be updated as part of this Application, consistent with the Approved  
6       Settlement Agreement. All other service charges will remain at the 2016  
7       approved rate. As per the Pole Attachment Decision, the Pole Attachment rate  
8       will remain constant from 2016 to 2020, unless Hydro Ottawa is otherwise  
9       directed by the OEB. For additional information, please see Exhibit 8-7-1.  
10
- 11       • *Low Voltage (“LV”) Service Rate* – Hydro Ottawa receives LV charges from  
12       Hydro One for a number of Shared Distribution Stations, Specific Lines and  
13       Shared Lines. The OEB has previously determined that it was appropriate for an  
14       embedded electricity distributor or a distributor with embedded distribution points  
15       (such as Hydro Ottawa), to establish and maintain a variance account for LV  
16       charges from its host distributor.<sup>17</sup> In this Application, the LV charge has been  
17       allocated to the customer classes based on the class percentage of Retail  
18       Transmission Connection dollars (using 2018 proposed rates). For additional  
19       information, please see Exhibit 8-8-1.  
20
- 21       • *Disposition of Deferral and Variance Accounts* – Hydro Ottawa is requesting the  
22       disposition of Group 1 Deferral and Variance Accounts in compliance with the  
23       OEB’s report on the *Electricity Distributors’ Deferral and Variance Account*  
24       *Review Initiative* (“EDDVAR Report”). Hydro Ottawa has complied with the  
25       EDDVAR Report guidelines and is requesting a disposition period of one year.  
26       For additional information, please see Exhibit 9-2-1.  
27

## 28       **6.0       MODELS**

29       Hydro Ottawa has included the following models with this Application:

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<sup>17</sup> EB-2005-0529 *Decision with Reasons*, p. 17.

- 2018 Revenue Requirement Workform, filed as Attachment 6-1-A – The Revenue Requirement Workform provides a summary of the drivers of Hydro Ottawa’s 2018 Approved Revenue Requirement, revised by the Pole Attachment Decision. The workform also provides summaries related to load forecast, cost allocation, and rate design.
- PILS Workform, filed as Attachment 4-4-A – The Payments in Lieu of Taxes (“PILS”) Workform provides detailed calculations of Hydro Ottawa’s forecasted PILS payable.
- Hydro Ottawa Cost Allocation Model, filed as Attachment 7-1-A – The main role of the Cost Allocation Model is to determine what costs are attributable to each of Hydro Ottawa’s rate classes. In addition, the model provides a calculation of the revenue to expense ratio based on the current rate structure.
- 2018 RTSR Workform, filed as Attachment 8-3-A – The RTSR Workform uses recent Hydro One rates and Hydro Ottawa-specific load and billing information to determine distributor-specific Transmission Network and Connection rates by customer rate class.
- Deferral and Variance Account (Continuity Schedule) Workform, filed as Attachment 9-1-A – The 2018 DVA Workform provides an Account level history of Deferral and Variance Accounts, including recent disposition history, and worksheets to facilitate designing rate riders for requested Account dispositions.

## **7.0 DISTRIBUTION AND TOTAL BILL IMPACTS**

Table 4 below provides a summary of the total bill impacts for typical customers in all classes. Please see Attachment 8-12-A for further details regarding Hydro Ottawa’s proposed bill impacts.



1  
2

**Table 4 – Bill Impacts**

Rates Summary			
Rate Class		2016 Approved	2017 Proposed
Residential (800 kWh)	Distribution Charge	\$ 28.68	\$ 28.91
	Change in Distribution Charge		\$ 0.23
	% Distribution Increase		<b>0.80%</b>
	% Increase of Total Bill - No VA		0.15%
	% Increase of Total Bill		1.02%
Residential (750 kWh)	Distribution Charge	\$ 27.93	\$ 28.39
	Change in Distribution Charge		\$ 0.46
	% Distribution Increase		<b>1.65%</b>
	% Increase of Total Bill - No VA		0.38%
	% Increase of Total Bill		1.24%
Residential (640 kWh)	Distribution Charge	\$ 26.26	\$ 27.23
	Change in Distribution Charge		\$ 0.97
	% Distribution Increase		<b>3.68%</b>
	% Increase of Total Bill - No VA		0.99%
	% Increase of Total Bill		1.83%
Residential (232 kWh)	Distribution Charge	\$ 20.10	\$ 22.95
	Change in Distribution Charge		\$ 2.84
	% Distribution Increase		<b>14.14%</b>
	% Increase of Total Bill - No VA		6.31%
	% Increase of Total Bill		6.97%
General Service < 50 kW (2,000 kWh)	Distribution Charge	\$ 63.29	\$ 66.20
	Change in Distribution Charge		\$ 2.91
	% Distribution Increase		<b>4.60%</b>
	% Increase of Total Bill - No VA		1.18%
	% Increase of Total Bill		1.80%
General Service 50 to 1,499 kW (250 kW)	Distribution Charge	\$ 1,281.13	\$ 1,346.28
	Change in Distribution Charge		\$ 65.15
	% Distribution Increase		<b>5.09%</b>
	% Increase of Total Bill - No VA		0.32%
	% Increase of Total Bill		2.84%

Rates Summary			
Rate Class		2016 Approved	2017 Proposed
General Service 1,500 to 4,999 kW (2,500 kW)	Distribution Charge	\$ 13,989.18	\$ 14,652.43
	Change in Distribution Charge		\$ 663.25
	% Distribution Increase		<b>4.74%</b>
	% Increase of Total Bill - No VA		0.33%
	% Increase of Total Bill		2.90%
Large Use (7,500 kW)	Distribution Charge	\$ 43,130.57	\$ 45,013.82
	Change in Distribution Charge		\$ 1,883.25
	% Distribution Increase		<b>4.37%</b>
	% Increase of Total Bill - No VA		0.30%
	% Increase of Total Bill		3.05%
Sentinel Lighting (0.4 kW)	Distribution Charge	\$ 7.95	\$ 8.78
	Change in Distribution Charge		\$ 0.83
	% Distribution Increase		<b>10.43%</b>
	% Increase of Total Bill - No VA		4.43%
	% Increase of Total Bill		5.00%
Street Lighting (1 kW)	Distribution Charge	\$ 6.45	\$ 6.83
	Change in Distribution Charge		\$ 0.38
	% Distribution Increase		<b>5.82%</b>
	% Increase of Total Bill - No VA		1.56%
	% Increase of Total Bill		4.48%
Unmetered Scattered Load (470 kWh)	Distribution Charge	\$ 15.22	\$ 15.88
	Change in Distribution Charge		\$ 0.65
	% Distribution Increase		<b>4.29%</b>
	% Increase of Total Bill - No VA		0.93%
	% Increase of Total Bill		1.74%

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## 8.0 FORM OF HEARING REQUESTED

Hydro Ottawa requests that this Application be disposed of by way of a written hearing.

1     **9.0     PUBLICATION AND NOTICE**

2     Hydro Ottawa recommends that the OEB publish notice of this Application in the *Ottawa*  
3     *Citizen* and *LeDroit* newspapers. The *Ottawa Citizen* is a daily newspaper serving the  
4     Ottawa area. *LeDroit* is a daily newspaper serving French-speaking communities in the  
5     Ottawa-Gatineau area. According to the latest data, the *Ottawa Citizen* and *LeDroit*  
6     have total average weekday circulations of approximately 105,614 and 34,755,  
7     respectively.<sup>18</sup> Hydro Ottawa recommends these publications due to their significant  
8     reach into the English- and French-speaking communities within the City of Ottawa and  
9     the Village of Casselman.

10  
11    In addition, Hydro Ottawa proposes to post a copy of the Application on its website  
12    [www.hydroottawa.com](http://www.hydroottawa.com).

13  
14    **10.0    CERTIFICATION OF EVIDENCE**

15    As per the OEB's updated filing requirements, Hydro Ottawa's Chief Financial Officer  
16    hereby certifies that the company maintains robust processes and internal controls for  
17    the preparation, review, verification, and oversight of the Account 1588 RSVA – Power.  
18    Hydro Ottawa will provide certification regarding Account 1589 RSVA – Global  
19    Adjustment once it has completed the new GA Analysis Workform. Please see Exhibit  
20    9-2-1 for further details regarding the Workform.

21  
22    **11.0    CONTACT INFORMATION**

23    Hydro Ottawa requests that all documents issued or filed in connection with this  
24    proceeding be served on the undersigned.

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<sup>18</sup> Newspapers Canada, 2015 Daily Newspaper Circulation Spreadsheet.

**All of which is respectfully submitted this 14<sup>th</sup> day of August, 2017.**

*Original signed by Gregory Van Dusen*

Gregory Van Dusen

Director, Regulatory Affairs

Hydro Ottawa Limited

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## ALIGNMENT WITH RRFE

The OEB articulated its policies and practices regarding the Custom IR method in its 2012 report entitled *Renewed Regulatory Framework for Electricity Distributors: A Performance-Based Approach* (“RRFE Report”). The RRFE Report states that, under the Custom IR method, “rates are set based on a five year forecast of a distributor’s revenue requirement and sales volumes.”<sup>1</sup> In addition, the RRFE Report stipulates that “the specifics of how the costs approved by the Board will be recovered through rates over the term will be determined in individual rate applications...” and that “[t]his rate-setting method is intended to be customized to fit the specific applicant’s circumstances.”<sup>2</sup>

Hydro Ottawa exercised the Custom IR option offered under the RRFE framework on account of its significant and unique multi-year capital needs. In designing its Custom IR Application and the evidence filed in support of its capital and operational funding requirements, Hydro Ottawa endeavoured to be responsive to the OEB’s expectations for Custom IR applications, as set out in the RRFE Report. The following are examples of steps undertaken by Hydro Ottawa to apply key tenants of the RRFE paradigm in its Custom IR Application:

- a) Applying for an initial rebasing (financial viability), then applying for a rate-setting approach to recover forecasted capital needs while recovering Operating, Maintenance and Administration (“OM&A”) needs pursuant to an I-X formula (operational effectiveness);
- b) Identifying historical and future productivity initiatives to achieve continuous improvement (operational effectiveness);
- c) Providing a customer engagement strategy to ensure responsiveness to identified customer preferences (customer focus);
- d) Providing a comprehensive asset management and infrastructure investment plan that is linked to the capital budget, prioritizes for total bill impact, is informed

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<sup>1</sup> RRFE Report, p. 18.

<sup>2</sup> *Ibid*, pp. 18-19.

1 by customer consultation, and has been subject to an independent assessment;  
2 and

3 e) Providing an annual reporting mechanism through which Hydro Ottawa can  
4 inform the OEB of its progress on implementing its capital plan as well as its  
5 continuous improvement initiatives.

6

7 In its December 22, 2015 Decision approving Hydro Ottawa's Custom IR Application, the  
8 OEB found that "Hydro Ottawa's application and the settlement proposal prepared by the  
9 parties meet the expectations of the RRFE for a Custom IR."<sup>3</sup>

10

11 The OEB yielded this finding in the context of a Custom IR plan covering a five-year  
12 term. Hydro Ottawa remains committed to integrating the core principles and objectives  
13 of the RRFE framework throughout its operations and business, and will continue to  
14 undertake steps in support of this effort over the course of its Custom IR term.  
15 Delivering value across the customer experience is a core element of Hydro Ottawa's  
16 renewed corporate vision and business strategy – *Strategic Direction 2016-2020*, which  
17 was filed as Attachment 1-2(A) in Hydro Ottawa's 2017 rate adjustment application.<sup>4</sup>  
18 Through such measures as enhanced benchmarking and productivity initiatives, Hydro  
19 Ottawa will seek to achieve continuous improvements and maximize operational  
20 performance going forward. In short, the expectations and goals set forth in the RRFE  
21 Report will continue to guide Hydro Ottawa in the execution of its business plans and  
22 capital investment programs, and in the ongoing alignment of its interests with those of  
23 its customers.

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<sup>3</sup> EB-2015-0004 Hydro Ottawa Limited *Decision and Rate Order*, December 22, 2015, p. 1.

<sup>4</sup> Hydro Ottawa's *Strategic Direction 2016-2020* is rooted in four strategic objectives which closely mirror the core outcomes supported under the RRFE framework: Customer Value; Financial Strength; Organizational Effectiveness; and Corporate Citizenship. This renewed strategic plan has been formally adopted by Hydro Ottawa Holding Inc., the parent company of Hydro Ottawa Limited. However, it will likewise guide the business and operations of the regulated electricity distribution company.

1                   **IN THE MATTER OF** the *Ontario Energy Board Act, 1998*, being  
2                   Schedule B to the *Energy Competition Act, 1998*, S.O. 1998, c. 15;  
3

4                   **AND IN THE MATTER OF** an Application by Hydro Ottawa Limited  
5                   to the Ontario Energy Board for an Order or Orders approving or  
6                   fixing just and reasonable rates and other charges for the  
7                   distribution of electricity effective January 1, 2018.  
8

9                   **APPLICATION AND APPROVAL SOUGHT**

10  
11           **1.0     INTRODUCTION**  
12

13           The Applicant, Hydro Ottawa Limited (herein referred to as “Hydro Ottawa”), is a  
14           corporation incorporated pursuant to the *Business Corporations Act* (Ontario) and is  
15           licensed by the OEB pursuant to Electricity Distribution License No. ED-2002-0556 to  
16           distribute electricity to customers residing within the City of Ottawa and Village of  
17           Casselman.  
18

19           Hydro Ottawa hereby applies to the OEB – pursuant to section 78 of the *Ontario Energy*  
20           *Board Act, 1998* (the “OEB Act”), the Custom IR rate-setting method outlined in the  
21           OEB’s 2012 report entitled *Renewed Regulatory Framework for Electricity Distributors: A*  
22           *Performance Based Approach* (“RRFE Report”), the OEB’s Decision and Rate Order in  
23           EB-2015-0004, and the OEB’s Pole Attachment Decision in EB-2015-0004 – for an  
24           Order or Orders approving:  
25

- 26           a) Final distribution rates effective January 1, 2018, determined from a service  
27           revenue requirement of \$190,594,484, as set out in Exhibit 6-1-1; and  
28           b) All other specific relief sought, as set out below.  
29

30           This Application is guided by the requirements set out in:  
31

- 1 a) The OEB's Chapter 2 *Filing Requirements for Electricity Distribution Rate*  
2 *Applications* dated July 20, 2017 (the "Filing Requirements"); and  
3 b) RRFE Report.  
4

5 This Application is supported by written evidence as enumerated in Exhibit 1-1-1, Table  
6 of Contents. Hydro Ottawa may amend or supplement this written evidence prior to or  
7 during the course of the OEB's hearing of the Application or the rendering of its final  
8 decision.  
9

10 Hydro Ottawa accordingly proposes the following title for the proceeding that is  
11 commenced by this Application:  
12

13 Hydro Ottawa Limited  
14 2018 Electricity Distribution Rates.  
15

16 Hydro Ottawa requests that this Application be disposed of by way of a written hearing,  
17 but recognizes that the OEB may choose a different process as deemed appropriate.  
18

19 Hydro Ottawa requests that the OEB make its Rate Order(s) emanating from the current  
20 proceeding effective January 1, 2018. In the event that the OEB's Decision with  
21 Reasons and Rate Order(s) cannot be delivered until after December 1, 2017, then  
22 Hydro Ottawa requests that the OEB grant an Order making its current distribution rates  
23 and charges interim effective January 1, 2018 and establish an account allowing Hydro  
24 Ottawa to recover any differences between the interim rate and the approved rates as  
25 determined by the OEB in its final Decision and Order.  
26

27 The Tariff of Rates and Charges proposed in this Application is set out in Exhibit 8-10-1.  
28 In this Application, Hydro Ottawa provides evidence to support all rates and charges for  
29 2018.  
30  
31  
32



**2.0 SPECIFIC RELIEF REQUESTED**

Hydro Ottawa accordingly applies to the OEB for the following Order or Orders:

- a) Approval of 2018 revenue requirement, as adjusted by the Pole Attachment Decision, as proposed in Exhibit 6-1-1, including:
  - i. Revenue Offset forecasts, as set out in Exhibit 3-2-1;
- b) Approval of 2018 electricity distribution rates and charges, as proposed in Exhibit 8-10-1;
- c) Approvals related to deferral and variance accounts, including:
  - i. Approval of new deferral and variance accounts, as proposed in Exhibit 9-1-2;
  - ii. Disposal of balances in existing deferral and variance accounts as at December 31, 2016, as set out in Exhibit 9-2-1; and
- d) Approval of other items or amounts that may be requested by Hydro Ottawa in the course of the proceeding and such other relief or entitlements as the OEB may grant.

Hydro Ottawa requests, pursuant to subsection 17(1) of the *Statutory Powers Procedure Act*, that the OEB give reasons in writing for its final Decision and Order(s) in this proceeding.

The name of Hydro Ottawa's authorized representative, with contact information, is set out below and in the evidence that is filed with the Application. Hydro Ottawa requests that all documents issued or filed in connection with this proceeding be served on its authorized representative.

1 Authorized Representative:

2  
3 Gregory Van Dusen  
4 Director, Regulatory Affairs  
5 Hydro Ottawa Limited

6  
7 3025 Albion Road North  
8 P.O. Box 8700  
9 Ottawa, Ontario  
10 K1G 3S4

11  
12 Telephone: 613-738-5499 ext. 7472  
13 E-mail: [RegulatoryAffairs@HydroOttawa.com](mailto:RegulatoryAffairs@HydroOttawa.com)  
14

15  
16  
17  
18  
19 **Dated at Ottawa, Ontario, this 14th Day of August, 2017.**  
20

21 Applicant Hydro Ottawa Limited ("Hydro Ottawa")  
22 3025 Albion Road North, P.O. Box 8700  
23 Ottawa, Ontario  
24 K1G 3S4  
25

26  
27  
28  
29 Signed by:  
30

31  
32  
33  
34 Gregory Van Dusen  
35 Director, Regulatory Affairs  
36 Hydro Ottawa Limited  
37  
38  
39  
40  
41  
42

## Appendix to Application

Title of Proceeding: an Application by Hydro Ottawa Limited for an Order or Orders approving or fixing just and reasonable distribution rates and other charges effective January 1, 2018

Applicant's Name: Hydro Ottawa Limited ("Hydro Ottawa")

Applicant's Address: 3025 Albion Road North  
P.O. Box 8700  
Ottawa, Ontario  
K1G 3S4  
[RegulatoryAffairs@HydroOttawa.com](mailto:RegulatoryAffairs@HydroOttawa.com)

1        **OEB DIRECTIVES FROM PREVIOUS BOARD DECISIONS AND/OR ORDERS**

2  
3        Below is a summary of previous OEB directives and a description of how such directives  
4        are addressed by Hydro Ottawa in this Application.

5  
6        a) In EB-2012-0383, the Board indicated that unmetered load (kW) and consumption  
7        (kWh) data should ultimately be used to update load profile data for the purpose of  
8        the distributor's next cost allocation filing with the Board, which occurs during the  
9        distributor's next cost of service application to the Board. Subsequently, in a letter  
10       from the Board dated June 12, 2012, the Board stated that "[t]here may be merit in  
11       updating load profiles to be more reflective of an individual distributor's  
12       circumstances. The OEB expects individual distributors to be mindful of material  
13       changes to load profiles and to propose updates in their respective cost of service or  
14       Custom IR applications when warranted." Hydro Ottawa will comply with this  
15       direction at its next rebasing application.

16  
17       b) In the Decision rendered in EB-2015-0004 on December 22, 2015, the OEB  
18       established a variance account for "the difference between revenue based on the  
19       final pole attachment charge yet to be approved by the OEB for Hydro Ottawa for  
20       2016, and revenue based on the pole attachment charge underpinning the  
21       distribution rates approved by this order (i.e. \$57)." As instructed by the Pole  
22       Attachment Decision and approved as part of Hydro Ottawa's 2017 rate adjustment  
23       application, this amount is being collected as part of Hydro Ottawa's 2017 rates. For  
24       additional information, please see Exhibit 9-1-1.

25  
26       c) In the Pole Attachment Decision rendered in EB-2015-0004 on February 25, 2016,  
27       the OEB stated that Hydro Ottawa should use the pole attachment rate approved in  
28       its decision, "subject to any direction from the OEB regarding the implementation of  
29       any changes resulting from the Policy Review." At the time of this Application, no  
30       further direction has been received.

- 1 d) In the Pole Attachment Decision rendered in EB-2015-0004 on February 25, 2016,  
2 the OEB directed Hydro Ottawa to issue invoices for the difference between the  
3 interim rate of \$22.35 and the approved pole attachment rate of \$53.00, should  
4 Hydro Ottawa have already issued invoices. Hydro Ottawa issued invoices for the  
5 pole attachment difference where invoices had already been invoiced. Item b)  
6 above addresses the amount that was to be collected through distribution rates.  
7 Please see Exhibit 6-1-1 for the adjustment to base revenue requirement related to  
8 the Pole Attachment Decision.  
9

## NOTICE OF APPLICATION

### **1.0 INTRODUCTION**

Pursuant to the OEB's filing requirements, set out in the Chapter 2 *Filing Requirements for Electricity Distribution Rate Applications* issued July 20, 2017, this Schedule provides the following administrative information:

#### **1. Notice of Application, including:**

- a. Statement of who will be affected by this Application;
- b. Summary of Bill Impacts;
- c. Publication information;
- d. Contact information; and
- e. Internet address for viewing the Application.

### **2.0 NOTICE OF APPLICATION**

#### **a) Affected Customers**

Hydro Ottawa has approximately 328,000 distribution customers across its service territory that will be affected by this Application. More information regarding Hydro Ottawa's customer base is available in Exhibit 1-2-1, Exhibit 1-4-1, and Exhibit 3-1-1.

Retail service charges and generation service charges (also referred to as account management charges) will increase, per the Approved Settlement Agreement. For further details, please see Exhibit 8-7-1.

#### **b) Summary of Bill Impacts**

Tables 1 and 2 below provide a high-level summary of distribution bill impacts for a typical residential customer using 750 kWh per month and for a General Service < 50 kW customer using 2,000 kWh per month.

**Table 1 – Residential Bill Impact**

Residential 750 kWh	2018
Change in Distribution Charge (\$)	\$0.46
Total Bill % change	1.24%

**Table 2 – General Service < 50 kW Bill Impact**

General Service < 50 kW (2000 kWh)	2018
Change in Distribution Charge (\$)	\$2.91
Total Bill % change	1.80%

**c) Publication Information**

Hydro Ottawa recommends that the OEB publish a notice of this Application in the *Ottawa Citizen* and *LeDroit* newspapers. The *Ottawa Citizen* is a daily newspaper serving the Ottawa area. *LeDroit* is a daily newspaper serving the French-speaking communities in the Ottawa-Gatineau area. According to the latest data, the *Ottawa Citizen* and *LeDroit* have total average weekday circulation of approximately 105,614 and 34,755, respectively.<sup>1</sup> Hydro Ottawa recommends these publications due to their significant reach into the English- and French-speaking communities within the City of Ottawa and the Village of Casselman.

<sup>1</sup> Newspapers Canada, 2015 Daily Newspaper Circulation Spreadsheet.

**d) Contact Information**

The name and contact information of Hydro Ottawa's authorized representative for this Application to the Board is:

**a. Authorized Representative**

Mr. Gregory Van Dusen  
Director, Regulatory Affairs  
Hydro Ottawa Limited

3025 Albion Road North  
P.O. Box 8700  
Ottawa, Ontario  
K1G 3S4

Telephone: 613-738-5499 ext. 7472  
E-mail: [RegulatoryAffairs@HydroOttawa.com](mailto:RegulatoryAffairs@HydroOttawa.com)

**e) Internet Address for Viewing the Application**

This Application and related documents will be available for viewing on Hydro Ottawa's website, [www.hydroottawa.com](http://www.hydroottawa.com), pending receipt of direction from the OEB.



## **DISTRIBUTION SYSTEM OVERVIEW**

Hydro Ottawa is a corporation incorporated pursuant to the *Business Corporation Act* (Ontario) and is licensed under OEB Electricity Distributor License No. ED-2002-0556. As of the end of 2016, Hydro Ottawa distributed electricity to approximately 328,000 customers within the City of Ottawa and the Village of Casselman.

According to the latest OEB statistics, Hydro Ottawa is the fourth largest electricity distributor in Ontario (by number of customers), with a service territory of 1,116 square kilometers that includes a dense urban core, large areas of suburban development, and a vast rural area representing approximately 60% of the company's territory.<sup>1</sup>

Hydro Ottawa was created in the year 2000, following the amalgamation of the municipalities of the former Region of Ottawa-Carleton. Hydro Ottawa was formed through the merging of five predecessor utilities: Ottawa Hydro, Kanata Hydro, Gloucester Hydro, Nepean Hydro, and Goulbourn Hydro. In 2002, Hydro Ottawa acquired the service territory of Casselman Hydro.

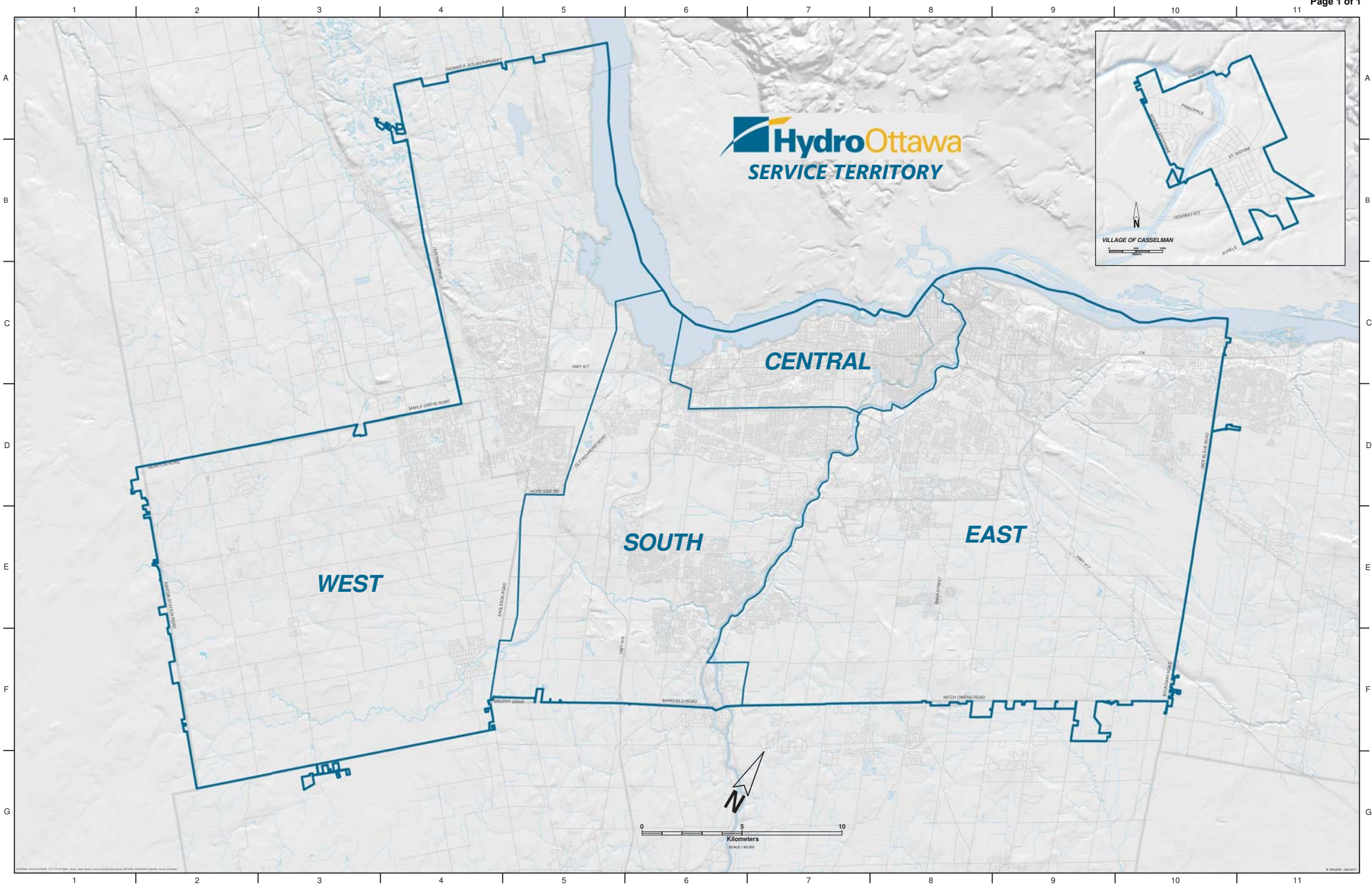
The Ottawa and Casselman segments of the service territory are non-contiguous, with the City of Ottawa and the Village of Casselman separated by the territory of Hydro One. Accordingly, Hydro Ottawa contains no licensed distributors embedded within its service area. Hydro Ottawa's load is primarily delivered through transmission connection points; however, there are a number of delivery points embedded in the Hydro One distribution system, primarily in rural areas.

Hydro Ottawa has high voltage assets (>50kV) that the OEB has previously deemed as distribution assets. These assets largely consist of transformer substations that are located throughout Hydro Ottawa's service territory.

A map of Hydro Ottawa's service territory is included below.

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<sup>1</sup> OEB 2015 Yearbook of Electricity Distributors.



## CUSTOMER ENGAGEMENT

Hydro Ottawa views customer engagement as an essential part of doing business and, as a result, has placed the customer at the centre of everything Hydro Ottawa does by weighing customer impacts in every decision. As reflected in Hydro Ottawa's renewed strategic plan – *Strategic Direction 2016-2020*, included as Attachment 1-2(A) of the 2017 Application – stakeholder engagement is a guiding principle of Hydro Ottawa's business strategy: "Hydro Ottawa takes into account the interests of all our stakeholders including employees, customers, suppliers, our shareholder and the communities and environment in which we operate."<sup>1</sup>

The key Divisions within Hydro Ottawa that are primarily responsible for customer outreach are Customer Service, Distribution Operations, Asset Management, Conservation and Demand Management ("CDM"), and Corporate Communications. Customer needs and expectations are diverse and dynamic. To ensure Hydro Ottawa aligns its services to effectively meet evolving customer expectations, Hydro Ottawa has undertaken many customer engagement activities related to all areas of the distribution company. Customers also have the option to proactively engage with Hydro Ottawa, through a variety of social media platforms.

As of December 31, 2016, Hydro Ottawa serviced 327,880 customers over a 1,116 square kilometer service territory, within the City of Ottawa and Village of Casselman. Of those customers, 299,909 were Residential; 24,689 were General Service < 50 kW; 3,271 were General Service > 50 kW; and 11 were Large Users. Further, as the electricity distributor of the nation's capital, Hydro Ottawa provides services in both official languages.

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<sup>1</sup> Hydro Ottawa *Strategic Direction 2016-2020*, p. 21. Hydro Ottawa's new strategic plan is rooted in four strategic objectives which closely mirror the core outcomes supported under the RFE framework: Customer Value; Financial Strength; Organizational Effectiveness; and Corporate Citizenship. This plan has been formally adopted by Hydro Ottawa Holding Inc., the parent company of Hydro Ottawa Limited. However, it will likewise guide the business and operations of the regulated electricity distribution company.

- 1 The need for and value in engaging customers ensures that Hydro Ottawa's business
- 2 initiatives continue to align with the needs and expectations of its rapidly growing and
- 3 diverse rural and urban customer base.

## MATERIALITY THRESHOLD

Section 2.0.8 of the Chapter 2 *Filing Requirements For Electricity Distribution Rate Applications*, issued by the OEB on July 20, 2017, requires that “*The applicant must provide justification for annual changes to its rate base, capital expenditures, and operations, maintenance and administration (OM&A) costs. To ensure the OEB’s review is focused on matters that are material, the OEB only requires variance explanations for changes above certain amounts.*”

For a utility the size of Hydro Ottawa, the default materiality threshold is defined as 0.5% of the distribution revenue requirement for distributors with a revenue requirement greater than \$10 million and less than or equal to \$200 million. As Hydro Ottawa is not proposing changes to its rate base, capital expenditures, and OM&A (consistent with its Approved Settlement Agreement), no variance analysis has been completed per these materiality requirements.

Hydro Ottawa notes that the same materiality threshold requirements are used for the determination of the eligibility of a Z-factor, as per the *Report of the Board on 3<sup>rd</sup> Generation Incentive Regulation for Ontario’s Electricity Distributors* issued on July 14, 2008. As stated in the Approved Settlement Agreement, “Hydro Ottawa is not precluded from applying for Z-factor relief in the event that an unforeseen event results in a financial impact that exceeds Hydro Ottawa’s \$880,000 materiality threshold.”<sup>1</sup> Hydro Ottawa is not applying for a Z-factor as part of this Application.

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<sup>1</sup> Approved Settlement Agreement, p. 27.

**ACCOUNTING ORDERS**

Hydro Ottawa confirms that it has complied with the Uniform System of Accounts (“USofA”), as set out in the OEB’s Accounting Procedures Handbook (“APH”).

As part of its 2012 (EB-2011-0054) and 2016 (EB-2015-0004) OEB-approved decisions, Custom IR Application, and pole attachment rates, Hydro Ottawa received utility-specific accounting orders. Hydro Ottawa confirms compliance related to its utility-specific accounting orders.



## RATE BASE

### 1.0 INTRODUCTION

This Schedule provides an overview of Hydro Ottawa's approved distribution rate base for the 2016 to 2020 Custom IR period.

The rate base used to determine the revenue requirement included a forecast of net fixed assets, calculated on a mid-year average basis, plus Working Capital Allowance ("WCA"). Net fixed assets are gross assets in service minus accumulated amortization and contributed capital.

Table 1 below shows Hydro Ottawa's approved rate base values for 2016 through 2020. Table 1 provides the opening, closing, and average balances for gross assets and accumulated depreciation. Table 1 further provides the closing balance for net fixed assets and Hydro Ottawa's WCA.

As part of the Approved Settlement Agreement, a new deferral account for Connection Cost Recovery Agreement ("CCRA") payments made to Hydro One was established. As a result, Hydro Ottawa's forecasted CCRA payments are not included in Table 1 below. Also, per the Approved Settlement Agreement, new deferral and variance accounts have been established for the treatment of Hydro Ottawa's new facilities. The new facilities are not included in the gross asset and rate base numbers presented in Table 1.

**Table 1 – Summary of Approved Rate Base (\$000)**

	2016	2017	2018	2019	2020
Opening Gross Assets	810,428	882,472	962,598	1,050,061	1,111,912
Closing Gross Assets	882,472	962,598	1,050,061	1,111,912	1,218,811
Average Gross Assets	\$846,450	\$922,535	\$1,006,329	\$1,080,986	\$1,165,362
Opening Accumulated Depreciation	\$70,764	\$110,130	\$152,675	\$198,050	\$245,195
Closing Accumulated Depreciation	\$110,130	\$152,675	\$198,050	\$245,195	\$293,565
Average Accumulated Depreciation	\$90,447	\$131,402	\$175,363	\$221,623	\$269,380
Average Net Fixed Assets Closing	756,003	791,132	830,967	859,364	895,981
Working Capital Allowance	77,116	78,617	81,882	76,760	77,820
<b>Rate Base</b>	<b>833,119</b>	<b>869,749</b>	<b>912,849</b>	<b>936,124</b>	<b>973,801</b>

For detail on Capital Additions, please see Exhibit 2-2-1. In addition, for more details related to the WCA, please see Exhibit 2-3-1.



**GROSS ASSETS – PROPERTY PLANT AND EQUIPMENT AND ACCUMULATED  
DEPRECIATION**

**1.0 GROSS ASSETS AND ACCUMULATED DEPRECIATION**

This Exhibit provides an overview of Hydro Ottawa's Approved Gross Assets and Accumulated Depreciation for its 2016 to 2020 Custom IR period. Net fixed assets (gross assets in service minus accumulated depreciation/amortization and contributed capital) is used in the determination of rate base. For the calculation of rate base, please see Exhibit 2-1-1.

As part of the Approved Settlement Agreement, Hydro Ottawa's Gross Assets and Accumulated Depreciation are fixed for the five years 2016 to 2020. "Parties accept that Hydro Ottawa's revised Distribution System Plan and related attachments that set out Hydro Ottawa's capital investment requirements appropriately represents asset and capital planning that will enable Hydro Ottawa to fulfil its mission of providing a safe and reliable electricity distribution service to the City of Ottawa and Village of Casselman."<sup>1</sup> Please see Table 1 for a summary of Hydro Ottawa's Approved Gross Assets and Accumulated Depreciation.

---

<sup>1</sup> Approved Settlement Agreement, p. 14.

**Table 1 – Gross Assets and Accumulated Depreciation (\$000)**

	2016	2017	2018	2019	2020
Opening Gross Assets	810,428	882,472	962,598	1,050,061	1,111,912
Closing Gross Assets	882,472	962,598	1,050,061	1,111,912	1,218,811
<b>Average Gross Assets</b>	<b>\$846,450</b>	<b>\$922,535</b>	<b>\$1,006,329</b>	<b>\$1,080,986</b>	<b>\$1,165,362</b>
Opening Accumulated Depreciation	\$70,764	\$110,130	\$152,675	\$198,050	\$245,195
Closing Accumulated Depreciation	\$110,130	\$152,675	\$198,050	\$245,195	\$293,565
<b>Average Accumulated Depreciation</b>	<b>\$90,447</b>	<b>\$131,402</b>	<b>\$175,363</b>	<b>\$221,623</b>	<b>\$269,380</b>

Provided in Table 2 is the updated Capital Additions Schedule by Capital Program, per the Approved Settlement Agreement.

**Table 2 – Approved Capital Additions by Category (\$000)**

	2016	2017	2018	2019	2020
General Plant	8,434	16,703	7,059	7,630	15,019
System Renewal and Service	52,744	53,389	70,133	43,710	81,123
System Access	12,628	11,798	12,034	12,274	12,520
<b>Total Additions</b>	<b>73,806</b>	<b>81,889</b>	<b>89,226</b>	<b>63,614</b>	<b>108,662</b>

## 2.0 ITEM NOT INCLUDED IN GROSS ASSETS

As part of the Approved Settlement Agreement, a new deferral account for Connection Cost Recovery Agreement ("CCRA") payments made to Hydro One was established. As a result, Hydro Ottawa's forecasted CCRA payments are not included in the five-year Additions outlined in the previous section. Reporting on this variance account is included in Exhibit 9-1-1 Current Deferral and Variance Accounts.

1 In addition, as part of the Approved Settlement Agreement, a Loss on Disposal Variance  
2 Account (Gains and Loss on Disposal of Fixed Assets) was established. An amount was  
3 estimated for its impact on rate base. Any variance to this amount will be disposed as  
4 part of Group 2 Regulatory Accounts. Hydro Ottawa is not requesting any clearance of  
5 the Loss on Disposal Variance Account as part of this Application and the Account does  
6 not impact Hydro Ottawa's proposed distribution rates described in Exhibit 8-1-1.  
7 Reporting on this variance account is included in Exhibit 9-1-1.

8  
9 As part of the Approved Settlement Agreement, Hydro Ottawa's new operating centers  
10 and administrative facilities – including the disposal of any related existing facilities – will  
11 be dealt with through a Y Factor and a Deferral Account. As discussed further in Exhibit  
12 9-1-1, Hydro Ottawa is not filing any amounts related to these Accounts as part of this  
13 Application. Hydro Ottawa will also report on the Y Factor and Variance Accounts as  
14 part of its 2016 annual report within its 2016 OEB Scorecard.

15  
16 Lastly, per the Approved Settlement Agreement, a Capital Variance Account has been  
17 established to annually track the variance, on a cumulative basis, of the revenue  
18 requirement impact related to the capital forecast additions versus actual capital  
19 additions. The variance will be tracked by three categories: (1) System Renewal/System  
20 Service; (2) System Access; and (3) General Plant. The revenue requirement impact will  
21 be returned to rate payers at the end of the Custom IR period. Hydro Ottawa will also  
22 report annually on the actual capital additions by the three categories. No amount was  
23 recorded into the variance account at the end of 2016. Please see Exhibit 9-1-1 for  
24 reporting on the balances of current deferral and variance accounts for more information.

## WORKING CAPITAL REQUIREMENT

### 1.0 INTRODUCTION

This Exhibit summarizes the Working Capital Requirement, as agreed to in the Approved Settlement Agreement. Table 1 summarizes the 2016 to 2020 Working Capital Allowance (“WCA”), which is incorporated into Hydro Ottawa’s proposed 2018 rates.

Hydro Ottawa performed a Lead Lag Study as part of its Custom IR Application. The Working Capital percentages in Table 1 reflect the agreement of the Parties to the Approved Settlement Agreement, after having reviewed Hydro Ottawa’s Lead Lag Study and having considered the comments of the OEB in its June 3, 2015 letter titled “Allowance for Working Capital for Electricity Distribution Rate Applications.”

Consistent with the Approved Settlement Agreement, Hydro Ottawa’s Power Supply Expense and Working Capital percentages are set for a five-year period. Operating, Maintenance and Administration (“OM&A”) has been set for the 2016 to 2018 three-year period. OM&A for 2019 and 2020 will be adjusted as part of Hydro Ottawa’s annual rate adjustment application to be filed in 2018. However, the WCA will not be impacted by this update. Please see Exhibit 4-2-1 for further details related to OM&A.

**Table 1 – Working Capital Allowance (\$000)<sup>1</sup>**

	2016	2017	2018	2019	2020
Power Supply Expenses	894,285	911,714	947,559	928,734	945,199
OM&A Expenses	83,106	84,693	86,311	87,959	89,639
Total Expenses for Working Capital	977,391	996,407	1,033,869	1,016,693	1,034,838
Working Capital %	7.89	7.89	7.92	7.55	7.52
<b>WCA</b>	<b>77,116</b>	<b>78,617</b>	<b>81,882</b>	<b>76,760</b>	<b>77,820</b>

<sup>1</sup> Totals may not match due to rounding.

## LOAD FORECAST

### **1.0 INTRODUCTION**

Hydro Ottawa engaged Itron to complete its 2015 to 2020 sales and energy forecast. Itron completed forecasts for total purchases sales and system demand and rate class sales, customers and connections, and billing demand. The forecast utilized actual data on sales, customer numbers and connections, and purchases until August 2014. Forecasts were provided both with and without the impact of future Conservation and Demand Management (“CDM”) targets.

A Purchases model was used with total sales allocated to the rate class sales forecast.

While completing the load forecast, Hydro Ottawa was performing its analysis for its rate reclassification. Based on a detailed customer level analysis of the impact of the rate reclassification, Hydro Ottawa adjusted the class level load forecast and customer numbers developed by Itron. The total kWh sales, kW demand, and customer and connection numbers equal those of Itron. However, the class level forecasts are different – the main reclassification being between General Service < 50 kW and General Service > 50 kW classifications.

Hydro Ottawa adjusted the forecast to include Sentinel Lighting and Standby Demand, as these were not forecasted separately by Itron.

As part of the Approved Settlement Agreement, Parties accepted Hydro Ottawa’s load and customer forecast for 2016 to 2020. Tables 1 to 4 below summarize Hydro Ottawa’s load forecast, with CDM.

Table 1 provides Hydro Ottawa's Sales forecast by MWh for 2016 through 2020.

**Table 1 – Hydro Ottawa 2016 through 2020 Sales Forecast (MWh) by class<sup>1</sup>**

	2016	2017	2018	2019	2020
Residential	2,216,045	2,198,259	2,206,411	2,214,984	2,217,628
General Service < 50 kW	726,360	716,896	709,791	704,193	699,744
General Service 50 to 1,000 kW Non Interval	1,386,977	1,336,827	1,295,564	1,259,397	1,226,514
General Service 50 to 1,000 kW Interval	1,207,946	1,214,762	1,226,094	1,240,552	1,256,773
General Service 1,000 to 1,499 kW	359,518	355,856	353,764	352,644	352,100
General Service 1,499 to 4,999 kW	863,309	877,400	895,369	914,569	935,554
Large Use	620,218	619,253	618,467	617,036	615,195
Unmetered Scattered Load	16,651	16,690	16,731	16,772	16,827
Sentinel Lighting	48	48	48	48	48
Street Lighting	43,552	43,653	43,765	43,876	44,015
<b>Total MWh Sales</b>	<b>7,440,624</b>	<b>7,379,644</b>	<b>7,366,004</b>	<b>7,364,071</b>	<b>7,364,398</b>

<sup>1</sup> Forecast does not include Dry Core Transformer Charge.

Table 2 provides Hydro Ottawa's Demand forecast by kW for 2016 through 2020.

**Table 2 – Hydro Ottawa 2016 through 2020 Demand Sales Forecast (kW) by class**

	2016	2017	2018	2019	2020
General Service 50 to1,000 kW Non Interval	3,533,354	3,406,354	3,301,064	3,208,582	3,123,291
General Service 50 to1,000 kW Interval	2,725,183	2,740,805	2,766,375	2,798,890	2,835,076
General Service 1,000 to1,499 kW	769,442	761,481	756,911	754,458	753,212
General Service 1,499 to 4,999 kW	1,847,365	1,877,691	1,916,044	1,957,009	2,001,525
Large Use	1,121,449	1,119,726	1,118,300	1,115,702	1,112,342
Standby Power	4,800	4,800	4,800	4,800	4,800
Sentinel Lighting	216	216	216	216	216
Street Lighting	123,144	123,144	123,144	123,144	123,144
<b>Total kW Sales Demand</b>	<b>10,124,953</b>	<b>10,034,217</b>	<b>9,986,854</b>	<b>9,962,801</b>	<b>9,953,606</b>

Table 3 provides Hydro Ottawa's average number of customers and connections forecast for 2016 through 2020.

**Table 3 – Hydro Ottawa 2016 through 2020 Average Number of Customers and Connections by class**

	2016	2017	2018	2019	2020
Residential	297,343	301,258	305,144	308,990	312,786
General Service < 50 KW	24,512	24,626	24,739	24,850	24,959
General Service 50 to 1,000 kW Non Interval	2,481	2,481	2,481	2,481	2,481
General Service 50 to 1,000 kW Interval	758	785	813	841	869
General Service 1,000 to 1,499 kW	57	57	57	58	58
General Service 1,499 to 4,999 kW	76	76	76	76	76
Large Use	11	11	11	11	11
Standby Power	2	2	2	2	2
<b>Total Customers</b>	<b>325,240</b>	<b>329,296</b>	<b>333,323</b>	<b>337,308</b>	<b>341,243</b>

	2016	2017	2018	2019	2020
Unmetered Scattered Load	3,477	3,525	3,573	3,621	3,669
Sentinel Lighting	55	51	47	43	39
Street Lighting	55,516	55,516	55,516	55,516	55,516
<b>Total Connections</b>	<b>59,048</b>	<b>59,092</b>	<b>59,136</b>	<b>59,180</b>	<b>59,224</b>



Table 4 provides Hydro Ottawa's forecast kW for 2016 through 2020 for the Transformer Ownership Credit.

**Table 4 – Hydro Ottawa 2016 through 2020 Demand Sales Forecast (kW) for Transformer Ownership Credit**

	2016	2017	2018	2019	2020
General Service 50 to 1,000 kW Non Interval	(883,339)	(851,589)	(825,266)	(802,146)	(780,823)
General Service 50 to 1,000 kW Interval	(681,296)	(685,201)	(691,594)	(699,723)	(708,769)
General Service 1,000 to 1,499 kW	(192,361)	(190,370)	(189,228)	(188,615)	(188,303)
General Service 1,499 to 4,999 kW	(461,841)	(469,423)	(479,011)	(489,252)	(500,381)
Large Use	(280,362)	(279,932)	(279,575)	(278,926)	(278,086)
<b>Total kW Sales Demand</b>	<b>(2,499,198)</b>	<b>(2,476,514)</b>	<b>(2,464,674)</b>	<b>(2,458,660)</b>	<b>(2,456,362)</b>

For the 2018 class level revenue forecast, please see Attachment 6-1-A 2018 Revenue Requirement Workform.

Tables 5 and 6 summarize Hydro Ottawa's CDM adjustments to its approved load forecast.

Table 5 provides Hydro Ottawa's Sales forecast CDM adjustments by MWh for 2016 through 2020.

**Table 5 – Hydro Ottawa 2016 through 2020 Sales CDM Adjustments (MWh) by class<sup>2</sup>**

	2016	2017	2018	2019	2020
Residential	16,725	28,574	39,437	49,312	59,186
General Service < 50 KW	10,727	18,627	25,869	32,452	39,035
General Service 50 to 1,000 kW Non Interval	37,380	64,684	89,512	111,938	134,259
General Service 50 to 1,000 kW Interval	32,771	57,538	80,453	101,447	122,573
General Service 1,000 to 1,499 kW	9,666	16,844	23,414	29,368	35,296
General Service 1,499 to 4,999 kW	0	0	0	0	0
Large Use	0	0	0	0	0
Unmetered Scattered Load	0	0	0	0	0
Sentinel Lighting	0	0	0	0	0
Street Lighting	0	0	0	0	0
<b>Total MWh Sales</b>	<b>107,269</b>	<b>186,267</b>	<b>258,685</b>	<b>324,517</b>	<b>390,349</b>

<sup>2</sup> Forecast does not include Dry Core Transformer Charge.

Table 6 provides Hydro Ottawa's Demand forecast CDM adjustments by kW for 2016 through 2020.

**Table 6 – Hydro Ottawa 2016 through 2020 Demand Sales CDM Adjustments (kW) by class**

	2016	2017	2018	2019	2020
General Service 50 to 1,000 kW Non Interval	5,215	10,723	16,118	20,642	25,146
General Service 50 to 1,000 kW Interval	6,730	11,679	16,227	20,422	24,643
General Service 1,000 to 1,499 kW	1,825	3,220	4,506	5,663	6,814
General Service 1,499 to 4,999 kW	0	0	0	0	0
Large Use	0	0	0	0	0
Standby Power	0	0	0	0	0
Sentinel Lighting	0	0	0	0	0
Street Lighting	0	0	0	0	0
<b>Total kW Sales Demand</b>	<b>13,770</b>	<b>25,622</b>	<b>36,851</b>	<b>46,727</b>	<b>56,603</b>

## OTHER REVENUE

### 1.0 INTRODUCTION

Other Revenue, also referred to as Revenue Offsets, relates to all utility revenues other than distribution and cost of power revenues. Table 1 provides the Revenue Offset as part of the Approved Settlement Agreement for 2016 to 2020.

**Table 1 – Other Revenue Summary (Per Approved Settlement Agreement)**

	2016 Forecast \$	2017 Forecast \$	2018 Forecast \$	2019 Forecast \$	2020 Forecast \$
<b>Settlement Revenue Offset</b>	11,696,988	11,562,581	<b>11,719,491</b>	11,799,409	11,895,283

Table 2 provides the Revenue Offset for 2016 to 2020, adjusted for the Pole Attachment Decision. The Revenue Offset adjusted for the Pole Attachment Decision was not incorporated into 2016 rates. Hydro Ottawa was instructed by the OEB to record the difference related to 2016 into a regulatory asset. Please see Exhibit 9-1-1 for further details.

**Table 2 – Other Revenue Summary (Adjusted for Pole Attachment Decision)**

	2016 Forecast \$	2017 Forecast \$	2018 Forecast \$	2019 Forecast \$	2020 Forecast \$
<b>Final Revenue Offset</b>	11,471,600	11,337,193	<b>11,437,756</b>	11,517,674	11,613,548

Hydro Ottawa has incorporated the Pole Attachment Decision into its 2018 rates, as instructed by the OEB. Please see Exhibit 8-7-1 for pole attachment rates, as well as other Specific Service Charges.

1 Table 3 provides a reconciliation of the Revenue Offset related to the Pole Attachment  
2 Decision.

3

4

**Table 3 – Other Revenue Reconciliation**

	2016 Forecast \$	2017 Forecast \$	2018 Forecast \$	2019 Forecast \$	2020 Forecast \$
Revenue Offset per Settlement	11,696,988	11,562,581	11,719,491	11,799,409	11,895,283
Change due to Pole Attachment Decision	(225,388)	(225,388)	(281,735)	(281,735)	(281,735)
<b>Final Revenue Offset</b>	11,471,600	11,337,193	<b>11,437,756</b>	11,517,674	11,613,548

5

## OPERATING EXPENSES – SUMMARY

### 1.0 INTRODUCTION

This Exhibit provides an overview of Hydro Ottawa's total operating costs. These costs include Operating, Maintenance and Administration ("OM&A"), including property taxes; Depreciation and Amortization expenses; and Payments in Lieu of Taxes ("PILS"). More detailed information regarding how each expense category is addressed through the Approved Settlement Agreement and this Application is available in Exhibits 4-2-1, 4-3-1, and 4-4-1.

Table 1 provides a summary of recoverable Operating Expenses. As discussed in their respective Exhibits, the 2019 and 2020 amounts for OM&A and PILS will be updated as part of Hydro Ottawa's annual rate adjustment application to be filed in 2018.

**Table 1 – Summary of Operating Expenses<sup>1</sup>**

	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000
OM&A (including Property Tax)	83,106	84,693	86,311	87,959	89,639
Depreciation/Amortization	40,379	43,558	46,388	48,158	49,384
Income Tax/PILS	3,755	3,634	4,897	7,197	6,238
<b>Total Operating Costs</b>	<b>127,240</b>	<b>131,885</b>	<b>137,596</b>	<b>143,314</b>	<b>145,260</b>

### 2.0 OM&A

Hydro Ottawa's recoverable OM&A for 2018 is set at \$86.3M. This represents an escalator of 1.91% over the 2017 level of OM&A.

<sup>1</sup> Totals may not match due to rounding.

1     **3.0     DEPRECIATION AND AMORTIZATION EXPENSES**

2  
3     Hydro Ottawa adheres to the Modified International Financial Reporting Standards  
4     ("MIFRS") as its accounting standard, which informs its rate making and regulatory  
5     reporting requirements. Hydro Ottawa uses the half-year rule for calculating  
6     depreciation/amortization in the year that capital additions are added into rate base,  
7     except in the case of discrete material assets, such as a station. Please see Exhibit 4-3-  
8     1 for additional information.

9  
10    **4.0     PILS**

11  
12    Pursuant to its obligations under Section 93 of the *Electricity Act, 1998* (Ontario), as  
13    amended, Hydro Ottawa is liable for the payment of PILS to the Ministry of Finance  
14    based on its taxable income. For 2016 to 2020 PILS, Hydro Ottawa has used a  
15    combined Federal and Ontario tax rate of 26.50%. Please see Exhibit 4-4-1 for  
16    additional information.

1                   **OPERATING, MAINTENANCE AND ADMINISTRATION EXPENSE**

2  
3           **1.0     INTRODUCTION**

4  
5     This Exhibit provides a summary of Hydro Ottawa's Operating, Maintenance and  
6     Administration ("OM&A") expenditures, as per the Approved Settlement Agreement.  
7     This Schedule further describes Hydro Ottawa's approach to OM&A planning.

8  
9     As part of the Approved Settlement Agreement, the basis of the five-year Custom IR  
10    period 2016 to 2020 was set. The Parties agreed to recoverable OM&A for 2016 of  
11    \$83,105,564. The 2017 and 2018 period would be increased by a 1.91% escalator on a  
12    compound basis. The escalator was determined by starting with a 2.07% inflation factor,  
13    adjusted by +0.14% growth factor, and further adjusted by a -0.3% productivity/stretch  
14    factor.

15  
16    The 2019 and 2020 escalator will be adjusted as part of Hydro Ottawa's annual rate  
17    adjustment application to be filed in 2018, consistent with the approach outlined in the  
18    Approved Settlement Agreement. As per this approach, only the inflationary factor of  
19    2.07% will be updated (consistent with the method used to produce the 2017 and 2018  
20    inflationary factor). The 2017 and 2018 inflationary factor was "derived by a  
21    recalculation of the OEB's inflation factor using a weight of 60% labour and 40% non-  
22    labour inflation rate."<sup>1</sup> The growth factor and productivity/stretch factor remain set for the  
23    four-year period of 2017 to 2020.

24  
25    Table 1 provides a summary of recoverable OM&A. As indicated, 2019 and 2020 will be  
26    updated as part of the annual rate adjustment application to be filed in 2018.

27  
28  
29  

---

<sup>1</sup> Approved Settlement Agreement, p. 20.



**Table 1 – Summary of Recoverable OM&A**

	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000
<b>OM&amp;A (including Property Tax)</b>	83,106	84,693	<b>86,311</b>	87,959	89,639

### 1.1 Hydro Ottawa's Approach to OM&A Planning and Budgeting

Hydro Ottawa's approach to OM&A planning and budgeting for the 2016-2020 period was guided by Hydro Ottawa's planning and performance management framework, which aligns the company's corporate strategies with planning, operations, performance, and the drive for continuous improvement.

The framework maintains that spending correspond to business priorities, be directed to achieve performance targets, and support Hydro Ottawa's four key focus areas as set out in its *2012-2016 Strategic Direction* and reaffirmed in the *2016-2020 Strategic Direction*. These four key focus areas for the company are:

- Customer value;
- Financial strength;
- Organizational effectiveness; and
- Corporate citizenship.

### 1.2 OM&A Budget Process

Hydro Ottawa undertook both a top-down and bottom-up forecasting exercise to develop the 2016 test year budget. Examples of top-down constraints include constraints on hiring and on compensation, benefits, productivity, and cost control. Bottom-up funding requests were then developed and evaluated, and scrutinized based on priority and alignment with core company strategic directives as well as ratepayer impacts.

1 As noted above, the OM&A budget for the 2017-2020 years is based on an escalator.  
2 Recognizing that Hydro Ottawa cannot accurately predict all potential OM&A funding  
3 requirements that may emerge during the 2017-2020 period, per the Approved  
4 Settlement Agreement Hydro Ottawa is not precluded from applying for a Z-factor  
5 application. Hydro Ottawa will only resort to using the Z-factor mechanism if costs  
6 incurred arise from unforeseen events, decisions or activities, the results of which cannot  
7 be reasonably anticipated or quantified at this juncture and where the costs exceed  
8 Hydro Ottawa's materiality threshold. Examples include unforeseen weather events or  
9 changes to laws or regulations requiring significant implementation investment.

## **DEPRECIATION, AMORTIZATION AND DISPOSAL**

### **1.0 INTRODUCTION**

This Exhibit provides a summary of the depreciation/amortization and disposal approved as part of the Approved Settlement Agreement. Hydro Ottawa's capital additions, depreciation/amortization, and disposal have been set for rate making purposes for the Custom IR period. The depreciation/amortization and disposal, per the Approved Settlement Agreement, have been summarized in Table 1 below.

**Table 1 – Depreciation/Amortization and Disposals**

	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000
Depreciation/Amortization	40,379	43,558	46,388	48,158	49,384
Net Disposals	750	750	750	750	750

Hydro Ottawa uses the half-year rule for calculating depreciation/amortization in the year that capital additions are added to the rate base for both actual and budgeted pooled assets, except in the case of discrete material assets, such as a station. In those specific cases, the actual or forecasted in-service month would be used to calculate the depreciation/amortization.

### **2.0 ITEMS NOT INCLUDED IN BASE REVENUE REQUIREMENT DEPRECIATION/AMORTIZATION AND DISPOSALS**

As part of the Approved Settlement Agreement, a Capital Investment Variance Account was established to "track variances and associated revenue requirement impacts computed and tracked on an annual basis, resulting from any underspending in the three categories (General Plant, System Renewal and Service, and System Access) calculated on a cumulative basis. Disposition of any credit to customers will occur at the end of the five year term."<sup>1</sup> As such,

<sup>1</sup> Approved Settlement Agreement, p. 23.

1 the Capital Investment Variance Account does not impact Hydro Ottawa's proposed  
2 distribution rates for 2018. No amount was recorded into the variance account at the end of  
3 2016. Please see Exhibit 9-1-1 for reporting on the balances of current deferral and variance  
4 accounts for more information.

5  
6 In addition, as part of the Approved Settlement Agreement, a Loss on Disposal Variance  
7 Account was established. The Account will be disposed as part of Group 2 Regulatory  
8 Accounts. Hydro Ottawa is not requesting any clearance of the Loss on Disposal Variance  
9 Account as part of this Application and the Account does not impact Hydro Ottawa's proposed  
10 distribution rates described in Exhibit 8-1-1. Reporting on this variance account can be found  
11 in Exhibit 9-1-1.

12  
13 Lastly, as part of the Approved Settlement Agreement, Hydro Ottawa's new operating centers  
14 and administrative facilities, including the disposal of any related existing facilities, will be dealt  
15 with through a Y Factor and a Deferral Account. As discussed further in Exhibit 9-1-1, Hydro  
16 Ottawa is not filing any amounts related to these Accounts as part of this Application. Hydro  
17 Ottawa will also report on the Y Factor and Variance Accounts as part of its 2016 annual  
18 report, within its 2016 OEB Scorecard.

## TAXES OR PAYMENTS IN LIEU OF TAXES

### 1.0 INTRODUCTION

Hydro Ottawa is required to make Payments in Lieu of Taxes ("PILS") based on its taxable income. Hydro Ottawa used the PILS Workform Model supplied by the OEB for 2016 Cost of Service Applications Filers during the interrogatory and settlement phase of its Custom IR Application to calculate the PILS payable for 2016 to 2020. The 2018 model, as submitted with the Approved Settlement Agreement, has been provided in PDF and Excel. No updates have been made.

As per the Approved Settlement Agreement, the Parties agreed that PILS would be set for the period 2016 to 2018. PILS for 2019 and 2020 would be updated in 2018 to reflect the changes related to Cost of Capital. Table 1 below summarizes PILS for 2016 to 2020 under the Approved Settlement Agreement. As noted, 2019 and 2020 will be adjusted in 2018.

**Table 1 – Corporate PILS**

	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000
Income Tax/PILS	3,755	3,634	4,897	7,197	6,238

Changes in taxes/PILS, as described in the Accounting Procedures Handbook or other Board guidance, will be captured in Account 1592. No amounts are being proposed to be added to Account 1592 as part of this Application. In addition, any PILS impact related to approved Y Factor and Deferral Accounts will be addressed within those Accounts.



Ontario Energy Board

# Income Tax/PILs Workform for 2016 Filers

No inputs required on this worksheet.

## Inputs on Service Revenue Requirement Worksheet

The Service Revenue Requirement is in the 'Revenue Requirement Workform' - Tab 3.

Item	Working Paper Reference	
Adjustments required to arrive at taxable income	as below	-19,474,050
Test Year - Payments in Lieu of Taxes (PILs)	<u>T0</u>	3,599,306
Test Year - Grossed-up PILs	<u>T0</u>	4,897,014
Federal Tax Rate	<u>T0</u>	15.0%
Ontario Tax Rate	<u>T0</u>	11.5%
 <u>Calculation of Adjustments required to arrive at Taxable Income</u>		
Regulatory Income (before income taxes)	<u>T1</u>	33,556,335
Taxable Income	<u>T1</u>	14,082,285
Difference	calculated	-19,474,050 as above



# Income Tax/PILs Workform for 2016 Filers

## Rate Base

S **\$ 912,849,158**

## Return on Ratebase

Deemed ShortTerm Debt %	4.00%	T	\$	36,513,966	$W = S * T$
Deemed Long Term Debt %	56.00%	U	\$	511,195,528	$X = S * U$
Deemed Equity %	40.00%	V	\$	365,139,663	$Y = S * V$
Short Term Interest Rate	2.16%	Z	\$	788,702	$AC = W * Z$
Long Term Interest	3.65%	AA	\$	18,653,525	$AD = X * AA$
Return on Equity ( <b>Regulatory Income</b> )	9.19%	AB	\$	<b>33,556,335</b>	$AE = Y * AB$ <a href="#">T1</a>
Return on Rate Base			\$	<b>52,998,562</b>	$AF = AC + AD + AE$

## Questions that must be answered

- Does the applicant have any Investment Tax Credits (ITC)?
- Does the applicant have any SRED Expenditures?
- Does the applicant have any Capital Gains or Losses for tax purposes?
- Does the applicant have any Capital Leases?
- Does the applicant have any Loss Carry-Forwards (non-capital or net capital)?
- Since 1999, has the applicant acquired another regulated applicant's assets?
- Did the applicant pay dividends?  
If Yes, please describe what was the tax treatment in the manager's summary.
- Did the applicant elect to capitalize interest incurred on CWIP for tax purposes?

Historical	Bridge	Test Year
Yes	Yes	Yes
No	No	No
No	No	No
No	No	No
No	No	No
No	No	No
Yes	Yes	Yes
No	No	No



Ontario Energy Board

# Income Tax/PILs Workform for 2016 Filers

## Tax Rates

### Federal & Provincial As of June 15, 2015

#### Federal income tax

General corporate rate

Federal tax abatement

Adjusted federal rate

Rate reduction

#### Federal Income Tax

#### Ontario income tax

#### Combined federal and Ontario

#### Federal & Ontario Small Business

Federal small business threshold

Ontario Small Business Threshold

Federal small business rate

Ontario small business rate

	Effective January 1, 2012	Effective January 1, 2013	Effective January 1, 2014	Effective January 1, 2015	Effective January 1, 2016
General corporate rate	38.00%	38.00%	38.00%	38.00%	38.00%
Federal tax abatement	-10.00%	-10.00%	-10.00%	-10.00%	-10.00%
Adjusted federal rate	28.00%	28.00%	28.00%	28.00%	28.00%
Rate reduction	-13.00%	-13.00%	-13.00%	-13.00%	-13.00%
Federal Income Tax	15.00%	15.00%	15.00%	15.00%	15.00%
Ontario income tax	11.50%	11.50%	11.50%	11.50%	11.50%
Combined federal and Ontario	26.50%	26.50%	26.50%	26.50%	26.50%
Federal small business threshold	500,000	500,000	500,000	500,000	500,000
Ontario Small Business Threshold	500,000	500,000	500,000	500,000	500,000
Federal small business rate	11.00%	11.00%	11.00%	11.00%	10.50%
Ontario small business rate	4.50%	4.50%	4.50%	4.50%	4.50%

## Notes

1. The Ontario Energy Board's proxy for taxable capital is rate base.
2. If taxable capital exceeds \$15 million the maximum tax rates apply.
3. If taxable capital is below \$10 million the minimum tax rates apply.
4. Where taxable capital is between \$10 million and \$15 million, the tax rate will be calculated.





# Income Tax/PILs Workform for 2016 Filers

## PILs Tax Provision - Historical Year

**Note: Input the actual information from the tax returns for the historical year.**

Regulatory Taxable Income  
Combined Tax Rate and PILs

Ontario Tax Rate (Maximum 11.5%)  
Federal tax rate (Maximum 15%)  
Combined tax rate (Maximum 26.5%)

11.50%  
15.00%

B  
C

[H1](#)

### Wires Only

\$ 11,047,405 A

26.50% M = K + L

\$ 2,927,562 E = A \* D

F

\$ 167,500 G

\$ 167,500 H = F + G

\$ 2,760,062 I = H + E

Total Income Taxes

Investment Tax Credits  
Miscellaneous Tax Credits

Total Tax Credits

Corporate PILs/Income Tax Provision for Historical Year

# Income Tax/PILs Workform for 2016 Filers

## Adjusted Taxable Income - Historical Year

	T2S1 line #	Total for Legal Entity	Non-Distribution Eliminations	Historic Wires Only
<b>Income before PILs/Taxes</b>	<b>A</b>	30,625,466		30,625,466
<b>Additions:</b>				
Interest and penalties on taxes	103	5,000		5,000
Amortization of tangible assets	104	40,378,861		40,378,861
Amortization of intangible assets	106			0
Recapture of capital cost allowance from Schedule 8	107			0
Gain on sale of eligible capital property from Schedule 10	108			0
Income or loss for tax purposes- joint ventures or partnerships	109			0
Loss in equity of subsidiaries and affiliates	110			0
Loss on disposal of assets	111	1,013,053		1,013,053
Charitable donations	112			0
Taxable Capital Gains	113			0
Political Donations	114			0
Deferred and prepaid expenses	116			0
Scientific research expenditures deducted on financial statements	118			0
Capitalized interest	119			0
Non-deductible club dues and fees	120			0
Non-deductible meals and entertainment expense	121	75,000		75,000
Non-deductible automobile expenses	122			0
Non-deductible life insurance premiums	123			0
Non-deductible company pension plans	124			0
Tax reserves deducted in prior year	125	3,227,504		3,227,504
Reserves from financial statements- balance at end of year	126	5,371,304		5,371,304
Soft costs on construction and renovation of buildings	127			0
Book loss on joint ventures or partnerships	205			0
Capital items expensed	206			0
Debt issue expense	208			0

Development expenses claimed in current year	212			0
Financing fees deducted in books	216			0
Gain on settlement of debt	220			0
Non-deductible advertising	226			0
Non-deductible interest	227			0
Non-deductible legal and accounting fees	228			0
Recapture of SR&ED expenditures	231			0
Share issue expense	235			0
Write down of capital property	236			0
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237			0
<b>Other Additions</b>				
Interest Expensed on Capital Leases	290			0
Realized Income from Deferred Credit Accounts	291			0
Pensions	292	600,000		600,000
Non-deductible penalties	293			0
	294			0
	295			0
ARO Accretion expense				0
Capital Contributions Received (ITA 12(1)(x))				0
Lease Inducements Received (ITA 12(1)(x))				0
Deferred Revenue (ITA 12(1)(a))				0
Prior Year Investment Tax Credits received				0
Current Year Investment Tax Credits received		167,500		167,500

Impairment charge				0
				0
				0
				0
				0
				0
				0
				0
				0
<b>Total Additions</b>		<b>50,838,222</b>	<b>0</b>	<b>50,838,222</b>
<b>Deductions:</b>				
Gain on disposal of assets per financial statements	401			0
Dividends not taxable under section 83	402			0
Capital cost allowance from Schedule 8	403	60,268,749		60,268,749
Terminal loss from Schedule 8	404			0
Cumulative eligible capital deduction from Schedule 10	405	948,726		948,726
Allowable business investment loss	406			0
Deferred and prepaid expenses	409			0
Scientific research expenses claimed in year	411			0
Tax reserves claimed in current year	413	3,227,504		3,227,504
Reserves from financial statements - balance at beginning of year	414	5,371,304		5,371,304
Contributions to deferred income plans	416	600,000		600,000
Book income of joint venture or partnership	305			0
Equity in income from subsidiary or affiliates	306			0
<i>Other deductions: (Please explain in detail the nature of the item)</i>				
Interest capitalized for accounting deducted for tax	390			0
Capital Lease Payments	391			0
Non-taxable imputed interest income on deferral and variance accounts	392			0
	393			0
	394			0
ARO Payments - Deductible for Tax when Paid				0
ITA 13(7.4) Election - Capital Contributions Received				0
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds				0
Deferred Revenue - ITA 20(1)(m) reserve				0
Principal portion of lease payments				0
Lease Inducement Book Amortization credit to income				0
Financing fees for tax ITA 20(1)(e) and (e.1)				0
Tax credits accrued for in current year & deducted in financials in current year				0
				0
				0
				0
				0

				0
				0
<b>Total Deductions</b>		<b>70,416,283</b>	<b>0</b>	<b>70,416,283</b>
<b>Net Income for Tax Purposes</b>		<b>11,047,405</b>	<b>0</b>	<b>11,047,405</b>
Charitable donations from Schedule 2	311	0		0
Taxable dividends deductible under section 112 or 113, from Schedule 3 (item 82)	320			0
Non-capital losses of preceding taxation years from Schedule 4	331			0
Net-capital losses of preceding taxation years from Schedule 4 (Please include explanation and calculation in Manager's summary)	332			0
Limited partnership losses of preceding taxation years from Schedule 4	335			0
<b>TAXABLE INCOME</b>		<b>11,047,405</b>	<b>0</b>	<b>11,047,405</b>



Ontario Energy Board

# Income Tax/PILs Workform for 2016 Filers

## Schedule 7-1 Loss Carry Forward - Historical

### Corporation Loss Continuity and Application

	Total	Non-Distribution Portion	Utility Balance
<b>Non-Capital Loss Carry Forward Deduction</b>			
Actual Historical	0		0

[B4](#)

	Total	Non-Distribution Portion	Utility Balance
<b>Net Capital Loss Carry Forward Deduction</b>			
Actual Historical			0

[B4](#)



# Income Tax/PILs Workform for 2016 Filers

### Schedule 8 - Historical Year

<b>Class</b>	<b>Class Description</b>	<b>UCC End of Year Historical per tax returns</b>	<b>Less: Non- Distribution Portion</b>	<b>UCC Regulated Historical Year</b>	<b>Working Paper Reference</b>
1	Distribution System - post 1987	177,991,944		177,991,944	B8
1 Enhanced	Non-residential Buildings Reg. 1100(1)(a.1) election	25,513,892		25,513,892	B8
2	Distribution System - pre 1988	56,109,134		56,109,134	B8
8	General Office/Stores Equip	10,546,595		10,546,595	B8
10	Computer Hardware/ Vehicles	4,669,899		4,669,899	B8
10.1	Certain Automobiles			0	B8
12	Computer Software	2,873,320		2,873,320	B8
13 <sub>1</sub>	Lease # 1			0	B8
13 <sub>2</sub>	Lease #2			0	B8
13 <sub>3</sub>	Lease # 3			0	B8
13 <sub>4</sub>	Lease # 4			0	B8
14	Franchise			0	B8
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs			0	B8
42	Fibre Optic Cable	287,834		287,834	B8
43.1	Certain Energy-Efficient Electrical Generating Equipment			0	B8
43.2	Certain Clean Energy Generation Equipment	0		0	B8
45	Computers & Systems Software acq'd post Mar 22/04	7,907		7,907	B8
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)			0	B8
47	Distribution System - post February 2005	425,251,380		425,251,380	B8
50	Data Network Infrastructure Equipment - post Mar 2007	2,983,989		2,983,989	B8
52	Computer Hardware and system software			0	B8
95	CWIP			0	B8
3	Building - pre 1988	8,730,589		8,730,589	
				0	
				0	
				0	
				0	
				0	
				0	
				0	
				0	
				0	
				0	
	SUB-TOTAL - UCC	714,966,480	0	714,966,480	



# Income Tax/PILs Workform for 2016 Filers

## Schedule 10 CEC - Historical Year

### Cumulative Eligible Capital

13,270,737

#### Additions

Cost of Eligible Capital Property Acquired during Test Year

376,655

Other Adjustments

0

Subtotal

376,655

 $\times 3/4 = 282,491$ 

Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday, December 20, 2002

0

 $\times 1/2 = 0$ 

282,491

282,491

Amount transferred on amalgamation or wind-up of subsidiary

0

0

Subtotal

13,553,228

#### Deductions

Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during Test Year

Other Adjustments

0

Subtotal

0

 $\times 3/4 =$ 

0

Cumulative Eligible Capital Balance

13,553,228

Current Year Deduction

13,553,228

 $\times 7\% =$ 

948,726

Cumulative Eligible Capital - Closing Balance

12,604,502

[B10](#)





# Income Tax/PILs Workform for 2016 Filers

## Schedule 13 Tax Reserves - Historical

### Continuity of Reserves

Description	Historical Balance as per tax returns	Non-Distribution Eliminations	Utility Only
Capital Gains Reserves ss.40(1)			0
<b>Tax Reserves Not Deducted for accounting purposes</b>			
Reserve for doubtful accounts ss. 20(1)(l)	3,227,504		3,227,504
Reserve for goods and services not delivered ss. 20(1)(m)			0
Reserve for unpaid amounts ss. 20(1)(n)			0
Debt & Share Issue Expenses ss. 20(1)(e)			0
Other tax reserves			0
			0
			0
			0
			0
<b>Total</b>	<b>3,227,504</b>	<b>0</b>	<b>3,227,504</b>
<b>Financial Statement Reserves (not deductible for Tax Purposes)</b>			
General Reserve for Inventory Obsolescence (non-specific)			0
General reserve for bad debts	3,828,062		3,828,062
Accrued Employee Future Benefits:			0
- Medical and Life Insurance			0
- Short & Long-term Disability			0
- Accumulated Sick Leave			0
- Termination Cost			0
- Other Post-Employment Benefits			0
Provision for Environmental Costs			0
Restructuring Costs			0
Accrued Contingent Litigation Costs			0
Accrued Self-Insurance Costs			0
Other Contingent Liabilities	1,543,242		1,543,242
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)			0
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)			0
Other			0
			0
			0
<b>Total</b>	<b>5,371,304</b>	<b>0</b>	<b>5,371,304</b>

[B13](#)



# Income Tax/PILs Workform for 2016 Filers

## PILS Tax Provision - Bridge Year

Regulatory Taxable Income

Combined Tax Rate and PILs

Effective Ontario Tax Rate  
Federal tax rate (Maximum 15%)  
Combined tax rate

11.50%  
15.00%

Total Income Taxes

Investment Tax Credits  
Miscellaneous Tax Credits

Total Tax Credits

Corporate PILs/Income Tax Provision for Bridge Year

### Wires Only

Reference

[B1](#)

\$ 10,806,045 A

B

C

26.50% D = B + C

calculated

\$ 2,863,602 E = A \* D

F

\$ 192,500 G

\$ 192,500 H = F + G

\$ 2,671,102 I = H + E

### Note:

1. This is for the derivation of Bridge year PILs income tax expense and should not be used for Test year revenue requirement calculations.



# Income Tax/PILs Workform for 2016 Filers

## Adjusted Taxable Income - Bridge Year

	T2S1 line #	Working Paper Reference	Total for Regulated Utility
Income before PILs/Taxes	A		31,971,974
<b>Additions:</b>			
Interest and penalties on taxes	103		5,000
Amortization of tangible assets	104		43,558,281
Amortization of intangible assets	106		
Recapture of capital cost allowance from Schedule 8	107		
Gain on sale of eligible capital property from Schedule 10	108		
Income or loss for tax purposes- joint ventures or partnerships	109		
Loss in equity of subsidiaries and affiliates	110		
Loss on disposal of assets	111		1,013,053
Charitable donations	112		
Taxable Capital Gains	113		
Political Donations	114		
Deferred and prepaid expenses	116		
Scientific research expenditures deducted on financial statements	118		
Capitalized interest	119		
Non-deductible club dues and fees	120		
Non-deductible meals and entertainment expense	121		75,000
Non-deductible automobile expenses	122		
Non-deductible life insurance premiums	123		
Non-deductible company pension plans	124		
Tax reserves deducted in prior year	125	B13	3,227,504
Reserves from financial statements- balance at end of year	126	B13	5,371,304
Soft costs on construction and renovation of buildings	127		
Book loss on joint ventures or partnerships	205		
Capital items expensed	206		
Debt issue expense	208		
Development expenses claimed in current year	212		
Financing fees deducted in books	216		
Gain on settlement of debt	220		
Non-deductible advertising	226		
Non-deductible interest	227		
Non-deductible legal and accounting fees	228		
Recapture of SR&ED expenditures	231		
Share issue expense	235		
Write down of capital property	236		
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237		



# Income Tax/PILs Workform for 2016 Filers

## Adjusted Taxable Income - Bridge Year

<b>Other Additions</b>			
Interest Expensed on Capital Leases	290		
Realized Income from Deferred Credit Accounts	291		
Pensions	292		600,000
Non-deductible penalties	293		
	294		
	295		
ARO Accretion expense			
Capital Contributions Received (ITA 12(1)(x))			
Lease Inducements Received (ITA 12(1)(x))			
Deferred Revenue (ITA 12(1)(a))			
Prior Year Investment Tax Credits received			
Current Year Investment Tax Credits Received			192,500
<b>Total Additions</b>			<b>54,042,642</b>
<b>Deductions:</b>			
Gain on disposal of assets per financial statements	401		
Dividends not taxable under section 83	402		
Capital cost allowance from Schedule 8	403	B8	65,124,596
Terminal loss from Schedule 8	404		
Cumulative eligible capital deduction from Schedule 10	405	B10	885,167
Allowable business investment loss	406		
Deferred and prepaid expenses	409		
Scientific research expenses claimed in year	411		
Tax reserves claimed in current year	413	B13	3,227,504
Reserves from financial statements - balance at beginning of year	414	B13	5,371,304
Contributions to deferred income plans	416		600,000
Book income of joint venture or partnership	305		
Equity in income from subsidiary or affiliates	306		
Other deductions: (Please explain in detail the nature of the item)			



# Income Tax/PILs Workform for 2016 Filers

## Adjusted Taxable Income - Bridge Year

Interest capitalized for accounting deducted for tax	390		
Capital Lease Payments	391		
Non-taxable imputed interest income on deferral and variance accounts	392		
	393		
	394		
ARO Payments - Deductible for Tax when Paid			
ITA 13(7.4) Election - Capital Contributions Received			
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds			
Deferred Revenue - ITA 20(1)(m) reserve			
Principal portion of lease payments			
Lease Inducement Book Amortization credit to income			
Financing fees for tax ITA 20(1)(e) and (e.1)			
<b>Total Deductions</b>		calculated	<b>75,208,570</b>
<b>Net Income for Tax Purposes</b>		calculated	<b>10,806,045</b>
Charitable donations from Schedule 2	311		
Taxable dividends deductible under section 112 or 113, from Schedule 3 (item 82)	320		
Non-capital losses of preceding taxation years from Schedule 4	331	B4	0
Net-capital losses of preceding taxation years from Schedule 4 (Please include explanation and calculation in Manager's summary)	332		
Limited partnership losses of preceding taxation years from Schedule 4	335		
<b>TAXABLE INCOME</b>		calculated	<b>10,806,045</b>



Ontario Energy Board

# Income Tax/PILs Workform for 2016 Filers

## Corporation Loss Continuity and Application

### Schedule 4 Loss Carry Forward - Bridge Year

Non-Capital Loss Carry Forward Deduction		Total
Actual Historical	<a href="#">H4</a>	0
Application of Loss Carry Forward to reduce taxable income in Bridge Year		
Other Adjustments Add (+) Deduct (-)	<a href="#">B1</a>	0
Balance available for use in Test Year	calculated	0
<b>Amount to be used in Bridge Year</b>	<a href="#">B1</a>	0
Balance available for use post Bridge Year	calculated	0

[T4](#)

Net Capital Loss Carry Forward Deduction		Total
Actual Historical	<a href="#">H4</a>	0
Application of Loss Carry Forward to reduce taxable income in Bridge Year		
Other Adjustments Add (+) Deduct (-)		
Balance available for use in Test Year	calculated	0
<b>Amount to be used in Bridge Year</b>		
Balance available for use post Bridge Year	calculated	0

[T4](#)

Class	Class Description	Working Paper Reference	UCC Regulated Historical Year	Additions	Disposals (Negative)	UCC Before 1/2 Yr Adjustment	1/2 Year Rule (1/2 Additions Less Disposals)	Reduced UCC	Rate %	Bridge Year CCA		UCC End of Bridge Year
1	Distribution System - post 1987	H8	\$ 177,991,944			\$ 177,991,944	\$ -	\$ 177,991,944	4%	\$ 7,119,678		\$ 170,872,266
1 Enhanced	Non-residential Buildings Reg. 1100(1)(a.1) election	H8	\$ 25,513,892	\$ 2,500,925		\$ 28,014,817	\$ 1,250,463	\$ 26,764,354	6%	\$ 1,605,861		\$ 26,408,955
2	Distribution System - pre 1988	H8	\$ 56,109,134			\$ 56,109,134	\$ -	\$ 56,109,134	6%	\$ 3,366,548		\$ 52,742,586
8	General Office/Stores Equip	H8	\$ 10,546,595	\$ 5,659,176		\$ 16,205,771	\$ 2,829,588	\$ 13,376,183	20%	\$ 2,675,237		\$ 13,530,534
10	Computer Hardware/ Vehicles	H8	\$ 4,669,899	\$ 1,035,059		\$ 5,704,958	\$ 517,530	\$ 5,187,428	30%	\$ 1,556,229		\$ 4,148,729
10.1	Certain Automobiles	H8				\$ -	\$ -	\$ -	30%	\$ -		\$ -
12	Computer Software	H8	\$ 2,873,320	\$ 14,487,488		\$ 17,360,808	\$ 7,243,744	\$ 10,117,064	100%	\$ 10,117,064		\$ 7,243,744
13 1	Lease # 1	H8				\$ -	\$ -	\$ -		\$ -		\$ -
13 2	Lease #2	H8				\$ -	\$ -	\$ -		\$ -		\$ -
13 3	Lease # 3	H8				\$ -	\$ -	\$ -		\$ -		\$ -
13 4	Lease # 4	H8				\$ -	\$ -	\$ -		\$ -		\$ -
14	Franchise	H8				\$ -	\$ -	\$ -		\$ -		\$ -
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs	H8				\$ -	\$ -	\$ -	8%	\$ -		\$ -
42	Fibre Optic Cable	H8	\$ 287,834			\$ 287,834	\$ -	\$ 287,834	12%	\$ 34,540		\$ 253,294
43.1	Certain Energy-Efficient Electrical Generating Equipment	H8				\$ -	\$ -	\$ -	30%	\$ -		\$ -
43.2	Certain Clean Energy Generation Equipment	H8	\$ -			\$ -	\$ -	\$ -	50%	\$ -		\$ -
45	Computers & Systems Software acq'd post Mar 22/04	H8	\$ 7,907			\$ 7,907	\$ -	\$ 7,907	45%	\$ 3,558		\$ 4,349
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	H8				\$ -	\$ -	\$ -	30%	\$ -		\$ -
47	Distribution System - post February 2005	H8	\$ 425,251,380	\$ 57,120,445		\$ 482,371,825	\$ 28,560,223	\$ 453,811,602	8%	\$ 36,304,928		\$ 446,066,896
50	Data Network Infrastructure Equipment - post Mar 2007	H8	\$ 2,983,989	\$ 957,202		\$ 3,941,191	\$ 478,601	\$ 3,462,590	55%	\$ 1,904,424		\$ 2,036,766
52	Computer Hardware and system software	H8				\$ -	\$ -	\$ -	100%	\$ -		\$ -
95	CWIP	H8				\$ -	\$ -	\$ -		\$ -		\$ -
3	Building - pre 1988		\$ 8,730,589			\$ 8,730,589	\$ -	\$ 8,730,589	5%	\$ 436,529		\$ 8,294,060
						\$ -	\$ -	\$ -	10%	\$ -		\$ -
						\$ -	\$ -	\$ -		\$ -		\$ -
						\$ -	\$ -	\$ -		\$ -		\$ -
						\$ -	\$ -	\$ -		\$ -		\$ -
						\$ -	\$ -	\$ -		\$ -		\$ -
						\$ -	\$ -	\$ -		\$ -		\$ -
						\$ -	\$ -	\$ -		\$ -		\$ -
						\$ -	\$ -	\$ -		\$ -		\$ -
						\$ -	\$ -	\$ -		\$ -		\$ -
						\$ -	\$ -	\$ -		\$ -		\$ -
						\$ -	\$ -	\$ -		\$ -		\$ -
	TOTAL		\$ 714,966,480	\$ 81,760,295	\$ -	\$ 796,726,775	\$ 40,880,148	\$ 755,846,628		\$ 65,124,596	B1	\$ 731,602,180



# Income Tax/PILs Workform for 2016 Filer

## Schedule 10 CEC - Bridge Year

### Cumulative Eligible Capital

Reference

[H10](#)**12,604,502**

#### Additions

Cost of Eligible Capital Property Acquired during Test Year

54,317

Other Adjustments

0

Subtotal

54,317

**x 3/4 = 40,738**

Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday, December 20, 2002

0

**x 1/2 = 0**

40,738

**40,738**

Amount transferred on amalgamation or wind-up of subsidiary

0

**0**

Subtotal

**12,645,240**

#### Deductions

Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during Test Year

Other Adjustments

0

Subtotal

0

**x 3/4 =****0**

Cumulative Eligible Capital Balance

**12,645,240**

Current Year Deduction

**12,645,240****x 7% =****885,167**

Cumulative Eligible Capital - Closing Balance

**11,760,073**



# Income Tax/PILs Workform for 2016 Filers

## Schedule 13 Tax Reserves - Bridge Year

### Continuity of Reserves

Description	Reference	Historical Utility Only	Eliminate Amounts Not Relevant for Bridge Year	Adjusted Utility Balance	Bridge Year Adjustments		Balance for Bridge Year	Change During the Year	Disallowed Expenses
					Additions	Disposals			
Capital Gains Reserves ss.40(1)	H13	0		0			0	T13	0
<b>Tax Reserves Not Deducted for accounting purposes</b>									
Reserve for doubtful accounts ss. 20(1)(l)	H13	3,227,504		3,227,504			3,227,504	T13	0
Reserve for goods and services not delivered ss. 20(1)(m)	H13	0		0			0	T13	0
Reserve for unpaid amounts ss. 20(1)(n)	H13	0		0			0	T13	0
Debt & Share Issue Expenses ss. 20(1)(e)	H13	0		0			0	T13	0
Other tax reserves	H13	0		0			0	T13	0
		0		0			0		0
		0		0			0		0
<b>Total</b>		3,227,504	0	3,227,504	B1	0	3,227,504	B1	0
<b>Financial Statement Reserves (not deductible for Tax Purposes)</b>									
General Reserve for Inventory Obsolescence (non-specific)	H13	0		0			0	T13	0
General reserve for bad debts	H13	3,828,062		3,828,062			3,828,062	T13	0
Accrued Employee Future Benefits:	H13	0		0			0	T13	0
- Medical and Life Insurance	H13	0		0			0	T13	0
- Short & Long-term Disability	H13	0		0			0	T13	0
- Accumulated Sick Leave	H13	0		0			0	T13	0
- Termination Cost	H13	0		0			0	T13	0
- Other Post-Employment Benefits	H13	0		0			0	T13	0
Provision for Environmental Costs	H13	0		0			0	T13	0
Restructuring Costs	H13	0		0			0	T13	0
Accrued Contingent Litigation Costs	H13	0		0			0	T13	0
Accrued Self-Insurance Costs	H13	0		0			0	T13	0
Other Contingent Liabilities	H13	1,543,242		1,543,242			1,543,242	T13	0
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)	H13	0		0			0	T13	0
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)	H13	0		0			0	T13	0
Other	H13	0		0			0	T13	0
		0		0			0		0
		0		0			0		0
<b>Total</b>		5,371,304	0	5,371,304	B1	0	5,371,304	B1	0

# Income Tax/PILs Workform for 2016 Filers

## PILs Tax Provision - Test Year

				Wires Only
<b>Regulatory Taxable Income</b>			<b>T1</b>	<b>\$ 14,082,285 A</b>
<b>Combined Tax Rate and PILs</b>	Ontario Tax Rate (Maximum 11.5%)	11.50%	<b>B</b>	
	Federal tax rate (Maximum 15%)	15.00%	<b>C</b>	
	Combined tax rate (Maximum 26.5%)			<b>26.50% D = B + C</b>
<b>Total Income Taxes</b>				<b>\$ 3,731,806 E = A * D</b>
Investment Tax Credits				<b>F</b>
Miscellaneous Tax Credits				<b>\$ 132,500 G</b>
<b>Total Tax Credits</b>				<b>\$ 132,500 H = F + G</b>
<b>Corporate PILs/Income Tax Provision for Test Year</b>				<b>\$ 3,599,306 I = H + E</b>
Corporate PILs/Income Tax Provision Gross Up <sup>1</sup>		73.50%	<b>J</b>	<b>\$ 1,297,709 K = J * I</b>
<b>Income Tax (grossed-up)</b>				<b>\$ 4,897,014 L = K + I</b>

### Note:

1. This is for the derivation of revenue requirement and should not be used for sufficiency/deficiency calculations.



# Income Tax/PILs Workform for 2016 Filers

## Taxable Income - Test Year

		Working Paper Reference	Test Year Taxable Income
<b>Net Income Before Taxes</b>		<u>A.</u>	33,556,335
	<b>T2 S1 line #</b>		
<b>Additions:</b>			
Interest and penalties on taxes	103		5,000
Amortization of tangible assets 2-4 ADJUSTED ACCOUNTING DATA P489	104		46,388,393
Amortization of intangible assets 2-4 ADJUSTED ACCOUNTING DATA P490	106		
Recapture of capital cost allowance from Schedule 8	107		
Gain on sale of eligible capital property from Schedule 10	108		
Income or loss for tax purposes- joint ventures or partnerships	109		
Loss in equity of subsidiaries and affiliates	110		
Loss on disposal of assets	111		1,013,053
Charitable donations	112		
Taxable Capital Gains	113		
Political Donations	114		
Deferred and prepaid expenses	116		
Scientific research expenditures deducted on financial statements	118		
Capitalized interest	119		
Non-deductible club dues and fees	120		
Non-deductible meals and entertainment expense	121		75,000
Non-deductible automobile expenses	122		
Non-deductible life insurance premiums	123		
Non-deductible company pension plans	124		
Tax reserves beginning of year	125	<u>T13</u>	3,227,504
Reserves from financial statements- balance at end of year	126	<u>T13</u>	5,371,304
Soft costs on construction and renovation of buildings	127		
Book loss on joint ventures or partnerships	205		
Capital items expensed	206		
Debt issue expense	208		
Development expenses claimed in current year	212		
Financing fees deducted in books	216		
Gain on settlement of debt	220		
Non-deductible advertising	226		
Non-deductible interest	227		
Non-deductible legal and accounting fees	228		
Recapture of SR&ED expenditures	231		
Share issue expense	235		
Write down of capital property	236		

Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237		
<i>Other Additions: (please explain in detail the nature of the item)</i>			
Interest Expensed on Capital Leases	290		
Realized Income from Deferred Credit Accounts	291		
Pensions	292		600,000
Non-deductible penalties	293		
	294		
	295		
	296		
	297		
ARO Accretion expense			
Capital Contributions Received (ITA 12(1)(x))			
Lease Inducements Received (ITA 12(1)(x))			
Deferred Revenue (ITA 12(1)(a))			
Prior Year Investment Tax Credits received			
Current Year Investment Tax Credits received			132,500
<b>Total Additions</b>			<b>56,812,754</b>
<b>Deductions:</b>			
Gain on disposal of assets per financial statements	401		
Dividends not taxable under section 83	402		
Capital cost allowance from Schedule 8	403	<u>I8</u>	66,246,978
Terminal loss from Schedule 8	404		
Cumulative eligible capital deduction from Schedule 10 CEC	405	<u>I10</u>	841,018
Allowable business investment loss	406		
Deferred and prepaid expenses	409		
Scientific research expenses claimed in year	411		
Tax reserves end of year	413	<u>I13</u>	3,227,504
Reserves from financial statements - balance at beginning of year	414	<u>I13</u>	5,371,304
Contributions to deferred income plans	416		600,000
Book income of joint venture or partnership	305		
Equity in income from subsidiary or affiliates	306		
<i>Other deductions: (Please explain in detail the nature of the item)</i>			
Interest capitalized for accounting deducted for tax	390		
Capital Lease Payments	391		

Non-taxable imputed interest income on deferral and variance accounts	392		
	393		
	394		
	395		
	396		
	397		
ARO Payments - Deductible for Tax when Paid			
ITA 13(7.4) Election - Capital Contributions Received			
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds			
Deferred Revenue - ITA 20(1)(m) reserve			
Principal portion of lease payments			
Lease Inducement Book Amortization credit to income			
Financing fees for tax ITA 20(1)(e) and (e.1)			
<b>Total Deductions</b>		calculated	<b>76,286,804</b>
<b>NET INCOME FOR TAX PURPOSES</b>		calculated	<b>14,082,285</b>
Charitable donations	311		
Taxable dividends received under section 112 or 113	320		
Non-capital losses of preceding taxation years from Schedule 7-1	331	T4	0
Net-capital losses of preceding taxation years (Please show calculation)	332		
Limited partnership losses of preceding taxation years from Schedule 4	335		
<b>REGULATORY TAXABLE INCOME</b>		calculated	<b>14,082,285</b>

T0



Ontario Energy Board

# Income Tax/PILs Workform for 2016 Filers

## Schedule 7-1 Loss Carry Forward - Test Year

### Corporation Loss Continuity and Application

	Working Paper Reference	Total	Non-Distribution Portion	Utility Balance
<b>Non-Capital Loss Carry Forward Deduction</b>				
Actual/Estimated Bridge Year	B4	0		0
				0
Other Adjustments Add (+) Deduct (-)	T1	0		0
Balance available for use in Test Year	calculated	0	0	0
<b>Amount to be used in Test Year</b>	T1	0		0
Balance available for use post Test Year	calculated	0	0	0

		Total	Non-Distribution Portion	Utility Balance
<b>Net Capital Loss Carry Forward Deduction</b>				
Actual/Estimated Bridge Year	B4	0		0
				0
Other Adjustments Add (+) Deduct (-)				0
Balance available for use in Test Year	calculated	0	0	0
<b>Amount to be used in Test Year</b>				0
Balance available for use post Test Year	calculated	0	0	0

Schedule 8 CCA - Test Year

Class	Class Description	Working Paper Reference	UCC Test Year Opening Balance	Additions	Disposals (Negative)	UCC Before 1/2 Yr Adjustment	1/2 Year Rule (1/2 Additions Less Disposals)	Reduced UCC	Rate %	Test Year CCA		UCC End of Test Year
1	Distribution System - post 1987	B8	\$ 170,872,266			\$ 170,872,266	\$ -	\$ 170,872,266	4%	\$ 6,834,891		\$ 164,037,376
1 Enhanced	Non-residential Buildings Reg. 1100(1)(a.1) election	B8	\$ 26,408,955	2,929,713		\$ 29,338,668	\$ 1,464,857	\$ 27,873,812	6%	\$ 1,672,429		\$ 27,666,240
2	Distribution System - pre 1988	B8	\$ 52,742,586			\$ 52,742,586	\$ -	\$ 52,742,586	6%	\$ 3,164,555		\$ 49,578,031
8	General Office/Stores Equip	B8	\$ 13,530,534	4,303,997		\$ 17,834,531	\$ 2,151,999	\$ 15,682,533	20%	\$ 3,136,507		\$ 14,696,025
10	Computer Hardware/ Vehicles	B8	\$ 4,148,729	1,451,508		\$ 5,600,237	\$ 725,754	\$ 4,874,483	30%	\$ 1,462,345		\$ 4,137,892
10.1	Certain Automobiles	B8	\$ -			\$ -	\$ -	\$ -	30%	\$ -		\$ -
12	Computer Software	B8	\$ 7,243,744	4,427,066		\$ 11,670,810	\$ 2,213,533	\$ 9,457,277	100%	\$ 9,457,277		\$ 2,213,533
13 1	Lease # 1	B8	\$ -			\$ -	\$ -	\$ -		\$ -		\$ -
13 2	Lease #2	B8	\$ -			\$ -	\$ -	\$ -		\$ -		\$ -
13 3	Lease # 3	B8	\$ -			\$ -	\$ -	\$ -		\$ -		\$ -
13 4	Lease # 4	B8	\$ -			\$ -	\$ -	\$ -		\$ -		\$ -
14	Franchise	B8	\$ -			\$ -	\$ -	\$ -		\$ -		\$ -
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than BI	B8	\$ -			\$ -	\$ -	\$ -	8%	\$ -		\$ -
42	Fibre Optic Cable	B8	\$ 253,294			\$ 253,294	\$ -	\$ 253,294	12%	\$ 30,395		\$ 222,898
43.1	Certain Energy-Efficient Electrical Generating Equipment	B8	\$ -			\$ -	\$ -	\$ -	30%	\$ -		\$ -
43.2	Certain Clean Energy Generation Equipment	B8	\$ -			\$ -	\$ -	\$ -	50%	\$ -		\$ -
45	Computers & Systems Software acq'd post Mar 22/04	B8	\$ 4,349			\$ 4,349	\$ -	\$ 4,349	45%	\$ 1,957		\$ 2,392
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	B8	\$ -			\$ -	\$ -	\$ -	30%	\$ -		\$ -
47	Distribution System - post February 2005	B8	\$ 446,066,896	74,671,869		\$ 520,738,765	\$ 37,335,935	\$ 483,402,831	8%	\$ 38,672,226		\$ 482,066,539
50	Data Network Infrastructure Equipment - post Mar 2007	B8	\$ 2,036,766	1,016,261		\$ 3,053,027	\$ 508,131	\$ 2,544,897	55%	\$ 1,399,693		\$ 1,653,334
52	Computer Hardware and system software	B8	\$ -			\$ -	\$ -	\$ -	100%	\$ -		\$ -
95	CWIP	B8	\$ -			\$ -	\$ -	\$ -	0%	\$ -		\$ -
3	Building - pre 1988		\$ 8,294,060			\$ 8,294,060	\$ -	\$ 8,294,060	5%	\$ 414,703		\$ 7,879,357
			\$ -			\$ -	\$ -	\$ -	10%	\$ -		\$ -
			\$ -			\$ -	\$ -	\$ -	0%	\$ -		\$ -
			\$ -			\$ -	\$ -	\$ -	0%	\$ -		\$ -
			\$ -			\$ -	\$ -	\$ -	0%	\$ -		\$ -
			\$ -			\$ -	\$ -	\$ -	0%	\$ -		\$ -
			\$ -			\$ -	\$ -	\$ -	0%	\$ -		\$ -
			\$ -			\$ -	\$ -	\$ -	0%	\$ -		\$ -
			\$ -			\$ -	\$ -	\$ -	0%	\$ -		\$ -
			\$ -			\$ -	\$ -	\$ -	0%	\$ -		\$ -
	TOTAL		\$ 731,602,180	\$ 88,800,414	\$ -	\$ 820,402,594	\$ 44,400,207	\$ 776,002,387		\$ 66,246,978	T1	\$ 754,155,616



# Income Tax/PILs Workform for 2016 Filers

## Schedule 10 CEC - Test Year

### Cumulative Eligible Capital

[B10](#) 11,760,073

#### Additions

Cost of Eligible Capital Property Acquired during Test Year

339,288

Other Adjustments

0

**Subtotal**

339,288

$\times \frac{3}{4} =$  254,466

Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday, December 20, 2002

0

$\times \frac{1}{2} =$  0

254,466

**254,466**

Amount transferred on amalgamation or wind-up of subsidiary

0

0

**Subtotal**

**12,014,539**

#### Deductions

Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during Test Year

0

Other Adjustments

0

**Subtotal**

0

$\times \frac{3}{4} =$

0

**Cumulative Eligible Capital Balance**

**12,014,539**

**Current Year Deduction (Carry Forward to Tab "Test Year Taxable Income")**

12,014,539

$\times 7\% =$

**841,018**

**Cumulative Eligible Capital - Closing Balance**

**11,173,522**



# Income Tax/PILs Workform for 2016 Filers

## Schedule 13 Tax Reserves - Test Year

### Continuity of Reserves

Description	Working Paper Reference	Bridge Year	Eliminate Amounts Not Relevant for Bridge Year	Adjusted Utility Balance	Test Year Adjustments		Balance for Test Year	Change During the Year	Disallowed Expenses
					Additions	Disposals			
Capital Gains Reserves ss.40(1)	B13	0		0			0	0	
<b>Tax Reserves Not Deducted for accounting purposes</b>									
Reserve for doubtful accounts ss. 20(1)(l)	B13	3,227,504		3,227,504	0	0	3,227,504	0	
Reserve for goods and services not delivered ss. 20(1)(m)	B13	0		0			0	0	
Reserve for unpaid amounts ss. 20(1)(n)	B13	0		0			0	0	
Debt & Share Issue Expenses ss. 20(1)(e)	B13	0		0			0	0	
Other tax reserves	B13	0		0			0	0	
		0		0			0	0	
		0		0			0	0	
<b>Total</b>		3,227,504	0	3,227,504	T1	0	3,227,504	T1	0
<b>Financial Statement Reserves (not deductible for Tax Purposes)</b>									
General Reserve for Inventory Obsolescence (non-specific)	B13	0		0			0	0	
General reserve for bad debts	B13	3,828,062		3,828,062			3,828,062	0	
Accrued Employee Future Benefits:	B13	0		0			0	0	
- Medical and Life Insurance	B13	0		0			0	0	
- Short & Long-term Disability	B13	0		0			0	0	
- Accumulated Sick Leave	B13	0		0			0	0	
- Termination Cost	B13	0		0			0	0	
- Other Post-Employment Benefits	B13	0		0			0	0	
Provision for Environmental Costs	B13	0		0			0	0	
Restructuring Costs	B13	0		0			0	0	
Accrued Contingent Litigation Costs	B13	0		0			0	0	
Accrued Self-Insurance Costs	B13	0		0			0	0	
Other Contingent Liabilities	B13	1,543,242		1,543,242			1,543,242	0	
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)	B13	0		0			0	0	
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)	B13	0		0			0	0	
Other	B13	0		0			0	0	
		0		0			0	0	
		0		0			0	0	
<b>Total</b>		5,371,304	0	5,371,304	T1	0	5,371,304	T1	0

## **COST OF CAPITAL AND CAPITAL STRUCTURE**

### **1.0 CAPITAL STRUCTURE**

Hydro Ottawa's capital structure is set in accordance with the OEB guidelines provided in the *Report of the Board on Cost of Capital for Ontario's Regulated Utilities*, issued on December 11, 2009. Hydro Ottawa targets a 60:40 debt to equity range. The 60% debt component is made up of 56% long-term debt and 4% short-term debt.

As part of the Approved Settlement Agreement, Parties accepted "the reasonableness of Hydro Ottawa's proposals as originally set out in its pre-filed evidence and modified and enhanced in the Settlement Agreement."<sup>1</sup>

The Parties also agreed that if the OEB changed its policy governing cost of capital parameters during Hydro Ottawa's Custom IR term, including any changes made in respect of deemed capital structure, Hydro Ottawa would follow any mandated direction given by the OEB with respect to implementation of such changes during the Custom IR period. No such changes have been mandated.

The incorporation of the Approved Settlement Agreement in Hydro Ottawa's proposed 2018 rates is described below.

#### **1.1 Short-Term Debt**

As per the Approved Settlement Agreement, the short-term rate incorporated in 2018 rates is 2.16%. Hydro Ottawa's intention in maintaining the rate for a three-year period, ending December 31, 2018, is to provide regulatory efficiency and rate stability.

---

<sup>1</sup> Approved Settlement Agreement, p. 23.

## 1.2 Long-Term Debt

As per the Approved Settlement Agreement, the Parties agreed that the long-term rate would be set for the period 2016 to 2018. The forecast rates for 2019 and 2020 would be re-set in 2018 using the new consensus long term forecast, to be issued in October 2018. The long-term rate incorporated in 2018 rates is 3.649%. Hydro Ottawa's intention in setting rates for a three-year period, ending December 31, 2018, is to provide regulatory efficiency and rate stability.

Table 1 reflects the long-term interest rates per the Approved Settlement Agreement. As noted above, the rates for 2019 and 2020 will be adjusted in 2018.

**Table 1 – Long Term Interest**

	2016	2017	2018	2019	2020
<b>Long Term Interest</b>	3.528%	3.585%	<b>3.649%</b>	3.717%	3.747%

## 2.0 RETURN ON EQUITY ("ROE")

Per the Approved Settlement Agreement, 2018 proposed rates use the deemed ROE for 2016 Cost of Service applications of 9.19%, as communicated through the October 15, 2015 Cost of Capital Parameters letter from the OEB. The Parties agreed that the ROE rate of 9.19% would be used for the three years beginning in 2016 and ending in 2018. In 2018, Hydro Ottawa will update its cost of capital for 2019 and 2020 using the applicable level of ROE for electricity distributors established by the OEB.

## CALCULATION OF REVENUE DEFICIENCY OR SUFFICIENCY

### 1.0 INTRODUCTION

This Exhibit provides a summary of the revenue requirement approved as part of the Approved Settlement Agreement and Pole Attachment Decision. The period 2016 to 2018 has been set for the three years, while 2019 and 2020 will be adjusted as part of Hydro Ottawa's annual rate adjustment application to be filed in 2018. The 2019 and 2020 adjustments are described in the relevant Exhibits and are not discussed within this Exhibit.

Hydro Ottawa's total Service Revenue Requirement is offset by revenues obtained by sources other than distribution rates – i.e. other revenue. The calculation of the revenue deficiency/sufficiency does not include the recovery of Deferral and Variance Accounts or Low Voltage Charges. As directed in Chapter 2 of the *Filing Requirements for Electricity Distribution Rate Applications*, costs and revenues related to the cost of power are kept separate from the determination of the distribution revenue deficiency/sufficiency.

The revenue deficiency/sufficiency for 2016 through 2020 is calculated using the following inputs:

- 2015 approved rates;
- 2016 through 2020 approved load forecast and forecast of customers and connections, as developed using the methodology described in Exhibit 3-1-1; and
- 2016 through 2020 base revenue requirement, calculated as shown in Table 1 below (more details for the 2018 year can be found in the Revenue Requirement Workform attached to this Exhibit, Attachment 6-1-A 2018 Revenue Requirement Workform).

The revenue deficiency/sufficiency is determined by calculating what the revenue would have been with 2015 rates and the forecasted 2016 through 2020 load and customer

1 numbers. As a result, revenue deficiency in Table 1 and the Revenue Requirement  
2 Workform produce a cumulative revenue requirement rather than a year-over-year  
3 revenue requirement based on the previous year's proposed rates. Hydro Ottawa  
4 continues to compile the analysis in this manner in order to provide a stable base for  
5 comparison to its Custom IR Application. In Table 1, a year-over-year revenue  
6 deficiency has also been provided based on 2015 rates.

7  
8 Hydro Ottawa has made one modification to the 2018 Revenue Requirement Workform.  
9 The modification involved removal of the max formula in cells F34 and N34 Income Tax  
10 on Taxable Income, on Tab "8. Rev\_Def\_Suff". By removing the max formula, this  
11 allows a negative amount to be populated in the cell. The amounts in these cells flow  
12 into multiple calculations on Tab "8. Rev\_Def\_Suff", one of which is Gross Revenue  
13 Deficiency/(Sufficiency). Although this is a presentation issue on this tab alone and does  
14 not drive the rate calculations on Tab "12. Res\_Rate\_Design", Hydro Ottawa made this  
15 change in order to have Gross Revenue Deficiency/(Sufficiency) match what Hydro  
16 Ottawa's Revenue Deficiency/(Sufficiency) is for 2018, as well as what is presented in  
17 this Exhibit. In addition, this modification ensures that Gross Revenue  
18 Deficiency/(Sufficiency) is similarly presented on all tabs within the Revenue  
19 Requirement Workform.

1

**Table 1 – Revenue Sufficiency/Deficiency<sup>1</sup>**

	\$000 2016	\$000 2017	<b>\$000 2018</b>	\$000 2019	\$000 2020
Return on Rate Base	47,805	50,185	52,999	54,706	57,072
Distribution Expenses (not including amortization)	83,106	84,693	86,311	87,959	89,639
Amortization	40,379	43,558	46,388	48,158	49,384
Payment in Lieu of Taxes	3,755	3,634	4,897	7,197	6,238
<b>Service Revenue Requirement</b>	175,045	182,070	<b>190,594</b>	198,020	202,332
Less Revenue Offsets:					
Per Approved Settlement	11,697	11,563	11,719	11,799	11,895
Adjustment per Pole Attachment Decision	(225)	(225)	(282)	(282)	(282)
<b>Base Revenue Requirement</b>	163,573	170,733	<b>179,157</b>	186,502	190,718
Transformer Ownership Allowance	1,125	1,114	1,109	1,106	1,105
<b>Revenue Requirement from Rates</b>	164,698	171,847	<b>180,266</b>	187,609	191,824
Forecasted Load at 2015 Rates	159,360	158,986	159,421	159,977	160,464
<b>Cumulative Revenue Deficiency (over 2015)</b>	(5,338)	(12,861)	<b>(20,845)</b>	(27,632)	(31,360)
<b>Yearly Revenue Deficiency over 2015</b>	(5,338)	(7,523)	<b>(7,984)</b>	(6,787)	(3,728)

2

<sup>1</sup> As noted, some adjustments will occur related to 2019 and 2020 as part of Hydro Ottawa's annual rate adjustment application to be filed in 2018. As a result, not all inputs are set, and Revenue Deficiency for 2019 and 2020 are not final approved numbers.



Ontario Energy Board

# Revenue Requirement Workform (RRWF) for 2018 Filers

## Data Input <sup>(1)</sup>

	Initial Application <sup>(2)</sup>		<sup>(6)</sup>	Per Board Decision
<b>1 Rate Base</b>				
Gross Fixed Assets (average)	\$1,006,329,396 (10)		\$ 1,006,329,396	\$1,006,329,396
Accumulated Depreciation (average)	(\$175,362,686) <sup>(5)</sup>		(\$175,362,686)	(\$175,362,686)
<b>Allowance for Working Capital:</b>				
Controllable Expenses	\$86,310,514 (10)		\$ 86,310,514	\$86,310,514
Cost of Power	\$947,558,773 (10)		\$ 947,558,773	\$947,558,773
Working Capital Rate (%)	7.92% <sup>(9)</sup>			7.92% <sup>(9)</sup>
<b>2 Utility Income</b>				
Operating Revenues:				
Distribution Revenue at Current Rates	\$158,312,045 (11)			\$158,312,045
Distribution Revenue at Proposed Rates	\$179,156,727 (12)			\$179,156,727
<b>Other Revenue:</b>				
Specific Service Charges	\$5,730,697 (12)			\$5,730,697
Late Payment Charges	\$720,000 (10)			\$720,000
Other Distribution Revenue	\$1,469,736 (10)			\$1,469,736
Other Income and Deductions	\$3,517,323 (10)			\$3,517,323
Total Revenue Offsets	\$11,437,756 <sup>(7)</sup>			\$11,437,756
<b>Operating Expenses:</b>				
OM+A Expenses	\$84,084,971 (10)		\$ 84,084,971	\$84,084,971
Depreciation/Amortization	\$46,388,393 (10)		\$ 46,388,393	\$46,388,393
Property taxes	\$2,225,544 (10)		\$ 2,225,544	\$2,225,544
Other expenses				
<b>3 Taxes/PILs</b>				
Taxable Income:				
Adjustments required to arrive at taxable income	(\$19,474,050) <sup>(3)</sup>			(\$19,474,050)
<b>Utility Income Taxes and Rates:</b>				
Income taxes (not grossed up)	\$3,599,306 (10)			\$3,599,306
Income taxes (grossed up)	\$4,897,015			\$4,897,015
Federal tax (%)	15.00% (10)			15.00%
Provincial tax (%)	11.50% (10)			11.50%
Income Tax Credits	(\$132,500) (10)			(\$132,500)
<b>4 Capitalization/Cost of Capital</b>				
<b>Capital Structure:</b>				
Long-term debt Capitalization Ratio (%)	56.0% (10)			56.0% <sup>(8)</sup>
Short-term debt Capitalization Ratio (%)	4.0% <sup>(8)</sup>			4.0% <sup>(8)</sup>
Common Equity Capitalization Ratio (%)	40.0% (10)			40.0%
Preferred Shares Capitalization Ratio (%)				
	100.0%			100.0%
<b>Cost of Capital</b>				
Long-term debt Cost Rate (%)	3.65% (10)			3.65%
Short-term debt Cost Rate (%)	2.16% (10)			2.16%
Common Equity Cost Rate (%)	9.19% (10)			9.19%
Preferred Shares Cost Rate (%)				

## Notes:

- General** Data inputs are required on Sheets 3. Data from Sheet 3 will automatically complete calculations on sheets 4 through 9 (Rate Base through Revenue Requirement). Sheets 4 through 9 do not require any inputs except for notes that the Applicant may wish to enter to support the results. Pale green cells are available on sheets 4 through 9 to enter both footnotes beside key cells and the related text for the notes at the bottom of each sheet.
- (1) All inputs are in dollars (\$) except where inputs are individually identified as percentages (%)
- (2) Data in column E is for Application as originally filed. For updated revenue requirement as a result of interrogatory responses, technical or settlement conferences, etc., use column M and Adjustments in column I
- (3) Net of addbacks and deductions to arrive at taxable income.
- (4) Average of Gross Fixed Assets at beginning and end of the Test Year
- (5) Average of Accumulated Depreciation at the beginning and end of the Test Year. Enter as a negative amount.
- (6) Select option from drop-down list by clicking on cell M10. This column allows for the application update reflecting the end of discovery or Argument-in-Chief. Also, the outcome of any Settlement Process can be reflected.
- (7) Input total revenue offsets for deriving the base revenue requirement from the service revenue requirement
- (8) 4.0% unless an Applicant has proposed or been approved for another amount.
- (9) The default Working Capital Allowance factor is 7.5% (of Cost of Power plus controllable expenses), per the letter issued by the Board on June 3, 2015. Alternatively, a WCA factor based on lead-lag study, with supporting rationale could be provided.
- (10) Per Approved Settlement Agreement
- (11) Per Approved Settlement Agreement - Revenue at current rates minus Transformer Ownership Allowance
- (12) Adjusted per Pole Attachment Decision



Ontario Energy Board

# Revenue Requirement Workform (RRWF) for 2018 Filers

## Rate Base and Working Capital

Line No.	Particulars	Initial Application				Per Board Decision
1	Gross Fixed Assets (average) <sup>(2)</sup>	\$1,006,329,396	\$ -	\$1,006,329,396	\$ -	\$1,006,329,396
2	Accumulated Depreciation (average) <sup>(2)</sup>	(\$175,362,686)	\$ -	(\$175,362,686)	\$ -	(\$175,362,686)
3	Net Fixed Assets (average) <sup>(2)</sup>	\$830,966,710	\$ -	\$830,966,710	\$ -	\$830,966,710
4	Allowance for Working Capital <sup>(1)</sup>	\$81,882,448	(\$81,882,448)	\$ -	\$81,882,448	\$81,882,448
5	<b>Total Rate Base</b>	<b>\$912,849,158</b>	<b>(\$81,882,448)</b>	<b>\$830,966,710</b>	<b>\$81,882,448</b>	<b>\$912,849,158</b>

### (1) Allowance for Working Capital - Derivation

6	Controllable Expenses	\$86,310,514	\$ -	\$86,310,514	\$ -	\$86,310,514
7	Cost of Power	\$947,558,773	\$ -	\$947,558,773	\$ -	\$947,558,773
8	Working Capital Base	\$1,033,869,287	\$ -	\$1,033,869,287	\$ -	\$1,033,869,287
9	Working Capital Rate % <sup>(1)</sup>	7.92%	-7.92%	0.00%	7.92%	7.92%
10	Working Capital Allowance	\$81,882,448	(\$81,882,448)	\$ -	\$81,882,448	\$81,882,448

#### Notes

(1) Some Applicants may have a unique rate as a result of a lead-lag study. The default rate for 2018 cost of service applications is 7.5%, per the letter issued by the Board on June 3, 2015.

(2) Average of opening and closing balances for the year.





Ontario Energy Board

# Revenue Requirement Workform (RRWF) for 2018 Filers

## Utility Income

Line No.	Particulars	Initial Application					Per Board Decision
<b>Operating Revenues:</b>							
1	Distribution Revenue (at Proposed Rates)	\$179,156,727		(\$179,156,727)		\$ -	\$179,156,727
2	Other Revenue <sup>(1)</sup>	\$11,437,756		(\$11,437,756)		\$ -	\$11,437,756
3	Total Operating Revenues	\$190,594,483		(\$190,594,483)		\$ -	\$190,594,483
<b>Operating Expenses:</b>							
4	OM+A Expenses	\$84,084,971		\$ -		\$84,084,971	\$ -
5	Depreciation/Amortization	\$46,388,393		\$ -		\$46,388,393	\$ -
6	Property taxes	\$2,225,544		\$ -		\$2,225,544	\$ -
7	Capital taxes	\$ -		\$ -		\$ -	\$ -
8	Other expense	\$ -		\$ -		\$ -	\$ -
9	Subtotal (lines 4 to 8)	\$132,698,908		\$ -		\$132,698,908	\$ -
10	Deemed Interest Expense	\$19,442,226		(\$19,442,226)		\$ -	\$19,442,226
11	Total Expenses (lines 9 to 10)	\$152,141,134		(\$19,442,226)		\$132,698,908	\$19,442,226
12	Utility income before income taxes	\$38,453,349		(\$171,152,257)		(\$132,698,908)	\$171,152,257
13	Income taxes (grossed-up)	\$4,897,015		\$ -		\$4,897,015	\$ -
14	Utility net income	\$33,556,334		(\$171,152,257)		(\$137,595,923)	\$171,152,257

## Notes

### Other Revenues / Revenue Offsets

<sup>(1)</sup>	Specific Service Charges	\$5,730,697				\$ -		\$5,730,697
	Late Payment Charges	\$720,000				\$ -		\$720,000
	Other Distribution Revenue	\$1,469,736				\$ -		\$1,469,736
	Other Income and Deductions	\$3,517,323				\$ -		\$3,517,323
	Total Revenue Offsets	\$11,437,756		\$ -		\$ -		\$ -



Ontario Energy Board

# Revenue Requirement Workform (RRWF) for 2018 Filers

## Taxes/PILs

Line No.	Particulars	Application				Per Board Decision	
<u>Determination of Taxable Income</u>							
1	Utility net income before taxes	\$33,556,335		\$ -		\$33,556,335	
2	Adjustments required to arrive at taxable utility income	(\$19,474,050)		\$ -		(\$19,474,050)	
3	Taxable income	<u>\$14,082,285</u>		<u>\$ -</u>		<u>\$14,082,285</u>	
<u>Calculation of Utility income Taxes</u>							
4	Income taxes	<u>\$3,599,306</u>		<u>\$3,599,306</u>		<u>\$3,599,306</u>	
6	Total taxes	<u>\$3,599,306</u>		<u>\$3,599,306</u>		<u>\$3,599,306</u>	
7	Gross-up of Income Taxes	<u>\$1,297,709</u>		<u>\$1,297,709</u>		<u>\$1,297,709</u>	
8	Grossed-up Income Taxes	<u>\$4,897,015</u>		<u>\$4,897,015</u>		<u>\$4,897,015</u>	
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	<u>\$4,897,015</u>		<u>\$4,897,015</u>		<u>\$4,897,015</u>	
10	Other tax Credits	(\$132,500)		(\$132,500)		(\$132,500)	
<u>Tax Rates</u>							
11	Federal tax (%)	15.00%		15.00%		15.00%	
12	Provincial tax (%)	11.50%		11.50%		11.50%	
13	Total tax rate (%)	26.50%		26.50%		26.50%	

## Notes



Ontario Energy Board

# Revenue Requirement Workform (RRWF) for 2018 Filers

## Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		Initial Application			
		(%)	(\$)	(%)	(\$)
	<b>Debt</b>				
1	Long-term Debt	56.00%	\$511,195,528	3.65%	\$18,653,525
2	Short-term Debt	4.00%	\$36,513,966	2.16%	\$788,702
3	<b>Total Debt</b>	60.00%	\$547,709,495	3.55%	\$19,442,226
	<b>Equity</b>				
4	Common Equity	40.00%	\$365,139,663	9.19%	\$33,556,335
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	<b>Total Equity</b>	40.00%	\$365,139,663	9.19%	\$33,556,335
7	<b>Total</b>	100.00%	\$912,849,158	5.81%	\$52,998,562
		Per Board Decision			
		(%)	(\$)	(%)	(\$)
	<b>Debt</b>				
1	Long-term Debt	0.00%	\$ -	0.00%	\$ -
2	Short-term Debt	0.00%	\$ -	0.00%	\$ -
3	<b>Total Debt</b>	0.00%	\$ -	0.00%	\$ -
	<b>Equity</b>				
4	Common Equity	0.00%	\$ -	0.00%	\$ -
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	<b>Total Equity</b>	0.00%	\$ -	0.00%	\$ -
7	<b>Total</b>	0.00%	\$830,966,710	0.00%	\$ -
		Per Board Decision			
		(%)	(\$)	(%)	(\$)
	<b>Debt</b>				
8	Long-term Debt	56.00%	\$511,195,528	3.65%	\$18,653,525
9	Short-term Debt	4.00%	\$36,513,966	2.16%	\$788,702
10	<b>Total Debt</b>	60.00%	\$547,709,495	3.55%	\$19,442,226
	<b>Equity</b>				
11	Common Equity	40.00%	\$365,139,663	9.19%	\$33,556,335
12	Preferred Shares	0.00%	\$ -	0.00%	\$ -
13	<b>Total Equity</b>	40.00%	\$365,139,663	9.19%	\$33,556,335
14	<b>Total</b>	100.00%	\$912,849,158	5.81%	\$52,998,562

## Notes



Ontario Energy Board

# Revenue Requirement Workform (RRWF) for 2018 Filers

## Revenue Deficiency/Sufficiency

Line No.	Particulars	Initial Application		Per Board Decision	
		At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		\$20,844,683		(\$32,814,665)
2	Distribution Revenue	\$158,312,045	\$158,312,044	\$158,312,045	\$211,971,392
3	Other Operating Revenue	\$11,437,756	\$11,437,756	\$ -	\$ -
4	<b>Total Revenue</b>	<b>\$169,749,801</b>	<b>\$190,594,483</b>	<b>\$158,312,045</b>	<b>\$179,156,727</b>
5	Operating Expenses	\$132,698,908	\$132,698,908	\$132,698,908	\$132,698,908
6	Deemed Interest Expense	\$19,442,226	\$19,442,226	\$ -	\$ -
8	<b>Total Cost and Expenses</b>	<b>\$152,141,134</b>	<b>\$152,141,134</b>	<b>\$132,698,908</b>	<b>\$132,698,908</b>
9	<b>Utility Income Before Income Taxes</b>	<b>\$17,608,667</b>	<b>\$38,453,349</b>	<b>\$25,613,137</b>	<b>\$46,457,819</b>
10	Tax Adjustments to Accounting Income per 2013 PILs model	(\$19,474,050)	(\$19,474,050)	(\$19,474,050)	(\$19,474,050)
11	<b>Taxable Income</b>	<b>(\$1,865,383)</b>	<b>\$18,979,299</b>	<b>\$6,139,087</b>	<b>\$26,983,769</b>
12	Income Tax Rate	26.50%	26.50%	26.50%	26.50%
13	<b>Income Tax on Taxable Income</b>	<b>(\$494,327)</b>	<b>\$5,029,514</b>	<b>\$1,626,858</b>	<b>\$7,150,699</b>
14	<b>Income Tax Credits</b>	<b>(\$132,500)</b>	<b>(\$132,500)</b>	<b>(\$132,500)</b>	<b>(\$132,500)</b>
15	<b>Utility Net Income</b>	<b>\$18,235,493</b>	<b>\$33,556,334</b>	<b>\$24,118,779</b>	<b>(\$137,595,923)</b>
16	<b>Utility Rate Base</b>	<b>\$912,849,158</b>	<b>\$912,849,158</b>	<b>\$830,966,710</b>	<b>\$830,966,710</b>
17	Deemed Equity Portion of Rate Base	\$365,139,663	\$365,139,663	\$ -	\$ -
18	Income/(Equity Portion of Rate Base)	4.99%	9.19%	0.00%	0.00%
19	Target Return - Equity on Rate Base	9.19%	9.19%	0.00%	0.00%
20	Deficiency/Sufficiency in Return on Equity	-4.20%	0.00%	0.00%	0.00%
21	Indicated Rate of Return	4.13%	5.81%	2.90%	0.00%
22	Requested Rate of Return on Rate Base	5.81%	5.81%	0.00%	0.00%
23	Deficiency/Sufficiency in Rate of Return	-1.68%	0.00%	2.90%	0.00%
24	Target Return on Equity	\$33,556,335	\$33,556,335	\$ -	\$ -
25	Revenue Deficiency/(Sufficiency)	\$15,320,842	(\$1)	(\$24,118,779)	\$ -
26	<b>Gross Revenue Deficiency/(Sufficiency)</b>	<b>\$20,844,683 <sup>(1)</sup></b>		<b>(\$32,814,665) <sup>(1)</sup></b>	

### Notes:

<sup>(1)</sup> Revenue Deficiency/Sufficiency divided by (1 - Tax Rate)



Ontario Energy Board

# Revenue Requirement Workform (RRWF) for 2018 Filers

## Revenue Requirement

Line No.	Particulars	Application				Per Board Decision	
1	OM&A Expenses	\$84,084,971		\$84,084,971		\$84,084,971	
2	Amortization/Depreciation	\$46,388,393		\$46,388,393		\$46,388,393	
3	Property Taxes	\$2,225,544		\$2,225,544		\$2,225,544	
5	Income Taxes (Grossed up)	\$4,897,015		\$4,897,015		\$4,897,015	
6	Other Expenses	\$ -		\$ -		\$ -	
7	Return						
	Deemed Interest Expense	\$19,442,226		\$ -		\$19,442,226	
	Return on Deemed Equity	\$33,556,335		\$ -		\$33,556,335	
8	<b>Service Revenue Requirement (before Revenues)</b>	<u>\$190,594,484</u>		<u>\$137,595,923</u>		<u>\$190,594,484</u>	
9	Revenue Offsets	\$11,437,756		\$ -		\$11,437,756	
10	<b>Base Revenue Requirement (excluding Tranformer Owership Allowance credit adjustment)</b>	<u>\$179,156,728</u>		<u>\$137,595,923</u>		<u>\$179,156,728</u>	
11	Distribution revenue	\$179,156,727		\$ -		\$179,156,727	
12	Other revenue	\$11,437,756		\$ -		\$11,437,756	
13	<b>Total revenue</b>	<u>\$190,594,483</u>		<u>\$ -</u>		<u>\$190,594,483</u>	
14	<b>Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)</b>	<u>(\$1)</u>	<sup>(1)</sup>	<u>(\$137,595,923)</u>	<sup>(1)</sup>	<u>(\$1)</u>	<sup>(1)</sup>

## Summary Table of Revenue Requirement and Revenue Deficiency/Sufficiency

	Application		Δ% <sup>(2)</sup>	Per Board Decision	Δ% (2)
<b>Service Revenue Requirement</b>	\$190,594,484	\$137,595,923	(\$0)	\$190,594,484	(\$1)
<b>Grossed-Up Revenue</b>					
<b>Deficiency/(Sufficiency)</b>	\$20,844,683	(\$32,814,665)	(\$3)	\$20,844,683	(\$1)
<b>Base Revenue Requirement (to be recovered from Distribution Rates)</b>	\$179,156,728	\$137,595,923	(\$0)	\$179,156,728	(\$1)
<b>Revenue Deficiency/(Sufficiency) Associated with Base Revenue Requirement</b>	\$20,844,682	\$ -	(\$1)	\$20,844,682	(\$1)

### Notes

<sup>(1)</sup> Line 11 - Line 8

<sup>(2)</sup> Percentage Change Relative to Initial Application



Ontario Energy Board

# Revenue Requirement Workform (RRWF) for 2018 Filers

## Load Forecast Summary

This spreadsheet provides a summary of the customer and load forecast on which the test year revenue requirement is derived. The amounts serve as the denominators for deriving the rates to recover the test year revenue requirement for purposes of this RRWF.

The information to be input is inclusive of any adjustments to kWh and kW to reflect the impacts of CDM programs up to and including CDM programs planned to be executed in the test year. i.e., the load forecast adjustments determined in **Appendix 2-I** should be incorporated into the entries. The inputs should correspond with the summary of the Load Forecast for the Test Year in **Appendix 2-IB** and in Exhibit 3 of the application.

**Appendix 2-IB** is still required to be filled out, as it also provides a year-over-year variance analysis of demand growth and trends from historical actuals to the Bridge and Test Year forecasts.

Stage in Process:		Per Board Decision			Per Board Decision		
Customer Class		Initial Application			Per Board Decision		
Input the name of each customer class.		Customer / Connections	kWh	kW/kVA <sup>(1)</sup>	Customer / Connections	kWh	kW/kVA <sup>(1)</sup>
		Test Year average or mid-year	Annual	Annual	Test Year average or mid-year	Annual	Annual
1	Residential	305,144	2,206,411,000		305,144	2,206,411,000	
2	GS < 50 kW	24,739	709,791,000		24,739	709,791,000	
3	GS > 50 to 1,499 kW	3,351	2,875,422,000	6,824,350	3,351	2,875,422,000	6,824,350
4	GS > 1,500 to 4,999 kW	76	895,369,000	1,916,044	76	895,369,000	1,916,044
5	Large Use	11	618,467,000	1,118,300	11	618,467,000	1,118,300
6	Street Lighting	55,516	43,765,000	123,144	55,516	43,765,000	123,144
7	Sentinel Lighting	47	48,000	216	47	48,000	216
8	Unmetered Scattered Load	3,573	16,731,000		3,573	16,731,000	
9	Standby Power	2		4,800	2		4,800
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
Total			7,366,004,000	9,986,854		7,366,004,000	9,986,854

### Notes:

<sup>(1)</sup> Input kW or kVA for those customer classes for which billing is based on demand (kW or kVA) versus energy consumption (kWh)



Ontario Energy Board

# Revenue Requirement Workform (RRWF) for 2018 Filers

## Cost Allocation and Rate Design

This spreadsheet replaces **Appendix 2-P** and provides a summary of the results from the Cost Allocation spreadsheet, and is used in the determination of the class revenue requirement and, hence, ultimately, the determination of rates from customers in all classes to recover the revenue requirement.

Stage in Application Process: *Per Board Decision*

### A) Allocated Costs

Name of Customer Class <sup>(3)</sup>	Costs Allocated from Previous Study <sup>(1)</sup>	%	Allocated Class Revenue Requirement <sup>(1)</sup>	%
From Sheet 10. Load Forecast				
(7A)				
1 Residential	\$ 97,768,668	53.70%	\$ 102,127,860	53.58%
2 GS < 50 kW	\$ 19,137,880	10.51%	\$ 19,884,273	10.43%
3 GS > 50 to 1,499 kW	\$ 44,595,687	24.49%	\$ 46,595,749	24.45%
4 GS > 1,500 to 4,999 kW	\$ 11,181,234	6.14%	\$ 12,062,810	6.33%
5 Large Use	\$ 7,209,183	3.96%	\$ 7,625,911	4.00%
6 Street Lighting	\$ 1,611,209	0.88%	\$ 1,703,872	0.89%
7 Sentinel Lighting	\$ 8,143	0.00%	\$ 7,725	0.00%
8 Unmetered Scattered Load	\$ 495,688	0.27%	\$ 520,089	0.27%
9 Standby Power	\$ 62,141	0.03%	\$ 66,193	0.03%
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
<b>Total</b>	<b>\$ 182,069,832</b>	<b>100.00%</b>	<b>\$ 190,594,482</b>	<b>100.00%</b>
Service Revenue Requirement (from Sheet 9)			<b>\$ 190,594,484.49</b>	

- (1) Class Allocated Revenue Requirement, from Sheet O-1, Revenue to Cost || RR, row 40, from the Cost Allocation Study in this application. This excludes costs in deferral and variance accounts. For Embedded Distributors, Account 4750 - Low Voltage (LV) Costs are also excluded.
- (2) Host Distributors - Provide information on any embedded distributor(s) as a separate class, if applicable. If embedded distributors are billed in a General Service class, include the allocated costs and revenues of the embedded distributor(s) in the applicable class, and also complete Appendix 2-Q.
- (3) Customer Classes - If these differ from those in place in the previous cost allocation study, modify the customer classes to match the proposal in the current application as closely as possible.

**B) Calculated Class Revenues**

Name of Customer Class	Load Forecast (LF) X current approved rates (7B)	LF X current approved rates X (1+d) (7C)	LF X Proposed Rates (7D)	Miscellaneous Revenues (7E)
1 Residential	\$ 87,038,947	\$ 98,499,219	\$ 98,285,240	\$ 7,823,476
2 GS < 50 kW	\$ 19,869,160	\$ 22,485,299	\$ 22,437,830	\$ 1,101,525
3 GS > 50 to 1,499 kW	\$ 34,078,185	\$ 38,565,203	\$ 38,565,203	\$ 1,775,811
4 GS > 1,500 to 4,999 kW	\$ 10,293,812	\$ 11,649,181	\$ 11,624,903	\$ 414,362
5 Large Use	\$ 5,589,542	\$ 6,325,507	\$ 6,325,507	\$ 239,996
6 Street Lighting	\$ 872,268	\$ 987,119	\$ 1,302,150	\$ 60,947
7 Sentinel Lighting	\$ 3,651	\$ 4,131	\$ 4,820	\$ 665
8 Unmetered Scattered Load	\$ 556,350	\$ 629,603	\$ 599,609	\$ 18,251
9 Standby Power	\$ 10,131	\$ 11,465	\$ 11,465	\$ 2,724
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
<b>Total</b>	<b>\$ 158,312,045</b>	<b>\$ 179,156,727</b>	<b>\$ 179,156,727</b>	<b>\$ 11,437,756</b>

- (4) In columns 7B to 7D, LF means Load Forecast of Annual Billing Quantities (i.e., customers or connections, as applicable X 12 months, and kWh, kW or kVA as applicable. Revenue quantities should be net of the Transformer Ownership Allowance for applicable customer classes. Exclude revenues from rate adders and rate riders.
- (5) Columns 7C and 7D - Column Total should equal the Base Revenue Requirement for each.
- (6) Column 7C - The OEB-issued cost allocation model calculates "1+d" on worksheet O-1, cell C22. "d" is defined as Revenue Deficiency/Revenue at Current Rates.
- (7) Column 7E - If using the OEB-issued cost allocation model, enter Miscellaneous Revenues as it appears on worksheet O-1, row 19,



C) Rebalancing Revenue-to-Cost Ratios

Name of Customer Class	Previously Approved Ratios Most Recent Year: 2016 %	Status Quo Ratios (7C + 7E) / (7A) %	Proposed Ratios (7D + 7E) / (7A) %	Policy Range %
1 Residential	103.29%	104.11%	103.90%	85 - 115
2 GS < 50 kW	118.51%	118.62%	118.38%	80 - 120
3 GS > 50 to 1,499 kW	87.11%	86.58%	86.58%	80 - 120
4 GS > 1,500 to 4,999 kW	101.72%	100.01%	99.80%	80 - 120
5 Large Use	87.21%	86.09%	86.09%	85 - 115
6 Street Lighting	80.00%	61.51%	80.00%	80 - 120
7 Sentinel Lighting	64.21%	62.09%	71.00%	80 - 120
8 Unmetered Scattered Load	118.89%	124.57%	118.80%	80 - 120
9 Standby Power	21.95%	21.43%	21.43%	
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				

- (8) Previously Approved Revenue-to-Cost (R/C) Ratios - For most applicants, the most recent year would be the third year (at the latest) of the Price Cap IR period. For example, if the applicant, rebased in 2012 with further adjustments to move within the range over two years, the Most Recent Year would be 2015. However, the ratios in 2015 would be equal to those after the adjustment in 2014.
- (9) Status Quo Ratios - The OEB-issued cost allocation model provides the Status Quo Ratios on Worksheet O-1. The Status Quo means "Before Rebalancing".
- (10) Ratios shown in red are outside of the allowed range. Applies to both Tables C and D.

(D) Proposed Revenue-to-Cost Ratios <sup>(11)</sup>

Name of Customer Class	Proposed Revenue-to-Cost Ratio			Policy Range
	Test Year	Price Cap IR Period		
	2017	2018	2019	
1 Residential	103.90%			85 - 115
2 GS < 50 kW	118.38%			80 - 120
3 GS > 50 to 1,499 kW	86.58%			80 - 120
4 GS > 1,500 to 4,999 kW	99.80%			80 - 120
5 Large Use	86.09%			85 - 115
6 Street Lighting	80.00%			80 - 120
7 Sentinel Lighting	71.00%			80 - 120
8 Unmetered Scattered Load	118.80%			80 - 120
9 Standby Power	21.43%			
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				

(11) The applicant should complete Table D if it is applying for approval of a revenue-to-cost ratio in 2018 that is outside of the OEB's policy range for any customer class. Table D will show that the distributor is likely to enter into the 2019 and 2020 Price Cap IR models, as necessary. For 2019 and 2020, enter the planned revenue-to-cost ratios that will be "Change" or "No Change" in 2017 (in the current Revenue/Cost Ratio Adjustment Workform, Worksheet C1.1 'Decision - Cost Revenue Adjustment, column d), and enter TBD for class(es) that will be entered as 'Rebalance'.



Ontario Energy Board

# Revenue Requirement Workform (RRWF) for 2018 Filers

## New Rate Design Policy For Residential Customers

Please complete the following tables.

### A Data Inputs (from Sheet 10. Load Forecast)

Test Year Billing Determinants for Residential Class	
Customers	305,144
kWh	2,206,411,000

Proposed Residential Class Specific Revenue Requirement <sup>1</sup>	\$ 98,285,240.22
--	------------------

Residential Base Rates on Current Tariff	
Monthly Fixed Charge (\$)	\$ 16.60
Distribution Volumetric Rate (\$/kWh)	\$ 0.0151

### B Current Fixed/Variable Split

	Base Rates	Billing Determinants	Revenue	% of Total Revenue
Fixed	16.6	305,144	\$ 60,784,684.80	64.59%
Variable	0.0151	2,206,411,000	\$ 33,316,806.10	35.41%
<b>TOTAL</b>	-	-	\$ 94,101,490.90	-

### C Calculating Test Year Base Rates

Number of Remaining Rate Design Policy Transition Years <sup>2</sup>	4
--	---

	Test Year Revenue @ Current F/V Split	Test Year Base Rates @ Current F/V Split	Reconciliation - Test Year Base Rates @ Current F/V Split
Fixed	\$ 63,487,169.97	17.34	\$ 63,494,363.52
Variable	\$ 34,798,070.25	0.0158	\$ 34,861,293.80
TOTAL	\$ 98,285,240.22	-	\$ 98,355,657.32

	New F/V Split	Revenue @ new F/V Split	Final Adjusted Base Rates	Revenue Reconciliation @ Adjusted Rates
Fixed	73.45%	\$ 72,186,687.53	\$ 19.71	\$ 72,172,658.88
Variable	26.55%	\$ 26,098,552.69	\$ 0.0118	\$ 26,035,649.80
TOTAL	-	\$ 98,285,240.22	-	\$ 98,208,308.68

Checks <sup>3</sup>	
Change in Fixed Rate	\$ 2.37
Difference Between Revenues @ Proposed Rates and Class Specific Revenue Requirement	(\$76,931.54) -0.08%

### Notes:

- <sup>1</sup> The final residential class specific revenue requirement, excluding allocated Miscellaneous Revenues, as shown on Sheet 11. Cost Allocation, should be used (i.e. the revenue requirement after any proposed adjustments to R/C ratios).
- <sup>2</sup> The distributor should enter the number of years remaining before the transition to fully fixed rates is completed. A distributor transitioning to fully fixed rates over a four year period and began the transition in 2016 would input the number "3" into cell D40. A distributor transitioning over a five-year period would input the number "4". Where the change in the residential rate design will result in the fixed charge increasing by more than \$4/year, a distributor may propose an additional transition year.
- <sup>3</sup> Change in fixed rate due to rate design policy should be less than \$4. The difference between the proposed class revenue requirement and the revenue at calculated base rates should be minimal (i.e. should be reasonably considered as a rounding error)

## Rate Design and Revenue Reconciliation

[illegible]

**Notes:**

<sup>1</sup> Transformer Ownership Allowance is entered as a positive amount, and only for those classes to which it applies.

<sup>2</sup> The Fixed/Variable split, for each customer class, drives the "rate generator" portion of this sheet of the RRWF. Only the "fixed" fraction is entered, as the sum of the "fixed" and "variable" portions must sum to 100%. For a distributor that may set the Monthly Service Charge, the "fixed" ratio is calculated as:  $(MSC \times (\text{average number of customers or connections}) \times 12 \text{ months}) / (\text{Class Allocated Revenue Requirement})$ .

Rates recover revenue requirement

<b>Total Distribution Revenues</b>	\$ 179,118,198.88
<b>Base Revenue Requirement</b>	\$ 179,156,728.49
<b>Difference</b>	-\$ 38,529.61
<b>% Difference</b>	-0.022%



Ontario Energy Board

## Revenue Requirement Workform (RRWF) for 2018 Filers

### Tracking Form

The first row shown, labelled "Original Application", summarizes key statistics based on the data inputs into the RRWF. After the original application filing, the applicant provides key changes in capital and operating expenses, load forecasts, cost of capital, etc., as revised through the processing of the application. This could be due to revisions or responses to interrogatories. The last row shown is the most current estimate of the cost of service data reflecting the original application and any updates provided by the applicant distributor (for updated evidence, responses to interrogatories, undertakings, etc.)

Please ensure a Reference (Column B) and/or Item Description (Column C) is entered. Please note that unused rows will automatically be hidden and the PRINT AREA set when the PRINT BUTTON on Sheet 1 is activated.

<sup>(1)</sup> Short reference to evidence material (interrogatory response, undertaking, exhibit number, Board Decision, Code, Guideline, Report of the Board, etc.)

<sup>(2)</sup> Short description of change, issue, etc.

### Summary of Proposed Changes

Reference <sup>(1)</sup>	Item / Description <sup>(2)</sup>	Cost of Capital		Rate Base and Capital Expenditures			Operating Expenses			Revenue Requirement			
		Regulated Return on Capital	Regulated Rate of Return	Rate Base	Working Capital	Working Capital Allowance (\$)	Amortization / Depreciation	Taxes/PILs	OM&A	Service Revenue Requirement	Other Revenues	Base Revenue Requirement	Grossed up Revenue Deficiency / Sufficiency
	Original Application	\$ 52,998,562	5.81%	\$ 912,849,158	\$1,033,869,287	\$ 81,882,448	\$ 46,388,393	\$ 4,897,015	\$ 84,084,971	\$ 190,594,484	\$ 11,437,756	\$ 179,156,728	\$ 20,844,683

## **COST ALLOCATION**

### **1.0 COST ALLOCATION STUDY**

Elenchus was engaged to undertake a Cost Allocation Study for Hydro Ottawa's Custom IR Application, using the OEB's approved model. Subsequent to Hydro Ottawa filing its Original Evidence for its Custom IR Application, the OEB released version 3.3 of the Cost Allocation Model. As part of the interrogatory process, Hydro Ottawa updated its evidence using version 3.3 of the Cost Allocation Model.

Hydro Ottawa's updated Cost Allocation Study indicated that three rate classes required adjustments to bring them into the OEB-approved ranges. Sentinel Lighting and Street Lighting were outside their lower range, while Unmetered Scattered Load ("USL") was outside its upper range.

As part of its 2016 rates, Hydro Ottawa moved Street Lighting and USL within OEB-approved ranges. As part of the Approved Settlement Agreement, Parties accepted Hydro Ottawa's inputs into the Cost Allocation Models and placement of rate classes within their ranges, with the modification that Sentinel Lighting move within the OEB's approved range by 2020. As part of this Application, Hydro Ottawa's proposed rates follow the approved movement of Sentinel Lighting within OEB-approved ranges by 2020.

The 2018 Cost Allocation Model, filed as part of the Approved Settlement Agreement, has been updated as per the Pole Attachment Decision. Please see Attachment 7-1-A for Hydro Ottawa's updated 2018 Cost Allocation Model that was used for 2018 proposed rates.

Please see Attachment 7-1-B for a summary of details regarding cost allocation and rate design, including final proposed revenue to cost ratios.

# 2016 Cost Allocation Model

**EB-2017-0052 (Year 2018)**

**Sheet I6.1 Revenue Worksheet -**

Total kWhs from Load Forecast	7,366,004,000
-------------------------------	---------------

Total kW from Load Forecast	9,986,854
-----------------------------	-----------

Deficiency/sufficiency (RRWF 8. cell F51)	- 20,844,682
---	--------------

Miscellaneous Revenue (RRWF 5. cell F48)	11,437,756
--	------------

	ID	Total	1	2	3	4	6	7	8	9	11	12	13
			Residential	GS <50	GS 50 to 1,499 kW	GS 1,500 to 4,999 kW	Large Use	Street Light	Sentinel	Unmetered Scattered Load	Standby Power GS 50 to 1,499 kW	Standby Power GS 1,500 to 4,999 kW	Standby Power Large Use
Billing Data													
Forecast kWh	CEN	7,366,004,000	2,206,411,000	709,791,000	2,875,422,000	895,369,000	618,467,000	43,765,000	48,000	16,731,000			
Forecast kW	CDEM	9,986,854			6,824,350	1,916,044	1,118,300	123,144	216			4,800	
Forecast kW, included in CDEM, of customers receiving line transformer allowance		2,464,674			1,706,088	479,011	279,575						
Optional - Forecast kWh, included in CEN, from customers that receive a line transformation allowance on a kWh basis. In most cases this will not be applicable and will be left blank.		-											
KWh excluding KWh from Wholesale Market Participants	CEN EWMP	7,366,004,000	2,206,411,000	709,791,000	2,875,422,000	895,369,000	618,467,000	43,765,000	48,000	16,731,000	-	-	-
Existing Monthly Charge			\$9.67	\$16.72	\$260.82	\$4,193.93	\$15,231.32	\$0.57	\$2.62	\$4.43	\$122.41	\$122.41	\$122.41
Existing Distribution kWh Rate			\$0.0234	\$0.0210						\$0.0219			
Existing Distribution kW Rate					\$3.5691	\$3.4887	\$3.3129	\$3.9997	\$10.0361		\$2	\$1	\$2
Existing TOA Rate					\$0.45	\$0.45	\$0.45						
Additional Charges													
Distribution Revenue from Rates		\$159,421,148	\$87,038,947	\$19,869,160	\$34,845,925	\$10,509,367	\$5,715,350	\$872,268	\$3,651	\$556,350	\$0	\$10,131	\$0
Transformer Ownership Allowance		\$1,109,103	\$0	\$0	\$767,739	\$215,555	\$125,809	\$0	\$0	\$0	\$0	\$0	\$0
Net Class Revenue	CREV	\$158,312,045	\$87,038,947	\$19,869,160	\$34,078,185	\$10,293,812	\$5,589,542	\$872,268	\$3,651	\$556,350	\$0	\$10,131	\$0



# 2016 Cost Allocation Model

**EB-2017-0052 (Year 2018)**

**Sheet 16.2 Customer Data Worksheet -**

			1	2	3	4	6	7	8	9	11	12	13
	ID	Total	Residential	GS <50	GS 50 to 1,499 kW	GS 1,500 to 4,999 kW	Large Use	Street Light	Sentinel	Unmetered Scattered Load	Standby Power GS 50 to 1,499 kW	Standby Power GS 1,500 to 4,999 kW	Standby Power Large Use
<b>Billing Data</b>													
Bad Debt 3 Year Historical Average	BDHA	\$2,000,008	\$1,354,005	\$422,002	\$150,001	\$74,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Late Payment 3 Year Historical Average	LPHA	\$884,964	\$658,889	\$119,577	\$93,649	\$12,109	\$102	\$156	\$104	\$377			
Number of Bills	CNB	4,000,741	3,661,730	296,863.00	40,216.00	912.00	132.00	180.00	564.00	120.00		24	
Number of Devices	CDEV							55,516	47	3,573			
Number of Connections (Unmetered)	CCON	7,321						3,701	47	3,573			
Total Number of Customers	CCA	333,395	305,144	24,739	3,351	76	11	15	47	10		2	
Bulk Customer Base	CCB	333,395	305,144	24,739	3,351	76	11	15	47	10		2	
Primary Customer Base	CCP	341,759	305,144	24,739	3,351	76	11	8,379	47	10		2	
Line Transformer Customer Base	CCLT	341,330	305,144	24,739	2,973	33	5	8,379	47	10			
Secondary Customer Base	CCS	331,630	305,144	24,739	1,676			15	47	10			
Weighted - Services	CWCS	378,699	305,144	49,477	16,757	-	-	3,701	47	3,573	-	-	-
Weighted Meter - Capital	CWMC	61,981,642	45,164,084	9,232,122	6,695,436	760,000	110,000	-	-	-	-	20,000	-
Weighted Meter Reading	CWMR	511,414	305,144	24,739	162,581	16,182	2,342	-	-	-	-	426	-
Weighted Bills	CWNB	4,258,268	3,661,730	305,779	258,722	23,055	3,329	4,531	398	125	-	598	-

**Bad Debt Data**

Historic Year:	2012	2,000,008	1,354,005	422,002	150,001	74,000							
Historic Year:	2013	2,000,008	1,354,005	422,002	150,001	74,000							
Historic Year:	2014	2,000,008	1,354,005	422,002	150,001	74,000							
Three-year average		2,000,008	1,354,005	422,002	150,001	74,000	-	-	-	-	-	-	-

**SSS Admin Charge Data**

Historic Year:	2012	979,657	895,929	74,332	9,078	226	35	56		2			
Historic Year:	2013	896,212	819,690	67,433	8,586	214	30	12		270			
Historic Year:	2014	920,026	842,937	67,671	8,715	253	30	21		398			
Three-year average		931,965	852,852	69,812	8,793	231	32	22	-	224	-	-	-

**Street Lighting Adjustment Factors**

NCP Test Results	4 NCP
------------------	-------

	Primary Asset Data		Line Transformer Asset Data	
Class	Customers/ Devices	4 NCP	Customers/ Devices	4 NCP
Residential	305,144	1,952,732	305,144	1,952,732
Street Light	55,516	53,619	55,516	53,619

<b>Street Lighting Adjustment Factors</b>	
Primary	6.6258
Line Transformer	6.6258

# 2016 Cost Allocation Model

**EB-2017-0052 (Year 2018)**

**Sheet IS Demand Data Worksheet -**

This is an input sheet for demand allocators.

<b>CP TEST RESULTS</b>	<b>12 CP</b>
<b>NCP TEST RESULTS</b>	<b>4 NCP</b>

<b>Co-incident Peak</b>	<b>Indicator</b>
1 CP	CP 1
4 CP	CP 4
12 CP	CP 12

<b>Non-co-incident Peak</b>	<b>Indicator</b>
1 NCP	NCP 1
4 NCP	NCP 4
12 NCP	NCP 12

Customer Classes	Total	1	2	3	4	6	7	8	9	11	12	13		
		Residential	GS <50	GS 50 to 1,499 kW	GS 1,500 to 4,999 kW	Large Use	Street Light	Sentinel	Unmetered Scattered Load	Standby Power GS 50 to 1,499 kW	Standby Power GS 1,500 to 4,999 kW	Standby Power Large Use		
		CO-INCIDENT PEAK												
		1 CP												
		Transformation CP	TCP1	1,267,602	435,054	149,655	494,585	109,276	77,293	-	-	1,740	-	-
		Bulk Delivery CP	BCP1	1,267,602	435,054	149,655	494,585	109,276	77,293	-	-	1,740	-	-
		Total Sytem CP	DCP1	1,267,602	435,054	149,655	494,585	109,276	77,293	-	-	1,740	-	-
		4 CP												
		Transformation CP	TCP4	4,952,332	1,784,940	480,173	1,869,197	477,895	315,302	17,420	13	7,391	-	-
		Bulk Delivery CP	BCP4	4,952,332	1,784,940	480,173	1,869,197	477,895	315,302	17,420	13	7,391	-	-
		Total Sytem CP	DCP4	4,952,332	1,784,940	480,173	1,869,197	477,895	315,302	17,420	13	7,391	-	-
		12 CP												
Transformation CP	TCP12	13,710,594	4,685,463	1,358,391	5,223,220	1,423,600	946,663	50,411	42	22,576	-	230		
Bulk Delivery CP	BCP12	13,710,594	4,685,463	1,358,391	5,223,220	1,423,600	946,663	50,411	42	22,576	-	230		
Total Sytem CP	DCP12	13,710,594	4,685,463	1,358,391	5,223,220	1,423,600	946,663	50,411	42	22,576	-	230		
NON CO INCIDENT PEAK														
1 NCP														
Classification NCP from Load Data Provider		DNCP1	1,443,818	495,101	149,655	513,806	162,654	105,290	13,873	12	2,276	-	1,152	
Primary NCP		PNCP1	1,443,818	495,101	149,655	513,806	162,654	105,290	13,873	12	2,276	-	1,152	
Line Transformer NCP		LTNCP1	1,229,661	495,101	149,655	447,011	71,567	49,486	13,873	12	2,276	-	680	
Secondary NCP		SNCP1	917,820	495,101	149,655	256,903			13,873	12	2,276	-		
4 NCP														
Classification NCP from Load Data Provider		DNCP4	5,610,210	1,952,732	563,804	1,995,184	627,182	404,858	53,619	46	8,949	-	3,836	
Primary NCP		PNCP4	5,610,210	1,952,732	563,804	1,995,184	627,182	404,858	53,619	46	8,949	-	3,836	
Line Transformer NCP		LTNCP4	4,817,385	1,952,732	563,804	1,769,728	275,960	190,284	53,619	46	8,949	-	2,263	
Secondary NCP		SNCP4	3,576,742	1,952,732	563,804	997,592			53,619	46	8,949	-		
12 NCP														
Classification NCP from Load Data Provider		DNCP12	15,516,859	5,416,339	1,542,892	5,599,216	1,703,041	1,090,940	130,651	112	26,011	-	7,657	
Primary NCP		PNCP12	15,516,859	5,416,339	1,542,892	5,599,216	1,703,041	1,090,940	130,651	112	26,011	-	7,657	
Line Transformer NCP		LTNCP12	13,253,921	5,416,339	1,542,892	4,871,318	749,338	512,742	130,651	112	26,011	-	4,517	
Secondary NCP		SNCP12	9,915,614	5,416,339	1,542,892	2,799,608			130,651	112	26,011	-		

# 2016 Cost Allocation Model

**EB-2017-0052 (Year 2018)**

**Sheet 01 Revenue to Cost Summary Worksheet -**

**Instructions:**  
 Please see the first tab in this workbook for detailed instructions

Class Revenue, Cost Analysis, and Return on Rate Base

Rate Base	Total	1 Residential	2 GS <50	3 GS 50 to 1,499 kW	4 GS 1,500 to 4,999 kW	6 Large Use	7 Street Light	8 Sentinel	9 Unmetered Scattered Load	11 Standby Power GS 50 to 1,499 kW	12 Standby Power GS 1,500 to 4,999 kW	13 Standby Power Large Use
<b>Assets</b>												
<b>crev</b>	Distribution Revenue at Existing Rates	\$158,312,045	\$87,038,947	\$19,869,160	\$34,078,185	\$10,293,812	\$5,589,542	\$872,268	\$3,651	\$556,350	\$0	\$10,131
<b>mi</b>	Miscellaneous Revenue (mi)	\$11,437,756	\$7,823,476	\$1,101,525	\$1,775,811	\$414,362	\$239,996	\$60,947	\$665	\$18,251	\$0	\$2,724
	Miscellaneous Revenue Input equals Output											
	<b>Total Revenue at Existing Rates</b>	<b>\$169,749,801</b>	<b>\$94,862,423</b>	<b>\$20,970,685</b>	<b>\$35,853,996</b>	<b>\$10,708,173</b>	<b>\$5,829,537</b>	<b>\$933,216</b>	<b>\$4,315</b>	<b>\$574,601</b>	<b>\$0</b>	<b>\$12,854</b>
	Factor required to recover deficiency (1 + D)	1.1317										
	Distribution Revenue at Status Quo Rates	\$179,156,727	\$98,499,219	\$22,485,299	\$38,565,203	\$11,649,181	\$6,325,507	\$987,119	\$4,131	\$629,603	\$0	\$11,465
	Miscellaneous Revenue (mi)	\$11,437,756	\$7,823,476	\$1,101,525	\$1,775,811	\$414,362	\$239,996	\$60,947	\$665	\$18,251	\$0	\$2,724
	<b>Total Revenue at Status Quo Rates</b>	<b>\$190,594,482</b>	<b>\$106,322,695</b>	<b>\$23,586,824</b>	<b>\$40,341,014</b>	<b>\$12,063,542</b>	<b>\$6,565,503</b>	<b>\$1,048,066</b>	<b>\$4,796</b>	<b>\$647,854</b>	<b>\$0</b>	<b>\$14,188</b>
<b>Expenses</b>												
<b>di</b>	Distribution Costs (di)	\$28,088,570	\$13,532,298	\$2,899,877	\$7,773,770	\$2,086,571	\$1,356,596	\$325,495	\$1,134	\$101,546	\$0	\$11,282
<b>cu</b>	Customer Related Costs (cu)	\$16,908,881	\$13,755,645	\$1,671,926	\$1,268,298	\$180,299	\$15,571	\$12,848	\$1,129	\$355	\$0	\$2,810
<b>ad</b>	General and Administration (ad)	\$41,313,063	\$24,681,209	\$4,207,196	\$8,532,671	\$2,150,921	\$1,311,199	\$318,567	\$2,032	\$96,161	\$0	\$13,107
<b>dep</b>	Depreciation and Amortization (dep)	\$46,388,393	\$22,891,408	\$5,022,676	\$12,526,568	\$3,249,622	\$2,089,548	\$451,022	\$1,487	\$138,694	\$0	\$17,367
<b>INPUT</b>	PILs (INPUT)	\$4,897,014	\$2,306,365	\$514,488	\$1,395,159	\$371,778	\$241,317	\$50,407	\$164	\$15,507	\$0	\$1,829
<b>INT</b>	Interest	\$19,442,226	\$9,156,779	\$2,042,630	\$5,539,088	\$1,476,042	\$958,080	\$200,126	\$653	\$61,566	\$0	\$7,262
	<b>Total Expenses</b>	<b>\$157,038,147</b>	<b>\$86,323,705</b>	<b>\$16,558,793</b>	<b>\$37,035,554</b>	<b>\$9,515,233</b>	<b>\$5,972,311</b>	<b>\$1,358,465</b>	<b>\$6,598</b>	<b>\$413,829</b>	<b>\$0</b>	<b>\$53,658</b>
<b>NI</b>	<b>Direct Allocation</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
	Allocated Net Income (NI)	\$33,556,335	\$15,804,155	\$3,525,480	\$9,560,196	\$2,547,577	\$1,653,600	\$345,407	\$1,126	\$106,260	\$0	\$12,535
	<b>Revenue Requirement (includes NI)</b>	<b>\$190,594,482</b>	<b>\$102,127,860</b>	<b>\$19,884,273</b>	<b>\$46,595,749</b>	<b>\$12,062,810</b>	<b>\$7,625,911</b>	<b>\$1,703,872</b>	<b>\$7,725</b>	<b>\$520,089</b>	<b>\$0</b>	<b>\$66,193</b>
	Revenue Requirement Input equals Output											
<b>Rate Base Calculation</b>												
<b>Net Assets</b>												
<b>dp</b>	Distribution Plant - Gross	\$933,897,898	\$448,448,845	\$98,752,735	\$260,786,437	\$68,439,678	\$44,381,183	\$9,693,368	\$32,419	\$3,015,421	\$0	\$347,811
<b>ap</b>	General Plant - Gross	\$160,744,133	\$76,867,704	\$16,907,309	\$45,113,035	\$11,860,146	\$7,703,155	\$1,698,076	\$5,703	\$529,049	\$0	\$59,956
<b>accum dep</b>	Accumulated Depreciation	(\$180,299,105)	(\$88,078,561)	(\$19,488,064)	(\$49,288,024)	(\$12,837,079)	(\$8,267,340)	(\$1,732,468)	(\$5,683)	(\$535,139)	\$0	(\$66,727)
<b>co</b>	Capital Contribution	(\$83,376,216)	(\$45,178,899)	(\$8,857,777)	(\$20,278,125)	(\$4,581,938)	(\$2,988,936)	(\$1,079,503)	(\$4,363)	(\$365,981)	\$0	(\$30,692)
	<b>Total Net Plant</b>	<b>\$830,966,710</b>	<b>\$392,059,088</b>	<b>\$87,314,183</b>	<b>\$236,333,323</b>	<b>\$62,880,807</b>	<b>\$40,818,062</b>	<b>\$8,579,474</b>	<b>\$28,076</b>	<b>\$2,643,350</b>	<b>\$0</b>	<b>\$310,348</b>
<b>Directly Allocated Net Fixed Assets</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>COP</b>	Cost of Power - (COP)	\$947,558,773	\$285,391,883	\$91,246,474	\$368,891,926	\$114,864,148	\$79,341,238	\$5,642,837	\$6,519	\$2,173,747	\$0	\$0
	OM&A Expenses	\$86,310,514	\$51,969,153	\$8,778,999	\$17,574,739	\$4,417,791	\$2,683,366	\$656,910	\$4,295	\$198,062	\$0	\$27,199
	Directly Allocated Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	<b>Subtotal</b>	<b>\$1,033,869,288</b>	<b>\$337,361,036</b>	<b>\$100,025,474</b>	<b>\$386,466,665</b>	<b>\$119,281,939</b>	<b>\$82,024,604</b>	<b>\$6,299,748</b>	<b>\$10,814</b>	<b>\$2,371,809</b>	<b>\$0</b>	<b>\$27,199</b>
<b>Working Capital</b>		<b>\$81,882,448</b>	<b>\$26,718,994</b>	<b>\$7,922,018</b>	<b>\$30,608,160</b>	<b>\$9,447,130</b>	<b>\$6,496,349</b>	<b>\$498,940</b>	<b>\$856</b>	<b>\$187,847</b>	<b>\$0</b>	<b>\$2,154</b>
<b>Total Rate Base</b>		<b>\$912,849,156</b>	<b>\$418,778,082</b>	<b>\$95,236,201</b>	<b>\$266,941,483</b>	<b>\$72,327,936</b>	<b>\$47,314,411</b>	<b>\$9,078,414</b>	<b>\$28,932</b>	<b>\$2,831,197</b>	<b>\$0</b>	<b>\$312,502</b>
	Rate Base Input equals Output											
<b>Equity Component of Rate Base</b>		<b>\$365,139,663</b>	<b>\$167,511,233</b>	<b>\$38,094,480</b>	<b>\$106,776,593</b>	<b>\$28,931,175</b>	<b>\$18,925,764</b>	<b>\$3,631,365</b>	<b>\$11,573</b>	<b>\$1,132,479</b>	<b>\$0</b>	<b>\$125,001</b>
<b>Net Income on Allocated Assets</b>		<b>\$33,556,335</b>	<b>\$19,998,989</b>	<b>\$7,228,031</b>	<b>\$3,305,460</b>	<b>\$2,548,309</b>	<b>\$593,192</b>	<b>(\$310,399)</b>	<b>(\$1,802)</b>	<b>\$234,025</b>	<b>\$0</b>	<b>(\$39,470)</b>
<b>Net Income on Direct Allocation Assets</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Income</b>		<b>\$33,556,335</b>	<b>\$19,998,989</b>	<b>\$7,228,031</b>	<b>\$3,305,460</b>	<b>\$2,548,309</b>	<b>\$593,192</b>	<b>(\$310,399)</b>	<b>(\$1,802)</b>	<b>\$234,025</b>	<b>\$0</b>	<b>(\$39,470)</b>
<b>RATIOS ANALYSIS</b>												
<b>REVENUE TO EXPENSES STATUS QUO%</b>		<b>100.00%</b>	<b>104.11%</b>	<b>118.62%</b>	<b>86.58%</b>	<b>100.01%</b>	<b>86.09%</b>	<b>61.51%</b>	<b>62.09%</b>	<b>124.57%</b>	<b>0.00%</b>	<b>21.43%</b>
<b>EXISTING REVENUE MINUS ALLOCATED COSTS</b>		<b>(\$20,844,681)</b>	<b>(\$7,265,437)</b>	<b>\$1,086,412</b>	<b>(\$10,741,753)</b>	<b>(\$1,354,636)</b>	<b>(\$1,796,374)</b>	<b>(\$770,856)</b>	<b>(\$3,409)</b>	<b>\$54,512</b>	<b>\$0</b>	<b>(\$53,339)</b>
	Deficiency Input equals Output											
<b>STATUS QUO REVENUE MINUS ALLOCATED COSTS</b>		<b>(\$0)</b>	<b>\$4,194,835</b>	<b>\$3,702,551</b>	<b>(\$6,254,736)</b>	<b>\$733</b>	<b>(\$1,060,408)</b>	<b>(\$655,806)</b>	<b>(\$2,929)</b>	<b>\$127,765</b>	<b>\$0</b>	<b>(\$52,005)</b>
<b>RETURN ON EQUITY COMPONENT OF RATE BASE</b>		<b>9.19%</b>	<b>11.94%</b>	<b>18.97%</b>	<b>3.10%</b>	<b>8.81%</b>	<b>3.13%</b>	<b>-8.55%</b>	<b>-15.57%</b>	<b>20.66%</b>	<b>0.00%</b>	<b>-31.58%</b>



# 2016 Cost Allocation Model

**EB-2017-0052 (Year 2018)**

**Sheet 02 Monthly Fixed Charge Min. & Max. Worksheet -**

Output sheet showing minimum and maximum level for  
 Monthly Fixed Charge

## Summary

Customer Unit Cost per month - Avoided Cost  
 Customer Unit Cost per month - Directly Related  
 Customer Unit Cost per month - Minimum System  
 with PLCC Adjustment  
 Existing Approved Fixed Charge

1	2	3	4	6	7	8	9	11	12	13
Residential	GS <50	GS 50 to 1,499 kW	GS 1,500 to 4,999 kW	Large Use	Street Light	Sentinel	Unmetered Scattered Load	Standby Power GS 50 to 1,499 kW	Standby Power GS 1,500 to 4,999 kW	Standby Power Large Use
\$4.45	\$6.98	\$40.66	\$163.72	\$74.02	\$0.19	\$1.80	-\$0.03	0	\$197.29	0
\$7.69	\$11.31	\$69.19	\$286.81	\$197.74	\$0.46	\$3.59	-\$0.02	0	\$317.47	0
\$16.25	\$24.19	\$98.17	\$528.16	\$592.72	\$14.52	\$13.33	\$7.80	0	\$260.56	0
\$9.67	\$16.72	\$260.82	\$4,193.93	\$15,231.32	\$0.57	\$2.62	\$4.43	\$122.41	\$122.41	\$122.41



Ontario Energy Board

# Revenue Requirement Workform (RRWF) for 2018 Filers

## Cost Allocation and Rate Design

This spreadsheet replaces **Appendix 2-P** and provides a summary of the results from the Cost Allocation spreadsheet, and is used in the determination of the class revenue requirement and, hence, ultimately, the determination of rates from customers in all classes to recover the revenue requirement.

Stage in Application Process: **Per Board Decision**

### A) Allocated Costs

Name of Customer Class <sup>(3)</sup>	Costs Allocated from Previous Study <sup>(1)</sup>	%	Allocated Class Revenue Requirement <sup>(1)</sup>	%
From Sheet 10. Load Forecast				
(7A)				
1 Residential	\$ 97,768,668	53.70%	\$ 102,127,860	53.58%
2 GS < 50 kW	\$ 19,137,880	10.51%	\$ 19,884,273	10.43%
3 GS > 50 to 1,499 kW	\$ 44,595,687	24.49%	\$ 46,595,749	24.45%
4 GS > 1,500 to 4,999 kW	\$ 11,181,234	6.14%	\$ 12,062,810	6.33%
5 Large Use	\$ 7,209,183	3.96%	\$ 7,625,911	4.00%
6 Street Lighting	\$ 1,611,209	0.88%	\$ 1,703,872	0.89%
7 Sentinel Lighting	\$ 8,143	0.00%	\$ 7,725	0.00%
8 Unmetered Scattered Load	\$ 495,688	0.27%	\$ 520,089	0.27%
9 Standby Power	\$ 62,141	0.03%	\$ 66,193	0.03%
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20				
<b>Total</b>	<b>\$ 182,069,832</b>	<b>100.00%</b>	<b>\$ 190,594,482</b>	<b>100.00%</b>
Service Revenue Requirement (from Sheet 9)			<b>\$ 190,594,484.49</b>	

- (1) Class Allocated Revenue Requirement, from Sheet O-1, Revenue to Cost || RR, row 40, from the Cost Allocation Study in this application. This excludes costs in deferral and variance accounts. For Embedded Distributors, Account 4750 - Low Voltage (LV) Costs are also excluded.
- (2) Host Distributors - Provide information on any embedded distributor(s) as a separate class, if applicable. If embedded distributors are billed in a General Service class, include the allocated costs and revenues of the embedded distributor(s) in the applicable class, and also complete Appendix 2-Q.
- (3) Customer Classes - If these differ from those in place in the previous cost allocation study, modify the customer classes to match the proposal in the current application as closely as possible.

**B) Calculated Class Revenues**

Name of Customer Class	Load Forecast (LF) X current approved rates (7B)	LF X current approved rates X (1+d) (7C)	LF X Proposed Rates (7D)	Miscellaneous Revenues (7E)
1 Residential	\$ 87,038,947	\$ 98,499,219	\$ 98,285,240	\$ 7,823,476
2 GS < 50 kW	\$ 19,869,160	\$ 22,485,299	\$ 22,437,830	\$ 1,101,525
3 GS > 50 to 1,499 kW	\$ 34,078,185	\$ 38,565,203	\$ 38,565,203	\$ 1,775,811
4 GS > 1,500 to 4,999 kW	\$ 10,293,812	\$ 11,649,181	\$ 11,624,903	\$ 414,362
5 Large Use	\$ 5,589,542	\$ 6,325,507	\$ 6,325,507	\$ 239,996
6 Street Lighting	\$ 872,268	\$ 987,119	\$ 1,302,150	\$ 60,947
7 Sentinel Lighting	\$ 3,651	\$ 4,131	\$ 4,820	\$ 665
8 Unmetered Scattered Load	\$ 556,350	\$ 629,603	\$ 599,609	\$ 18,251
9 Standby Power	\$ 10,131	\$ 11,465	\$ 11,465	\$ 2,724
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<b>Total</b>	<b>\$ 158,312,045</b>	<b>\$ 179,156,727</b>	<b>\$ 179,156,727</b>	<b>\$ 11,437,756</b>

- (4) In columns 7B to 7D, LF means Load Forecast of Annual Billing Quantities (i.e., customers or connections, as applicable X 12 months, and kWh, kW or kVA as applicable. Revenue quantities should be net of the Transformer Ownership Allowance for applicable customer classes. Exclude revenues from rate adders and rate riders.
- (5) Columns 7C and 7D - Column Total should equal the Base Revenue Requirement for each.
- (6) Column 7C - The OEB-issued cost allocation model calculates "1+d" on worksheet O-1, cell C22. "d" is defined as Revenue Deficiency/Revenue at Current Rates.
- (7) Column 7E - If using the OEB-issued cost allocation model, enter Miscellaneous Revenues as it appears on worksheet O-1, row 19,

C) Rebalancing Revenue-to-Cost Ratios

Name of Customer Class	Previously Approved Ratios Most Recent Year: 2016 %	Status Quo Ratios (7C + 7E) / (7A) %	Proposed Ratios (7D + 7E) / (7A) %	Policy Range %
1 Residential	103.29%	104.11%	103.90%	85 - 115
2 GS < 50 kW	118.51%	118.62%	118.38%	80 - 120
3 GS > 50 to 1,499 kW	87.11%	86.58%	86.58%	80 - 120
4 GS > 1,500 to 4,999 kW	101.72%	100.01%	99.80%	80 - 120
5 Large Use	87.21%	86.09%	86.09%	85 - 115
6 Street Lighting	80.00%	61.51%	80.00%	80 - 120
7 Sentinel Lighting	64.21%	62.09%	71.00%	80 - 120
8 Unmetered Scattered Load	118.89%	124.57%	118.80%	80 - 120
9 Standby Power	21.95%	21.43%	21.43%	
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- (8) Previously Approved Revenue-to-Cost (R/C) Ratios - For most applicants, the most recent year would be the third year (at the latest) of the Price Cap IR period. For example, if the applicant, rebased in 2012 with further adjustments to move within the range over two years, the Most Recent Year would be 2015. However, the ratios in 2015 would be equal to those after the adjustment in 2014.
- (9) Status Quo Ratios - The OEB-issued cost allocation model provides the Status Quo Ratios on Worksheet O-1. The Status Quo means "Before Rebalancing".
- (10) Ratios shown in red are outside of the allowed range. Applies to both Tables C and D.

(D) Proposed Revenue-to-Cost Ratios <sup>(11)</sup>

Name of Customer Class	Test Year	Proposed Revenue-to-Cost Ratio		Policy Range
	2017	2018	2019	
1 Residential	103.90%			85 - 115
2 GS < 50 kW	118.38%			80 - 120
3 GS > 50 to 1,499 kW	86.58%			80 - 120
4 GS > 1,500 to 4,999 kW	99.80%			80 - 120
5 Large Use	86.09%			85 - 115
6 Street Lighting	80.00%			80 - 120
7 Sentinel Lighting	71.00%			80 - 120
8 Unmetered Scattered Load	118.80%			80 - 120
9 Standby Power	21.43%			
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(11) The applicant should complete Table D if it is applying for approval of a revenue-to-cost ratio in 2018 that is outside of the OEB's policy range for any customer class. Table D will show that the distributor is likely to enter into the 2019 and 2020 Price Cap IR models, as necessary. For 2019 and 2020, enter the planned revenue-to-cost ratios that will be "Change" or "No Change" in 2017 (in the current Revenue/Cost Ratio Adjustment Workform, Worksheet C1.1 'Decision - Cost Revenue Adjustment, column d), and enter TBD for class(es) that will be entered as 'Rebalance'.



## FIXED/VARIABLE PROPORTION

### 1.0 INTRODUCTION

This Schedule explains how the proposed rates have been designed in order to collect the requested revenue requirement approved for 2018. The current 2017 and proposed 2018 Tariff of Rates and Charges are provided in Exhibit 8-10-1. Please see Exhibit 8-12-1 for Bill Impact Information.

As part of the Approved Settlement Agreement and Pole Attachment Decision, revenue requirements for the period 2016 to 2018 have been set for three years, while 2019 and 2020 will be adjusted as part of Hydro Ottawa's annual rate adjustment application to be filed in 2018. Table 1 below sets out the Base Revenue Requirement and Revenue Requirement to be collected through distribution rates.

**Table 1 – Revenue from Distribution Rates (\$000)<sup>1</sup>**

	2016	2017	2018	2019	2020
Base Revenue Requirement	163,573	170,733	179,157	186,502	190,718
Transformer Ownership Credit	1,125	1,114	1,109	1,106	1,105
<b>Revenue from distribution rates</b>	<b>164,698</b>	<b>171,847</b>	<b>180,266</b>	<b>187,609</b>	<b>191,824</b>

Please see Exhibit 6-1-1 for the compilation of revenue required from distribution rates and calculation of revenue deficiency.

### 2.0 FIXED/VARIABLE PROPORTION

The rate design for the fixed/variable split was approved as part of the Approved Settlement Agreement.

<sup>1</sup> Totals may not match due to rounding.

1 On April 2, 2015, the OEB released its *Board Policy – A New Distribution Rate Design*  
2 *for Residential Electricity Customers* (EB-2012-0410). Hydro Ottawa proposed to have  
3 all residential customers on a fixed charge by January 1, 2020. This was approved as  
4 part of the Approved Settlement Agreement.

5  
6 In addition, Parties agreed that Hydro Ottawa would maintain the fixed and variable  
7 ratios that were above the Minimum System with Peak Load Carrying Capability  
8 (“PLCC”), unless required otherwise by the OEB. In addition, the fixed charge for the  
9 General Service > 50 kW class was set to \$200, and will be maintained at that level until  
10 2020.

11  
12 Lastly, Parties agreed to bring Sentinel Lighting within the OEB-approved ranges by  
13 2020.

1 Table 2 sets out Hydro Ottawa's Fixed and Variable Split. Please note that 2019 and 2020 may be adjusted as part of  
2 Hydro Ottawa's annual rate adjustment application to be filed in 2018, in order to keep specific classes at their current fixed  
3 price.

4  
5 **Table 2 – Current and Proposed Fixed/Variable Split**  
6

	2016		2017		2018		2019		2020	
	Fixed %	Variable %	Fixed %	Variable %	Fixed %	Variable %	Fixed %	Variable %	Fixed %	Variable %
Residential	52%	48%	64%	36%	76%	24%	88%	12%	100%	0%
General Service < 50 kW	24%	76%	24%	76%	25%	75%	25%	75%	25%	75%
General Service 50 to 1,499 kW	22%	78%	21%	79%	20%	80%	20%	80%	20%	80%
General Service 1,500 to 4,999 kW	36%	64%	34%	66%	32%	68%	31%	69%	30%	70%
Large Use	34%	66%	33%	67%	31%	69%	30%	70%	30%	70%
Unmetered Scattered Load	34%	66%	34%	66%	35%	65%	35%	65%	35%	65%
Standby Power	29%	71%	29%	71%	29%	71%	29%	71%	29%	71%
Sentinel Lighting	44%	56%	41%	59%	38%	62%	35%	65%	32%	68%
Street Lighting	43%	57%	43%	57%	43%	57%	43%	57%	43%	57%

1 Table 3 provides Hydro Ottawa's current and proposed fixed and variable charges.

2

3 **Table 3 – Current and Proposed Fixed and Variable Charges**

	2017		2018	
	Fixed \$	Variable \$/kWh or kW	Fixed \$	Variable \$/kWh or kW
Residential	16.60	0.0151	20.51	0.0105
General Service < 50 kW	17.89	0.0227	18.60	0.0238
General Service 50 to 1,499 kW	200.00	4.3245	200.00	4.5851
General Service 1,500 to 4,999 kW	4,193.93	3.9181	4,193.93	4.1834
Large Use	15,231.32	3.7199	15,231.32	3.9710
Unmetered Scattered Load	4.60	0.0226	4.83	0.0235
Standby Power GS 50 to 1,499 kW	132.38	1.7669	138.53	1.8489
Standby Power GS 1,500 to 4,999 kW	132.38	1.6206	138.53	1.6958
Standby Power Large Use	132.38	1.7984	138.53	1.8819
Sentinel Lighting	3.04	12.2794	3.25	13.8285
Street Lighting	0.80	5.6501	0.85	5.9758

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1 Table 4 provides a comparison of current and proposed monthly fixed charges with the  
2 floor and ceiling, as calculated in the cost allocation study.

3

4 **Table 4 – 2015 Current and 2018 Proposed Fixed Charge Comparison to Cost**  
5 **Allocation Floor and Ceiling (\$)**

6

Customer Class	Cost Allocation		2015 Rate	2018 Proposed Rate
	Floor	Ceiling		
Residential	4.45	16.25	9.67	20.51
General Service < 50 kW	6.98	24.19	16.72	18.60
General Service 50 to 1,499 kW	40.66	98.17	260.82	200.00
General Service 1,500 to 4,999 kW	163.72	528.16	4,193.93	4,193.93
Large Use	74.02	592.72	15,231.32	15,231.32
Unmetered Scattered Load	(0.03)	7.80	4.43	4.83
Standby Power	197.29	260.56	122.41	138.53
Sentinel Lighting	1.80	13.33	2.62	3.25
Street Lighting	0.19	14.52	0.57	0.85

7

8

### 9 **3.0 TRANSFORMER OWNERSHIP CREDIT**

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11 The Transformer Ownership Credit ("TOC") is \$0.45/kW for customers who own their  
12 transformers.



Ontario Energy Board

# Revenue Requirement Workform (RRWF) for 2018 Filers

## New Rate Design Policy For Residential Customers

Please complete the following tables.

### A Data Inputs (from Sheet 10. Load Forecast)

Test Year Billing Determinants for Residential Class	
Customers	305,144
kWh	2,206,411,000

Proposed Residential Class Specific Revenue Requirement <sup>1</sup>	\$ 98,285,240.22
--	------------------

Residential Base Rates on Current Tariff	
Monthly Fixed Charge (\$)	\$ 16.60
Distribution Volumetric Rate (\$/kWh)	\$ 0.0151

### B Current Fixed/Variable Split

	Base Rates	Billing Determinants	Revenue	% of Total Revenue
Fixed	16.6	305,144	\$ 60,784,684.80	64.59%
Variable	0.0151	2,206,411,000	\$ 33,316,806.10	35.41%
<b>TOTAL</b>	-	-	\$ 94,101,490.90	-

### C Calculating Test Year Base Rates

Number of Remaining Rate Design Policy Transition Years <sup>2</sup>	4
--	---

	Test Year Revenue @ Current F/V Split	Test Year Base Rates @ Current F/V Split	Reconciliation - Test Year Base Rates @ Current F/V Split
Fixed	\$ 63,487,169.97	17.34	\$ 63,494,363.52
Variable	\$ 34,798,070.25	0.0158	\$ 34,861,293.80
TOTAL	\$ 98,285,240.22	-	\$ 98,355,657.32

	New F/V Split	Revenue @ new F/V Split	Final Adjusted Base Rates	Revenue Reconciliation @ Adjusted Rates
Fixed	73.45%	\$ 72,186,687.53	\$ 19.71	\$ 72,172,658.88
Variable	26.55%	\$ 26,098,552.69	\$ 0.0118	\$ 26,035,649.80
TOTAL	-	\$ 98,285,240.22	-	\$ 98,208,308.68

Checks <sup>3</sup>	
Change in Fixed Rate	\$ 2.37
Difference Between Revenues @ Proposed Rates and Class Specific Revenue Requirement	(\$76,931.54) -0.08%

#### Notes:

- <sup>1</sup> The final residential class specific revenue requirement, excluding allocated Miscellaneous Revenues, as shown on Sheet 11. Cost Allocation, should be used (i.e. the revenue requirement after any proposed adjustments to R/C ratios).
- <sup>2</sup> The distributor should enter the number of years remaining before the transition to fully fixed rates is completed. A distributor transitioning to fully fixed rates over a four year period and began the transition in 2016 would input the number "3" into cell D40. A distributor transitioning over a five-year period would input the number "4". Where the change in the residential rate design will result in the fixed charge increasing by more than \$4/year, a distributor may propose an additional transition year.
- <sup>3</sup> Change in fixed rate due to rate design policy should be less than \$4. The difference between the proposed class revenue requirement and the revenue at calculated base rates should be minimal (i.e. should be reasonably considered as a rounding error)

1 **RATE DESIGN POLICY CONSULTATION**

2

3 On April 2, 2015, the OEB released its *Board Policy – A New Distribution Rate Design*  
4 *for Residential Electricity Customers* (EB-2012-0410). As part of Hydro Ottawa's  
5 Custom IR Application, it proposed to move Residential customers to a fully fixed charge  
6 by January 1, 2020. Parties agreed to this approach in the Approved Settlement  
7 Agreement and it was approved by the OEB in its Decision. Please see Exhibit 8-1-1  
8 and Attachment 8-2-A for further information regarding the transition to a fully fixed rate.



## **RETAIL TRANSMISSION SERVICE RATES**

### **1.0 INTRODUCTION**

The OEB issued *Guideline G-2008-0001 – Electricity Distribution Retail Transmission Service Rates* (last revised June 28, 2012), which outlined information that the Board requires electricity distributors to file to adjust their Retail Transmission Service Rates (“RTSRs”). Subsequently, the OEB also provided a filing Workform which distributors are required to complete and file. Hydro Ottawa has completed the 2018\_RTSR Workform for Electricity Distributors – version 1.1 issued by the OEB on July 14, 2017 to update its 2018 rates. (Please see Attachment 8-3-A).

### **2.0 PROPOSED RTSR CHARGES FOR 2017**

Consistent with the Approved Settlement Agreement, Hydro Ottawa updated RTSRs for its 2018 rates as calculated by the OEB’s RTSR Workform. Currently, the 2016 billing determinants are the most recently reported in the Reporting and Record Keeping Requirements (“RRR”).

Hydro Ottawa has attached the 2018 RTSR Workform in PDF format as part of this Exhibit as Attachment 8-3-A and has also provided a live Excel version.

As part of the Approved Settlement Agreement, RTSRs are to be updated annually from 2017 through 2020, based on OEB-approved adjustments to the Hydro One Uniform Transmission Rates (“UTRs”) using the RTSR Workform.

Given that Hydro One UTRs are not typically approved in time for adjusting Hydro Ottawa’s rates on January 1, the Parties have agreed to set each year’s RTSRs using the previous year’s UTRs. As per the Approved Settlement Agreement, the differences

- 1 from the new yearly rates will be captured in Uniform System of Accounts 1584 – RSVA
- 2 Network and 1586 – RSVA Connection for future disposition.

[illegible]

## 2018 RTSR Workform for Electricity Distributors

Rate Class	Rate Description	Unit	Rate	Non-Loss Adjusted Metered kWh	Non-Loss Adjusted Metered kW	Applicable Loss Factor eg: (1.0325)	Loss Adjusted Billed kWh
Residential	RTSR - Network	kWh	0.0074	2,260,335,626		1.0335	2,336,056,869
Residential	RTSR - Connection	kWh	0.0047	2,260,335,626		1.0335	2,336,056,869
General Service Less Than 50 kW	RTSR - Network	kWh	0.0068	733,311,565		1.0335	757,877,502
General Service Less Than 50 kW	RTSR - Connection	kWh	0.0045	733,311,565		1.0335	757,877,502
General Service 50 to 1,499 kW	RTSR - Network	kW	2.8016	2,958,900,805	7,075,314		
General Service 50 to 1,499 kW	RTSR - Connection	kW	1.8174	2,958,900,805	7,075,314		
General Service 1,500 to 4,999 kW	RTSR - Network	kW	2.9089	805,583,761	1,726,981		
General Service 1,500 to 4,999 kW	RTSR - Connection	kW	1.9423	805,583,761	1,726,981		
Large Use > 5000 kW	RTSR - Network	kW	3.2246	588,872,536	1,071,626		
Large Use > 5000 kW	RTSR - Connection	kW	2.1873	588,872,536	1,071,626		
Unmetered Scattered Load	RTSR - Network	kWh	0.0068	15,659,015		1.0335	16,183,592
Unmetered Scattered Load	RTSR - Connection	kWh	0.0045	15,659,015		1.0335	16,183,592
Sentinel Lighting	RTSR - Network	kW	2.0681	48,064	134		
Sentinel Lighting	RTSR - Connection	kW	1.3501	48,064	134		
Street Lighting	RTSR - Network	kW	2.0786	45,206,290	125,463		
Street Lighting	RTSR - Connection	kW	1.3783	45,206,290	125,463		



# 2018 RTSR Workform for Electricity Distributors

Uniform Transmission Rates		Unit	2016		2017	2018
Rate Description			Rate		Rate	Rate
Network Service Rate	kW	\$		3.66	\$ 3.66	\$ 3.66
Line Connection Service Rate	kW	\$		0.87	\$ 0.87	\$ 0.87
Transformation Connection Service Rate	kW	\$		2.02	\$ 2.02	\$ 2.02

Hydro One Sub-Transmission Rates		Unit	2016		2017	2018
			Jan 2016	Feb - Dec 2016		
Rate Description			Rate		Rate	Rate
Network Service Rate	kW	\$	3.4121	3.3396	\$ 3.1942	\$ 3.1942
Line Connection Service Rate	kW	\$	0.7879	0.7791	\$ 0.7710	\$ 0.7710
Transformation Connection Service Rate	kW	\$	1.8018	1.7713	\$ 1.7493	\$ 1.7493
Both Line and Transformation Connection Service Rate	kW	\$	2.5897	2.5504	\$ 2.5203	\$ 2.5203

If needed, add extra host here. (I)		Unit	2016		2017	2018
Rate Description			Rate		Rate	Rate
Network Service Rate	kW					
Line Connection Service Rate	kW					
Transformation Connection Service Rate	kW					
Both Line and Transformation Connection Service Rate	kW	\$	-	-	\$ -	\$ -

If needed, add extra host here. (II)		Unit	Effective January 1, 2016		Effective January 1, 2017	Effective January 1, 2018
Rate Description			Rate		Rate	Rate
Network Service Rate	kW					
Line Connection Service Rate	kW					
Transformation Connection Service Rate	kW					
Both Line and Transformation Connection Service Rate	kW	\$	-	-	\$ -	\$ -

Low Voltage Switchgear Credit (if applicable, enter as a negative value)			Historical 2016	Current 2017	Forecast 2018
		\$			



Ontario Energy Board

v 1.1

# 2018 RTSR Workform for Electricity Distributors

In the green shaded cells, enter billing detail for wholesale transmission for the same reporting period as the billing determinants on Sheet "4. RRR Data".  
For Hydro One Sub-transmission Rates, if you are charged a *combined* Line and Transformer connection rate, please ensure that both the line connection and transformer connection columns are completed.

IESO	Network			Line Connection			Transformation Connection			Total Line
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	1,110,525	\$3.66	4,064,522	1,106,094	\$0.87	962,302	857,995	\$2.02	1,733,150	\$ 2,695,452
February	1,109,379	\$3.66	4,060,327	1,124,912	\$0.87	978,673	863,642	\$2.02	1,744,557	\$ 2,723,230
March	1,055,936	\$3.66	3,864,726	1,054,578	\$0.87	917,483	789,894	\$2.02	1,595,586	\$ 2,513,069
April	960,122	\$3.66	3,514,047	960,667	\$0.87	835,780	738,832	\$2.02	1,492,441	\$ 2,328,221
May	1,202,297	\$3.66	4,400,407	1,186,974	\$0.87	1,032,667	920,214	\$2.02	1,858,832	\$ 2,891,499
June	1,303,928	\$3.66	4,772,376	1,272,908	\$0.87	1,107,430	918,915	\$2.02	1,856,208	\$ 2,963,638
July	1,289,467	\$3.66	4,719,449	1,278,103	\$0.87	1,111,950	940,665	\$2.02	1,900,143	\$ 3,012,093
August	1,304,729	\$3.66	4,775,308	1,281,137	\$0.87	1,114,589	955,106	\$2.02	1,929,314	\$ 3,043,903
September	1,164,483	\$3.66	4,262,008	1,142,370	\$0.87	993,862	871,454	\$2.02	1,760,337	\$ 2,754,199
October	1,002,561	\$3.66	3,669,373	996,935	\$0.87	867,333	771,349	\$2.02	1,558,125	\$ 2,425,458
November	1,018,562	\$3.66	3,727,937	1,005,146	\$0.87	874,477	778,381	\$2.02	1,572,330	\$ 2,446,807
December	1,168,480	\$3.66	4,276,637	1,119,911	\$0.87	974,323	890,313	\$2.02	1,798,432	\$ 2,772,755
<b>Total</b>	13,690,469	\$ 3.66	\$ 50,107,117	13,529,735	\$ 0.87	\$ 11,770,869	10,296,760	\$ 2.02	\$ 20,799,455	\$ 32,570,324

Hydro One	Network			Line Connection			Transformation Connection			Total Line
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	62,804	\$3.41	\$ 214,292	4,061	\$0.79	\$ 3,200	62,050	\$1.80	\$ 111,802	\$ 115,002
February	60,023	\$3.34	\$ 200,453	4,546	\$0.78	\$ 3,541	64,598	\$1.77	\$ 114,422	\$ 117,963
March	57,561	\$3.34	\$ 192,230	4,150	\$0.78	\$ 3,233	57,011	\$1.77	\$ 100,983	\$ 104,216
April	49,453	\$3.34	\$ 165,153	3,751	\$0.78	\$ 2,923	50,042	\$1.77	\$ 88,640	\$ 91,563
May	40,369	\$3.34	\$ 134,816	3,778	\$0.78	\$ 2,944	42,465	\$1.77	\$ 75,218	\$ 78,162
June	45,442	\$3.34	\$ 151,757	3,989	\$0.78	\$ 3,107	44,755	\$1.77	\$ 79,275	\$ 82,382
July	46,395	\$3.34	\$ 154,939	3,917	\$0.78	\$ 3,052	45,676	\$1.77	\$ 80,906	\$ 83,958
August	49,384	\$3.34	\$ 164,923	4,090	\$0.78	\$ 3,186	48,734	\$1.77	\$ 86,322	\$ 89,508
September	45,364	\$3.34	\$ 151,497	3,534	\$0.78	\$ 2,754	44,820	\$1.77	\$ 79,390	\$ 82,144
October	36,287	\$3.34	\$ 121,186	630	\$0.78	\$ 491	36,958	\$1.77	\$ 65,465	\$ 65,956
November	40,651	\$3.34	\$ 135,759	676	\$0.78	\$ 527	41,190	\$1.77	\$ 72,959	\$ 73,486
December	42,027	\$3.34	\$ 140,352	4,196	\$0.78	\$ 3,269	42,616	\$1.77	\$ 75,486	\$ 78,755
<b>Total</b>	575,760	\$ 3.35	\$ 1,927,357	41,318	\$ 0.78	\$ 32,227	580,915	\$ 1.77	\$ 1,030,868	\$ 1,063,095

Add Extra Host Here (I) (if needed)	Network			Line Connection			Transformation Connection			Total Line
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January		\$0.00			\$0.00			\$0.00		\$ -
February		\$0.00			\$0.00			\$0.00		\$ -
March		\$0.00			\$0.00			\$0.00		\$ -
April		\$0.00			\$0.00			\$0.00		\$ -
May		\$0.00			\$0.00			\$0.00		\$ -
June		\$0.00			\$0.00			\$0.00		\$ -
July		\$0.00			\$0.00			\$0.00		\$ -
August		\$0.00			\$0.00			\$0.00		\$ -
September		\$0.00			\$0.00			\$0.00		\$ -
October		\$0.00			\$0.00			\$0.00		\$ -
November		\$0.00			\$0.00			\$0.00		\$ -
December		\$0.00			\$0.00			\$0.00		\$ -
<b>Total</b>	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	\$ -



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## 2018 RTSR Workform for Electricity Distributors

In the green shaded cells, enter billing detail for wholesale transmission for the same reporting period as the billing determinants on Sheet "4. RRR Data".  
For Hydro One Sub-transmission Rates, if you are charged a *combined* Line and Transformer connection rate, please ensure that both the line connection and transformer connection columns are completed.

Add Extra Host Here (II) (if needed)	Network			Line Connection			Transformation Connection			Total Line
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January		\$0.00			\$0.00			\$0.00		\$ -
February		\$0.00			\$0.00			\$0.00		\$ -
March		\$0.00			\$0.00			\$0.00		\$ -
April		\$0.00			\$0.00			\$0.00		\$ -
May		\$0.00			\$0.00			\$0.00		\$ -
June		\$0.00			\$0.00			\$0.00		\$ -
July		\$0.00			\$0.00			\$0.00		\$ -
August		\$0.00			\$0.00			\$0.00		\$ -
September		\$0.00			\$0.00			\$0.00		\$ -
October		\$0.00			\$0.00			\$0.00		\$ -
November		\$0.00			\$0.00			\$0.00		\$ -
December		\$0.00			\$0.00			\$0.00		\$ -
<b>Total</b>	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	\$ -
Total	Network			Line Connection			Transformation Connection			Total Line
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	1,173,329	\$3.65	\$ 4,278,814	1,110,155	\$0.87	\$ 965,502	920,045	\$2.01	\$ 1,844,952	\$ 2,810,454
February	1,169,402	\$3.64	\$ 4,260,780	1,129,458	\$0.87	\$ 982,214	928,240	\$2.00	\$ 1,858,979	\$ 2,841,193
March	1,113,497	\$3.64	\$ 4,056,956	1,058,728	\$0.87	\$ 920,716	846,905	\$2.00	\$ 1,696,569	\$ 2,617,285
April	1,009,575	\$3.64	\$ 3,679,200	964,418	\$0.87	\$ 838,703	788,874	\$2.00	\$ 1,581,081	\$ 2,419,784
May	1,242,666	\$3.65	\$ 4,535,223	1,190,752	\$0.87	\$ 1,035,611	962,679	\$2.01	\$ 1,934,050	\$ 2,969,661
June	1,349,370	\$3.65	\$ 4,924,133	1,276,897	\$0.87	\$ 1,110,537	963,670	\$2.01	\$ 1,935,483	\$ 3,046,020
July	1,335,862	\$3.65	\$ 4,874,388	1,282,020	\$0.87	\$ 1,115,002	986,341	\$2.01	\$ 1,981,049	\$ 3,096,051
August	1,354,113	\$3.65	\$ 4,940,231	1,285,227	\$0.87	\$ 1,117,775	1,003,840	\$2.01	\$ 2,015,636	\$ 3,133,411
September	1,209,847	\$3.65	\$ 4,413,505	1,145,904	\$0.87	\$ 996,616	916,274	\$2.01	\$ 1,839,727	\$ 2,836,343
October	1,038,848	\$3.65	\$ 3,790,559	997,565	\$0.87	\$ 867,824	808,307	\$2.01	\$ 1,623,590	\$ 2,491,414
November	1,059,213	\$3.65	\$ 3,863,696	1,005,822	\$0.87	\$ 875,004	819,571	\$2.01	\$ 1,645,289	\$ 2,520,293
December	1,210,507	\$3.65	\$ 4,416,989	1,124,107	\$0.87	\$ 977,592	932,929	\$2.01	\$ 1,873,918	\$ 2,851,510
<b>Total</b>	14,266,229	\$ 3.65	\$ 52,034,474	13,571,053	\$ 0.87	\$ 11,803,096	10,877,675	\$ 2.01	\$ 21,830,323	\$ 33,633,419

Total	Network	Line Connection	Transformation Connection	Total Line
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## 2018 RTSR Workform for Electricity Distributors

The purpose of this sheet is to calculate the expected billing when current 2017 Uniform Transmission Rates are applied against historical 2016 transmission units.

Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	1,173,329	\$3.64	\$ 4,265,130	1,110,155	\$0.87	\$ 965,433	920,045	\$2.00	\$ 1,841,694	\$ 2,807,127
February	1,169,402	\$3.64	\$ 4,252,053	1,129,458	\$0.87	\$ 982,178	928,240	\$2.00	\$ 1,857,558	\$ 2,839,737
March	1,113,497	\$3.64	\$ 4,048,587	1,058,728	\$0.87	\$ 920,683	846,905	\$2.00	\$ 1,695,315	\$ 2,615,998
April	1,009,575	\$3.64	\$ 3,672,009	964,418	\$0.87	\$ 838,672	788,874	\$2.00	\$ 1,579,979	\$ 2,418,651
May	1,242,666	\$3.64	\$ 4,529,354	1,190,752	\$0.87	\$ 1,035,580	962,679	\$2.01	\$ 1,933,116	\$ 2,968,697
June	1,349,370	\$3.64	\$ 4,917,527	1,276,897	\$0.87	\$ 1,110,505	963,670	\$2.01	\$ 1,934,498	\$ 3,045,004
July	1,335,862	\$3.64	\$ 4,867,644	1,282,020	\$0.87	\$ 1,114,970	986,341	\$2.01	\$ 1,980,044	\$ 3,095,014
August	1,354,113	\$3.64	\$ 4,933,051	1,285,227	\$0.87	\$ 1,117,743	1,003,840	\$2.01	\$ 2,014,565	\$ 3,132,307
September	1,209,847	\$3.64	\$ 4,406,909	1,145,904	\$0.87	\$ 996,587	916,274	\$2.01	\$ 1,838,741	\$ 2,835,327
October	1,038,848	\$3.64	\$ 3,785,281	997,565	\$0.87	\$ 867,819	808,307	\$2.01	\$ 1,622,776	\$ 2,490,595
November	1,059,213	\$3.64	\$ 3,857,784	1,005,822	\$0.87	\$ 874,998	819,571	\$2.01	\$ 1,644,383	\$ 2,519,382
December	1,210,507	\$3.64	\$ 4,410,879	1,124,107	\$0.87	\$ 977,558	932,929	\$2.01	\$ 1,872,980	\$ 2,850,538
<b>Total</b>	<b>14,266,229</b>	<b>\$ 3.64</b>	<b>\$ 51,946,209</b>	<b>13,571,053</b>	<b>\$ 0.87</b>	<b>\$ 11,802,726</b>	<b>10,877,675</b>	<b>\$ 2.01</b>	<b>\$ 21,815,650</b>	<b>\$ 33,618,375</b>



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# 2018 RTSR Workform for Electricity Distributors

The purpose of this sheet is to calculate the expected billing when forecasted 2018 Uniform Transmission Rates are applied against historical 2016 transmission units.

IESO	Network			Line Connection			Transformation Connection			Total Line
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	1,110,525	\$ 3.6600	\$ 4,064,522	1,106,094	\$ 0.8700	\$ 962,302	857,995	\$ 2.0200	\$ 1,733,150	\$ 2,695,452
February	1,109,379	\$ 3.6600	\$ 4,060,327	1,124,912	\$ 0.8700	\$ 978,673	863,642	\$ 2.0200	\$ 1,744,557	\$ 2,723,230
March	1,055,936	\$ 3.6600	\$ 3,864,726	1,054,578	\$ 0.8700	\$ 917,483	789,894	\$ 2.0200	\$ 1,595,586	\$ 2,513,069
April	960,122	\$ 3.6600	\$ 3,514,047	960,667	\$ 0.8700	\$ 835,780	738,832	\$ 2.0200	\$ 1,492,441	\$ 2,328,221
May	1,202,297	\$ 3.6600	\$ 4,400,407	1,186,974	\$ 0.8700	\$ 1,032,667	920,214	\$ 2.0200	\$ 1,858,832	\$ 2,891,500
June	1,303,928	\$ 3.6600	\$ 4,772,376	1,272,908	\$ 0.8700	\$ 1,107,430	918,915	\$ 2.0200	\$ 1,856,208	\$ 2,963,638
July	1,289,467	\$ 3.6600	\$ 4,719,449	1,278,103	\$ 0.8700	\$ 1,111,950	940,665	\$ 2.0200	\$ 1,900,143	\$ 3,012,093
August	1,304,729	\$ 3.6600	\$ 4,775,308	1,281,137	\$ 0.8700	\$ 1,114,589	955,106	\$ 2.0200	\$ 1,929,314	\$ 3,043,903
September	1,164,483	\$ 3.6600	\$ 4,262,008	1,142,370	\$ 0.8700	\$ 993,862	871,454	\$ 2.0200	\$ 1,760,337	\$ 2,754,199
October	1,002,561	\$ 3.6600	\$ 3,669,373	996,935	\$ 0.8700	\$ 867,333	771,349	\$ 2.0200	\$ 1,558,125	\$ 2,425,458
November	1,018,562	\$ 3.6600	\$ 3,727,937	1,005,146	\$ 0.8700	\$ 874,477	778,381	\$ 2.0200	\$ 1,572,330	\$ 2,446,807
December	1,168,480	\$ 3.6600	\$ 4,276,637	1,119,911	\$ 0.8700	\$ 974,323	890,313	\$ 2.0200	\$ 1,798,432	\$ 2,772,755
<b>Total</b>	<b>13,690,469</b>	<b>\$ 3.66</b>	<b>\$ 50,107,117</b>	<b>13,529,735</b>	<b>\$ 0.87</b>	<b>\$ 11,770,869</b>	<b>10,296,760</b>	<b>\$ 2.02</b>	<b>\$ 20,799,455</b>	<b>\$ 32,570,325</b>

Hydro One	Network			Line Connection			Transformation Connection			Total Line
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	62,804	\$ 3.1942	\$ 200,609	4,061	\$ 0.7710	\$ 3,131	62,050	\$ 1.7493	\$ 108,544	\$ 111,675
February	60,023	\$ 3.1942	\$ 191,725	4,546	\$ 0.7710	\$ 3,505	64,598	\$ 1.7493	\$ 113,001	\$ 116,506
March	57,561	\$ 3.1942	\$ 183,861	4,150	\$ 0.7710	\$ 3,200	57,011	\$ 1.7493	\$ 99,729	\$ 102,929
April	49,453	\$ 3.1942	\$ 157,963	3,751	\$ 0.7710	\$ 2,892	50,042	\$ 1.7493	\$ 87,538	\$ 90,430
May	40,369	\$ 3.1942	\$ 128,947	3,778	\$ 0.7710	\$ 2,913	42,465	\$ 1.7493	\$ 74,284	\$ 77,197
June	45,442	\$ 3.1942	\$ 145,151	3,989	\$ 0.7710	\$ 3,076	44,755	\$ 1.7493	\$ 78,290	\$ 81,365
July	46,395	\$ 3.1942	\$ 148,195	3,917	\$ 0.7710	\$ 3,020	45,676	\$ 1.7493	\$ 79,901	\$ 82,921
August	49,384	\$ 3.1942	\$ 157,742	4,090	\$ 0.7710	\$ 3,153	48,734	\$ 1.7493	\$ 85,250	\$ 88,404
September	45,364	\$ 3.1942	\$ 144,902	3,534	\$ 0.7710	\$ 2,725	44,820	\$ 1.7493	\$ 78,404	\$ 81,128
October	36,287	\$ 3.1942	\$ 115,908	630	\$ 0.7710	\$ 486	36,958	\$ 1.7493	\$ 64,651	\$ 65,136
November	40,651	\$ 3.1942	\$ 129,847	676	\$ 0.7710	\$ 521	41,190	\$ 1.7493	\$ 72,054	\$ 72,575
December	42,027	\$ 3.1942	\$ 134,243	4,196	\$ 0.7710	\$ 3,235	42,616	\$ 1.7493	\$ 74,548	\$ 77,783
<b>Total</b>	<b>575,760</b>	<b>\$ 3.19</b>	<b>\$ 1,839,093</b>	<b>41,318</b>	<b>\$ 0.77</b>	<b>\$ 31,856</b>	<b>580,915</b>	<b>\$ 1.75</b>	<b>\$ 1,016,195</b>	<b>\$ 1,048,051</b>

Add Extra Host Here (I)	Network			Line Connection			Transformation Connection			Total Line
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	\$ -
February	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	\$ -
March	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	\$ -
April	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	\$ -
May	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	\$ -
June	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	\$ -
July	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	\$ -
August	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	\$ -
September	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	\$ -
October	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	\$ -
November	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	\$ -
December	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	\$ -
<b>Total</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Add Extra Host Here (II)	Network			Line Connection			Transformation Connection			Total Line
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	\$ -
February	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	\$ -
March	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	\$ -
April	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	\$ -
May	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	\$ -
June	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	\$ -
July	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	\$ -
August	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	\$ -
September	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	\$ -
October	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	\$ -
November	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	\$ -
December	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	\$ -
<b>Total</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



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## 2018 RTSR Workform for Electricity Distributors

The purpose of this sheet is to calculate the expected billing when forecasted 2018 Uniform Transmission Rates are applied against historical 2016 transmission units.

Total	Network			Line Connection			Transformation Connection			Total Line
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	1,173,329	\$ 3.64	4,265,130	1,110,155	\$ 0.87	965,433	920,045	\$ 2.00	1,841,694	\$ 2,807,127
February	1,169,402	\$ 3.64	4,252,053	1,129,458	\$ 0.87	982,178	928,240	\$ 2.00	1,857,558	\$ 2,839,737
March	1,113,497	\$ 3.64	4,048,587	1,058,728	\$ 0.87	920,683	846,905	\$ 2.00	1,695,315	\$ 2,615,998
April	1,009,575	\$ 3.64	3,672,009	964,418	\$ 0.87	838,672	788,874	\$ 2.00	1,579,979	\$ 2,418,651
May	1,242,666	\$ 3.64	4,529,354	1,190,752	\$ 0.87	1,035,580	962,679	\$ 2.01	1,933,116	\$ 2,968,697
June	1,349,370	\$ 3.64	4,917,527	1,276,897	\$ 0.87	1,110,505	963,670	\$ 2.01	1,934,498	\$ 3,045,004
July	1,335,862	\$ 3.64	4,867,644	1,282,020	\$ 0.87	1,114,970	986,341	\$ 2.01	1,980,044	\$ 3,095,014
August	1,354,113	\$ 3.64	4,933,051	1,285,227	\$ 0.87	1,117,743	1,003,840	\$ 2.01	2,014,565	\$ 3,132,307
September	1,209,847	\$ 3.64	4,406,909	1,145,904	\$ 0.87	996,587	916,274	\$ 2.01	1,838,741	\$ 2,835,327
October	1,038,848	\$ 3.64	3,785,281	997,565	\$ 0.87	867,819	808,307	\$ 2.01	1,622,776	\$ 2,490,595
November	1,059,213	\$ 3.64	3,857,784	1,005,822	\$ 0.87	874,998	819,571	\$ 2.01	1,644,383	\$ 2,519,382
December	1,210,507	\$ 3.64	4,410,879	1,124,107	\$ 0.87	977,558	932,929	\$ 2.01	1,872,980	\$ 2,850,538
<b>Total</b>	<b>14,266,229</b>	<b>\$ 3.64</b>	<b>\$ 51,946,209</b>	<b>13,571,053</b>	<b>\$ 0.87</b>	<b>\$ 11,802,726</b>	<b>10,877,675</b>	<b>\$ 2.01</b>	<b>\$ 21,815,650</b>	<b>\$ 33,618,375</b>



# 2017 RTSR Workform for Electricity Distributors

The purpose of this sheet is to re-align the current RTS Network Rates to recover current wholesale network costs.

Rate Class	Rate Description	Unit	Current RTSR- Network	Loss Adjusted Billed kWh	Billed kW	Billed Amount	Billed Amount %	Current Wholesale Billing	Adjusted RTSR Network
Residential	RTSR - Network	kWh	0.0074	2,336,056,869		17,286,821	33.8%	17,568,660	0.0075
General Service Less Than 50 kW	RTSR - Network	kWh	0.0068	757,877,502		5,153,567	10.1%	5,237,589	0.0069
General Service 50 to 1,499 kW	RTSR - Network	kW	2.8016		7,075,314	19,822,200	38.8%	20,145,375	2.8473
General Service 1,500 to 4,999 kW	RTSR - Network	kW	2.9089		1,726,981	5,023,615	9.8%	5,105,518	2.9563
Large Use > 5000 kW	RTSR - Network	kW	3.2246		1,071,626	3,455,565	6.8%	3,511,904	3.2772
Unmetered Scattered Load	RTSR - Network	kWh	0.0068	16,183,592		110,048	0.2%	111,843	0.0069
Sentinel Lighting	RTSR - Network	kW	2.0681		134	277	0.0%	282	2.1019
Street Lighting	RTSR - Network	kW	2.0786		125,463	260,787	0.5%	265,039	2.1125

The purpose of this table is to re-align the current RTS Connection Rates to recover current wholesale connection costs.

Rate Class	Rate Description	Unit	Current RTSR- Connection	Loss Adjusted Billed kWh	Billed kW	Billed Amount	Billed Amount %	Current Wholesale Billing	Adjusted RTSR- Connection
Residential	RTSR - Connection	kWh	0.0047	2,336,056,869		10,979,467	33.1%	11,120,236	0.0048
General Service Less Than 50 kW	RTSR - Connection	kWh	0.0045	757,877,502		3,410,449	10.3%	3,454,174	0.0046
General Service 50 to 1,499 kW	RTSR - Connection	kW	1.8174		7,075,314	12,858,676	38.7%	13,023,538	1.8407
General Service 1,500 to 4,999 kW	RTSR - Connection	kW	1.9423		1,726,981	3,354,315	10.1%	3,397,321	1.9672
Large Use > 5000 kW	RTSR - Connection	kW	2.1873		1,071,626	2,343,968	7.1%	2,374,020	2.2153
Unmetered Scattered Load	RTSR - Connection	kWh	0.0045	16,183,592		72,826	0.2%	73,760	0.0046
Sentinel Lighting	RTSR - Connection	kW	1.3501		134	181	0.0%	183	1.3674
Street Lighting	RTSR - Connection	kW	1.3783		125,463	172,926	0.5%	175,143	1.3960

The purpose of this table is to update the re-aligned RTS Network Rates to recover future wholesale network costs.

Rate Class	Rate Description	Unit	Adjusted RTSR- Network	Loss Adjusted Billed kWh	Billed kW	Billed Amount	Billed Amount %	Current Wholesale Billing	Proposed RTSR- Network
Residential	RTSR - Network	kWh	0.0075	2,336,056,869		17,568,660	33.8%	17,568,660	0.0075
General Service Less Than 50 kW	RTSR - Network	kWh	0.0069	757,877,502		5,237,589	10.1%	5,237,589	0.0069
General Service 50 to 1,499 kW	RTSR - Network	kW	2.8473		7,075,314	20,145,375	38.8%	20,145,375	2.8473
General Service 1,500 to 4,999 kW	RTSR - Network	kW	2.9563		1,726,981	5,105,518	9.8%	5,105,518	2.9563
Large Use > 5000 kW	RTSR - Network	kW	3.2772		1,071,626	3,511,904	6.8%	3,511,904	3.2772
Unmetered Scattered Load	RTSR - Network	kWh	0.0069	16,183,592		111,843	0.2%	111,843	0.0069
Sentinel Lighting	RTSR - Network	kW	2.1019		134	282	0.0%	282	2.1019
Street Lighting	RTSR - Network	kW	2.1125		125,463	265,039	0.5%	265,039	2.1125

The purpose of this table is to update the re-aligned RTS Connection Rates to recover future wholesale connection costs.

Rate Class	Rate Description	Unit	Adjusted RTSR- Connection	Loss Adjusted Billed kWh	Billed kW	Billed Amount	Billed Amount %	Current Wholesale Billing	Proposed RTSR- Connection
Residential	RTSR - Connection	kWh	0.0048	2,336,056,869		11,120,236	33.1%	11,120,236	0.0048
General Service Less Than 50 kW	RTSR - Connection	kWh	0.0046	757,877,502		3,454,174	10.3%	3,454,174	0.0046
General Service 50 to 1,499 kW	RTSR - Connection	kW	1.8407		7,075,314	13,023,538	38.7%	13,023,538	1.8407
General Service 1,500 to 4,999 kW	RTSR - Connection	kW	1.9672		1,726,981	3,397,321	10.1%	3,397,321	1.9672
Large Use > 5000 kW	RTSR - Connection	kW	2.2153		1,071,626	2,374,020	7.1%	2,374,020	2.2153
Unmetered Scattered Load	RTSR - Connection	kWh	0.0046	16,183,592		73,760	0.2%	73,760	0.0046
Sentinel Lighting	RTSR - Connection	kW	1.3674		134	183	0.0%	183	1.3674
Street Lighting	RTSR - Connection	kW	1.3960		125,463	175,143	0.5%	175,143	1.3960

## RETAIL SERVICE CHARGES

### 1.0 INTRODUCTION

Retail service charges apply to services provided by a distributor to retailers or customers, with respect to the supply of competitive electricity through retailer contracts. As part of the Approved Settlement Agreement, "The Parties accept the other proposed specific service charges for miscellaneous services, excluding Access to Power Poles, over the 2016 – 2020 period."<sup>1</sup>

Table 1 provides Hydro Ottawa's approved Retail Service Charges for 2016 through 2020. Hydro Ottawa's 2018 Retail Service Charges are outlined in Exhibit 8-10-1 Current and Proposed Tariff of Rates and Charges.

**Table 1 – Retail Service Charges (\$)**

	2016	2017	2018	2019	2020
Standard Charge	117.00	122.00	129.00	135.00	140.00
Monthly Fixed Charge	24.00	25.00	26.00	27.00	28.00
Monthly Variable Charge	0.60	0.60	0.65	0.65	0.70
Distributor consolidated billing charge	0.35	0.35	0.40	0.40	0.40
Retailer consolidated billing credit	(0.35)	(0.35)	(0.40)	(0.40)	(0.40)
Service Transaction Requests, per request	0.30	0.30	0.30	0.35	0.35
Service Transaction Requests, per process	0.60	0.60	0.65	0.65	0.70

Hydro Ottawa has informed retailers of the approved Retail Service Charges for the 2016 to 2020 period.

<sup>1</sup> Approved Settlement Agreement, p. 44.

1                   **WHOLESALE MARKET SERVICE RATES AND CHARGES**

2  
3     Hydro Ottawa has used the OEB generic Wholesale Market Service Rates (“WMSRs”)  
4     and Charges effective July 1, 2017 in its Proposed Tariff of Rates and Charges, as  
5     outlined in Exhibit 8-10-1 Current and Proposed Tariff of Rates and Charges.

6  
7     The WMSR is divided into two components: the Capacity Based Recovery (“CBR”) Rate  
8     and the WMSR not including CBR. The current rate for WMSR not including CBR is  
9     \$0.0032 per kWh for both Class A and Class B customers.

10  
11    Per the OEB’s Decision and Order EB-2015-0294 issued on November 19, 2015, the  
12    CBR rate for Class B customers is \$0.0004 per kWh. For Class A customers, the CBR  
13    costs are in proportion to the customer’s contribution to peak demand. As a result, each  
14    customer has a unique rate. These rates comply with the *Accounting Guidance on*  
15    *Capacity Based Recovery* issued by the OEB on July 25, 2016, and with the OEB  
16    Supplementary Decision and Order EB-2016-0193, issued on June 16, 2016, for the  
17    2016 WMSR and CBR for Class A and Class B customers.

18  
19    The Rural or Remote Rate Protection (“RRRP”) charge of \$0.0003 per kWh is uniform  
20    among all classes. The Ontario Electricity Support Program (“OESP”) charge has been  
21    removed from all ratepayer bills.

22  
23    Hydro Ottawa will update these rates in accordance with any additional OEB-approved  
24    rate changes.

**SMART METERING CHARGE**

On March 28, 2013, the OEB issued a Decision and Order (EB-2012-0100/EB-2012-0211) establishing a Smart Metering charge of \$0.79 per month for Residential and General Service < 50 kW customers effective May 1, 2013.

Hydro Ottawa has reflected this charge in its Proposed Tariff of Rates and Charges, as outlined in Exhibit 8-10-1 Current and Proposed Tariff of Rates and Charges. As the Smart Metering Charge is currently in effect until October 31, 2018, this has been noted.

## SPECIFIC SERVICE CHARGES

### **1.0 INTRODUCTION**

Service charges apply to services that are over and above Hydro Ottawa's standard level of service offerings and may result from a customer's action or inaction. The revenue from these charges offset the total revenue requirement. Hydro Ottawa undertook a review of service charges in preparation of its Custom IR Application. However, recognizing the Board's plan to undertake a review of all Specific Service Charges, Hydro Ottawa requested a modest adjustment as an interim step towards improving business efficiencies and appropriate cost recovery. This included a modest adjustments for inflation between the years 2017 to 2020. Consistent with the Approved Settlement Agreement, some of Hydro Ottawa's service charges will increase during the years 2016 to 2020. As per the Pole Attachment Decision, the Pole Attachment rate will remain constant for the period 2016 to 2020, subject to any policy review and direction by the OEB.

Per the Approved Settlement Agreement, the following service charges will be increased as part of this Application. All other service charges will remain at the 2017 approved rate.

- i. Micro-FIT and Micro-Net-Metering Energy Resource Facility ("ERF") Monthly Account Management Charge (formerly MicroFIT monthly account management charge);
- ii. FIT ERF Monthly Account Management Charge;
- iii. HCI, RESOP, Other ERF Monthly Account Management Charge;
- iv. Special Billing Service, per hour;
- v. Interval Meter – Field Reading;
- vi. High Bill Investigation – If billing is correct;
- vii. Temporary Service Install & Remove – overhead – no transformer;
- viii. Temporary Service Install & Remove – underground – no transformer;
- ix. Temporary Service Install & Remove – overhead – with transformer;



- x. ERF Administration Charge – Without Account Set Up (One Time);
- xi. ERF Administration Charge – With Account Set Up (One Time);
- xii. Standard Charge, per retailer (“/ retailer”);
- xiii. Monthly Fixed Charge, / retailer;
- xiv. Monthly Variable Charge, per customer (“/ cust”), / retailer;
- xv. Distributor-consolidated billing monthly charge (“DCB”), / cust, / retailer;
- xvi. Retailer-consolidated billing monthly credit (“RCB”), / cust, / retailer; and
- xvii. Service Transaction Requests (“STR”) Fee, per process.

## **2.0 SUMMARY OF REVISED AND NEW SERVICE CHARGES**

As per the Approved Settlement Agreement and the Pole Attachment Decision, Table 1 reflects Hydro Ottawa’s approved new and revised service charges for the years 2016 through 2020. The service charges are included in Hydro Ottawa’s tariff sheet, as presented in Exhibit 8-10-1 Current and Proposed Tariff of Rates and Charges.

1 **Table 1 – Summary of Approved New and Revised Service Charges**

	2016	2017	2018	2019	2020
<b>MONTHLY RATES AND CHARGES</b>					
Micro-FIT and Micro-Net-Metering ERF	\$18.00	\$18.00	\$19.00	\$19.00	\$19.00
FIT ERF	\$119.00	\$121.00	\$124.00	\$126.00	\$129.00
HCI, RESOP, Other ERF	\$259.00	\$264.00	\$270.00	\$276.00	\$281.00
<b>SPECIFIC SERVICE CHARGES</b>					
<b>Customer Administration</b>					
Special Billing Service, per hour	\$95.00	\$97.00	\$100.00	\$102.00	\$104.00
Disconnect/Reconnect at Meter:					
Regular Hours	\$65.00	\$65.00	\$65.00	\$65.00	\$65.00
After Regular Hours	\$185.00	\$185.00	\$185.00	\$185.00	\$185.00
Interval Meter – Field Reading	\$347.00	\$355.00	\$362.00	\$370.00	\$378.00
High Bill Investigation – If Billing is Correct	\$213.00	\$218.00	\$222.00	\$227.00	\$232.00
<b>Other</b>					
Temporary Service Install & Remove:					
Overhead – No Transformer	\$797.00	\$813.00	\$830.00	\$848.00	\$866.00
Underground – No Transformer	\$1,156.00	\$1,180.00	\$1,205.00	\$1,230.00	\$1,256.00
Overhead – With Transformer	\$2,840.00	\$2,900.00	\$2,961.00	\$3,023.00	\$3,087.00
Specific Charge for Access to the Power Poles	\$53.00	\$53.00	\$53.00	\$53.00	\$53.00
Dry Core Transformer Charge – Demand	Attachment 8-7-A	Attachment 8-7-A	Attachment 8-7-A	Attachment 8-7-A	Attachment 8-7-A
ERF Administration Charge:					
Without Account Set Up (one time)	\$127.00	\$130.00	\$133.00	\$135.00	\$138.00
With Account Set Up (one time)	\$157.00	\$160.00	\$163.00	\$165.00	\$168.00
<b>RETAIL SERVICE CHARGES</b>					
Standard Charge / retailer	\$117.00	\$122.00	\$129.00	\$135.00	\$140.00
Monthly Fixed Charge / retailer	\$24.00	\$25.00	\$26.00	\$27.00	\$28.00
Monthly Variable Charge / cust / retailer	\$0.60	\$0.60	\$0.65	\$0.65	\$0.70
DCB / cust / retailer	\$0.35	\$0.35	\$0.40	\$0.40	\$0.40
RCB / cust / retailer	-\$0.35	-\$0.35	-\$0.40	-\$0.40	-\$0.40
STR Fee, per request	\$0.30	\$0.30	\$0.30	\$0.35	\$0.35
STR Fee, per process	\$0.60	\$0.60	\$0.65	\$0.65	\$0.70

2

3

**3.0 REVISED SERVICE CHARGES**

Hydro Ottawa is proposing to revise the Dry Core Transformer charges.

**3.1 Dry Core Transformers**

The Dry Core Transformer charge is applied to recover energy lost in the operation of a dry core transformer. A specific charge is calculated for each transformer size. As per the Approved Settlement Agreement, Hydro Ottawa will adjust the Drycore charges on an annual basis to reflect any related changes in the Regulated Price Plan and Hydro One rates. The updated rates for 2018 are outlined in Attachment 8-10-B Proposed Tariff of Rates and Charges.

# Hydro Ottawa Limited

## TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2018

This schedule supersedes and replaces all previously  
approved schedules of Rates, Charges and Loss Factors

EB-2017-0052

### Dry Core Transformer Charges

Transformers	No Load Loss (W)	Load Loss (W)	Cost of Transmission and LV per kW	Cost of Energy and Wholesale Market per kWh**	Total Monthly cost of power	Cost of Distribution per kW	Total
Rates			\$ 5.0607	\$ 0.0943		\$ 4.2374	
25 KVA 1 PH, 1.2kV BIL	150	900	\$ 0.81	\$ 8.57	\$ 9.39	\$ 0.68	\$ 10.07
37.5 KVA 1 PH, 1.2kV BIL	200	1200	\$ 1.08	\$ 11.43	\$ 12.52	\$ 0.91	\$ 13.42
50 KVA 1 PH, 1.2kV BIL	250	1600	\$ 1.38	\$ 14.38	\$ 15.76	\$ 1.16	\$ 16.92
75 KVA 1 PH, 1.2kV BIL	350	1900	\$ 1.84	\$ 19.82	\$ 21.67	\$ 1.54	\$ 23.21
100 KVA 1 PH, 1.2kV BIL	400	2600	\$ 2.22	\$ 23.05	\$ 25.27	\$ 1.86	\$ 27.13
150 KVA 1 PH, 1.2kV BIL	525	3500	\$ 2.94	\$ 30.33	\$ 33.27	\$ 2.46	\$ 35.73
167 KVA 1 PH, 1.2kV BIL	650	4400	\$ 3.66	\$ 37.61	\$ 41.27	\$ 3.06	\$ 44.34
200 KVA 1 PH, 1.2kV BIL	696	4700	\$ 3.92	\$ 40.26	\$ 44.18	\$ 3.28	\$ 47.46
225 KVA 1 PH, 1.2kV BIL	748	5050	\$ 4.21	\$ 43.27	\$ 47.48	\$ 3.52	\$ 51.00
250 KVA 1 PH, 1.2kV BIL	800	5400	\$ 4.50	\$ 46.28	\$ 50.78	\$ 3.77	\$ 54.55
*15 KVA 3 PH, 1.2kV BIL	125	650	\$ 0.65	\$ 7.05	\$ 7.70	\$ 0.54	\$ 8.25
*45 KVA 3 PH, 1.2kV BIL	300	1800	\$ 1.63	\$ 17.15	\$ 18.77	\$ 1.36	\$ 20.14
*75 KVA 3 PH, 1.2kV BIL	400	2400	\$ 2.17	\$ 22.86	\$ 25.03	\$ 1.82	\$ 26.85
*112.5 KVA 3 PH, 1.2kV BIL	600	3400	\$ 3.20	\$ 34.11	\$ 37.31	\$ 2.68	\$ 39.99
*150 KVA 3 PH, 1.2kV BIL	700	4500	\$ 3.88	\$ 40.29	\$ 44.16	\$ 3.25	\$ 47.41
*225 KVA 3 PH, 1.2kV BIL	900	5300	\$ 4.85	\$ 51.35	\$ 56.20	\$ 4.06	\$ 60.27
*300 KVA 3 PH, 1.2kV BIL	1100	6300	\$ 5.88	\$ 62.60	\$ 68.48	\$ 4.93	\$ 73.41
*500 KVA 3 PH, 95kV BIL	2400	7600	\$ 11.17	\$ 130.94	\$ 142.11	\$ 9.35	\$ 151.46
*750 KVA 3 PH, 95kV BIL	3000	12000	\$ 14.64	\$ 165.97	\$ 180.61	\$ 12.26	\$ 192.86
*1000 KVA 3 PH, 95kV BIL	3400	13000	\$ 16.43	\$ 187.55	\$ 203.97	\$ 13.76	\$ 217.73
*1500 KVA 3 PH, 95kV BIL	4500	18000	\$ 21.96	\$ 248.95	\$ 270.91	\$ 18.39	\$ 289.30
*2000 KVA 3 PH, 95kV BIL	5400	21000	\$ 26.19	\$ 298.19	\$ 324.38	\$ 21.93	\$ 346.31
*2500 KVA 3 PH, 95kV BIL	6500	25000	\$ 31.45	\$ 358.68	\$ 390.13	\$ 26.33	\$ 416.46
*3000 KVA 3PH, 95kV BIL	7700	29000	\$ 37.08	\$ 424.33	\$ 461.42	\$ 31.05	\$ 492.47
*3750 KVA 3PH, 95kV BIL	9500	35000	\$ 45.54	\$ 522.81	\$ 568.36	\$ 38.13	\$ 606.49
*5000 KVA 3PH, 95kV BIL	11000	39000	\$ 52.32	\$ 603.96	\$ 656.28	\$ 43.81	\$ 700.09

No Load and load losses from CSA standard C802-94: Maximum losses for distribution, power and dry-type transformers commercial use.

Average load factor = 0.46 average loss factor = 0.2489

\*For non-preferred KVA ratings no load and load losses are interpolated as per CSA standard

\*\* Cost of Energy and Wholesale Market per kWh contains July 1, 2017 RPP Tiered Pricing and WMRS

## LOW VOLTAGE SERVICE RATES

### 1.0 INTRODUCTION

Hydro Ottawa receives low voltage ("LV") charges from Hydro One for a number of Shared Distribution Stations, Specific Lines and Shared Lines. The OEB's Decision dated March 21, 2006 (EB-2005-0529) determined that it was appropriate for an embedded electricity distributor, or a distributor with embedded distribution points (such as Hydro Ottawa), to establish and maintain a variance account for LV charges from its host distributor.

In a June 13, 2006 memo, the OEB notified electricity distributors that the following accounts had been added to the Uniform System of Accounts ("USofA"): Account 4750, Charges – LV; Account 4075, Billed – LV; and Account 1550, LV Variance Account. As a result, effective May 1, 2006, Account 1550 has been used to record the net of the amounts recorded in Accounts 4750 (amount charged by Hydro One for LV services) and 4075 (amount customers are billed for LV services). In 2008, Hydro Ottawa removed the LV charges from the distribution revenue requirement and proposed that a separate charge be calculated to recover the LV charges from the customer. These separate charges were approved by the Board as part of the EB-2007-0713 Decision, issued on March 17, 2008. The current LV rates are shown below in Table 1.

**Table 1 – LV Charges as of January 1, 2017**

Class	Per	LV Charge
Residential	kWh	\$0.00007
General Service < 50 kW	kWh	\$0.00007
General Service 50 to 1,499 kW	kW	\$0.02632
General Service 1,500 to 4,999 kW	kW	\$0.02813
Large Use (> 5000 kW)	kW	\$0.03168
Unmetered Scattered Load	kWh	\$0.00007
Sentinel Lighting	kW	\$0.01955
Street Lighting	kW	\$0.01996

**2.0 PROPOSED LV CHARGES FOR 2018**

As part of the Approved Settlement Agreement, the Parties accepted Hydro Ottawa's proposed LV rates and agreed that they should be updated annually.

The LV charge has been allocated to the customer classes based on the class percentage of Retail Transmission Connection dollars (using 2018 proposed rates), as shown in Table 2. Hydro Ottawa used its 2017 LV forecast of \$426,000, excluding rate riders for LV, in the calculations of the LV charges for the customer classes shown in Table 2.



**Table 2 – 2018 Calculation of LV Charge**

	A	B	C	D	E	F
	2018 Retail Transmission Connection Rate (\$/kWh/kW)	2018 Charge Determinant (kWh or kW)	A * B Basis for Allocation	Allocation %	Allocated \$	E / B 2018 Rate /kWh or kW
Residential	\$0.0048	2,206,411,000	\$10,590,773	32.18%	\$137,078	\$0.00006
General Service < 50 kW	\$0.0046	709,791,000	\$3,265,039	9.92%	\$42,260	\$0.00006
General Service 50 to 1,499 kW	\$1.8407	6,824,350	\$12,561,581	38.17%	\$162,586	\$0.02382
General Service 1,500 to 4,999 kW	\$1.9672	1,916,044	\$3,769,242	11.45%	\$48,786	\$0.02546
Large Use (> 5000 kW)	\$2.2153	1,118,300	\$2,477,370	7.53%	\$32,065	\$0.02867
Unmetered Scattered Load	\$0.0046	16,731,000	\$76,963	0.23%	\$996	\$0.00006
Sentinel Lighting	\$1.3674	216	\$295	0.00%	\$4	\$0.01770
Street Lighting	\$1.3960	123,144	\$171,909	0.52%	\$2,225	\$0.01807
<b>TOTAL</b>			<b>\$32,913,171</b>		<b>\$426,000</b>	

## LOSS ADJUSTMENT FACTORS

### 1.0 DISTRIBUTION LOSSES

Table 1 below provides losses as a percentage of purchases for the five years 2010 to 2014, as presented in Hydro Ottawa's Custom IR Application. Hydro Ottawa's losses had not been greater than 5% in the years presented (i.e. 2010 to 2014). Hydro Ottawa contains no distributors embedded in its area and is not an embedded distributor itself. However, Hydro Ottawa does have a number of delivery points embedded in Hydro One's service territory.

**Table 1 – Losses as a Percentage of Purchases for 2010-2014**

	2010	2011	2012	2013	2014
Electricity Purchases (MWh)	7,839,865	7,853,159	7,856,204	7,722,152	7,636,154
Electricity Sales (MWh)	7,594,977	7,607,711	7,570,226	7,519,454	7,425,541
Losses (MWh)	244,888	245,447	285,978	202,698	210,614
Losses %	3.12%	3.13%	3.64%	2.62%	2.76%

### 2.0 LOSS ADJUSTMENT FACTORS

As part of the Approved Settlement Agreement, the following loss factors will remain constant from 2016 through 2020:

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0335
Total Loss Factor – Secondary Metered Customer > 5,000 kW	1.0164
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0232
Total Loss Factor – Primary Metered Customer > 5,000 kW	1.0062



1                   **CURRENT AND PROPOSED TARIFF OF RATES AND CHARGES**

2

3       Hydro Ottawa's approved 2017 tariff of rates and charges is provided as Attachment 8-

4       10-A. Please note that the current rates and charges do not reflect changes within the

5       Regulatory component of the tariff of rates and charges, which became effective May 1,

6       2017 and July 1, 2017.

7

8       Hydro Ottawa has utilized the 2015 Appendix Z to illustrate Hydro Ottawa's 2018

9       proposed tariff of rates and charges. Hydro Ottawa will continue to work with the OEB

10      on resolving conflicts in the 2018 Tariff Schedule and Bill Impacts Model – Version 2.0

11      released on July 19, 2017 and will resubmit after corrections have been made. Hydro

12      Ottawa's 2018 proposed tariff of rates and charges is provided in Attachment 8-10-B and

13      included as a PDF to this Exhibit.

# Hydro Ottawa Limited

## TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

This schedule supersedes and replaces all previously  
approved schedules of Rates, Charges and Loss Factors

EB-2016-0084

### RESIDENTIAL SERVICE CLASSIFICATION

This classification includes accounts taking electricity at 120/240 volts single phase where the electricity is used exclusively in a separately metered living accommodation. Customers shall be residing in single-dwelling units that consist of a detached house or one unit of a semi-detached, duplex, triple or quadruplex house, with a residential zoning. Separately metered dwellings within a town house complex or apartment building also qualify as residential customers. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES – Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	16.60
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Rate Rider for Disposition of Group 2 Accounts - effective until December 31, 2017	\$	0.02
Distribution Volumetric Rate	\$/kWh	0.0151
Low Voltage Service Rate	\$/kWh	0.00007
Rate Rider for Disposition of Deferral/Variance Accounts - effective until December 31, 2017	\$/kWh	(0.0001)
Rate Rider for Disposition of Deferral/Variance Accounts - effective until December 31, 2017 Applicable only for Non-Wholesale Market Participants	\$/kWh	(0.0023)
Rate Rider for Disposition of Class B WMS - Sub-account CBR - effective until December 31, 2017	\$/kWh	0.00027
Rate Rider for Disposition of Global Adjustment Account (2017) - effective until December 31, 2017 Applicable only for Non-RPP Customers	\$/kWh	(0.0019)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0074
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0047

### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - Not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0021
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

# Hydro Ottawa Limited

## TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

This schedule supersedes and replaces all previously  
approved schedules of Rates, Charges and Loss Factors

EB-2016-0084

### ONTARIO ELECTRICITY SUPPORT PROGRAM RECIPIENTS

In addition to the charges specified on page 1 of this tariff of rates and charges, the following credits are to be applied to eligible residential customers.

### APPLICATION

The application of the credits is in accordance with the Distribution System Code (Section 9) and subsection 79.2 of the Ontario Energy Board Act, 1998.

The application of these credits shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

In this class:

"Aboriginal person" includes a person who is a First Nations person, a Métis person or an Inuit person;

"account-holder" means a consumer who has an account with a distributor that falls within a residential-rate classification as specified in a rate order made by the Ontario Energy Board under section 78 of the Act, and who lives at the service address to which the account relates for at least six months in a year;

"electricity-intensive medical device" means an oxygen concentrator, a mechanical ventilator, or such other device as may be specified by the Ontario Energy Board;

"household" means the account-holder and any other people living at the accountholder's service address for at least six months in a year, including people other than the account-holder's spouse, children or other relatives;

"household income" means the combined annual after-tax income of all members of a household aged 16 or over.

### MONTHLY RATES AND CHARGES

#### Class A

- (a) account-holders with a household income of \$28,000 or less living in a household of one or two persons;
  - (b) account-holders with a household income of between \$28,001 and \$39,000 living in a household of three persons;
  - (c) account-holders with a household income of between \$39,001 and \$48,000 living in a household of five persons;
  - (d) account-holders with a household income of between \$48,001 and \$52,000 living in a household of seven or more persons;
- but does not include account-holders in Class E.

OESP Credit	\$	(30.00)
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#### Class B

- (a) account-holders with a household income of \$28,000 or less living in a household of three persons;
  - (b) account-holders with a household income of between \$28,001 and \$39,000 living in a household of four persons;
  - (c) account-holders with a household income of between \$39,001 and \$48,000 living in a household of six persons;
- but does not include account-holders in Class F.

OESP Credit	\$	(34.00)
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#### Class C

- (a) account-holders with a household income of \$28,000 or less living in a household of four persons;
  - (b) account-holders with a household income of between \$28,001 and \$39,000 living in a household of five persons;
  - (c) account-holders with a household income of between \$39,001 and \$48,000 living in a household of seven or more persons;
- but does not include account-holders in Class G.

OESP Credit	\$	(38.00)
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#### Class D

- (a) account-holders with a household income of \$28,000 or less living in a household of five persons; and
  - (b) account-holders with a household income of between \$28,001 and \$39,000 living in a household of six persons;
- but does not include account-holders in Class H.

OESP Credit	\$	(42.00)
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# Hydro Ottawa Limited

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date January 1, 2017

**This schedule supersedes and replaces all previously  
approved schedules of Rates, Charges and Loss Factors**

**EB-2016-0084**

**Class E** comprises account-holders with a household income and household size described under Class A who also meet any of the following conditions:

- (a) the dwelling to which the account relates is heated primarily by electricity;
- (b) the account-holder or any member of the account-holder's household is an Aboriginal person; or
- (c) the account-holder or any member of the account-holder's household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates.

OESP Credit \$ (45.00)

#### **Class F**

- (a) account-holders with a household income of \$28,000 or less living in a household of six or more persons;
- (b) account-holders with a household income of between \$28,001 and \$39,000 living in a household of seven or more persons; or
- (c) account-holders with a household income and household size described under Class B who also meet any of the following conditions:

- i. the dwelling to which the account relates is heated primarily by electricity;
- ii. the account-holder or any member of the account-holder's household is an Aboriginal person; or
- iii. the account-holder or any member of the account-holder's household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates.

OESP Credit \$ (50.00)

#### **Class G**

Class G comprises account-holders with a household income and household size described under Class C who also meet any of the following conditions:

- (a) the dwelling to which the account relates is heated primarily by electricity;
- (b) the account-holder or any member of the account-holder's household is an Aboriginal person; or
- (c) the account-holder or any member of the account-holder's household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates.

OESP Credit \$ (55.00)

#### **Class H**

Class H comprises account-holders with a household income and household size described under Class D who also meet any of the following conditions:

- (a) the dwelling to which the account relates is heated primarily by electricity;
- (b) the account-holder or any member of the account-holder's household is an Aboriginal person; or
- (c) the account-holder or any member of the account-holder's household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates.

OESP Credit \$ (60.00)

#### **Class I**

Class I comprises account-holders with a household income and household size described under paragraphs (a) or (b) of Class F who also meet any of the following conditions:

- (a) the dwelling to which the account relates is heated primarily by electricity;
- (b) the account-holder or any member of the account-holder's household is an Aboriginal person; or
- (c) the account-holder or any member of the account-holder's household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates.

OESP Credit \$ (75.00)

# Hydro Ottawa Limited

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date January 1, 2017

This schedule supersedes and replaces all previously  
approved schedules of Rates, Charges and Loss Factors

EB-2016-0084

## GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification refers to non residential accounts taking electricity at 750 volts or less whose monthly average peak demand is less than, or is forecast to be less than 50 kW. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES – Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Global Adjustment and the HST.

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	17.89
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0227
Low Voltage Service Rate	\$/kWh	0.00007
Rate Rider for Disposition of Deferral/Variance Accounts - effective until December 31, 2017		
Applicable only for Non-Wholesale Market Participants	\$/kWh	(0.0023)
Rate Rider for Disposition of Class B WMS - Sub-account CBR - effective until December 31, 2017	\$/kWh	0.00027
Rate Rider for Disposition of Global Adjustment Account (2017) - effective until December 31, 2017	\$/kWh	(0.0019)
Applicable only for Non-RPP Customers		
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0068
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0045

### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - Not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0021
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

# Hydro Ottawa Limited

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date January 1, 2017

This schedule supersedes and replaces all previously  
approved schedules of Rates, Charges and Loss Factors

EB-2016-0084

## GENERAL SERVICE 50 TO 1,499 KW SERVICE CLASSIFICATION

This classification refers to non residential accounts whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 1,500 kW. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES – Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

The rate rider for the disposition of WMS – Sub-account CBR Class B is not applicable to wholesale market participants (WMP), customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new Class B customers.

The rate rider for the disposition of Global Adjustment is only applicable to non-RPP Class B customers. It is not applicable to WMP, customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new non-RPP Class B customers.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	200.00
Distribution Volumetric Rate	\$/kW	4.3245
Low Voltage Service Rate	\$/kW	0.02632
Rate Rider for Disposition of Deferral/Variance Accounts - effective until December 31, 2017	\$/kW	0.0117
Rate Rider for Disposition of Deferral/Variance Accounts - effective until December 31, 2017 Applicable only for Non-Wholesale Market Participants	\$/kW	(0.9869)
Rate Rider for Disposition of Group 2 Accounts - effective until December 31, 2017	\$/kW	0.0129
Rate Rider for Disposition of Class B WMS - Sub-account CBR - effective until December 31, 2017	\$/kWh	0.00027
Rate Rider for Disposition of Global Adjustment Account (2017) - effective until December 31, 2017 Applicable only for Non-RPP Customers	\$/kWh	(0.0019)
Retail Transmission Rate - Network Service Rate	\$/kW	2.8016
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.8174

### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - Not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0021
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

# Hydro Ottawa Limited

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date January 1, 2017

This schedule supersedes and replaces all previously  
approved schedules of Rates, Charges and Loss Factors

EB-2016-0084

## GENERAL SERVICE 1,500 TO 4,999 KW SERVICE CLASSIFICATION

This classification refers to non residential accounts whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 1,500 kW but less than 5,000 kW. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES – Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

The rate rider for the disposition of WMS – Sub-account CBR Class B is not applicable to wholesale market participants (WMP), customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new Class B customers.

The rate rider for the disposition of Global Adjustment is only applicable to non-RPP Class B customers. It is not applicable to WMP, customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new non-RPP Class B customers.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	4,193.93
Distribution Volumetric Rate	\$/kW	3.9181
Low Voltage Service Rate	\$/kW	0.02813
Rate Rider for Disposition of Deferral/Variance Accounts - effective until December 31, 2017	\$/kW	0.0130
Rate Rider for Disposition of Deferral/Variance Accounts - effective until December 31, 2017 Applicable only for Non-Wholesale Market Participants	\$/kW	(1.0876)
Rate Rider for Disposition of Group 2 Accounts - effective until December 31, 2017	\$/kW	0.0143
Rate Rider for Disposition of Class B WMS - Sub-account CBR - effective until December 31, 2017	\$/kWh	0.00027
Rate Rider for Disposition of Global Adjustment Account (2017) - effective until December 31, 2017 Applicable only for Non-RPP Customers	\$/kWh	(0.0019)
Retail Transmission Rate - Network Service Rate	\$/kW	2.9089
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.9423

### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - Not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0021
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

# Hydro Ottawa Limited

## TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

This schedule supersedes and replaces all previously  
approved schedules of Rates, Charges and Loss Factors

EB-2016-0084

### LARGE USE SERVICE CLASSIFICATION

This classification refers to an account whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than 5,000 kW. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES – Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

The rate rider for the disposition of WMS – Sub-account CBR Class B is not applicable to wholesale market participants (WMP), customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new Class B customers.

The rate rider for the disposition of Global Adjustment is only applicable to non-RPP Class B customers. It is not applicable to WMP, customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new non-RPP Class B customers.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	15,231.32
Distribution Volumetric Rate	\$/kW	3.7199
Low Voltage Service Rate	\$/kW	0.03168
Rate Rider for Disposition of Deferral/Variance Accounts - effective until December 31, 2017	\$/kW	0.0154
Rate Rider for Disposition of Deferral/Variance Accounts - effective until December 31, 2017 Applicable only for Non-Wholesale Market Participants	\$/kW	(1.2969)
Rate Rider for Disposition of Group 2 Accounts - effective until December 31, 2017	\$/kW	0.0170
Rate Rider for Disposition of Class B WMS - Sub-account CBR - effective until December 31, 2017	\$/kWh	0.00027
Rate Rider for Disposition of Global Adjustment Account (2017) - effective until December 31, 2017 Applicable only for Non-RPP Customers	\$/kWh	(0.0019)
Retail Transmission Rate - Network Service Rate	\$/kW	3.2246
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.1873

### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - Not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0021
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25



# Hydro Ottawa Limited

## TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

This schedule supersedes and replaces all previously  
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EB-2016-0084

### UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification includes accounts taking electricity at 120/240 volts single phase whose monthly average peak demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. These connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The customer will provide detailed manufacturer information/documentation with regard to electrical demand/consumption of the proposed unmetered load. Class B consumers are defined in accordance with O. Reg. 429/04. Qualification for this classification is at the discretion of Hydro Ottawa as defined in its Conditions of Service.

#### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES – Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

#### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	4.60
Distribution Volumetric Rate	\$/kWh	0.0226
Low Voltage Service Rate	\$/kWh	0.00007
Rate Rider for Disposition of Deferral/Variance Accounts - effective until December 31, 2017 Applicable only for Non-Wholesale Market Participants	\$/kWh	(0.0023)
Rate Rider for Disposition of Class B WMS - Sub-account CBR - effective until December 31, 2017	\$/kWh	0.00027
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0068
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0045

#### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - Not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0021
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

**Hydro Ottawa Limited**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date January 1, 2017**

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approved schedules of Rates, Charges and Loss Factors

EB-2016-0084

**STANDBY POWER SERVICE CLASSIFICATION**

This classification refers to an account that has Load Displacement Generation equal to or greater than 500 kW and requires the distributor to provide back-up service. Further servicing details are available in the distributor's Conditions of Service.

**APPLICATION**

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

**MONTHLY RATES AND CHARGES - Delivery Component - Approved on an Interim Basis**

Service Charge	\$	132.38
General Service 50 to 1,4999 kW customer	\$/kW	1.7669
General Service 1,500 to 4,999 kW customer	\$/kW	1.6206
General Service Large User kW customer	\$/kW	1.7984

# Hydro Ottawa Limited

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date January 1, 2017

This schedule supersedes and replaces all previously  
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EB-2016-0084

## SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to accounts that are an unmetered lighting load supplied to a sentinel light. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES – Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	3.04
Distribution Volumetric Rate	\$/kW	12.2794
Low Voltage Service Rate	\$/kW	0.01955
Rate Rider for Disposition of Deferral/Variance Accounts - effective until December 31, 2017	\$/kW	0.0062
Rate Rider for Disposition of Deferral/Variance Accounts - effective until December 31, 2017 Applicable only for Non-Wholesale Market Participants	\$/kW	(0.5211)
Rate Rider for Disposition of Group 2 Accounts - effective until December 31, 2017	\$/kW	0.0068
Rate Rider for Disposition of Class B WMS - Sub-account CBR - effective until December 31, 2017	\$/kWh	0.00027
Retail Transmission Rate - Network Service Rate	\$/kW	2.0681
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.3501

### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - Not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0021
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

# Hydro Ottawa Limited

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date January 1, 2017

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EB-2016-0084

## STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting controlled by photocells. The consumption for these customers is based on the calculated connected load times the required lighting times established in the approved OEB street lighting load shape template. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES – Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	0.80
Distribution Volumetric Rate	\$/kW	5.6501
Low Voltage Service Rate	\$/kW	0.01996
Rate Rider for Disposition of Deferral/Variance Accounts - effective until December 31, 2017	\$/kW	0.0099
Rate Rider for Disposition of Deferral/Variance Accounts - effective until December 31, 2017 Applicable only for Non-Wholesale Market Participants	\$/kW	(0.8313)
Rate Rider for Disposition of Group 2 Accounts - effective until December 31, 2017	\$/kW	0.0109
Rate Rider for Disposition of Class B WMS - Sub-account CBR - effective until December 31, 2017	\$/kWh	0.00027
Rate Rider for Disposition of Global Adjustment Account (2017) - effective until December 31, 2017 Applicable only for Non-RPP Customers	\$/kWh	(0.0019)
Retail Transmission Rate - Network Service Rate	\$/kW	2.0786
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.3783

### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - Not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0021
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

**Hydro Ottawa Limited**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date January 1, 2017**

This schedule supersedes and replaces all previously  
approved schedules of Rates, Charges and Loss Factors

EB-2016-0084

**Micro-FIT and Micro-Net-Metering SERVICE CLASSIFICATION**

This classification applies to an electricity generation facility contracted under the Independent Electricity System Operator's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Conditions of Service.

**APPLICATION**

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

**MONTHLY RATES AND CHARGES - Delivery Component**

Service Charge	\$	18.00
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**Hydro Ottawa Limited**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date January 1, 2017**

This schedule supersedes and replaces all previously  
approved schedules of Rates, Charges and Loss Factors

EB-2016-0084

**FIT SERVICE CLASSIFICATION**

This classification applies to an electricity generation facility contracted under the Independent Electricity System Operator's FIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Conditions of Service.

**APPLICATION**

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

**MONTHLY RATES AND CHARGES - Delivery Component**

Service Charge	\$	121.00
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**Hydro Ottawa Limited**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date January 1, 2017**

This schedule supersedes and replaces all previously  
approved schedules of Rates, Charges and Loss Factors

EB-2016-0084

**HCI, RESOP, Other Energy Resource SERVICE CLASSIFICATION**

This classification applies to an electricity generation facility contracted under the Independent Electricity System Operator's HCI, RESOP and Other Energy Resource programs and connected to the distributor's distribution system. Further servicing details are available in the distributor's Conditions of Service.

**APPLICATION**

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

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**MONTHLY RATES AND CHARGES - Delivery Component**

Service Charge	\$	264.00
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# Hydro Ottawa Limited

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date January 1, 2017

This schedule supersedes and replaces all previously  
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EB-2016-0084

## ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.45)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

## SPECIFIC SERVICE CHARGES

### APPLICATION

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No charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

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### Customer Administration

Account certificate	\$	15.00
Duplicate invoices for previous billing	\$	15.00
Special billing service per hour (min 1 hour, 15 min incremental billing thereafter)	\$	97.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Unprocessed payment charge (plus bank charges)	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Disconnect/reconnect at meter - regular hours (under account administration - new account)	\$	65.00
Disconnect/reconnect at meter - after regular hours (under account administration - new account)	\$	185.00
Interval meter - field reading	\$	355.00
High bill investigation - if billing is correct	\$	218.00

### Non-Payment of Account

Late payment – per month	%	1.50
Late payment – per annum	%	19.56
Collection of account charge – no disconnection	\$	30.00
Disconnect/reconnect at meter – during regular hours	\$	65.00
Disconnect/reconnect at meter – after regular hours	\$	185.00
Disconnect/reconnect at pole – during regular hours	\$	185.00
Disconnect/reconnect at pole – after regular hours	\$	415.00

### Other

Temporary service – install & remove – overhead – no transformer	\$	813.00
Temporary service – install & remove – underground – no transformer	\$	1,180.00
Temporary service – install & remove – overhead – with transformer	\$	2,900.00
Specific charge for access to the power poles - \$/pole/year	\$	53.00
Dry core transformer distribution charge		Per Attached Table
Energy Resource Facility administration charge - without account set up (one time)	\$	130.00
Energy Resource Facility administration charge - with account set up (one time)	\$	160.00



# Hydro Ottawa Limited

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date January 1, 2017

This schedule supersedes and replaces all previously  
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EB-2016-0084

### RETAIL SERVICE CHARGES (if applicable)

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

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Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity.

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	122.00
Monthly Fixed Charge, per retailer	\$	25.00
Monthly Variable Charge, per customer, per retailer	\$/cust.	0.6000
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust.	0.3500
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust.	(0.3500)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.30
Processing fee, per request, applied to the requesting party	\$	0.60
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year	\$	no charge
More than twice a year, per request (plus incremental delivery costs)	\$	2.00

### LOSS FACTORS

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0335
Total Loss Factor – Secondary Metered Customer > 5,000 kW	1.0164
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0232
Total Loss Factor – Primary Metered Customer > 5,000 kW	1.0062

# Hydro Ottawa Limited

## TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

This schedule supersedes and replaces all previously  
approved schedules of Rates, Charges and Loss Factors

EB-2016-0084

### Dry Core Transformer Charges

Transformers	No Load Loss (W)	Load Loss (W)	Cost of Transmission and LV per kW	Cost of Energy and Wholesale Market per kWh**	Total Monthly cost of power	Cost of Distribution per kW	Total
Rates			\$ 4.9894	\$ 0.1249		\$ 3.9802	
25 KVA 1 PH, 1.2kV BIL	150	900	\$ 0.80	\$ 11.35	\$ 12.16	\$ 0.64	\$ 12.80
37.5 KVA 1 PH, 1.2kV BIL	200	1200	\$ 1.07	\$ 15.14	\$ 16.21	\$ 0.85	\$ 17.06
50 KVA 1 PH, 1.2kV BIL	250	1600	\$ 1.36	\$ 19.05	\$ 20.41	\$ 1.09	\$ 21.50
75 KVA 1 PH, 1.2kV BIL	350	1900	\$ 1.82	\$ 26.25	\$ 28.07	\$ 1.45	\$ 29.52
100 KVA 1 PH, 1.2kV BIL	400	2600	\$ 2.19	\$ 30.52	\$ 32.71	\$ 1.75	\$ 34.46
150 KVA 1 PH, 1.2kV BIL	525	3500	\$ 2.90	\$ 40.17	\$ 43.07	\$ 2.31	\$ 45.38
167 KVA 1 PH, 1.2kV BIL	650	4400	\$ 3.61	\$ 49.81	\$ 53.42	\$ 2.88	\$ 56.30
200 KVA 1 PH, 1.2kV BIL	696	4700	\$ 3.86	\$ 53.32	\$ 57.18	\$ 3.08	\$ 60.26
225 KVA 1 PH, 1.2kV BIL	748	5050	\$ 4.15	\$ 57.31	\$ 61.45	\$ 3.31	\$ 64.76
250 KVA 1 PH, 1.2kV BIL	800	5400	\$ 4.44	\$ 61.29	\$ 65.72	\$ 3.54	\$ 69.26
*15 KVA 3 PH, 1.2kV BIL	125	650	\$ 0.64	\$ 9.34	\$ 9.98	\$ 0.51	\$ 10.49
*45 KVA 3 PH, 1.2kV BIL	300	1800	\$ 1.60	\$ 22.71	\$ 24.31	\$ 1.28	\$ 25.59
*75 KVA 3 PH, 1.2kV BIL	400	2400	\$ 2.14	\$ 30.28	\$ 32.42	\$ 1.71	\$ 34.12
*112.5 KVA 3 PH, 1.2kV BIL	600	3400	\$ 3.15	\$ 45.18	\$ 48.33	\$ 2.52	\$ 50.85
*150 KVA 3 PH, 1.2kV BIL	700	4500	\$ 3.82	\$ 53.35	\$ 57.18	\$ 3.05	\$ 60.22
*225 KVA 3 PH, 1.2kV BIL	900	5300	\$ 4.78	\$ 68.01	\$ 72.79	\$ 3.82	\$ 76.61
*300 KVA 3 PH, 1.2kV BIL	1100	6300	\$ 5.80	\$ 82.90	\$ 88.70	\$ 4.63	\$ 93.33
*500 KVA 3 PH, 95kV BIL	2400	7600	\$ 11.01	\$ 173.41	\$ 184.42	\$ 8.78	\$ 193.21
*750 KVA 3 PH, 95kV BIL	3000	12000	\$ 14.43	\$ 219.80	\$ 234.23	\$ 11.51	\$ 245.75
*1000 KVA 3 PH, 95kV BIL	3400	13000	\$ 16.20	\$ 248.38	\$ 264.58	\$ 12.92	\$ 277.50
*1500 KVA 3 PH, 95kV BIL	4500	18000	\$ 21.65	\$ 329.70	\$ 351.35	\$ 17.27	\$ 368.62
*2000 KVA 3 PH, 95kV BIL	5400	21000	\$ 25.82	\$ 394.91	\$ 420.73	\$ 20.60	\$ 441.33
*2500 KVA 3 PH, 95kV BIL	6500	25000	\$ 31.00	\$ 475.02	\$ 506.02	\$ 24.73	\$ 530.76
*3000 KVA 3PH, 95kV BIL	7700	29000	\$ 36.56	\$ 561.97	\$ 598.53	\$ 29.17	\$ 627.70
*3750 KVA 3PH, 95kV BIL	9500	35000	\$ 44.90	\$ 692.39	\$ 737.29	\$ 35.82	\$ 773.11
*5000 KVA 3PH, 95kV BIL	11000	39000	\$ 51.58	\$ 799.86	\$ 851.44	\$ 41.15	\$ 892.59

No Load and load losses from CSA standard C802-94: Maximum losses for distribution, power and dry-type transformers commercial use.

Average load factor = 0.46 average loss factor = 0.2489

\*For non-preferred KVA ratings no load and load losses are interpolated as per CSA standard

\*\* Cost of Energy and Wholesale Market per kWh contains May 1, 2016 RPP Tiered Pricing, WMRS and OESP Pricing to be effective January 1, 2016

# Hydro Ottawa Limited

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date January 1, 2018

This schedule supersedes and replaces all previously  
approved schedules of Rates, Charges and Loss Factors

EB-2017-0052

## RESIDENTIAL SERVICE CLASSIFICATION

This classification includes accounts taking electricity at 120/240 volts single phase where the electricity is used exclusively in a separately metered living accommodation. Customers shall be residing in single-dwelling units that consist of a detached house or one unit of a semi-detached, duplex, triple or quadruplex house, with a residential zoning. Separately metered dwellings within a town house complex or apartment building also qualify as residential customers. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

## APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES – Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

## MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	20.51
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0105
Low Voltage Service Rate	\$/kWh	0.00006
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0075
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0048
Rate Rider for Disposition of Deferral/Variance Accounts - effective until December 31, 2018	\$/kWh	(0.0004)
Rate Rider for Disposition of Deferral/Variance Accounts- NON WMP - effective until December 31, 2018	\$/kWh	(0.0008)

## MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - Not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0003
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

# Hydro Ottawa Limited

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date January 1, 2018

This schedule supersedes and replaces all previously  
approved schedules of Rates, Charges and Loss Factors

EB-2017-0052

## GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification refers to non residential accounts taking electricity at 750 volts or less whose monthly average peak demand is less than, or is forecast to be less than 50 kW. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES – Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Global Adjustment and the HST.

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	18.60
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0238
Low Voltage Service Rate	\$/kWh	0.00006
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0069
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0046
Rate Rider for Disposition of Deferral/Variance Accounts - effective until December 31, 2018	\$/kWh	(0.0004)
Rate Rider for Disposition of Deferral/Variance Accounts- NON WMP - effective until December 31, 2018	\$/kWh	(0.0008)

### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - Not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0003
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

# Hydro Ottawa Limited

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date January 1, 2018

This schedule supersedes and replaces all previously  
approved schedules of Rates, Charges and Loss Factors

EB-2017-0052

## GENERAL SERVICE 50 TO 1,499 KW SERVICE CLASSIFICATION

This classification refers to non residential accounts whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 1,500 kW. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

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It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	200.00
Distribution Volumetric Rate	\$/kW	4.5851
Low Voltage Service Rate	\$/kW	0.02382
Retail Transmission Rate - Network Service Rate	\$/kW	2.8473
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.8407
Rate Rider for Disposition of Deferral/Variance Accounts - effective until December 31, 2018	\$/kW	(0.1665)
Rate Rider for Disposition of Deferral/Variance Accounts- NON WMP - effective until December 31, 2018	\$/kW	(0.3391)

### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - Not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0003
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

# Hydro Ottawa Limited

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date January 1, 2018

This schedule supersedes and replaces all previously  
approved schedules of Rates, Charges and Loss Factors

EB-2017-0052

## GENERAL SERVICE 1,500 TO 4,999 KW SERVICE CLASSIFICATION

This classification refers to non residential accounts whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 1,500 kW but less than 5,000 kW. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

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It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	4,193.93
Distribution Volumetric Rate	\$/kW	4.1834
Low Voltage Service Rate	\$/kW	0.02546
Retail Transmission Rate - Network Service Rate	\$/kW	2.9563
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.9672
Rate Rider for Disposition of Deferral/Variance Accounts - effective until December 31, 2018	\$/kW	(0.1847)
Rate Rider for Disposition of Deferral/Variance Accounts- NON WMP - effective until December 31, 2018	\$/kW	(0.3735)

### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - Not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0003
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

# Hydro Ottawa Limited

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date January 1, 2018

This schedule supersedes and replaces all previously  
approved schedules of Rates, Charges and Loss Factors

EB-2017-0052

## LARGE USE SERVICE CLASSIFICATION

This classification refers to an account whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than 5,000 kW. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

## APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

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## MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	15,231.32
Distribution Volumetric Rate	\$/kW	3.9710
Low Voltage Service Rate	\$/kW	0.02867
Retail Transmission Rate - Network Service Rate	\$/kW	3.2772
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.2153
Rate Rider for Disposition of Deferral/Variance Accounts - effective until December 31, 2018	\$/kW	(0.2185)
Rate Rider for Disposition of Deferral/Variance Accounts- NON WMP - effective until December 31, 2018	\$/kW	(0.4451)

## MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - Not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0003
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

# Hydro Ottawa Limited

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date January 1, 2018

This schedule supersedes and replaces all previously  
approved schedules of Rates, Charges and Loss Factors

EB-2017-0052

## UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification includes accounts taking electricity at 120/240 volts single phase whose monthly average peak demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. These connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The customer will provide detailed manufacturer information/documentation with regard to electrical demand/consumption of the proposed unmetered load. Class B consumers are defined in accordance with O. Reg. 429/04. Qualification for this classification is at the discretion of Hydro Ottawa as defined in its Conditions of Service.

### APPLICATION

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It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	4.83
Distribution Volumetric Rate	\$/kWh	0.0235
Low Voltage Service Rate	\$/kWh	0.00006
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0069
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0046
Rate Rider for Disposition of Deferral/Variance Accounts - effective until December 31, 2018	\$/kWh	(0.0004)
Rate Rider for Disposition of Deferral/Variance Accounts- NON WMP - effective until December 31, 2018	\$/kWh	(0.0008)

### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - Not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0003
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25



# Hydro Ottawa Limited

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date January 1, 2018

This schedule supersedes and replaces all previously  
approved schedules of Rates, Charges and Loss Factors

EB-2017-0052

## STANDBY POWER SERVICE CLASSIFICATION

This classification refers to an account that has Load Displacement Generation equal to or greater than 500 kW and requires the distributor to provide back-up service. Further servicing details are available in the distributor's Conditions of Service.

## APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

## MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	138.53
General Service 50 to 1,4999 kW customer	\$/kW	1.8489
General Service 1,500 to 4,999 kW customer	\$/kW	1.6958
General Service Large User kW customer	\$/kW	1.8819

# Hydro Ottawa Limited

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date January 1, 2018

This schedule supersedes and replaces all previously  
 approved schedules of Rates, Charges and Loss Factors

EB-2017-0052

## SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to accounts that are an unmetered lighting load supplied to a sentinel light. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

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It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	3.25
Distribution Volumetric Rate	\$/kW	13.8285
Low Voltage Service Rate	\$/kW	0.01770
Retail Transmission Rate - Network Service Rate	\$/kW	2.1019
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.3674
Rate Rider for Disposition of Deferral/Variance Accounts - effective until December 31, 2018	\$/kW	(0.0878)
Rate Rider for Disposition of Deferral/Variance Accounts- NON WMP - effective until December 31, 2018	\$/kW	(0.1789)

### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - Not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0003
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

# Hydro Ottawa Limited

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date January 1, 2018

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approved schedules of Rates, Charges and Loss Factors

EB-2017-0052

## STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting controlled by photocells. The consumption for these customers is based on the calculated connected load times the required lighting times established in the approved OEB street lighting load shape template. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

## APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

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It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

## MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	0.85
Distribution Volumetric Rate	\$/kW	5.9758
Low Voltage Service Rate	\$/kW	0.01807
Retail Transmission Rate - Network Service Rate	\$/kW	2.1125
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.3960
Rate Rider for Disposition of Deferral/Variance Accounts - effective until December 31, 2018	\$/kW	(0.1404)
Rate Rider for Disposition of Deferral/Variance Accounts- NON WMP - effective until December 31, 2018	\$/kW	(0.2861)

## MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - Not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0003
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

# Hydro Ottawa Limited

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date January 1, 2018

This schedule supersedes and replaces all previously  
approved schedules of Rates, Charges and Loss Factors

EB-2017-0052

#### Micro-FIT and Micro-Net-Metering SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Independent Electricity System Operator's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Conditions of Service.

#### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

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#### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	19.00
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# Hydro Ottawa Limited

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date January 1, 2018

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EB-2017-0052

## FIT SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Independent Electricity System Operator's FIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Conditions of Service.

## APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

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## MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	124.00
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# **Hydro Ottawa Limited**

## **TARIFF OF RATES AND CHARGES**

### **Effective and Implementation Date January 1, 2018**

**This schedule supersedes and replaces all previously  
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**EB-2017-0052**

## **HCI, RESOP, Other Energy Resource SERVICE CLASSIFICATION**

This classification applies to an electricity generation facility contracted under the Independent Electricity System Operator's HCI, RESOP and Other Energy Resource programs and connected to the distributor's distribution system. Further servicing details are available in the distributor's Conditions of Service.

### **APPLICATION**

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

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### **MONTHLY RATES AND CHARGES - Delivery Component**

Service Charge	\$	270.00
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# Hydro Ottawa Limited

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date January 1, 2018

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EB-2017-0052

## ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.45)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

## SPECIFIC SERVICE CHARGES

### APPLICATION

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

No charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

### Customer Administration

Account Certificate	\$	15.00
Duplicate Invoices for previous billing	\$	15.00
Special Billing Service Per Hour (Min 1 hour, 15 min incremental billing thereafter)	\$	100.00
Credit Reference/credit check (plus credit agency costs)	\$	15.00
Unprocessed Payment Charge (plus bank charges)	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Disconnect/Reconnect at Meter - Regular Hours (Under Account Administration - New Account)	\$	65.00
Disconnect/Reconnect at Meter - After Regular Hours (Under Account Administration - New Account)	\$	185.00
Interval Meter - Field Reading	\$	362.00
High Bill Investigation - If Billing is Correct	\$	222.00

### Non-Payment of Account

Late Payment – per month	%	1.50
Late Payment – per annum	%	19.56
Collection of account charge – no disconnection	\$	30.00
Disconnect/Reconnect at meter – during regular hours	\$	65.00
Disconnect/Reconnect at meter – after regular hours	\$	185.00
Disconnect/Reconnect at pole – during regular hours	\$	185.00
Disconnect/Reconnect at pole – after regular hours	\$	415.00

### Other

Temporary Service – Install & remove – overhead – no transformer	\$	830.00
Temporary Service – Install & remove – underground – no transformer	\$	1,205.00
Temporary Service – Install & remove – overhead – with transformer	\$	2,961.00
Specific Charge for Access to the Power Poles - \$/pole/year	\$	53.00
Dry core transformer distribution charge		Per Attached Table
Energy Resource Facility Administration Charge - Without Account Set Up (One Time)	\$	133.00
Energy Resource Facility Administration Charge - With Account Set Up (One Time)	\$	163.00

# Hydro Ottawa Limited

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date January 1, 2018

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**EB-2017-0052**

### **RETAIL SERVICE CHARGES (if applicable)**

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

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Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity.

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	129.00
Monthly Fixed Charge, per retailer	\$	26.00
Monthly Variable Charge, per customer, per retailer	\$/cust.	0.6500
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust.	0.4000
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust.	(0.4000)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.30
Processing fee, per request, applied to the requesting party	\$	0.65
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year	\$	no charge
More than twice a year, per request (plus incremental delivery costs)	\$	2.00

### **LOSS FACTORS**

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0335
Total Loss Factor – Secondary Metered Customer > 5,000 kW	1.0164
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0232
Total Loss Factor – Primary Metered Customer > 5,000 kW	1.0062



# Hydro Ottawa Limited

## TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2018

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EB-2017-0052

### Dry Core Transformer Charges

Transformers	No Load Loss (W)	Load Loss (W)	Cost of Transmission and LV per kW	Cost of Energy and Wholesale Market per kWh**	Total Monthly cost of power	Cost of Distribution per kW	Total
Rates			\$ 5.0607	\$ 0.0943		\$ 4.2374	
25 KVA 1 PH, 1.2kV BIL	150	900	\$ 0.81	\$ 8.57	\$ 9.39	\$ 0.68	\$ 10.07
37.5 KVA 1 PH, 1.2kV BIL	200	1200	\$ 1.08	\$ 11.43	\$ 12.52	\$ 0.91	\$ 13.42
50 KVA 1 PH, 1.2kV BIL	250	1600	\$ 1.38	\$ 14.38	\$ 15.76	\$ 1.16	\$ 16.92
75 KVA 1 PH, 1.2kV BIL	350	1900	\$ 1.84	\$ 19.82	\$ 21.67	\$ 1.54	\$ 23.21
100 KVA 1 PH, 1.2kV BIL	400	2600	\$ 2.22	\$ 23.05	\$ 25.27	\$ 1.86	\$ 27.13
150 KVA 1 PH, 1.2kV BIL	525	3500	\$ 2.94	\$ 30.33	\$ 33.27	\$ 2.46	\$ 35.73
167 KVA 1 PH, 1.2kV BIL	650	4400	\$ 3.66	\$ 37.61	\$ 41.27	\$ 3.06	\$ 44.34
200 KVA 1 PH, 1.2kV BIL	696	4700	\$ 3.92	\$ 40.26	\$ 44.18	\$ 3.28	\$ 47.46
225 KVA 1 PH, 1.2kV BIL	748	5050	\$ 4.21	\$ 43.27	\$ 47.48	\$ 3.52	\$ 51.00
250 KVA 1 PH, 1.2kV BIL	800	5400	\$ 4.50	\$ 46.28	\$ 50.78	\$ 3.77	\$ 54.55
*15 KVA 3 PH, 1.2kV BIL	125	650	\$ 0.65	\$ 7.05	\$ 7.70	\$ 0.54	\$ 8.25
*45 KVA 3 PH, 1.2kV BIL	300	1800	\$ 1.63	\$ 17.15	\$ 18.77	\$ 1.36	\$ 20.14
*75 KVA 3 PH, 1.2kV BIL	400	2400	\$ 2.17	\$ 22.86	\$ 25.03	\$ 1.82	\$ 26.85
*112.5 KVA 3 PH, 1.2kV BIL	600	3400	\$ 3.20	\$ 34.11	\$ 37.31	\$ 2.68	\$ 39.99
*150 KVA 3 PH, 1.2kV BIL	700	4500	\$ 3.88	\$ 40.29	\$ 44.16	\$ 3.25	\$ 47.41
*225 KVA 3 PH, 1.2kV BIL	900	5300	\$ 4.85	\$ 51.35	\$ 56.20	\$ 4.06	\$ 60.27
*300 KVA 3 PH, 1.2kV BIL	1100	6300	\$ 5.88	\$ 62.60	\$ 68.48	\$ 4.93	\$ 73.41
*500 KVA 3 PH, 95kV BIL	2400	7600	\$ 11.17	\$ 130.94	\$ 142.11	\$ 9.35	\$ 151.46
*750 KVA 3 PH, 95kV BIL	3000	12000	\$ 14.64	\$ 165.97	\$ 180.61	\$ 12.26	\$ 192.86
*1000 KVA 3 PH, 95kV BIL	3400	13000	\$ 16.43	\$ 187.55	\$ 203.97	\$ 13.76	\$ 217.73
*1500 KVA 3 PH, 95kV BIL	4500	18000	\$ 21.96	\$ 248.95	\$ 270.91	\$ 18.39	\$ 289.30
*2000 KVA 3 PH, 95kV BIL	5400	21000	\$ 26.19	\$ 298.19	\$ 324.38	\$ 21.93	\$ 346.31
*2500 KVA 3 PH, 95kV BIL	6500	25000	\$ 31.45	\$ 358.68	\$ 390.13	\$ 26.33	\$ 416.46
*3000 KVA 3PH, 95kV BIL	7700	29000	\$ 37.08	\$ 424.33	\$ 461.42	\$ 31.05	\$ 492.47
*3750 KVA 3PH, 95kV BIL	9500	35000	\$ 45.54	\$ 522.81	\$ 568.36	\$ 38.13	\$ 606.49
*5000 KVA 3PH, 95kV BIL	11000	39000	\$ 52.32	\$ 603.96	\$ 656.28	\$ 43.81	\$ 700.09

No Load and load losses from CSA standard C802-94: Maximum losses for distribution, power and dry-type transformers commercial use.

Average load factor = 0.46 average loss factor = 0.2489

\*For non-preferred KVA ratings no load and load losses are interpolated as per CSA standard

\*\* Cost of Energy and Wholesale Market per kWh contains July 1, 2017 RPP Tiered Pricing and WMRS

**REVENUE PER RATE CLASS UNDER CURRENT AND PROPOSED RATES**

Table 1 below provides detailed calculations of revenue per rate class under 2015 rates, and a reconciliation of rate class revenue at 2015 rates and other revenue to total revenue requirement.

The revenue deficiency/sufficiency is determined by calculating what the revenue would have been using 2015 rates and the forecasted 2018 load and customer numbers. Rather than updating for 2017 rates, Hydro Ottawa continues to compile the analysis in this manner in order to provide a stable base for comparison to its Custom IR Application.

Please see Attachment 8-11-A for the rate class revenue reconciliation.

**Table 1 – Revenue per Rate Class and Reconciliation to 2018 Revenue Requirement<sup>1</sup>**

Rate Class	Average # Customers/ Connections	2018 Consumption		2015 Rates		Revenues at 2015 Rates (000)	Transformer Allowance Credit (000)	Difference (000)
		MWh	kW	Monthly Service Charge	Volumetric Rate (kWh/kW)			
Residential	305,144	2,206,411		\$ 9.67	\$ 0.0234	\$ 87,039		\$ 87,039
General Service < 50 kW	24,739	709,791		\$ 16.72	\$ 0.0210	\$ 19,869		\$ 19,869
General Service 50 to 1,499 kW	3,351	2,875,422	6,824,350	\$ 260.82	\$ 3.5691	\$ 34,846	\$ 768	\$ 34,078
General Service 1,500 to 4,999 kW	76	895,369	1,916,044	\$ 4,193.93	\$ 3.4887	\$ 10,509	\$ 215	\$ 10,294
Large Use	11	618,467	1,118,300	\$ 15,231.32	\$ 3.3129	\$ 5,715	\$ 126	\$ 5,590
Unmetered Scattered Load	3,573	16,731		\$ 4.43	\$ 0.0219	\$ 556		\$ 556
Standby Power	2		4,800	\$ 122.41	\$ 1.4985	\$ 10		\$ 10
Sentinel Lighting	47	48	216	\$ 2.62	\$ 10.0361	\$ 4		\$ 4
Street Lighting	55,516	43,765	123,144	\$ 0.57	\$ 3.9997	\$ 872		\$ 872
<b>Revenue</b>						<b>\$ 159,421</b>	<b>\$ 1,109</b>	<b>\$ 158,312</b>

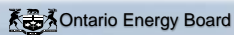
Other Revenue (000) \$ 11,438

Total Revenue (000) \$ 169,749

2018 Revenue Requirement (000) \$ 190,594

**2018 Revenue Deficiency (000) \$ 20,845**

<sup>1</sup> Totals may not match due to rounding.



## Revenue Requirement Workform (RRWF) for 2018 Filers

### Rate Design and Revenue Reconciliation

This sheet replaces Appendix 2-V, and provides a simplified model for calculating the standard monthly and volumetric rates based on the allocated class revenues and fixed/variable split resulting from the cost allocation study and rate design and as proposed by the applicant. However, the RRWF does not replace the rate generator model that an applicant distributor may use in support of its application. The RRWF provides a demonstrative check on the derivation of the revenue requirement and on the proposed base distribution rates to recover the revenue requirement, based on summary information from a more detailed rate generator model and other models that applicants use for cost allocation, load forecasting, taxes/PILs, etc.

Stage in Process:		Per Board Decision		Class Allocated Revenues			Distribution Rates				Revenue Reconciliation						
Customer and Load Forecast					From Sheet 11, Cost Allocation and Sheet 12, Residential Rate Design			Fixed / Variable Splits <sup>2</sup>		Transformer Ownership Allowance <sup>1</sup> (\$)		Monthly Service Charge		Volumetric Rate		Distribution Revenues less Transformer Ownership	
Customer Class	Volumetric Charge Determinant	Customers / Connections	kWh	kW or KVA	Total Class Revenue Requirement	Monthly Service Charge	Volumetric	Fixed	Variable		Rate	No. of decimals	Rate	No. of decimals	MSC Revenues	Volumetric revenues	
From sheet 10, Load Forecast																	
1 Residential	kWh	305,144	2,206,411,000	-	\$ 98,285,240	\$ 75,102,041	\$ 23,183,199	76.41%	23.59%	\$ -	\$20.51	2	\$0.0105 /kWh	4	\$75,102,041.28	\$ 23,167,315.5000	\$ 98,269,356.78
2 GS < 50 kW	kWh	24,739	709,791,000	-	\$ 22,437,830	\$ 5,521,745	\$ 16,916,085	24.61%	75.39%	\$ -	\$18.60		\$0.0238 /kWh		\$ 5,521,744.80	\$ 16,893,025.8000	\$ 22,414,770.60
3 GS > 50 to 1,499 kW	kW	3,351	2,875,422,000	6,824,350	\$ 38,565,203	\$ 8,042,400	\$ 30,522,803	20.85%	79.15%	\$ 767,739	\$200.00		\$4.5851 /kW		\$ 8,042,400.00	\$ 31,290,327.1650	\$ 38,564,987.81
4 GS > 1,500 to 4,999 kW	kW	76	895,369,000	1,916,044	\$ 11,624,903	\$ 3,824,864	\$ 7,800,038	32.90%	67.10%	\$ 215,555	\$4,193.93		\$4.1834 /kW		\$ 3,824,864.16	\$ 8,015,578.4696	\$ 11,624,887.68
5 Large Use	kW	11	618,467,000	1,118,300	\$ 6,325,507	\$ 2,010,534	\$ 4,314,973	31.78%	68.22%	\$ 125,809	\$15,231.32		\$3.9710 /kW		\$ 2,010,534.24	\$ 4,440,769.3000	\$ 6,325,494.79
6 Street Lighting	kW	55,516	43,765,000	123,144	\$ 1,302,150	\$ 566,263	\$ 735,887	43.49%	56.51%	\$ -	\$0.85		\$5.9758 /kW		\$ 566,263.20	\$ 735,883.9152	\$ 1,302,147.12
7 Sentinel Lighting	kW	47	48,000	216	\$ 4,820	\$ 1,833	\$ 2,987	38.03%	61.97%	\$ -	\$3.25		\$13.8285 /kW		\$ 1,833.00	\$ 2,986.9560	\$ 4,819.96
8 Unmetered Scattered Load	kWh	3,573	16,731,000	-	\$ 599,609	\$ 207,091	\$ 392,518	34.54%	65.46%	\$ -	\$4.83		\$0.0235 /kWh		\$ 207,091.08	\$ 393,178.5000	\$ 600,269.58
9 Standby Power	kW	2	-	4,800	\$ 11,465	\$ 3,325	\$ 8,140	29.00%	71.00%	\$ -	\$138.53		\$1.6958 /kW		\$ 3,324.72	\$ 8,139.8400	\$ 11,464.56
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Notes:

- <sup>1</sup> Transformer Ownership Allowance is entered as a positive amount, and only for those classes to which it applies.
- <sup>2</sup> The Fixed/Variable split, for each customer class, drives the "rate generator" portion of this sheet of the RRWF. Only the "fixed" fraction is entered, as the sum of the "fixed" and "variable" portions must sum to 100%. For a distributor that may set the Monthly Service Charge, the "fixed" ratio is calculated as: [MSC x (average number of customers or connections) x 12 months] / (Class Allocated Revenue Requirement).

## **BILL IMPACT INFORMATION**

### **1.0 INTRODUCTION**

This Schedule describes bill impacts for typical customers in each rate class arising from Hydro Ottawa's revenue requirement adjusted for cost allocation. Hydro Ottawa has utilized the 2015 Appendix 2-W to illustrate the bill impacts for each rate class, as presented in Attachment 8-12-A. Hydro Ottawa will continue to work with the OEB on resolving conflicts in the 2018 Tariff Schedule and Bill Impacts Model – Version 2.0 released on July 19, 2017 and will resubmit after corrections have been made. Please note that there may be discrepancies between Attachment 8-12-A and the 2018 Tariff Schedule and Bill Impacts Model, due to rounding.

Details of the impacts of the proposed rates are provided in Attachment 8-12-A. Attachment 8-12-A illustrates individual and combined impacts of the distribution component of the rate transmission and network charges, and the total bill impact, as based on the typical consumption level used for each rate class.

Table 1 provides a summary of bill impacts per rate class including the total change in monthly bill, including variance accounts, as expressed in both monetary and percentage terms. Please note that additional bill impacts are provided in Attachment 8-12-A which are not shown on the summary table. For Hydro Ottawa's 2017 to 2018 bill impacts, please note that rates effective July 1, 2017 were used. This includes the July 1, 2017 Regulated Price Plan ("RPP"), the removal of the Ontario Electricity Support Program ("OESP") Charge, the July 1, 2017 Rural or Remote Electricity Rate Protection Charge ("RRRP"), and the 8% Provincial Rebate that was implemented January 1, 2017.

**Table 1 – Summary of Rate Impacts**

Rate Class		2017 Approved	2018 Proposed
Residential (800 kWh)	Distribution Charge	\$28.68	\$28.91
	Change in Distribution Charge		\$0.23
	% Distribution Increase		0.80%
	% Increase of Total Bill		1.02%
Residential (750 kWh)	Distribution Charge	\$27.93	\$28.93
	Change in Distribution Charge		\$0.46
	% Distribution Increase		1.65%
	% Increase of Total Bill		1.24%
Residential (640 kWh)	Distribution Charge	\$26.26	\$27.23
	Change in Distribution Charge		\$0.97
	% Distribution Increase		3.68%
	% Increase of Total Bill		1.83%
Residential (232 kWh)	Distribution Charge	\$20.10	\$22.95
	Change in Distribution Charge		\$2.84
	% Distribution Increase		14.14%
	% Increase of Total Bill		6.97%
General Service < 50 kW (2000 kWh)	Distribution Charge	\$63.29	\$66.20
	Change in Distribution Charge		\$2.91
	% Distribution Increase		4.60%
	% Increase of Total Bill		1.80%
General Service 50 to 1,499 kW (250 kW)	Distribution Charge	\$1,281.13	\$1,346.28
	Change in Distribution Charge		\$65.15
	% Distribution Increase		5.09%
	% Increase of Total Bill		2.84%
General Service 1,500 to 4,999 kW (2500 kW)	Distribution Charge	\$13,989.18	\$14,652.43
	Change in Distribution Charge		\$663.25
	% Distribution Increase		4.74%
	% Increase of Total Bill		2.90%
Large Use (7500 kW)	Distribution Charge	\$43,130.57	\$45,013.82
	Change in Distribution Charge		\$1,883.25
	% Distribution Increase		4.37%
	% Increase of Total Bill		3.05%

Rate Class		2017 Approved	2018 Proposed
Sentinel Lighting (0.4 kW)	Distribution Charge	\$7.95	\$8.78
	Change in Distribution Charge		\$0.83
	% Distribution Increase		10.43%
	% Increase of Total Bill		5.00%
Street Lighting (1 KW)	Distribution Charge	\$6.45	\$6.83
	Change in Distribution Charge		\$0.38
	% Distribution Increase		5.82%
	% Increase of Total Bill		4.48%
Unmetered Scattered Load (470 kWh)	Distribution Charge	\$15.22	\$15.88
	Change in Distribution Charge		\$0.65
	% Distribution Increase		4.29%
	% Increase of Total Bill		1.74%

**Customer Class:** Residential

TOU / non-TOU: ☒ TOU

Consumption 100 kWh

[illegible]







## Customer Class: Residential

TOU / non-TOU: ☒ TOU

Consumption 500 kWh

Loss Factor (%)	3.3500%	3.3500%
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TOU / non-TOU: ☒ TOU

Consumption 640 kWh

Loss Factor (%)	3.3500%	3.3500%
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TOU / non-TOU: ☒ TOU

Consumption 1.000 kWh

Loss Factor (%)	3.3500%	3.3500%
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TOU / non-TOU: ☒ TOU

Consumption 2.000 kWh

Loss Factor (%)	3.3500%	3.3500%
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**Loss Factor (%)**

TOU / non-TOU: ☒ TOU

Consumption 1.000 kWh

Loss Factor (%)	3.3500%	3.3500%
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**Loss Factor (%)**

TOU / non-TOU: ☒ TOU

Consumption 2.000 kWh

Loss Factor (%)	3.3500%	3.3500%
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TOU / non-TOU: ☒ TOU

Consumption 5.000 kWh

Loss Factor (%)	3.3500%	3.3500%
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TOU / non-TOU: ☒ TOU

Consumption 10.000 kWh

Loss Factor (%)	3.3500%	3.3500%
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TOU / non-TOU: ☒ TOU

Consumption 15.000 kWh

Loss Factor (%)	3.3500%	3.3500%
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**Loss Factor (%)**

### Bill Impacts

TOU / non-TOU: ☒ TOU

Loss Factor (%)	3.3500%	3.3500%
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TOU / non-TOU: ☒ TOU

Loss Factor (%)	3.3500%	3.3500%
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TOU / non-TOU: ☒ TOU

Loss Factor (%)	3.3500%	3.3500%
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TOU / non-TOU: ☒ TOU

Loss Factor (%)	3.3500%	3.3500%
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TOU / non-TOU: ☒ TOU

Loss Factor (%)	3.3500%	3.3500%
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1 Attachment 8-12(A)

## Bill Impacts

**Customer Class:** General Service 1,500 to 4,999 KW

TOU / non-TOU: ☒ TOU

Loss Factor (%)	3.3500%	3.3500%
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## Bill Impacts

TOU / non-TOU: ☒ TOU

Loss Factor (%)	0.6200%	0.6200%
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Customer Class: **Large User**

TOU / non-TOU: ☒ TOU

Loss Factor (%)	0.6200%	0.6200%
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TOU / non-TOU: ☒ TOU

[illegible]

**Attachment 8-12(A)**  
May 1 - October 31 / November 1 - April 30 (Select this radio button for  
Bill Impacts

Customer Class: **Sentinel Lights**

TOU / non-TOU: **TOU**

Consumption		94 kWh		2018 Proposed			Impact 2017 vs 2016		
		0.40 kW							
		Current Board-Approved							
Charge Unit		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	Monthly	\$ 3.04	1	\$ 3.04	3.25	1	\$ 3.25	\$ 0.21	6.91%
Smart Meter Rate Adder			1	\$ -		1	\$ -	\$ -	
			1	\$ -		1	\$ -	\$ -	
			1	\$ -		1	\$ -	\$ -	
			1	\$ -		1	\$ -	\$ -	
			1	\$ -		1	\$ -	\$ -	
			1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kW	\$ 12.2794	0	\$ 4.91	\$13.8285	0	\$ 5.53	\$ 0.62	12.62%
Smart Meter Disposition Rider			94	\$ -		94	\$ -	\$ -	
LRAM & SSM Rate Rider	per kW	\$ -	0	\$ -		0	\$ -	\$ -	
			94	\$ -		94	\$ -	\$ -	
			94	\$ -		94	\$ -	\$ -	
			94	\$ -		94	\$ -	\$ -	
			94	\$ -		94	\$ -	\$ -	
			94	\$ -		94	\$ -	\$ -	
			94	\$ -		94	\$ -	\$ -	
			94	\$ -		94	\$ -	\$ -	
Sub-Total A (excluding pass through)				\$ 7.95			\$ 8.78	\$ 0.83	10.43%
Deferral/Variance Account	per kW	\$ 0.0062	0.40	\$ 0.00	-\$ 0.0878	0.40	-\$ 0.04	-\$ 0.04	-1516.13%
Disposition Rate Rider Class 1	per kW	\$ 0.0068	0.40	\$ 0.00	\$ -	0.40	\$ -	-\$ 0.00	-100.00%
Deferral/Variance Account	per kWh	\$ -							
Disposition Rate Rider - Global Adjustment			94	\$ -		94	\$ -	\$ -	
Deferral / Variance Accounts Balances (excluding Global Adj.) - NON-WMP	per kW	-\$ 0.5211	0.40	-\$ 0.21	-\$ 0.1789	0.40	-\$ 0.07	\$ 0.14	-65.67%
Rate Rider Calculation for WMS - Sub-account CBR Class B	per kWh	\$ 0.0003	94	\$ 0.03	\$ -	94	\$ -	-\$ 0.03	-100.00%
Low Voltage Service Charge	per kW	\$ 0.01955	0	\$ 0.01	\$0.01770	0	\$ 0.01	-\$ 0.00	-9.46%
Line Losses on Cost of Power		\$ 0.0822	3	\$ 0.26	\$ 0.0822	3	\$ 0.26	\$ -	0.00%
Smart Meter Entry Charge	Monthly	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Sub-Total B - Distribution (includes Sub-Total A)				\$ 8.04			\$ 8.94	\$ 0.90	11.19%
RTSR - Network	per kW	\$ 2.0681	0.4	\$ 0.83	\$ 2.1019	0.4	\$ 0.84	\$ 0.01	1.63%
RTSR - Line and Transformation Connection	per kW	\$ 1.3501	0.4	\$ 0.54	\$ 1.3674	0.4	\$ 0.55	\$ 0.01	1.28%
Sub-Total C - Delivery (including Sub-Total B)				\$ 9.41			\$10.33	\$ 0.92	9.78%
Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0036	97	\$ 0.35	\$ 0.0036	97	\$ 0.35	\$ -	0.00%
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0003	97	\$ 0.03	\$ 0.0003	97	\$ 0.03	\$ -	0.00%
Standard Supply Service Charge	Monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Ontario Electricity Support (OESP)		\$ -	97	\$ -	\$ -	97	\$ -	\$ -	
Debt Retirement Charge (DRC)		\$ 0.0069	94	\$ 0.65	\$ 0.0069	94	\$ 0.65	\$ -	0.00%
TOU - Off Peak		\$ 0.0650	61	\$ 3.97	\$ 0.0650	61	\$ 3.97	\$ -	0.00%
TOU - Mid Peak		\$ 0.0950	16	\$ 1.52	\$ 0.0950	16	\$ 1.52	\$ -	0.00%
TOU - On Peak		\$ 0.1320	17	\$ 2.23	\$ 0.1320	17	\$ 2.23	\$ -	0.00%
Energy - RPP - Tier 1		\$ 0.0770	94	\$ 7.24	\$ 0.0770	94	\$ 7.24	\$ -	0.00%
Energy - RPP - Tier 2		\$ 0.0900	0	\$ -	\$ 0.0900	0	\$ -	\$ -	
Total Bill on RPP (before Taxes)				\$18.41			\$19.33	\$ 0.92	5.00%
HST	13%			\$ 2.39	13%		\$ 2.51	\$ 0.12	5.00%
Total Bill (including HST)				\$20.81			\$21.85	\$ 1.04	5.00%
8% Provincial Rebate	-8%			-\$ 1.47	-8%		-\$ 1.55	-\$ 0.07	5.00%
Total Bill (including 8% Provincial Rebate)				\$19.33			\$20.30	\$ 0.97	5.00%
Total Bill on RPP (before Taxes)				\$17.93			\$18.85	\$ 0.92	5.13%
HST	13%			\$ 2.33	13%		\$ 2.45	\$ 0.12	5.13%
Total Bill (including HST)				\$20.26			\$21.30	\$ 1.04	5.13%
8% Provincial Rebate	-8%			-\$ 1.43	-8%		-\$ 1.51	-\$ 0.07	5.13%
Total Bill (including 8% Provincial Rebate)				\$18.82			\$19.79	\$ 0.97	5.13%
Loss Factor (%)		3.3500%		3.3500%					



TOU / non-TOU: ☒ TOU

[illegible]

## CURRENT DEFERRAL AND VARIANCE ACCOUNTS

### 1.0 INTRODUCTION

This Exhibit provides a summary of currently held deferral and variance accounts (“DVAs”), as of December 31, 2016. A continuity schedule for current DVAs can be found in Attachment 9-1-A 2018 DVA Workform.

Details of new accounts for which approval is being sought as part of this proceeding are included in Exhibit 9-1-2. Details of the accounts for which Hydro Ottawa is seeking disposition are discussed in Exhibit 9-2-1.

### 2.0 DETAILS OF DVAs

Tables 1 and 2 present a complete list of Hydro Ottawa’s active DVAs, categorized based on the OEB’s report on the *Electricity Distributors’ Deferral and Variance Account Review Initiative* (“EDDVAR Report”), which categorizes the DVAs into Group 1 and Group 2 accounts.

**Table 1 – Group 1 DVAs**

Group 1 Account – Description	Account
LV Variance Account	1550
Smart Meter Entity Charge Variance Account	1551
RSVA – Wholesale Market Service Charge	1580
RSVA – Retail Transmission Network Charge	1584
RSVA – Retail Transmission Connection Charge	1586
RSVA – Power (excluding Global Adjustment)	1588
RSVA – Global Adjustment	1589
Disposition and Recovery/Refund of Regulatory Balances	1595

**Table 2 – Group 2 DVAs**

Group 2 Account – Description	Account
Other Regulatory Assets	1508
Retail Cost Variance Account – Retail	1518
Renewable Connection OM&A Deferral Account	1532
Smart Grid OM&A Deferral Account	1535
Retail Cost Variance Account – STR	1548
LRAM Variance Account	1568
RSVA – One-time	1582
PILs and Tax Variance	1592

Hydro Ottawa confirms that DVAs are being used as prescribed in the OEB's Accounting Procedures Handbook ("APH").

## **2.1 DVAs Effective January 1, 2016**

As part of the Approved Settlement Agreement, Hydro Ottawa established a number of new DVAs effective January 1, 2016. Hydro Ottawa's 2017 rate adjustment application addressed those DVAs that were held as of December 31, 2015, with the exception of the Account 1508 Sub-Account Pole Attachments. As a result, this Application is the first instance in which Hydro Ottawa will report on the newly established accounts.

This section provides a summary of the newly established accounts. Each of the accounts is recorded into a Sub-Account of 1508.

### **2.1.1 Y Factor Variance Account**

The Y Factor Account was established to recover the revenue requirement associated with the construction of the new South Operations and Warehouse facility and an Eastern Operations and Administrative Campus facility and related land through a Y factor once placed into service. The capitalized amount for the Y factor will be no more than \$66 million, as set out in the Approved Settlement Agreement.

No amounts were reported in the Y Factor Account in 2016. As a result, the balance as at December 31, 2016 was zero.

#### **2.1.2 New Facilities Deferral Account**

The New Facilities Account was established to capture and record revenue requirement impacts arising from costs of the new facilities and related land that are above \$66 million. Any amount recorded into this account is subject to a prudence review.

Like the Y Factor Account, no amounts were reported in the New Facilities Account in 2016. The balance as at December 31, 2016 was zero.

#### **2.1.3 Gains/Losses from Sale of Existing Facilities Deferral Account**

One hundred percent of the after tax gain/loss from the sale of land and buildings of existing facilities will be captured in this Account. The existing facilities remained in service in 2016, and no sale of an existing facility occurred in 2016. As a result, no amounts have been recorded into this account.

#### **2.1.4 Gains and Loss on Disposal of Fixed Assets Variance Account**

This account is to record the difference between the forecast and actual loss on the disposal of fixed assets, related to retirement of assets or damage to plant. Examples include losses on meters and vehicles. The forecasted amount in Hydro Ottawa's Custom IR Application was \$198,349.

Balances related to this account can be viewed in the completed continuity schedule, Attachment 9-1-A 2018 DVA Workform.

**2.1.5 Earnings Sharing Mechanism (“ESM”) Variance Account**

The ESM Account is to credit ratepayers for 50% of any earnings above Hydro Ottawa’s regulatory Return on Equity (“ROE”), with no dead band. The ratepayer share of the earnings shall be grossed up for any tax impacts and credited to this account.

The regulatory net income for the purpose of earnings sharing will be calculated in the same manner as net income for regulatory purposes under the Reporting and Record Keeping Requirements (“RRR”) filings. This will exclude revenue and expenses that are not otherwise included for regulatory purposes, such as settlement of any regulatory assets or regulatory liabilities, including the Lost Revenue Adjustment Mechanism and changes in taxes/Payments in Lieu of Taxes (“PILS”) to which the Uniform System of Accounts (“USofA”) 1592 – PILS and Tax Variance for 2006 and Subsequent Years applies.

Hydro Ottawa will record any required ESM into this account in 2017 related to 2016 earnings. Any interest related to this amount will be calculated starting December 31, 2016.

**2.1.6 Connection Cost Recovery Agreement (“CCRA”) Payments Deferral Account**

The CCRA Account was established to recover, from customers, the annual revenue requirement impact of CCRA payments made to Hydro One. Recording of the revenue requirement will commence in the year in which the facilities, to which each CCRA payment relates, provide services to Hydro Ottawa customers.

No revenue requirement related to CCRA payments was recorded in 2016.

**2.1.7 Revenue Requirement Differential Variance Account related to Capital Additions**

This account is to track revenue requirement impacts, resulting from any underspending in Hydro Ottawa's three capital spending categories. Hydro Ottawa's capital spending categories are System Renewal/System Service, System Access, and General Plant.

The account is computed and tracked on an annual basis and calculated on a cumulative basis. If overspending occurs, no amount will be recorded into this account.

In 2016, Hydro Ottawa spent more than planned in each of the three spending categories. As a result, no amount was recorded into this variance account.

**2.1.8 Efficiency Adjustment Mechanism ("EAM") Deferral Account**

This account was established to provide ratepayers a credit should Hydro Ottawa's efficiency ranking decline during any year of the Custom IR term. The year 2014 is the starting efficiency ranking point. Hydro Ottawa will not benefit from moving into a more efficient cohort except to mitigate future adjustments. A detailed example is provided as part of the Approved Settlement Agreement.

The first EAM that Hydro Ottawa may need to record is in 2017.

**2.1.9 Pole Attachment Charge Revenues Variance Account**

The Pole Attachment Account was established to collect the difference between the \$57 pole attachment rate that Hydro Ottawa's distribution revenue was based on in 2016 and the \$53 rate from the Pole Attachment Decision. As directed by the Pole Attachment Decision and approved as part of Hydro Ottawa's 2017 rate adjustment application, this amount is being collected as part of Hydro Ottawa's 2017 rates. Starting in 2017, Hydro Ottawa's base revenue is adjusted by the Pole Attachment Decision. (Please see Exhibit 6-1-1 for details). No further amounts will be recorded into this account.

## 2.1.10 Wireless Attachment Revenues Deferral Account

The Wireless Attachment Revenue Deferral Account was established to credit ratepayers with revenues earned from wireless attachments for the period 2016 to 2020. No revenue has been recorded into this account.

## 3.0 CONTINUITY SCHEDULE

A complete continuity schedule for all DVAs, including Sub-Accounts, can be found in Attachment 9-1-A 2018 DVA Workform. Hydro Ottawa is using the DVA (Continuity Schedule) Workform Excel spreadsheet posted by the OEB on its website on July 24, 2017.

Hydro Ottawa is proposing to dispose of a number of its Group 1 accounts. For more details, please see Exhibit 9-2-1.

## 4.0 CARRYING CHARGES

The interest rate used for the calculation of all carrying charges to applicable accounts is prescribed by the OEB and published quarterly on its website. Please see Table 3 for a summary of these interest rates up to Q4 2016. Hydro Ottawa confirms it uses these interest rates, where applicable, as provided by the OEB.

**Table 3 – Interest Rates for Carrying Charges on DVAs**

Prescribed Interest Rate	
Period Used	Approved for Deferral and Variance Accounts
Q2 2015 to Q3 2017	1.10%
Q1 2011 to Q1 2015	1.47%

1     **5.0     RECONCILIATION OF CONTINUITY SCHEDULE VS. RRRs**

2  
3     As per the continuity schedule in Attachment 9-1-A 2018 DVA Workform, there are only  
4     immaterial differences in the account balances as of December 31, 2016 between the  
5     continuity schedule and 2.1.7 RRRs reported to the OEB.  
6

7     **6.0     NEW DVAs AND SUB-ACCOUNTS**

8  
9     Please see Exhibit 9-1-2 for details regarding the proposed new Sub-Account to 1595 to  
10    dispose of any Group 1 Accounts.  
11

12    **7.0     ADJUSTMENTS TO DVAs**

13  
14    Hydro Ottawa confirms that it has not made any adjustments to DVA balances that were  
15    previously approved by the OEB on a final basis.  
16

17    **8.0     ENERGY SALES AND COST OF POWER EXPENSE BALANCES**

18  
19    The sale of energy and cost of power are flow through items. Hydro Ottawa does not  
20    report any difference for financial purposes between the energy sales and the cost of  
21    power. As a result, Hydro Ottawa does not derive any economic gain or loss in the flow  
22    through of these accounts.  
23

24    The totals for energy sales and cost of power do not net to zero on the audited financial  
25    statements due to International Financial Reporting Standards ("IFRS") 14 net  
26    movement adjustments (see Table 4 below). Totals for energy sales and cost of power  
27    are reconciled to the audited financial statements in Table 5. Table 6 presents energy  
28    sales and cost of power sales per the USofA.  
29  
30  
31



**Table 4 – Energy Sales and Cost of Power per Audited Financial Statements**

	<b>2016 (\$000)</b>
Total Energy Sales	(974,207)
Total Cost of Power	968,069
<b>Net Energy Sales and Cost of Power</b>	<b>(6,138)</b>

**Table 5 – Energy Sales and Cost of Power Reconciliation to Audited Financial Statements**

	<b>2016 (\$)</b>
Total Energy Sales as per Audited Financial Statements	(974,206,961)
RSVA – Global Adjustment – Net Movement	3,678,001
RSVA – Wholesale Market Service Charge – Net Movement	7,468,119
RSVA – Retail Transmission Connection Charge – Net Movement	2,572,072
LV Variance Account – Net Movement	302,419
IFRS Regulatory Balance Adjustment (IFRS 14)	(5,052,779)
<b>Total Energy Sales After Net Movement Adjustments</b>	<b>(965,239,129)</b>
Total Cost of Power as per Audited Financial Statements	968,069,348
RSVA – Power (excluding Global Adjustment) – Net Movement	(2,796,072)
RSVA – Wholesale Market Service Charge – Net Movement	(23,309)
RSVA – Retail Transmission Network Charge – Net Movement	(9,934)
Smart Meter Entity Charge – Net Movement	(904)
<b>Total Cost of Power After Net Movement Adjustments</b>	<b>965,239,129</b>
<b>Net Energy Sales and Cost of Power</b>	<b>-</b>

**Table 6 – Cost of Power and Energy Sales**

<b>Account and Description</b>	<b>2016 (\$)</b>
4006 Residential Energy Sales	(257,019,267)
4020 Energy Sales to Large Users	(58,115,883)
4025 Street Lighting Energy Sales	(5,091,552)
4030 Sentinel Lighting Energy Sales	0
4035 General Energy Sales	(518,143,725)
4050 Revenue Adjustment	0
4062 Billed – WMS	(38,083,812)
4066 Billed – NW	(51,934,753)
4068 Billed – CN	(33,691,843)
4075 Billed – LV	(167,371)
4076 Billed – Smart Metering Entity Charge	(2,990,923)
<b>Total Energy Sales</b>	<b>(965,239,129)</b>
4705 Power Purchased	838,370,427
4708 Charges – WMS	38,083,812
4714 Charges – NW	51,934,753
4716 Charges – CN	33,691,843
4750 Charges – LV	167,371
4751 Charges – Smart Metering Entity Charge	2,990,923
<b>Total Cost of Power</b>	<b>965,239,129</b>
<b>Net Energy Sales and Cost of Power</b>	<b>-</b>

## 9.0 IESO GLOBAL ADJUSTMENT CHARGE (RPP AND NON-RPP)

Hydro Ottawa confirms that the Independent Electricity System Operator's ("IESO") Global Adjustment Charge is pro-rated between Regulated Price Plan ("RPP") and non-RPP portions.



Ontario Energy Board

## 2018 Deferral/Variance Account Workform

This continuity schedule must be completed for each account and sub-account that the utility has disposed of data from the year in which the GL balance was last disposed. For example, if in the 2017 Continuity Schedule, the utility disposed of the 2014 balance in the Adjustment column under 2014. For each Account 1595 sub-account, start inputting the relevant balances approved for disposition was first transferred into Account 1595 (2014) starting from the vintage year. For any new accounts that have never been disposed, start

Account Descriptions	Account Number
<b>Group 1 Accounts</b>	
LV Variance Account	1550
Smart Metering Entity Charge Variance Account	1551
RSVA - Wholesale Market Service Charge <sup>9</sup>	1580
Variance WMS - Sub-account CBR Class A <sup>9</sup>	1580
Variance WMS - Sub-account CBR Class B <sup>9</sup>	1580
RSVA - Retail Transmission Network Charge	1584
RSVA - Retail Transmission Connection Charge	1586
RSVA - Power (excluding Global Adjustment) <sup>12</sup>	1588
RSVA - Global Adjustment <sup>12</sup>	1589
Disposition and Recovery/Refund of Regulatory Balances (2009) <sup>7</sup>	1595
Disposition and Recovery/Refund of Regulatory Balances (2010) <sup>7</sup>	1595
Disposition and Recovery/Refund of Regulatory Balances (2011) <sup>7</sup>	1595
Disposition and Recovery/Refund of Regulatory Balances (2012) <sup>7</sup>	1595
Disposition and Recovery/Refund of Regulatory Balances (2013) <sup>7</sup>	1595
Disposition and Recovery/Refund of Regulatory Balances (2014) <sup>7</sup>	1595
Disposition and Recovery/Refund of Regulatory Balances (2015) <sup>7</sup>	1595
Disposition and Recovery/Refund of Regulatory Balances (2016) <sup>7</sup>	1595
<i>Not to be disposed of until a year after rate rider has expired and that balance has been audited</i>	
<b>Group 1 Sub-Total (including Account 1589 - Global Adjustment)</b>	
<b>Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)</b>	
<b>RSVA - Global Adjustment 12</b>	<b>1589</b>
<b>Group 2 Accounts</b>	
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery	
Variance - Ontario Clean Energy Benefit Act <sup>3</sup>	1508
Other Regulatory Assets - Sub-Account - Capital Charges	1508
Other Regulatory Assets - Sub-Account - P & OPEB	1508
Other Regulatory Assets - Sub-Account - East Energy Cost Defer Cost	1508
Other Regulatory Assets - Sub-Account - Pole Attachment Charge Revenues Variance Account	1508
Other Regulatory Assets - Sub-Account - Wireless Attachment Revenues Deferral Account	1508
Other Regulatory Assets - Sub-Account - Y-Factor Variance Account	1508
Other Regulatory Assets - Sub-Account - Gains/Losses from Sale of Existing Facilities Deferr	1508
Other Regulatory Assets - Sub-Account - New Facilities Deferral Account	1508
Variance Account	1508
Other Regulatory Assets - Sub-Account - Earnings Sharing Mechanism (ESM) Variance Account	1508
Other Regulatory Assets - Sub-Account - Connection Cost Recovery Agreement (CCRA) Payr	1508
Other Regulatory Assets - Sub-Account - Revenue Requirement Differential Variance Account	1508
Other Regulatory Assets - Sub-Account - Efficiency Adjustment Mechanism Deferral Account	1508
Other Regulatory Assets - Sub-Account - OEB Cost Assessment Variance	1508
Retail Cost Variance Account - Retail	1518
Misc. Deferred Debits	1525
Retail Cost Variance Account - STR	1548
Board-Approved CDM Variance Account	1567

Enter the number of utility specific Account 1508 sub-accounts that have been previously approved, regardless of whether disposition is being requested. If none, enter 1 and the generic sub-account will still be listed.

14

Identify and name each sub-account and complete the continuity schedule in the line(s) generated in the continuity schedule. Indicate whether the sub-account is requested for disposition in column BT.

Account Descriptions	Account Number
Extra-Ordinary Event Costs	1572
Deferred Rate Impact Amounts	1574
RSVA - One-time	1582
Other Deferred Credits	2425
<b>Group 2 Sub-Total</b>	
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592
<b>Total of Group 1 and Group 2 Accounts (including 1592)</b>	

Account Descriptions	Account Number
<b>LRAM Variance Account<sup>11</sup></b>	<b>1568</b>
<b>Total including Account 1568</b>	
Renewable Generation Connection Capital Deferral Account <sup>8</sup>	1531
Renewable Generation Connection OM&A Deferral Account <sup>8</sup>	1532
Renewable Generation Connection Funding Adder Deferral Account	1533
Smart Grid Capital Deferral Account	1534
Smart Grid OM&A Deferral Account	1535
Smart Grid Funding Adder Deferral Account	1536
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital <sup>4</sup>	1555
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries <sup>4</sup>	1555
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs <sup>4</sup>	1555
Smart Meter OM&A Variance <sup>4</sup>	1556
Meter Cost Deferral Account (MIST Meters) <sup>10</sup>	1557
IFRS-CGAAP Transition PP&E Amounts Balance + Return Component <sup>5</sup>	1575
Accounting Changes Under CGAAP Balance + Return Component <sup>5</sup>	1576

**For all OEB-Approved dispositions, please ensure that the disposition amount has the same sign (a figure and credit balance are to have a negative figure) as per the related OEB decision.**

<sup>1</sup> For RSA accounts only, report the net variance to the account during the year. For all other accounts, record the transaction in this column.

<sup>2</sup> Please provide explanations for the nature of the adjustments. If the adjustment relates to previously OEB Approved dispositions, please provide the OEB decision number.

<sup>3</sup> As per the January 6, 2011 Letter from the OEB regarding the implementation of the Ontario Clean Energy Benefit: "By way of exception... The Board does anticipate that licensed distributors that cannot adapt their invoices as of January 1, 2011, to the new rate schedule, will be addressed. Sub account Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act" will be addressed in the 2011 rate decision.

<sup>4</sup> Deferral accounts related to Smart Meter deployment are not to be recovered/refunded through the Deferral and Variance Accounts. Smart Meter Disposition and Cost Recovery (G/2011-0001).

<sup>5</sup> The OEB requires that disposition of Account 1575 and Account 1576 shall require the use of separate rate riders. In the 2017 rate decision, the OEB requires that the 2017 rate rider calculation from the applicable Chapter 2-E appendix line "Amount included in Deferral and Variance Accounts" be used to calculate the 2017 rate rider.

Depending on the disposition period, balances may exist in Account 1575 and Account 1576 even if the accounts have been disposed. This is the case and leave the checkbox "Check to Dispose of Account" in the Total Claim column unchecked.

<sup>6</sup> If the LDC's rate year begins on January 1, 2018, the projected interest is recorded from January 1, 2017 to December 31, 2017 rate decision. If the LDC's rate year begins on May 1, 2018, the projected interest is recorded from January 1, 2018 to the OEB in the 2017 rate decision.

<sup>7</sup> The individual sub-accounts as well as the total for all Account 1595 sub-accounts are to agree to the RRR data. Differ for each Account 1595 sub-account, the transfer of the balance approved for disposition into Account 1595 is to be recorded in the column. The two are not to be netted together and recorded in one column in the first year.

The audited balance in the account is only to be disposed a year after the recovery/refund period has been completed. (Account 1595 is only to be disposed once on a final basis. No further dispositions of these accounts are generally expected in the Claims column if the account is requested for disposition.

<sup>8</sup> As per the Filing Requirements for 2018 rate applications, request for rate protection on eligible investments are subject to the OEB's rate of return. The Direct Benefits portion of Account 1531 should be transferred to rate base. The Direct Benefits portion of Account 1532 should be transferred to rate base. Account 1531 is listed for reference only. Account 1532 is included in the Group 2 allocation of balances that are used to calculate the 2018 rate.

<sup>9</sup> Account 1580 RSA WMS balance inputted into this schedule is to exclude any amounts relating to CBR. CBR amount in the 2018 rate application. Account 1580, sub-account CBR Class A, accounting guidance for this sub-account is to be followed. If a balance exists in the 2018 rate application, it should be included in the 2018 rate application.

<sup>10</sup> Account 1557 is to be recovered in a manner similar to the Smart Meter accounts. Distributors should request for disposition in the 2018 rate application, outside of this continuity schedule.

<sup>11</sup> Input the LRAMVA balance in the continuity schedule as calculated from the LRAMVA model. The associated rate rider is to be included in the 2018 rate application.

<sup>12</sup> Effective May 23, 2017, per the OEB's letter titled *Guidance on Disposition of Accounts 1588 and 1589*, applicants must include the 2017 rate decision in the 2018 rate application. This is to include true ups that impact the GA as well. The amount requested for disposition starts with the 2017 rate decision. The amount requested for disposition starts with the 2017 rate decision. Note that this true-up claim will not be included in the 2018 rate decision. Note that if a distributor has any balance in Account 1589 that pertains to Class A, this must be excluded from the balance.

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## Deferral/Variance Account Workform

This continuity schedule must be completed for each account and sub-account that the utility has approved for use as at Dec. 31, 2016, regardless of whether disposition is being requested for the account. For all accounts, except for Account 1595, start the continuity schedule from the year in which the GL balance was last disposed. For example, if in the 2017 rate application, DVA balances as at December 31, 2015 were approved for disposition, start the continuity schedule from 2015 by entering the approved closing balance in the Adjustment column under 2014. For each Account 1595 sub-account, start inputting data from the year the sub-account started to accumulate a balance (i.e. the vintage year). For example, Account 1595 (2014), data should be inputted starting in 2014. The relevant balances approved for disposition was first transferred into Account 1595 (2014). The DVA continuity schedule currently starts from 2011, if a utility has an Account 1595 with a vintage year prior to 2011, then a separate schedule should be started from the vintage year. For any new accounts that have never been disposed, start inputting data from the year the account was approved to be used.

		2011									
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-11	Transactions(1) Debit/ (Credit) during 2011	OEB-Approved Disposition during 2011	Principal Adjustments(2) during 2011	Closing Principal Balance as of Dec-31-11	Opening Interest Amounts as of Jan-1-11	Interest Jan-1 to Dec-31-11	OEB-Approved Disposition during 2011	Interest Adjustments(1) during 2011	Closing Interest Amounts as of Dec-31-11
Group 1 Accounts											
LV Variance Account	1550					\$0					\$0
Smart Metering Entity Charge Variance Account	1551										
RSVA - Wholesale Market Service Charge <sup>9</sup>	1580					\$0					\$0
Variance WMS – Sub-account CBR Class A <sup>8</sup>	1580										
Variance WMS – Sub-account CBR Class B <sup>9</sup>	1580										
RSVA - Retail Transmission Network Charge	1584					\$0					\$0
RSVA - Retail Transmission Connection Charge	1586					\$0					\$0
RSVA - Power (excluding Global Adjustment) <sup>12</sup>	1588					\$0					\$0
RSVA - Global Adjustment <sup>12</sup>	1589					\$0					\$0
Disposition and Recovery/Refund of Regulatory Balances (2009) <sup>7</sup>	1595					\$0					\$0
Disposition and Recovery/Refund of Regulatory Balances (2010) <sup>7</sup>	1595					\$0					\$0
Disposition and Recovery/Refund of Regulatory Balances (2011) <sup>7</sup>	1595					\$0					\$0
Disposition and Recovery/Refund of Regulatory Balances (2012) <sup>7</sup>	1595					\$0					\$0
Disposition and Recovery/Refund of Regulatory Balances (2013) <sup>7</sup>	1595					\$0					\$0
Disposition and Recovery/Refund of Regulatory Balances (2014) <sup>7</sup>	1595					\$0					\$0
Disposition and Recovery/Refund of Regulatory Balances (2015) <sup>7</sup>	1595					\$0					\$0
Disposition and Recovery/Refund of Regulatory Balances (2016) <sup>7</sup>	1595					\$0					\$0
Not to be disposed of until a year after rate rider has expired and that balance has been audited											
Group 1 Sub-Total (including Account 1589 - Global Adjustment)		\$0	\$0			\$10,623,257	\$0	\$0		\$0	\$552,141
Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)		\$0	\$0			\$10,623,257	\$0	\$0		\$0	\$552,141
RSVA - Global Adjustment 12		1589	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Group 2 Accounts											
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508					\$0					\$0
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508					\$0					\$0
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery											
Variance - Ontario Clean Energy Benefit Act <sup>3</sup>	1508					\$0					\$0
Other Regulatory Assets - Sub-Account - Capital Charges	1508					\$0					\$0
Other Regulatory Assets - Sub-Account - P & OPEB	1508					\$0					\$0
Other Regulatory Assets - Sub-Account - East Energy Cost Defer Cost	1508					\$0					\$0
Other Regulatory Assets - Sub-Account - Pole Attachment Charge Revenues Variance Account	1508					\$0					\$0
Other Regulatory Assets - Sub-Account - Wireless Attachment Revenues Deferral Account	1508					\$0					\$0
Other Regulatory Assets - Sub-Account - Y-Factor Variance Account	1508					\$0					\$0
Other Regulatory Assets - Sub-Account - Gains/Losses from Sale of Existing Facilities Deferral Account	1508					\$0					\$0
Other Regulatory Assets - Sub-Account - New Facilities Deferral Account	1508					\$0					\$0
Variance Account	1508					\$0					\$0
Other Regulatory Assets - Sub-Account - Earnings Sharing Mechanism (ESM) Variance Account	1508					\$0					\$0
Other Regulatory Assets - Sub-Account - Connection Cost Recovery Agreement (CCRA) Payment	1508					\$0					\$0
Other Regulatory Assets - Sub-Account - Revenue Requirement Differential Variance Account	1508					\$0					\$0
Other Regulatory Assets - Sub-Account - Efficiency Adjustment Mechanism Deferral Account	1508					\$0					\$0
Other Regulatory Assets - Sub-Account - OEB Cost Assessment Variance	1508					\$0					\$0
Retail Cost Variance Account - Retail	1518					\$0					\$0
Misc. Deferred Debits	1525					\$0					\$0
Retail Cost Variance Account - STR	1548					\$0					\$0
Board-Approved CDM Variance Account	1567					\$0					\$0

		2011									
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-11	Transactions(1) Debit / (Credit) during 2011	OEB-Approved Disposition during 2011	Principal Adjustments(2) during 2011	Closing Principal Balance as of Dec-31-11	Opening Interest Amounts as of Jan-1-11	Interest Jan-1 to Dec-31-11	OEB-Approved Disposition during 2011	Interest Adjustments(1) during 2011	Closing Interest Amounts as of Dec-31-11
Extra-Ordinary Event Costs	1572					\$0					\$0
Deferred Rate Impact Amounts	1574					\$0					\$0
RSVA - One-time	1582					\$0					\$0
Other Deferred Credits	2425					\$0					\$0
<b>Group 2 Sub-Total</b>			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592	-\$200,861	\$0	-\$200,861		\$0	-\$9,902	-\$2,953	-\$12,855		\$0
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592					\$0					\$0
<b>Total of Group 1 and Group 2 Accounts (including 1592)</b>		-\$200,861	\$0	-\$10,824,118	\$0	\$10,623,257	-\$9,902	-\$2,953	-\$564,996	\$0	\$552,141

		2011									
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-11	Transactions(1) Debit / (Credit) during 2011	OEB-Approved Disposition during 2011	Principal Adjustments(2) during 2011	Closing Principal Balance as of Dec-31-11	Opening Interest Amounts as of Jan-1-11	Interest Jan-1 to Dec-31-11	OEB-Approved Disposition during 2011	Interest Adjustments(1) during 2011	Closing Interest Amounts as of Dec-31-11
LRAM Variance Account <sup>11</sup>	1568					\$0					\$0
<b>Total including Account 1568</b>			\$0	-\$10,824,118	\$0	\$10,623,257	-\$9,902	-\$2,953	-\$564,996	\$0	\$552,141
Renewable Generation Connection Capital Deferral Account <sup>8</sup>	1531					\$0					\$0
Renewable Generation Connection OM&A Deferral Account <sup>8</sup>	1532					\$0					\$0
Renewable Generation Connection Funding Adder Deferral Account	1533					\$0					\$0
Smart Grid Capital Deferral Account	1534					\$0					\$0
Smart Grid OM&A Deferral Account	1535					\$0					\$0
Smart Grid Funding Adder Deferral Account	1536					\$0					\$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital <sup>4</sup>	1555					\$0					\$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries <sup>4</sup>	1555					\$0					\$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs <sup>4</sup>	1555					\$0					\$0
Smart Meter OM&A Variance <sup>4</sup>	1556					\$0					\$0
Meter Cost Deferral Account (MIST Meters) <sup>10</sup>	1557										
IFRS-CGAAP Transition PP&E Amounts Balance + Return Component <sup>5</sup>	1575					\$0					
Accounting Changes Under CGAAP Balance + Return Component <sup>5</sup>	1576										

**For all OEB-Approved dispositions, please ensure that the disposition amount has the same sign (e.g. debit balances are to have a positive figure and credit balance are to have a negative figure) as per the related OEB decision.**

For RSVA accounts only, report the net variance to the account during the year. For all other accounts, record the transactions during the year. Do not include interest, adjustments, or OEB approved dispositions in this column.

Please provide explanations for the nature of the adjustments. If the adjustment relates to previously OEB Approved disposed balances, please provide amounts for adjustments and include supporting documentations.

As per the January 6, 2011 Letter from the OEB regarding the implementation of the Ontario Clean Energy Benefit:

"By way of exception, The Board does anticipate that licensed distributors that cannot adapt their invoices as of January 1, 2011 will require a variance account for OCEB purposes... The Board expects that any principal balances in "Sub account Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act" will be addressed through the monthly settlement process with the IESO or the host distributor, as applicable."

Deferral accounts related to Smart Meter deployment are not to be recovered/refunded through the Deferral and Variance Account rate rider. For details on how to dispose of balances in Smart Meter accounts see the OEB's Guideline: Smart Meter Disposition and Cost Recovery (G-2011-0001)

The OEB requires that disposition of Account 1575 and Account 1576 shall require the use of separate rate riders. In the "Adjustments during 2016" column of the continuity schedule, please enter the amounts to be included in the Account 1575 and 1576 rate rider calculation from the applicable Chapter 2-E appendix line "Amount included in Deferral and Variance Account Rate Rider Calculation".

Depending on the disposition period, balances may exist in Account 1575 and Account 1576 even if the accounts have been approved for disposition in a previous decision. Report these account balances in the continuity schedule if this is the case and leave the checkbox "Check to Dispose of Account" in the Total Claim column unchecked.

If the LDC's rate year begins on January 1, 2018, the projected interest is recorded from January 1, 2017 to December 31, 2017 on the December 31, 2016 balances adjusted for the disposed balances approved by the OEB in the 2017 rate decision. If the LDC's rate year begins on May 1, 2018, the projected interest is recorded from January 1, 2017 to April 30, 2018 on the December 31, 2016 balances adjusted for the disposed interest balances approved by the OEB in the 2017 rate decision.

The individual sub-accounts as well as the total for all Account 1595 sub-accounts are to agree to the RRR data. Differences need to be explained.

For each Account 1595 sub-account, the transfer of the balance approved for disposition into Account 1595 is to be recorded in the "OEB Approved Disposition" column. The recovery/refund is to be recorded in the "Transaction" column. The two are not to be netted together and recorded in one column in the first year.

The audited balance in the account is only to be disposed a year after the recovery/refund period has been completed. Generally, no further transactions would be expected to flow through the account after that. Any vintage year of Account 1595 is only to be disposed once on a final basis. No further dispositions of these accounts are generally expected thereafter, unless justified by the distributor. Select the "Check to dispose of account" checkbox in Total Claims column if the account is requested for disposition.

As per the Filing Requirements for 2018 rate applications, request for rate protection on eligible investments are subject to a materiality threshold. If the materiality threshold is met, per the APH March 2015 Guidance, the Direct Benefits portion of Account 1531 should be transferred to rate base. The Direct Benefits portion of Account 1532 should be included in the DVA continuity schedule to be requested for disposition. In this continuity schedule, Account 1531 is listed for reference only. Account 1532 is included in the Group 2 allocation of balances that are used to calculate the rate riders. Only input the Direct Benefits portion of the account balances in this continuity schedule.

Account 1580 RSVA WMS balance inputted into this schedule is to exclude any amounts relating to CBR. CBR amounts are to be inputted into Account 1580, sub-accounts CBR Class A and B separately. There is no disposition of Account 1580, sub-account CBR Class A, accounting guidance for this sub-account is to be followed. If a balance exists for Account 1580, sub-account CBR Class A as at Dec. 31, 2016, the balance must be explained.

Account 1557 is to be recovered in a manner similar to the Smart Meter accounts. Distributors should request for disposition upon completion of the MIST meter deployment. A prudence review and disposition should be done in the application, outside of this continuity schedule.

Input the LRAMVA balance in the continuity schedule as calculated from the LRAMVA model. The associated rate riders will be calculated in the DVA continuity schedule.

Effective May 23, 2017, per the OEB's letter titled *Guidance on Disposition of Accounts 1588 and 1589*, applicants must reflect RPP Settlement true-up claims pertaining to the period that is being requested for disposition in Accounts 1588 and 1589. This is to include true ups that impact the GA as well. The amount requested for disposition starts with the audited account balance. If the audited account balance does not reflect the true-up claims for that year, the impacts of the true-up claims are to be shown in the Adjustment column in that year. Note that this true-up claim will need to be reversed in the amount requested for disposition in the following year. However, if the RPP Settlement true-up claim was not reflected at the end of the last year of the account balance that was previously disposed, then no adjustment would have to be made in the first year at the beginning of the current period being requested for disposition. This way the adjustment is appropriately captured in the last year of the previously disposed period and the first year of the current period requested for disposition.

Note that if a distributor has any balance in Account 1589 that pertains to Class A, this must be excluded from the balance requested for disposition.



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## Deferral/Variance Account Workform

This continuity schedule must be completed for each account and sub-account that the start inputting data from the year in which the GL balance was last disposed. For example, if in the 2017, 2014 balance in the Adjustment column under 2014. For each Account 1595 sub-account, start inputting 2014 when the relevant balances approved for disposition was first transferred into Account 1595 (2014 provided starting from the vintage year. For any new accounts that have never been disposed, start

		2012									
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-12	Transactions(1) Debit/ (Credit) during 2012	OEB-Approved Disposition during 2012	Principal Adjustments(2) 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(2) during 2012	Closing Interest Amounts as of Dec-31-12
Group 1 Accounts											
LV Variance Account	1550	\$0				\$0	\$0				\$0
Smart Metering Entity Charge Variance Account	1551										
RSVA - Wholesale Market Service Charge <sup>9</sup>	1580	\$0				\$0	\$0				\$0
Variance WMS – Sub-account CBR Class A <sup>9</sup>	1580										
Variance WMS – Sub-account CBR Class B <sup>9</sup>	1580										
RSVA - Retail Transmission Network Charge	1584	\$0				\$0	\$0				\$0
RSVA - Retail Transmission Connection Charge	1586	\$0				\$0	\$0				\$0
RSVA - Power (excluding Global Adjustment) <sup>12</sup>	1588	\$0				\$0	\$0				\$0
RSVA - Global Adjustment <sup>12</sup>	1589	\$0				\$0	\$0				\$0
Disposition and Recovery/Refund of Regulatory Balances (2009) <sup>7</sup>	1595	\$0				\$0	\$0				\$0
Disposition and Recovery/Refund of Regulatory Balances (2010) <sup>7</sup>	1595	\$0				\$0	\$0				\$0
Disposition and Recovery/Refund of Regulatory Balances (2011) <sup>7</sup>	1595	\$0				\$0	\$0				\$0
Disposition and Recovery/Refund of Regulatory Balances (2012) <sup>7</sup>	1595	\$10,623,257	\$9,285,458	\$21,566,079		-\$1,657,364	\$552,141	-\$103,169	-\$782,598		\$1,231,570
Disposition and Recovery/Refund of Regulatory Balances (2013) <sup>7</sup>	1595	\$0				\$0	\$0				\$0
Disposition and Recovery/Refund of Regulatory Balances (2014) <sup>7</sup>	1595	\$0				\$0	\$0				\$0
Disposition and Recovery/Refund of Regulatory Balances (2015) <sup>7</sup>	1595	\$0				\$0	\$0				\$0
Disposition and Recovery/Refund of Regulatory Balances (2016) <sup>7</sup>	1595	\$0				\$0	\$0				\$0
Not to be disposed of until a year after rate rider has expired and that balance has been audited											
Group 1 Sub-Total (including Account 1589 - Global Adjustment)		\$10,623,257	\$9,285,458	\$21,566,079	\$0	-\$1,657,364	\$552,141	-\$103,169	-\$782,598	\$0	\$1,231,570
Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)		\$10,623,257	\$9,285,458	\$21,566,079	\$0	-\$1,657,364	\$552,141	-\$103,169	-\$782,598	\$0	\$1,231,570
RSVA - Global Adjustment 12	1589	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Group 2 Accounts											
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	\$0				\$0	\$0				\$0
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 - Capital Charges	1508	\$0				\$0	\$0				\$0
Other Regulatory Assets - Sub-Account - P & OPEB	1508	\$0				\$0	\$0				\$0
Other Regulatory Assets - Sub-Account - East Energy Cost Defer Cost	1508	\$0				\$0	\$0				\$0
Other Regulatory Assets - Sub-Account - Pole Attachment Charge Revenues Variance Account	1508	\$0				\$0	\$0				\$0
Other Regulatory Assets - Sub-Account - Wireless Attachment Revenues Deferral Account	1508	\$0				\$0	\$0				\$0
Other Regulatory Assets - Sub-Account - Y-Factor Variance Account	1508	\$0				\$0	\$0				\$0
Other Regulatory Assets - Sub-Account - Gains/Losses from Sale of Existing Facilities Deferral Account	1508	\$0				\$0	\$0				\$0
Other Regulatory Assets - Sub-Account - New Facilities Deferral Account	1508	\$0				\$0	\$0				\$0
Variance Account	1508	\$0				\$0	\$0				\$0
Other Regulatory Assets - Sub-Account - Earnings Sharing Mechanism (ESM) Variance Account	1508	\$0				\$0	\$0				\$0
Other Regulatory Assets - Sub-Account - Connection Cost Recovery Agreement (CCRA) Payment	1508	\$0				\$0	\$0				\$0
Other Regulatory Assets - Sub-Account - Revenue Requirement Differential Variance Account	1508	\$0				\$0	\$0				\$0
Other Regulatory Assets - Sub-Account - Efficiency Adjustment Mechanism Deferral Account	1508	\$0				\$0	\$0				\$0
Other Regulatory Assets - Sub-Account - OEB Cost Assessment Variance	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

		2012									
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-12	Transactions(1) Debit / (Credit) during 2012	OEB-Approved Disposition during 2012	Principal Adjustments(2) 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(2) during 2012	Closing Interest Amounts as of Dec-31-12
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
<b>Group 2 Sub-Total</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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
<b>Total of Group 1 and Group 2 Accounts (including 1592)</b>		\$10,623,257	\$9,285,458	\$21,566,079	\$0	<b>-\$1,657,364</b>	\$552,141	<b>-\$103,169</b>	<b>-\$782,598</b>	\$0	\$1,231,570

		2012									
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-12	Transactions(1) Debit / (Credit) during 2012	OEB-Approved Disposition during 2012	Principal Adjustments(2) 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(2) during 2012	Closing Interest Amounts as of Dec-31-12
LRAM Variance Account <sup>11</sup>	1568	\$0				\$0	\$0				\$0
<b>Total including Account 1568</b>		\$10,623,257	\$9,285,458	\$21,566,079	\$0	<b>-\$1,657,364</b>	\$552,141	<b>-\$103,169</b>	<b>-\$782,598</b>	\$0	\$1,231,570
Renewable Generation Connection Capital Deferral Account <sup>6</sup>	1531	\$0				\$0	\$0				\$0
Renewable Generation Connection OM&A Deferral Account <sup>8</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>4</sup>	1555	\$0				\$0	\$0				\$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries <sup>4</sup>	1555	\$0				\$0	\$0				\$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs <sup>4</sup>	1555	\$0				\$0	\$0				\$0
Smart Meter OM&A Variance <sup>4</sup>	1556	\$0				\$0	\$0				\$0
Meter Cost Deferral Account (MIST Meters) <sup>10</sup>	1557										
IFRS-CGAAP Transition PP&E Amounts Balance + Return Component <sup>5</sup>	1575	\$0				\$0					
Accounting Changes Under CGAAP Balance + Return Component <sup>5</sup>	1576	\$0				\$0					

**For all OEB-Approved dispositions, please ensure that the disposition amount has the same sign (e figure and credit balance are to have a negative figure) as per the related OEB decision.**

For RSA accounts only, report the net variance to the account during the year. For all other accounts, record the tran this column.

Please provide explanations for the nature of the adjustments. If the adjustment relates to previously OEB Approved di As per the January 6, 2011 Letter from the OEB regarding the implementation of the Ontario Clean Energy Benefit:

"By way of exception... The Board does anticipate that licensed distributors that cannot adapt their invoices as of Janua "Sub account Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act" will be address

Deferral accounts related to Smart Meter deployment are not to be recovered/refunded through the Deferral and Varians Smart Meter Disposition and Cost Recovery (G-2011-0001)

The OEB requires that disposition of Account 1575 and Account 1576 shall require the use of separate rate riders. In th Account 1575 and 1576 rate rider calculation from the applicable Chapter 2-E appendix line "Amount included in Defer

Depending on the disposition period, balances may exist in Account 1575 and Account 1576 even if the accounts have this is the case and leave the checkbox "Check to Dispose of Account" in the Total Claim column unchecked.

If the LDC's rate year begins on January 1, 2018, the projected interest is recorded from January 1, 2017 to December 2017 rate decision. If the LDC's rate year begins on May 1, 2018, the projected interest is recorded from January 1, 20 the OEB in the 2017 rate decision.

The individual sub-accounts as well as the total for all Account 1595 sub-accounts are to agree to the RRR data. Differ For each Account 1595 sub-account, the transfer of the balance approved for disposition into Account 1595 is to be rec column. The two are not to be netted together and recorded in one column in the first year.

The audited balance in the account is only to be disposed a year after the recovery/refund period has been completed. ( Account 1595 is only to be disposed once on a final basis. No further dispositions of these accounts are generally exp Claims column if the account is requested for disposition.

As per the Filing Requirements for 2018 rate applications, request for rate protection on eligible investments are subject Benefits portion of Account 1531 should be transferred to rate base. The Direct Benefits portion of Account 1532 shoul 1531 is listed for reference only. Account 1532 is included in the Group 2 allocation of balances that are used to calculi Account 1580 RSA WMS balance inputted into this schedule is to exclude any amounts relating to CBR. CBR amount Account 1580, sub-account CBR Class A, accounting guidance for this sub-account is to be followed. If a balance exist Account 1557 is to be recovered in a manner similar to the Smart Meter accounts. Distributors should request for disp application, outside of this continuity schedule.

Input the LRAMVA balance in the continuity schedule as calculated from the LRAMVA model. The associated rate ride

Effective May 23, 2017, per the OEB's letter titled *Guidance on Disposition of Accounts 1588 and 1589*, applicants mu 1588 and 1589. This is to include true ups that impact the GA as well. The amount requested for disposition starts wit impacts of the true-up claims are to be shown in the Adjustment column in that year. Note that this true-up claim will ne up claim was not reflected at the end of the last year of the account balance that was previously disposed, then no adju disposition. This way the adjustment is appropriately captured in the last year of the previously disposed period and the Note that if a distributor has any balance in Account 1589 that pertains to Class A, this must be excluded from the bala

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## Deferral/Variance Account Workform

This continuity schedule must be completed for each account and sub-account that the utility has disposed of in the year in which the GL balance was last disposed. For example, if in the 2017, the utility disposed of an account, the relevant balances approved for disposition was first transferred into Account 1595 (2017) starting from the vintage year. For any new accounts that have never been disposed, start

		2013												
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-13	Transactions(1) Debit / (Credit) during 2013	OEB-Approved Disposition during 2013	Principal Adjustments(2) 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(2) during 2013	Closing Interest Amounts as of Dec-31-13	Opening Principal Amounts as of Jan-1-14	Transactions(1) Debit / (Credit) during 2014	OEB-Approved Disposition during 2014
<b>Group 1 Accounts</b>														
LV Variance Account	1550	\$0				\$0	\$0				\$0	\$0		
Smart Metering Entity Charge Variance Account	1551	\$0				\$0	\$0				\$0	\$0		
RSVA - Wholesale Market Service Charge <sup>9</sup>	1580	\$0				\$0	\$0				\$0	\$0		
Variance WMS – Sub-account CBR Class A <sup>9</sup>	1580													
Variance WMS – Sub-account CBR Class B <sup>9</sup>	1580													
RSVA - Retail Transmission Network Charge	1584	\$0				\$0	\$0				\$0	\$0		
RSVA - Retail Transmission Connection Charge	1586	\$0				\$0	\$0				\$0	\$0		
RSVA - Power (excluding Global Adjustment) <sup>12</sup>	1588	\$0				\$0	\$0				\$0	\$0		
RSVA - Global Adjustment <sup>12</sup>	1589	\$0				\$0	\$0				\$0	\$0		
Disposition and Recovery/Refund of Regulatory Balances (2009) <sup>7</sup>	1595	\$0				\$0	\$0				\$0	\$0		
Disposition and Recovery/Refund of Regulatory Balances (2010) <sup>7</sup>	1595	\$0				\$0	\$0				\$0	\$0		
Disposition and Recovery/Refund of Regulatory Balances (2011) <sup>7</sup>	1595	\$0				\$0	\$0				\$0	\$0		
Disposition and Recovery/Refund of Regulatory Balances (2012) <sup>7</sup>	1595	-\$1,657,364	-\$911,616			-\$2,568,980	\$1,231,570	-\$39,403			\$1,192,167	-\$2,568,980	-\$365,195	
Disposition and Recovery/Refund of Regulatory Balances (2013) <sup>7</sup>	1595	\$0	-\$11,831			-\$11,831	\$0	-\$138,505			-\$138,505	-\$11,831	-\$236,158	
Disposition and Recovery/Refund of Regulatory Balances (2014) <sup>7</sup>	1595	\$0				\$0	\$0				\$0	\$0	-\$631,762	
Disposition and Recovery/Refund of Regulatory Balances (2015) <sup>7</sup>	1595	\$0				\$0	\$0				\$0	\$0		
Disposition and Recovery/Refund of Regulatory Balances (2016) <sup>7</sup>	1595	\$0				\$0	\$0				\$0	\$0		
<i>Not to be disposed of until a year after rate rider has expired and that balance has been audited</i>														
<b>Group 1 Sub-Total (including Account 1589 - Global Adjustment)</b>		-\$1,657,364	-\$923,447	\$0	\$0	-\$2,580,811	\$1,231,570	-\$177,908	\$0	\$0	\$1,053,662	-\$2,580,811	-\$1,233,115	\$0
<b>Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)</b>		-\$1,657,364	-\$923,447	\$0	\$0	-\$2,580,811	\$1,231,570	-\$177,908	\$0	\$0	\$1,053,662	-\$2,580,811	-\$1,233,115	\$0
<b>RSVA - Global Adjustment 12</b>	<b>1589</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Group 2 Accounts</b>														
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	\$0			\$1,112,829	\$1,112,829	\$0			\$30,741	\$30,741	\$1,112,829	\$110,160	
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508	\$0				\$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	\$0		
Other Regulatory Assets - Sub-Account - Capital Charges	1508	\$0			-\$86	-\$86	\$0			\$1,385	\$1,385	-\$86		
Other Regulatory Assets - Sub-Account - P & OPEB	1508	\$0			\$3,109,795	\$3,109,795	\$0				\$0	\$3,109,795	\$1,321,800	
Other Regulatory Assets - Sub-Account - East Energy Cost Defer Cost	1508	\$0				\$0	\$0				\$0	\$0		
Other Regulatory Assets - Sub-Account - Pole Attachment Charge Revenues Variance Account	1508	\$0				\$0	\$0				\$0	\$0		
Other Regulatory Assets - Sub-Account - Wireless Attachment Revenues Deferral Account	1508	\$0				\$0	\$0				\$0	\$0		
Other Regulatory Assets - Sub-Account - Y-Factor Variance Account	1508	\$0				\$0	\$0				\$0	\$0		
Other Regulatory Assets - Sub-Account - Gains/Losses from Sale of Existing Facilities Deferral Account	1508	\$0				\$0	\$0				\$0	\$0		
Other Regulatory Assets - Sub-Account - New Facilities Deferral Account	1508	\$0				\$0	\$0				\$0	\$0		
Variance Account	1508	\$0				\$0	\$0				\$0	\$0		
Other Regulatory Assets - Sub-Account - Earnings Sharing Mechanism (ESM) Variance Account	1508	\$0				\$0	\$0				\$0	\$0		
Other Regulatory Assets - Sub-Account - Connection Cost Recovery Agreement (CCRA) Payment	1508	\$0				\$0	\$0				\$0	\$0		
Other Regulatory Assets - Sub-Account - Revenue Requirement Differential Variance Account	1508	\$0				\$0	\$0				\$0	\$0		
Other Regulatory Assets - Sub-Account - Efficiency Adjustment Mechanism Deferral Account	1508	\$0				\$0	\$0				\$0	\$0		
Other Regulatory Assets - Sub-Account - OEB Cost Assessment Variance	1508	\$0				\$0	\$0				\$0	\$0		
Retail Cost Variance Account - Retail	1518	\$0			-\$286,799	-\$286,799	\$0			-\$36,738	-\$36,738	-\$286,799	-\$44,891	
Misc. Deferred Debits	1525	\$0				\$0	\$0				\$0	\$0		
Retail Cost Variance Account - STR	1548	\$0			\$1,288,821	\$1,288,821	\$0			\$68,243	\$68,243	\$1,288,821	\$408,439	
Board-Approved CDM Variance Account	1567	\$0				\$0	\$0				\$0	\$0		

		2013												
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-13	Transactions(1) Debit / (Credit) during 2013	OEB-Approved Disposition during 2013	Principal Adjustments(2) 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(2) during 2013	Closing Interest Amounts as of Dec-31-13	Opening Principal Amounts as of Jan-1-14	Transactions(1) Debit / (Credit) during 2014	OEB-Approved Disposition during 2014
Extra-Ordinary Event Costs	1572	\$0				\$0	\$0				\$0	\$0		
Deferred Rate Impact Amounts	1574	\$0				\$0	\$0				\$0	\$0		
RSVA - One-time	1582	\$0				\$0	\$0				\$0	\$0		
Other Deferred Credits	2425	\$0				\$0	\$0				\$0	\$0		
<b>Group 2 Sub-Total</b>		\$0	\$0	\$0	\$5,224,560	\$5,224,560	\$0	\$0	\$0	\$63,633	\$63,633	\$5,224,560	\$1,795,508	\$0
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592	\$0				\$0	\$0				\$0	\$0		
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592	\$0			-\$544,683	-\$544,683	\$0				\$0	-\$544,683		
<b>Total of Group 1 and Group 2 Accounts (including 1592)</b>		-\$1,657,364	-\$923,447	\$0	\$4,679,877	\$2,099,066	\$1,231,570	-\$177,908	\$0	\$63,633	\$1,117,295	\$2,099,066	\$562,393	\$0

		2013												
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-13	Transactions(1) Debit / (Credit) during 2013	OEB-Approved Disposition during 2013	Principal Adjustments(2) 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(2) during 2013	Closing Interest Amounts as of Dec-31-13	Opening Principal Amounts as of Jan-1-14	Transactions(1) Debit / (Credit) during 2014	OEB-Approved Disposition during 2014
LRAM Variance Account <sup>11</sup>	1568	\$0			-\$678,660	-\$678,660	\$0			-\$583	-\$583	-\$678,660		
Total including Account 1568		-\$1,657,364	-\$923,447	\$0	\$4,001,217	\$1,420,406	\$1,231,570	-\$177,908	\$0	\$63,050	\$1,116,712	\$1,420,406	\$562,393	\$0
Renewable Generation Connection Capital Deferral Account <sup>8</sup>	1531	\$0				\$0	\$0				\$0	\$0		
Renewable Generation Connection OM&A Deferral Account <sup>8</sup>	1532	\$0			\$408,537	\$408,537	\$0			\$17,013	\$17,013	\$408,537		
Renewable Generation Connection Funding Adder Deferral Account	1533	\$0				\$0	\$0				\$0	\$0		
Smart Grid Capital Deferral Account	1534	\$0				\$0	\$0				\$0	\$0		
Smart Grid OM&A Deferral Account	1535	\$0			\$188,477	\$188,477	\$0			\$7,842	\$7,842	\$188,477		
Smart Grid Funding Adder Deferral Account	1536	\$0				\$0	\$0				\$0	\$0		
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital <sup>4</sup>	1555	\$0				\$0	\$0				\$0	\$0		
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries <sup>4</sup>	1555	\$0			-\$19,431,245	-\$19,431,245	\$0				\$0	-\$19,431,245	\$19,431,245	
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs <sup>4</sup>	1555	\$0				\$0	\$0				\$0	\$0	-\$2,986,888	
Smart Meter OM&A Variance <sup>4</sup>	1556	\$0			\$18,896,100	\$18,896,100	\$0			-\$509,395	-\$509,395	\$18,896,100	-\$18,386,705	
Meter Cost Deferral Account (MIST Meters) <sup>10</sup>	1557											\$0		
IFRS-CGAAP Transition PP&E Amounts Balance + Return Component <sup>5</sup>	1575	\$0				\$0						\$0		
Accounting Changes Under CGAAP Balance + Return Component <sup>5</sup>	1576	\$0				\$0						\$0		

For all OEB-Approved dispositions, please ensure that the disposition amount has the same sign (e figure and credit balance are to have a negative figure) as per the related OEB decision.

For RSAVA accounts only, report the net variance to the account during the year. For all other accounts, record the tran this column.

Please provide explanations for the nature of the adjustments. If the adjustment relates to previously OEB Approved di As per the January 6, 2011 Letter from the OEB regarding the implementation of the Ontario Clean Energy Benefit:

"By way of exception... The Board does anticipate that licensed distributors that cannot adapt their invoices as of Janua "Sub account Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act" will be address:

Deferral accounts related to Smart Meter deployment are not to be recovered/refunded through the Deferral and Variari Smart Meter Disposition and Cost Recovery (G-2011-0001)

The OEB requires that disposition of Account 1575 and Account 1576 shall require the use of separate rate riders. In th Account 1575 and 1576 rate rider calculation from the applicable Chapter 2-E appendix line "Amount included in Defer

Depending on the disposition period, balances may exist in Account 1575 and Account 1576 even if the accounts have this is the case and leave the checkbox "Check to Dispose of Account" in the Total Claim column unchecked.

If the LDC's rate year begins on January 1, 2018, the projected interest is recorded from January 1, 2017 to December 2017 rate decision. If the LDC's rate year begins on May 1, 2018, the projected interest is recorded from January 1, 20 the OEB in the 2017 rate decision.

The individual sub-accounts as well as the total for all Account 1595 sub-accounts are to agree to the RRR data. Differ For each Account 1595 sub-account, the transfer of the balance approved for disposition into Account 1595 is to be rec column. The two are not to be netted together and recorded in one column in the first year.

The audited balance in the account is only to be disposed a year after the recovery/refund period has been completed. ( Account 1595 is only to be disposed once on a final basis. No further dispositions of these accounts are generally exp Claims column if the account is requested for disposition.

As per the Filing Requirements for 2018 rate applications, request for rate protection on eligible investments are subject Benefits portion of Account 1531 should be transferred to rate base. The Direct Benefits portion of Account 1532 shoul 1531 is listed for reference only. Account 1532 is included in the Group 2 allocation of balances that are used to calculi Account 1580 RSAVA WMS balance inputted into this schedule is to exclude any amounts relating to CBR. CBR amount Account 1580, sub-account CBR Class A, accounting guidance for this sub-account is to be followed. If a balance exist Account 1557 is to be recovered in a manner similar to the Smart Meter accounts. Distributors should request for disp application, outside of this continuity schedule.

Input the LRAMVA balance in the continuity schedule as calculated from the LRAMVA model. The associated rate ride

Effective May 23, 2017, per the OEB's letter titled *Guidance on Disposition of Accounts 1588 and 1589*, applicants mu 1588 and 1589. This is to include true ups that impact the GA as well. The amount requested for disposition starts wit impacts of the true-up claims are to be shown in the Adjustment column in that year. Note that this true-up claim will ne up claim was not reflected at the end of the last year of the account balance that was previously disposed, then no adju disposition. This way the adjustment is appropriately captured in the last year of the previously disposed period and the Note that if a distributor has any balance in Account 1589 that pertains to Class A, this must be excluded from the bala

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## Deferral/Variance Account Workform

This continuity schedule must be completed for each account and sub-account that the utility disposed of during the year in which the GL balance was last disposed. For example, if in the 2017 Continuity Schedule, the utility disposed of the balance of Account 1595 in the Adjustment column under 2014. For each Account 1595 sub-account, start inputting the relevant balances approved for disposition was first transferred into Account 1595 (2014) starting from the vintage year. For any new accounts that have never been disposed, start

		2014							2015						
Account Descriptions	Account Number	Principal Adjustments(2) 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(2) during 2014	Closing Interest Amounts as of Dec-31-14	Opening Principal Amounts as of Jan-1-15	Transactions(1) Debit / (Credit) during 2015	OEB-Approved Disposition during 2015	Principal Adjustments(2) 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
<b>Group 1 Accounts</b>															
LV Variance Account	1550	\$38,071	\$38,071	\$0			\$344	\$344	\$38,071	\$182,301			\$220,372	\$344	\$1,741
Smart Metering Entity Charge Variance Account	1551	\$43,607	\$43,607	\$0			\$3,573	\$3,573	\$43,607	-\$193,675			-\$150,068	\$3,573	-\$262
RSVA - Wholesale Market Service Charge <sup>9</sup>	1580	-\$6,182,143	-\$6,182,143	\$0			-\$287,978	-\$287,978	-\$6,182,143	-\$15,345,233			-\$21,527,376	-\$287,978	-\$117,550
Variance WMS - Sub-account CBR Class A <sup>9</sup>	1580								\$0	\$90,421			\$90,421	\$0	\$318
Variance WMS - Sub-account CBR Class B <sup>9</sup>	1580								\$0	\$1,790,495			\$1,790,495	\$0	\$5,866
RSVA - Retail Transmission Network Charge	1584	-\$1,524,161	-\$1,524,161	\$0			-\$28,857	-\$28,857	-\$1,524,161	-\$66,469			-\$1,590,630	-\$28,857	-\$17,006
RSVA - Retail Transmission Connection Charge	1586	-\$1,696,632	-\$1,696,632	\$0			-\$61,703	-\$61,703	-\$1,696,632	\$162,829			-\$1,533,803	-\$61,703	-\$15,981
RSVA - Power (excluding Global Adjustment) <sup>12</sup>	1588	-\$4,550,928	-\$4,550,928	\$0			-\$82,014	-\$82,014	-\$4,550,928	-\$1,799,204			-\$6,350,132	-\$82,014	-\$45,929
RSVA - Global Adjustment <sup>12</sup>	1589	\$12,168,610	\$12,168,610	\$0			\$7,678	\$7,678	\$12,168,610	-\$6,949,342			\$5,219,268	\$7,678	\$91,674
Disposition and Recovery/Refund of Regulatory Balances (2009) <sup>7</sup>	1595		\$0	\$0				\$0	\$0				\$0	\$0	
Disposition and Recovery/Refund of Regulatory Balances (2010) <sup>7</sup>	1595		\$0	\$0				\$0	\$0				\$0	\$0	
Disposition and Recovery/Refund of Regulatory Balances (2011) <sup>7</sup>	1595		\$0	\$0				\$0	\$0				\$0	\$0	
Disposition and Recovery/Refund of Regulatory Balances (2012) <sup>7</sup>	1595	-\$2,934,175		\$1,192,167	-\$40,190			\$1,151,977	-\$2,934,175	-\$190,764			-\$3,124,939	\$1,151,977	-\$35,524
Disposition and Recovery/Refund of Regulatory Balances (2013) <sup>7</sup>	1595	-\$247,989		-\$138,505	-\$2,460			-\$140,965	-\$247,989	-\$2,020			-\$250,009	-\$140,965	-\$3,883
Disposition and Recovery/Refund of Regulatory Balances (2014) <sup>7</sup>	1595	-\$631,762		\$0	-\$131,435			-\$131,435	-\$631,762	\$111,120			-\$520,642	-\$131,435	-\$6,517
Disposition and Recovery/Refund of Regulatory Balances (2015) <sup>7</sup>	1595		\$0	\$0				\$0	\$0				\$0	\$0	
Disposition and Recovery/Refund of Regulatory Balances (2016) <sup>7</sup>	1595		\$0	\$0				\$0	\$0				\$0	\$0	
<i>Not to be disposed of until a year after rate rider has expired and that balance has been audited</i>															
<b>Group 1 Sub-Total (including Account 1589 - Global Adjustment)</b>		-\$1,703,576	-\$5,517,502	\$1,053,662	-\$174,085	\$0	-\$448,957	\$430,620	-\$5,517,502	-\$22,209,541	\$0	\$0	-\$27,727,043	\$430,620	-\$143,053
<b>Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)</b>		-\$13,872,186	-\$17,686,112	\$1,053,662	-\$174,085	\$0	-\$456,635	\$422,942	-\$17,686,112	-\$15,260,199	\$0	\$0	-\$32,946,311	\$422,942	-\$234,727
<b>RSVA - Global Adjustment 12</b>	1589	\$12,168,610	\$12,168,610	\$0	\$0	\$0	\$7,678	\$7,678	\$12,168,610	-\$6,949,342	\$0	\$0	\$5,219,268	\$7,678	\$91,674
<b>Group 2 Accounts</b>															
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508		\$1,222,989	\$30,741	\$16,804			\$47,545	\$1,222,989	\$140,945			\$1,363,934	\$47,545	\$27,505
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508		\$0	\$0				\$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				\$0	\$0	
Other Regulatory Assets - Sub-Account - Capital Charges	1508	-\$86		\$1,385	-\$1			\$1,384	-\$86				-\$86	\$1,384	-\$1
Other Regulatory Assets - Sub-Account - P & OPEB	1508		\$4,431,595	\$0				\$0	\$4,431,595				\$4,431,595	\$0	
Other Regulatory Assets - Sub-Account - East Energy Cost Deferral	1508		\$0	\$0				\$0	\$0	\$50,731			\$50,731	\$0	\$334
Other Regulatory Assets - Sub-Account - Pole Attachment Charge Revenues Variance Account	1508		\$0	\$0				\$0	\$0				\$0	\$0	
Other Regulatory Assets - Sub-Account - Wireless Attachment Revenues Deferral Account	1508		\$0	\$0				\$0	\$0				\$0	\$0	
Other Regulatory Assets - Sub-Account - Y-Factor Variance Account	1508		\$0	\$0				\$0	\$0				\$0	\$0	
Other Regulatory Assets - Sub-Account - Gains/Losses from Sale of Existing Facilities Deferral	1508		\$0	\$0				\$0	\$0				\$0	\$0	
Other Regulatory Assets - Sub-Account - New Facilities Deferral Account	1508		\$0	\$0				\$0	\$0				\$0	\$0	
Variance Account	1508		\$0	\$0				\$0	\$0				\$0	\$0	
Other Regulatory Assets - Sub-Account - Earnings Sharing Mechanism (ESM) Variance Account	1508		\$0	\$0				\$0	\$0				\$0	\$0	
Other Regulatory Assets - Sub-Account - Connection Cost Recovery Agreement (CCRA) Payment	1508		\$0	\$0				\$0	\$0				\$0	\$0	
Other Regulatory Assets - Sub-Account - Revenue Requirement Differential Variance Account	1508		\$0	\$0				\$0	\$0				\$0	\$0	
Other Regulatory Assets - Sub-Account - Efficiency Adjustment Mechanism Deferral Account	1508		\$0	\$0				\$0	\$0				\$0	\$0	
Other Regulatory Assets - Sub-Account - OEB Cost Assessment Variance	1508		\$0	\$0				\$0	\$0				\$0	\$0	
Retail Cost Variance Account - Retail	1518	-\$331,690	-\$36,736	-\$4,533				-\$41,269	-\$331,690	-\$39,487			-\$371,177	-\$41,269	-\$4,134
Misc. Deferred Debits	1525		\$0	\$0				\$0	\$0				\$0	\$0	
Retail Cost Variance Account - STR	1548		\$1,697,260	\$68,243	\$21,737			\$89,980	\$1,697,260	\$314,008			\$2,011,268	\$89,980	\$22,121
Board-Approved CDM Variance Account	1567		\$0	\$0				\$0	\$0				\$0	\$0	

2014

2015

Tab 1

Schedule 1

Attachment 9.1(A)

ORIGINAL

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Account Descriptions	Account Number	2014							2015						
		Principal Adjustments(2) 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(2) during 2014	Closing Interest Amounts as of Dec-31-14	Opening Principal Amounts as of Jan-1-15	Transactions(1) Debit / (Credit) during 2015	OEB-Approved Disposition during 2015	Principal Adjustments(2) 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
Extra-Ordinary Event Costs	1572		\$0	\$0				\$0	\$0				\$0	\$0	
Deferred Rate Impact Amounts	1574		\$0	\$0				\$0	\$0				\$0	\$0	
RSVA - One-time	1582		\$0	\$0				\$0	\$0				\$0	\$0	
Other Deferred Credits	2425		\$0	\$0				\$0	\$0				\$0	\$0	
<b>Group 2 Sub-Total</b>		\$0	\$7,020,068	\$63,633	\$34,007	\$0	\$0	\$97,640	\$7,020,068	\$466,197	\$0	\$0	\$7,486,265	\$97,640	\$45,825
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592		\$0	\$0				\$0	\$0				\$0	\$0	
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592		<b>-\$544,683</b>	\$0				\$0	<b>-\$544,683</b>				<b>-\$544,683</b>	\$0	<b>-\$32,295</b>
<b>Total of Group 1 and Group 2 Accounts (including 1592)</b>		<b>-\$1,703,576</b>	\$957,883	\$1,117,295	<b>-\$140,078</b>	\$0	<b>-\$448,957</b>	\$528,261	\$957,883	<b>-\$21,743,344</b>	\$0	\$0	<b>-\$20,785,461</b>	\$528,261	<b>-\$129,523</b>



2014

2015

Tab 1

Schedule 1

Attachment 9-1(A)

ORIGINAL

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Account Descriptions	Account Number	2014							2015						
		Principal Adjustments(2) 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(2) during 2014	Closing Interest Amounts as of Dec-31-14	Opening Principal Amounts as of Jan-1-15	Transactions(1) Debit / (Credit) during 2015	OEB-Approved Disposition during 2015	Principal Adjustments(2) 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
LRAM Variance Account <sup>11</sup>	1568		-\$678,660	-\$583				-\$583	-\$678,660	\$528,677			-\$149,983	-\$583	-\$8,084
Total including Account 1568		-\$1,703,576	\$279,224	\$1,116,712	-\$140,078	\$0	-\$448,957	\$527,677	\$279,224	-\$21,214,667	\$0	\$0	-\$20,935,443	\$527,677	-\$137,607
Renewable Generation Connection Capital Deferral Account <sup>8</sup>	1531		\$0	\$0				\$0	\$0				\$0	\$0	
Renewable Generation Connection OM&A Deferral Account <sup>8</sup>	1532		\$408,537	\$17,013	\$6,006			\$23,019	\$408,537				\$408,537	\$23,019	\$4,867
Renewable Generation Connection Funding Adder Deferral Account	1533		\$0	\$0				\$0	\$0				\$0	\$0	
Smart Grid Capital Deferral Account	1534		\$0	\$0				\$0	\$0				\$0	\$0	
Smart Grid OM&A Deferral Account	1535		\$188,477	\$7,842	\$2,771			\$10,613	\$188,477				\$188,477	\$10,613	\$2,245
Smart Grid Funding Adder Deferral Account	1536		\$0	\$0				\$0	\$0				\$0	\$0	
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital <sup>4</sup>	1555		\$0	\$0				\$0	\$0				\$0	\$0	
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries <sup>4</sup>	1555		-\$0	\$0				\$0	-\$0				-\$0	\$0	
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs <sup>4</sup>	1555		-\$2,986,888	\$0				\$0	-\$2,986,888	-\$2,986,888			-\$5,973,776	\$0	
Smart Meter OM&A Variance <sup>4</sup>	1556		\$509,395	-\$509,395				-\$509,395	\$509,395				\$509,395	-\$509,395	
Meter Cost Deferral Account (MIST Meters) <sup>10</sup>	1557		\$0	\$0				\$0	\$0				\$0	\$0	
IFRS-CGAAP Transition PP&E Amounts Balance + Return Component <sup>5</sup>	1575		\$0						\$0				\$0		
Accounting Changes Under CGAAP Balance + Return Component <sup>5</sup>	1576		\$0						\$0				\$0		

For all OEB-Approved dispositions, please ensure that the disposition amount has the same sign (figure and credit balance are to have a negative figure) as per the related OEB decision.

For RSVA accounts only, report the net variance to the account during the year. For all other accounts, record the tran this column.

Please provide explanations for the nature of the adjustments. If the adjustment relates to previously OEB Approved di As per the January 6, 2011 Letter from the OEB regarding the implementation of the Ontario Clean Energy Benefit:

"By way of exception... The Board does anticipate that licensed distributors that cannot adapt their invoices as of Janua "Sub account Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act" will be address

Deferral accounts related to Smart Meter deployment are not to be recovered/refunded through the Deferral and Varians Smart Meter Disposition and Cost Recovery (G-2011-0001)

The OEB requires that disposition of Account 1575 and Account 1576 shall require the use of separate rate riders. In th Account 1575 and 1576 rate rider calculation from the applicable Chapter 2-E appendix line "Amount included in Defer

Depending on the disposition period, balances may exist in Account 1575 and Account 1576 even if the accounts have this is the case and leave the checkbox "Check to Dispose of Account" in the Total Claim column unchecked.

If the LDC's rate year begins on January 1, 2018, the projected interest is recorded from January 1, 2017 to December 2017 rate decision. If the LDC's rate year begins on May 1, 2018, the projected interest is recorded from January 1, 20 the OEB in the 2017 rate decision.

The individual sub-accounts as well as the total for all Account 1595 sub-accounts are to agree to the RRR data. Differ For each Account 1595 sub-account, the transfer of the balance approved for disposition into Account 1595 is to be rec column. The two are not to be netted together and recorded in one column in the first year.

The audited balance in the account is only to be disposed a year after the recovery/refund period has been completed. ( Account 1595 is only to be disposed once on a final basis. No further dispositions of these accounts are generally exp Claims column if the account is requested for disposition.

As per the Filing Requirements for 2018 rate applications, request for rate protection on eligible investments are subject Benefits portion of Account 1531 should be transferred to rate base. The Direct Benefits portion of Account 1532 shoul 1531 is listed for reference only. Account 1532 is included in the Group 2 allocation of balances that are used to calculi Account 1580 RSVA WMS balance inputted into this schedule is to exclude any amounts relating to CBR. CBR amount Account 1580, sub-account CBR Class A, accounting guidance for this sub-account is to be followed. If a balance exist Account 1557 is to be recovered in a manner similar to the Smart Meter accounts. Distributors should request for disp application, outside of this continuity schedule.

Input the LRAMVA balance in the continuity schedule as calculated from the LRAMVA model. The associated rate ride

Effective May 23, 2017, per the OEB's letter titled *Guidance on Disposition of Accounts 1588 and 1589*, applicants mu 1588 and 1589. This is to include true up the GA that impact the GA as well. The amount requested for disposition starts wit impacts of the true-up claims are to be shown in the Adjustment column in that year. Note that this true-up claim will ne up claim was not reflected at the end of the last year of the account balance that was previously disposed, then no adju disposition. This way the adjustment is appropriately captured in the last year of the previously disposed period and the Note that if a distributor has any balance in Account 1589 that pertains to Class A, this must be excluded from the balan

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## Referral/Variance Account Workform

This continuity schedule must be completed for each account and sub-account that the utility disposed of during the year in which the GL balance was last disposed. For example, if in the 2017 Continuity Schedule, the utility disposed of an account in 2014, the utility must start inputting the relevant balances approved for disposition was first transferred into Account 1595 (2014) starting from the vintage year. For any new accounts that have never been disposed, start

		2016													
Account Descriptions	Account Number	OEB-Approved Disposition during 2015	Interest Adjustments(2) during 2015	Closing Interest Amounts as of Dec-31-15	Opening Principal Amounts as of Jan-1-16	Transactions(1) Debit / (Credit) during 2016	OEB-Approved Disposition during 2016	Principal Adjustments(2) during 2016	Closing Principal Balance as of Dec-31-16	Opening Interest Amounts as of Jan-1-16	Interest Jan-1 to Dec-31-16	OEB-Approved Disposition during 2016	Interest Adjustments(2) during 2016	Closing Interest Amounts as of Dec-31-16	Principal Disposition during 2017 - instructed by OEB
Group 1 Accounts															
LV Variance Account	1550			\$2,085	\$220,372	-\$302,419	\$38,071		-\$120,118	\$2,085	\$771	\$798		\$2,058	\$182,301
Smart Metering Entity Charge Variance Account	1551			\$3,311	-\$150,068	-\$96,084	\$43,607		-\$289,759	\$3,311	-\$2,632	\$4,093		-\$3,414	-\$193,675
RSVA - Wholesale Market Service Charge <sup>9</sup>	1580			-\$405,528	-\$21,527,376	-\$7,002,178	-\$6,182,143		-\$22,347,411	-\$405,528	-\$210,453	-\$361,700		-\$254,281	-\$15,345,233
Variance WMS – Sub-account CBR Class A <sup>9</sup>	1580			\$318	\$90,421	-\$90,421			\$0	\$318	-\$318			\$0	
Variance WMS – Sub-account CBR Class B <sup>9</sup>	1580			\$5,866	\$1,790,495	-\$351,426			\$1,439,069	\$5,866	\$16,367			\$22,233	\$1,790,495
RSVA - Retail Transmission Network Charge	1584			-\$45,863	-\$1,590,630	\$9,935	-\$1,524,161		-\$56,534	-\$45,863	-\$1,691	-\$47,032		-\$522	-\$66,469
RSVA - Retail Transmission Connection Charge	1586			-\$77,684	-\$1,533,803	-\$2,572,072	-\$1,696,632		-\$2,409,243	-\$77,684	-\$10,784	-\$81,936		-\$6,532	\$162,829
RSVA - Power (excluding Global Adjustment) <sup>12</sup>	1588			-\$127,943	-\$6,350,132	\$2,796,072	-\$4,550,928		\$996,868	-\$127,943	\$5,655	-\$136,284		\$13,996	-\$1,799,204
RSVA - Global Adjustment <sup>12</sup>	1589			\$99,352	\$5,219,268	-\$3,678,002	\$12,168,610		-\$10,627,344	\$99,352	-\$65,620	\$152,789		-\$119,057	-\$6,949,342
Disposition and Recovery/Refund of Regulatory Balances (2009) <sup>7</sup>	1595			\$0	\$0				\$0	\$0				\$0	
Disposition and Recovery/Refund of Regulatory Balances (2010) <sup>7</sup>	1595			\$0	\$0				\$0	\$0				\$0	
Disposition and Recovery/Refund of Regulatory Balances (2011) <sup>7</sup>	1595			\$0	\$0				\$0	\$0				\$0	
Disposition and Recovery/Refund of Regulatory Balances (2012) <sup>7</sup>	1595			\$1,116,453	-\$3,124,939	\$1,539	-\$2,934,176		-\$189,224	\$1,116,453	-\$2,322	\$1,116,986		-\$2,855	-\$190,764
Disposition and Recovery/Refund of Regulatory Balances (2013) <sup>7</sup>	1595			-\$144,848	-\$250,009	-\$14,011	-\$247,989		-\$16,031	-\$144,848	-\$110	-\$143,922		-\$1,036	-\$2,020
Disposition and Recovery/Refund of Regulatory Balances (2014) <sup>7</sup>	1595			-\$137,952	-\$520,642	-\$77,471	-\$631,762		\$33,649	-\$137,952	\$636	-\$138,969		\$1,653	\$111,120
Disposition and Recovery/Refund of Regulatory Balances (2015) <sup>7</sup>	1595			\$0	\$0				\$0	\$0				\$0	
Disposition and Recovery/Refund of Regulatory Balances (2016) <sup>7</sup>	1595			\$0	\$0	\$5,020,832	\$4,949,683		\$71,149	\$0	-\$25,015	\$9,584		-\$34,599	
Not to be disposed of until a year after rate rider has expired and that balance has been audited															
Group 1 Sub-Total (including Account 1589 - Global Adjustment)		\$0	\$0	\$287,567	-\$27,727,043	-\$6,355,706	-\$567,820	\$0	-\$33,514,929	\$287,567	-\$295,516	\$374,407	\$0	-\$382,355	-\$22,299,962
Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)		\$0	\$0	\$188,215	-\$32,946,311	-\$2,677,704	-\$12,736,430	\$0	-\$22,887,585	\$188,215	-\$229,896	\$221,618	\$0	-\$263,299	-\$15,350,620
RSVA - Global Adjustment 12	1589	\$0	\$0	\$99,352	\$5,219,268	-\$3,678,002	\$12,168,610	\$0	-\$10,627,344	\$99,352	-\$65,620	\$152,789	\$0	-\$119,057	-\$6,949,342
Group 2 Accounts															
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508			\$75,050	\$1,363,934		\$1,363,934		-\$0	\$75,050		\$75,049		\$1	
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508			\$0	\$0	-\$502,482	-\$502,482		\$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				\$0	
Other Regulatory Assets - Sub-Account - Capital Charges	1508			\$1,383	-\$86		-\$86		\$0	\$1,383		\$1,385		-\$2	
Other Regulatory Assets - Sub-Account - P & OPEB	1508			\$0	\$4,431,595	\$147,000	\$4,431,595		\$147,000	\$0				\$0	
Other Regulatory Assets - Sub-Account - East Energy Cost Defer Cost	1508			\$334	\$50,731				\$50,731	\$334	\$558			\$892	
Other Regulatory Assets - Sub-Account - Pole Attachment Charge Revenues Variance Account	1508			\$0	\$0	\$225,388			\$225,388	\$0	\$1,139			\$1,139	
Other Regulatory Assets - Sub-Account - Wireless Attachment Revenues Deferral Account	1508			\$0	\$0				\$0	\$0				\$0	
Other Regulatory Assets - Sub-Account - Y-Factor Variance Account	1508			\$0	\$0				\$0	\$0				\$0	
Other Regulatory Assets - Sub-Account - Gains/Losses from Sale of Existing Facilities Deferr	1508			\$0	\$0				\$0	\$0				\$0	
Other Regulatory Assets - Sub-Account - New Facilities Deferral Account	1508			\$0	\$0				\$0	\$0				\$0	
Variance Account	1508			\$0	\$0	\$548,080			\$548,080	\$0	\$44			\$44	
Other Regulatory Assets - Sub-Account - Earnings Sharing Mechanism (ESM) Variance Accoi	1508			\$0	\$0				\$0	\$0				\$0	
Other Regulatory Assets - Sub-Account - Connection Cost Recovery Agreement (CCRA) Payr	1508			\$0	\$0				\$0	\$0				\$0	
Other Regulatory Assets - Sub-Account - Revenue Requirement Differential Variance Account	1508			\$0	\$0				\$0	\$0				\$0	
Other Regulatory Assets - Sub-Account - Efficiency Adjustment Mechanism Deferral Account	1508			\$0	\$0				\$0	\$0				\$0	
Other Regulatory Assets - Sub-Account - OEB Cost Assessment Variance	1508			\$0	\$0	\$522,056			\$522,056	\$0	\$1,683			\$1,683	
Retail Cost Variance Account - Retail	1518			-\$45,403	-\$371,177		-\$331,689		-\$39,488	-\$45,403	-\$435	-\$45,224		-\$613	
Misc. Deferred Debits	1525			\$0	\$0				\$0	\$0				\$0	
Retail Cost Variance Account - STR	1548			\$112,101	\$2,011,268		\$1,697,259		\$314,009	\$112,101	\$3,454	\$110,220		\$5,336	
Board-Approved CDM Variance Account	1567			\$0	\$0				\$0	\$0				\$0	

				2016										Tab 1	
Account Descriptions	Account Number	OEB-Approved Disposition during 2015	Interest Adjustments(2) during 2015	Closing Interest Amounts as of Dec-31-15	Schedule 1										Attachment (A) ORIGINAL
					Opening Principal Amounts as of Jan-1-16	Transactions(1) Debit / (Credit) during 2016	OEB-Approved Disposition during 2016	Principal Adjustments(2) during 2016	Closing Principal Balance as of Dec-31-16	Opening Interest Amounts as of Jan-1-16	Interest Jan-1 to Dec-31-16	OEB-Approved Disposition during 2016	Interest Adjustments(2) during 2016	Closing Principal Amounts as of Dec-31-16	
Extra-Ordinary Event Costs	1572			\$0	\$0				\$0	\$0				\$0	Page 17 of 40
Deferred Rate Impact Amounts	1574			\$0	\$0				\$0	\$0				\$0	
RSVA - One-time	1582			\$0	\$0				\$0	\$0				\$0	
Other Deferred Credits	2425			\$0	\$0				\$0	\$0				\$0	
<b>Group 2 Sub-Total</b>		\$0	\$0	\$143,465	\$7,486,265	\$940,042	\$6,658,531	\$0	\$1,767,776	\$143,465	\$6,444	\$141,430	\$0	\$8,479	\$0
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592			\$0	\$0				\$0	\$0				\$0	
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592			-\$32,295	-\$544,683		-\$544,683		-\$0	-\$32,295		-\$38,516		\$6,221	
<b>Total of Group 1 and Group 2 Accounts (including 1592)</b>		\$0	\$0	\$398,738	-\$20,785,461	-\$5,415,665	\$5,546,028	\$0	-\$31,747,153	\$398,738	-\$289,072	\$477,321	\$0	-\$367,655	-\$22,299,962

				2016											
Account Descriptions	Account Number	OEB-Approved Disposition during 2015	Interest Adjustments(2) during 2015	Closing Interest Amounts as of Dec-31-15	Opening Principal Amounts as of Jan-1-16	Transactions(1) Debit / (Credit) during 2016	OEB-Approved Disposition during 2016	Principal Adjustments(2) during 2016	Closing Principal Balance as of Dec-31-16	Opening Interest Amounts as of Jan-1-16	Interest Jan-1 to Dec-31-16	OEB-Approved Disposition during 2016	Interest Adjustments(2) during 2016	Closing Principal Amounts as of Dec-31-16	Opening Principal Amounts as of Jan-1-16
<b>LRAM Variance Account<sup>11</sup></b>	<b>1568</b>			<b>-\$8,667</b>	<b>-\$149,983</b>	<b>\$933,405</b>	<b>-\$678,660</b>	<b>\$7,281</b>	<b>\$1,469,364</b>	<b>-\$8,667</b>	<b>\$0</b>	<b>-\$8,677</b>		<b>\$10</b>	
<b>Total including Account 1568</b>		<b>\$0</b>	<b>\$0</b>	<b>\$390,070</b>	<b>-\$20,935,443</b>	<b>-\$4,482,259</b>	<b>\$4,867,368</b>	<b>\$7,281</b>	<b>-\$30,277,789</b>	<b>\$390,070</b>	<b>-\$289,072</b>	<b>\$468,644</b>	<b>\$0</b>	<b>-\$367,646</b>	<b>-\$22,299,962</b>
Renewable Generation Connection Capital Deferral Account <sup>6</sup>	1531			\$0	\$0		\$0		\$0	\$0				\$0	
Renewable Generation Connection OM&A Deferral Account <sup>8</sup>	1532			\$27,886	\$408,537		\$408,537		-\$0	\$27,886		\$27,890		-\$4	
Renewable Generation Connection Funding Adder Deferral Account	1533			\$0	\$0		\$0		\$0	\$0				\$0	
Smart Grid Capital Deferral Account	1534			\$0	\$0		\$0		\$0	\$0				\$0	
Smart Grid OM&A Deferral Account	1535			\$12,858	\$188,477		\$188,477		-\$0	\$12,858		\$12,861		-\$3	
Smart Grid Funding Adder Deferral Account	1536			\$0	\$0		\$0		\$0	\$0				\$0	
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital <sup>4</sup>	1555			\$0	\$0		\$0		\$0	\$0				\$0	
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries <sup>4</sup>	1555			\$0	-\$0		\$0		-\$0	\$0				\$0	
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs <sup>4</sup>	1555			\$0	-\$5,973,776		-\$5,973,776		\$0	\$0				\$0	
Smart Meter OM&A Variance <sup>4</sup>	1556			-\$509,395	\$509,395		\$509,394		\$1	-\$509,395		-\$509,395		\$0	
Meter Cost Deferral Account (MIST Meters) <sup>10</sup>	1557			\$0	\$0				\$0	\$0				\$0	
IFRS-CGAAP Transition PP&E Amounts Balance + Return Component <sup>5</sup>	1575				\$0				\$0						
Accounting Changes Under CGAAP Balance + Return Component <sup>5</sup>	1576				\$0				\$0						

For all OEB-Approved dispositions, please ensure that the disposition amount has the same sign (figure and credit balance are to have a negative figure) as per the related OEB decision.

For RSVA accounts only, report the net variance to the account during the year. For all other accounts, record the tran this column.

Please provide explanations for the nature of the adjustments. If the adjustment relates to previously OEB Approved di As per the January 6, 2011 Letter from the OEB regarding the implementation of the Ontario Clean Energy Benefit:

"By way of exception... The Board does anticipate that licensed distributors that cannot adapt their invoices as of Janua "Sub account Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act" will be address

Deferral accounts related to Smart Meter deployment are not to be recovered/refunded through the Deferral and Varians Smart Meter Disposition and Cost Recovery (G-2011-0001)

The OEB requires that disposition of Account 1575 and Account 1576 shall require the use of separate rate riders. In th Account 1575 and 1576 rate rider calculation from the applicable Chapter 2-E appendix line "Amount included in Defer

Depending on the disposition period, balances may exist in Account 1575 and Account 1576 even if the accounts have this is the case and leave the checkbox "Check to Dispose of Account" in the Total Claim column unchecked.

If the LDC's rate year begins on January 1, 2018, the projected interest is recorded from January 1, 2017 to December 2017 rate decision. If the LDC's rate year begins on May 1, 2018, the projected interest is recorded from January 1, 20 the OEB in the 2017 rate decision.

The individual sub-accounts as well as the total for all Account 1595 sub-accounts are to agree to the RRR data. Differ For each Account 1595 sub-account, the transfer of the balance approved for disposition into Account 1595 is to be rec column. The two are not to be netted together and recorded in one column in the first year.

The audited balance in the account is only to be disposed a year after the recovery/refund period has been completed. ( Account 1595 is only to be disposed once on a final basis. No further dispositions of these accounts are generally exp Claims column if the account is requested for disposition.

As per the Filing Requirements for 2018 rate applications, request for rate protection on eligible investments are subject Benefits portion of Account 1531 should be transferred to rate base. The Direct Benefits portion of Account 1532 shoul 1531 is listed for reference only. Account 1532 is included in the Group 2 allocation of balances that are used to calculi Account 1580 RSVA WMS balance inputted into this schedule is to exclude any amounts relating to CBR. CBR amount Account 1580, sub-account CBR Class A, accounting guidance for this sub-account is to be followed. If a balance exist Account 1557 is to be recovered in a manner similar to the Smart Meter accounts. Distributors should request for disp application, outside of this continuity schedule.

Input the LRAMVA balance in the continuity schedule as calculated from the LRAMVA model. The associated rate ride

Effective May 23, 2017, per the OEB's letter titled *Guidance on Disposition of Accounts 1588 and 1589*, applicants mu 1588 and 1589. This is to include true ups that impact the GA as well. The amount requested for disposition starts wit impacts of the true-up claims are to be shown in the Adjustment column in that year. Note that this true-up claim will ne up claim was not reflected at the end of the last year of the account balance that was previously disposed, then no adju disposition. This way the adjustment is appropriately captured in the last year of the previously disposed period and the Note that if a distributor has any balance in Account 1589 that pertains to Class A, this must be excluded from the bala

board

## Referral/Variance Account Workform

This continuity schedule must be completed for each account and sub-account that the utility disposed of during the year in which the GL balance was last disposed. For example, if in the 2017 Continuity Schedule, the balance in the Adjustment column under 2014. For each Account 1595 sub-account, start inputting the relevant balances approved for disposition was first transferred into Account 1595 (2017) starting from the vintage year. For any new accounts that have never been disposed, start

If you had any Class A customers at any point during the period that the Account 1589 GA balance accumulated (i.e. from the year the balance was last disposed to 2016), check off the checkbox ☒

If you had Class A customer(s) during this period, Tab 5.1 will be generated and applicants must complete the information pertaining to Class A customers.

If you had any customers classified as Class B during the period that the Account 1580 sub-account CBR Class B balance accumulated (i.e. from the year the balance was last disposed to 2015 and 2016, or 2016), check off the checkbox ☐

If you had Class A customer(s) during this period, Tab 5.3 will be generated and applicants must complete the information pertaining to Class A customers. Account 1580 sub-account CBR Class B will be disposed through the rider using information in Tab 5.3.

If you only had Class B customers during this period, the balance in the sub-account CBR Class B will be allocated and disposed with WMS.

		2017			Projected Interest on Dec-31-16 Balances				2.1.7 RRR	
Account Descriptions	Account Number	Interest Disposition during 2017 - instructed by OEB	Closing Principal Balances as of Dec 31-16 Adjusted for Dispositions during 2017	Closing Interest Balances as of Dec 31-16 Adjusted for Dispositions during 2017	Projected Interest from Jan 1, 2017 to December 31, 2017 on Dec 31 -16 balance adjusted for disposition during 2017 (6)	Projected Interest from January 1, 2018 to April 30, 2018 on Dec 31 -16 balance adjusted for disposition during 2017 (6)	Total Interest	Total Claim	As of Dec 31-16	Variance RRR vs. 2016 Balance (Principal + Interest)
Group 1 Accounts										
LV Variance Account	1550	\$3,292	-\$302,419	-\$1,234	-\$3,327		-\$4,560	-\$306,979.00	-\$118,060	\$0
Smart Metering Entity Charge Variance Account	1551	-\$2,912	-\$96,084	-\$502	-\$1,057		-\$1,559	-\$97,643.20	-\$293,173	\$0
RSVA - Wholesale Market Service Charge <sup>9</sup>	1580	-\$60,708	-\$7,002,178	-\$193,573	-\$77,024		-\$270,597	-\$7,272,775.26	-\$22,601,693	-\$0
Variance WMS – Sub-account CBR Class A <sup>9</sup>	1580		\$0	\$0			\$0	\$0.00		\$0
Variance WMS – Sub-account CBR Class B <sup>9</sup>	1580	\$25,562	-\$351,426	-\$3,329	-\$3,866		-\$7,195	-\$358,620.69	\$1,461,303	\$1
RSVA - Retail Transmission Network Charge	1584	\$438	\$9,935	-\$960	\$109		-\$850	\$9,084.58	-\$57,056	-\$1
RSVA - Retail Transmission Connection Charge	1586	\$6,042	-\$2,572,072	-\$12,574	-\$28,293		-\$40,867	-\$2,612,939.08	-\$2,415,775	\$0
RSVA - Power (excluding Global Adjustment) <sup>12</sup>	1588	-\$11,451	\$2,796,072	\$25,447	\$14,669	-\$1,462,534	-\$1,422,419	\$1,373,653.40	\$1,010,864	-\$0
RSVA - Global Adjustment <sup>12</sup>	1589	-\$129,880	-\$3,678,002	\$10,823		\$3,667,179	\$3,678,002	\$0.00	-\$10,746,402	-\$1
Disposition and Recovery/Refund of Regulatory Balances (2009) <sup>7</sup>	1595		\$0	\$0			\$0	<input type="checkbox"/> Check to Dispose of Account	\$0.00	\$0
Disposition and Recovery/Refund of Regulatory Balances (2010) <sup>7</sup>	1595		\$0	\$0			\$0	<input type="checkbox"/> Check to Dispose of Account	\$0.00	\$0
Disposition and Recovery/Refund of Regulatory Balances (2011) <sup>7</sup>	1595		\$0	\$0			\$0	<input type="checkbox"/> Check to Dispose of Account	\$0.00	-\$4,919
Disposition and Recovery/Refund of Regulatory Balances (2012) <sup>7</sup>	1595	-\$2,633	\$1,540	-\$222			-\$222	<input type="checkbox"/> Check to Dispose of Account	\$0.00	-\$187,163
Disposition and Recovery/Refund of Regulatory Balances (2013) <sup>7</sup>	1595	-\$948	-\$14,011	-\$88			-\$88	<input type="checkbox"/> Check to Dispose of Account	\$0.00	-\$17,066
Disposition and Recovery/Refund of Regulatory Balances (2014) <sup>7</sup>	1595	\$2,239	-\$77,471	-\$586			-\$586	<input type="checkbox"/> Check to Dispose of Account	\$0.00	\$35,302
Disposition and Recovery/Refund of Regulatory Balances (2015) <sup>7</sup>	1595		\$0	\$0			\$0	<input type="checkbox"/> Check to Dispose of Account	\$0.00	\$0
Disposition and Recovery/Refund of Regulatory Balances (2016) <sup>7</sup>	1595		\$71,149	-\$34,599			-\$34,599	<input type="checkbox"/> Check to Dispose of Account	\$0.00	\$36,546
Not to be disposed of until a year after rate rider has expired and that balance has been audited										
Group 1 Sub-Total (including Account 1589 - Global Adjustment)		-\$170,959	-\$11,214,967	-\$211,396	-\$98,788	\$2,204,644	\$1,894,460	-\$9,266,219.23	-\$33,897,293	-\$8
Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)		-\$41,079	-\$7,536,965	-\$222,220	-\$98,788	-\$1,462,534	-\$1,783,542	-\$9,266,219.23	-\$23,150,891	-\$7
RSVA - Global Adjustment 12	1589	-\$129,880	-\$3,678,002	\$10,823	\$0	\$3,667,179	\$3,678,002	\$0.00	-\$10,746,402	-\$1
Group 2 Accounts										
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508		-\$0	\$1			\$1	\$0.38	\$0	-\$0
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508		\$0	\$0			\$0	\$0.00	\$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	\$0.00		\$0
Other Regulatory Assets - Sub-Account - Capital Charges	1508		\$0	-\$2			-\$2	<input type="checkbox"/> Check to Dispose of Account	\$0.00	\$0
Other Regulatory Assets - Sub-Account - P & OPEB	1508		\$147,000	\$0			\$0	<input type="checkbox"/> Check to Dispose of Account	\$0.00	\$147,000
Other Regulatory Assets - Sub-Account - East Energy Cost Defer Cost	1508		\$50,731	\$892			\$892	<input type="checkbox"/> Check to Dispose of Account	\$0.00	\$51,623
Other Regulatory Assets - Sub-Account - Pole Attachment Charge Revenues Variance Account	1508	\$226,530	\$225,388	-\$225,391			-\$225,391	<input type="checkbox"/> Check to Dispose of Account	\$0.00	\$226,527
Other Regulatory Assets - Sub-Account - Wireless Attachment Revenues Deferral Account	1508		\$0	\$0			\$0	<input type="checkbox"/> Check to Dispose of Account	\$0.00	\$0
Other Regulatory Assets - Sub-Account - Y-Factor Variance Account	1508		\$0	\$0			\$0	<input type="checkbox"/> Check to Dispose of Account	\$0.00	\$0
Other Regulatory Assets - Sub-Account - Gains/Losses from Sale of Existing Facilities Deferr	1508		\$0	\$0			\$0	<input type="checkbox"/> Check to Dispose of Account	\$0.00	\$0
Other Regulatory Assets - Sub-Account - New Facilities Deferral Account	1508		\$0	\$0			\$0	<input type="checkbox"/> Check to Dispose of Account	\$0.00	\$0
Variance Account	1508		\$548,080	\$44			\$44	<input type="checkbox"/> Check to Dispose of Account	\$0.00	\$548,124
Other Regulatory Assets - Sub-Account - Earnings Sharing Mechanism (ESM) Variance Accou	1508		\$0	\$0			\$0	<input type="checkbox"/> Check to Dispose of Account	\$0.00	\$0
Other Regulatory Assets - Sub-Account - Connection Cost Recovery Agreement (CCRA) Payr	1508		\$0	\$0			\$0	<input type="checkbox"/> Check to Dispose of Account	\$0.00	\$0
Other Regulatory Assets - Sub-Account - Revenue Requirement Differential Variance Account	1508		\$0	\$0			\$0	<input type="checkbox"/> Check to Dispose of Account	\$0.00	\$0
Other Regulatory Assets - Sub-Account - Efficiency Adjustment Mechanism Deferral Account	1508		\$0	\$0			\$0	<input type="checkbox"/> Check to Dispose of Account	\$0.00	\$0
Other Regulatory Assets - Sub-Account - OEB Cost Assessment Variance	1508		\$522,056	\$1,683			\$1,683	<input type="checkbox"/> Check to Dispose of Account	\$0.00	\$523,739
Retail Cost Variance Account - Retail	1518		-\$39,488	-\$613		\$40,101	\$39,488	\$0.00	-\$40,100	\$1
Misc. Deferred Debits	1525		\$0	\$0			\$0	<input type="checkbox"/> Check to Dispose of Account	\$0.00	\$0
Retail Cost Variance Account - STR	1548		\$314,009	\$5,336		-\$319,344	-\$314,009	\$0.00	\$319,343	-\$1
Board-Approved CDM Variance Account	1567		\$0	\$0			\$0	\$0.00		\$0

Account Descriptions	Account Number	2017			Projected Interest on Dec-31-16 Balances				2.1.7 RRR	Tab 1
		Interest Disposition during 2017 - instructed by OEB	Closing Principal Balances as of Dec 31-16 Adjusted for Dispositions during 2017	Closing Interest Balances as of Dec 31-16 Adjusted for Dispositions during 2017	Projected Interest from Jan 1, 2017 to December 31, 2017 on Dec 31 -16 balance adjusted for disposition during 2017 (6)	Projected Interest from January 1, 2018 to April 30, 2018 on Dec 31 -16 balance adjusted for disposition during 2017 (6)	Total Interest	Total Claim	As of Dec 31-16	Schedule I
Extra-Ordinary Event Costs	1572		\$0	\$0			\$0	\$0.00		Attachment 9-1(A)
Deferred Rate Impact Amounts	1574		\$0	\$0			\$0	\$0.00		RRR vs. 2016 Balance
RSVA - One-time	1582		\$0	\$0			\$0	\$0.00		ORIONA
Other Deferred Credits	2425		\$0	\$0			\$0	\$0.00		Page 20 of 40
<b>Group 2 Sub-Total</b>		\$226,530	\$1,767,776	-\$218,051	\$0	-\$279,243	-\$497,294	\$0.38	\$1,776,256	\$1
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592		\$0	\$0			\$0	\$0.00		
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592	\$6,221	-\$0	\$0			\$0	-\$0.06	\$6,221	-\$0
<b>Total of Group 1 and Group 2 Accounts (including 1592)</b>		\$61,792	-\$9,447,191	-\$429,447	-\$98,788	\$1,925,401	\$1,397,166	-\$9,266,218.91	-\$32,114,816	-\$7

☐ Check to Dispose of Account

2017				Projected Interest on Dec-31-16 Balances				2.1.7 RRR	Tab 1
Account Descriptions	Account Number	Interest Disposition during 2017 - instructed by OEB	Closing Principal Balances as of Dec 31-16 Adjusted for Dispositions during 2017	Closing Interest Balances as of Dec 31-16 Adjusted for Dispositions during 2017	Projected Interest from Jan 1, 2017 to December 31, 2017 on Dec 31 -16 balance adjusted for disposition during 2017 (6)	Projected Interest from January 1, 2018 to April 30, 2018 on Dec 31 -16 balance adjusted for disposition during 2017 (6)	Total Interest	Total Claim	Schedule 1
								As of Dec 31-16	Attachment 9-1(A)
LRAM Variance Account <sup>11</sup>	1568		\$1,469,364	\$10		-\$1,469,373	-\$1,469,364	\$0.00	RRR vs. 2016 Balance (Printed)
Total including Account 1568		\$61,792	-\$7,977,827	-\$429,438	-\$98,788	\$456,028	-\$72,198	-\$9,266,218.91	Page 21 of 40
Renewable Generation Connection Capital Deferral Account <sup>8</sup>	1531		\$0	\$0			\$0	\$0.00	ORIGINAL
Renewable Generation Connection OM&A Deferral Account <sup>8</sup>	1532		-\$0	-\$4			-\$4	-\$4.65	
Renewable Generation Connection Funding Adder Deferral Account	1533		\$0	\$0			\$0	\$0.00	
Smart Grid Capital Deferral Account	1534		\$0	\$0			\$0	\$0.00	
Smart Grid OM&A Deferral Account	1535		-\$0	-\$3			-\$3	-\$2.87	
Smart Grid Funding Adder Deferral Account	1536		\$0	\$0			\$0	\$0.00	
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital <sup>4</sup>	1555		\$0	\$0			\$0	\$0.00	
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries <sup>4</sup>	1555		-\$0	\$0			\$0	-\$0.23	
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs <sup>4</sup>	1555		\$0	\$0			\$0	\$0.00	
Smart Meter OM&A Variance <sup>4</sup>	1556		\$1	\$0			\$0	\$1.14	-\$1
Meter Cost Deferral Account (MIST Meters) <sup>10</sup>	1557		\$0	\$0			\$0	\$0.00	\$0
IFRS-CGAAP Transition PP&E Amounts Balance + Return Component <sup>5</sup>	1575		\$0					\$0.00	\$0
Accounting Changes Under CGAAP Balance + Return Component <sup>5</sup>	1576		\$0					\$0.00	\$0

For all OEB-Approved dispositions, please ensure that the disposition amount has the same sign (figure and credit balance are to have a negative figure) as per the related OEB decision.

For RSPA accounts only, report the net variance to the account during the year. For all other accounts, record the tran this column.

Please provide explanations for the nature of the adjustments. If the adjustment relates to previously OEB Approved di As per the January 6, 2011 Letter from the OEB regarding the implementation of the Ontario Clean Energy Benefit:

"By way of exception... The Board does anticipate that licensed distributors that cannot adapt their invoices as of Janua "Sub account Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act" will be address

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The OEB requires that disposition of Account 1575 and Account 1576 shall require the use of separate rate riders. In th Account 1575 and 1576 rate rider calculation from the applicable Chapter 2-E appendix line "Amount included in Defer

Depending on the disposition period, balances may exist in Account 1575 and Account 1576 even if the accounts have this is the case and leave the checkbox "Check to Dispose of Account" in the Total Claim column unchecked.

If the LDC's rate year begins on January 1, 2018, the projected interest is recorded from January 1, 2017 to December 2017 rate decision. If the LDC's rate year begins on May 1, 2018, the projected interest is recorded from January 1, 20 the OEB in the 2017 rate decision.

The individual sub-accounts as well as the total for all Account 1595 sub-accounts are to agree to the RRR data. Differ For each Account 1595 sub-account, the transfer of the balance approved for disposition into Account 1595 is to be rec column. The two are not to be netted together and recorded in one column in the first year.

The audited balance in the account is only to be disposed a year after the recovery/refund period has been completed. ( Account 1595 is only to be disposed once on a final basis. No further dispositions of these accounts are generally exp Claims column if the account is requested for disposition.

As per the Filing Requirements for 2018 rate applications, request for rate protection on eligible investments are subject Benefits portion of Account 1531 should be transferred to rate base. The Direct Benefits portion of Account 1532 shoul 1531 is listed for reference only. Account 1532 is included in the Group 2 allocation of balances that are used to calculi Account 1580 RSPA WMS balance inputted into this schedule is to exclude any amounts relating to CBR. CBR amount Account 1580, sub-account CBR Class A, accounting guidance for this sub-account is to be followed. If a balance exist Account 1557 is to be recovered in a manner similar to the Smart Meter accounts. Distributors should request for disp application, outside of this continuity schedule.

Input the LRAMVA balance in the continuity schedule as calculated from the LRAMVA model. The associated rate rid

Effective May 23, 2017, per the OEB's letter titled *Guidance on Disposition of Accounts 1588 and 1589*, applicants mu 1588 and 1589. This is to include true ups that impact the GA as well. The amount requested for disposition starts wit impacts of the true-up claims are to be shown in the Adjustment column in that year. Note that this true-up claim will ne up claim was not reflected at the end of the last year of the account balance that was previously disposed, then no adju disposition. This way the adjustment is appropriately captured in the last year of the previously disposed period and the Note that if a distributor has any balance in Account 1589 that pertains to Class A, this must be excluded from the bala

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## Deferral/Variance Account Workform

During the period  
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will be generated.  
ough a rate

This continuity schedule must be completed for each account and sub-account that the balance in 1580  
data from the year in which the GL balance was last disposed. For example, if in the 2017 Account 1580  
in the Adjustment column under 2014. For each Account 1595 sub-account, start inputting  
the relevant balances approved for disposition was first transferred into Account 1595 (20  
starting from the vintage year. For any new accounts that have never been disposed, start

Account Descriptions	Account Number
<strong>Group 1 Accounts</strong>	
LV Variance Account	1550
Smart Metering Entity Charge Variance Account	1551
RSVA - Wholesale Market Service Charge <sup>9</sup>	1580
Variance WMS – Sub-account CBR Class A <sup>9</sup>	1580
Variance WMS – Sub-account CBR Class B <sup>9</sup>	1580
RSVA - Retail Transmission Network Charge	1584
RSVA - Retail Transmission Connection Charge	1586
RSVA - Power (excluding Global Adjustment) <sup>12</sup>	1588
RSVA - Global Adjustment <sup>12</sup>	1589
Disposition and Recovery/Refund of Regulatory Balances (2009) <sup>7</sup>	1595
Disposition and Recovery/Refund of Regulatory Balances (2010) <sup>7</sup>	1595
Disposition and Recovery/Refund of Regulatory Balances (2011) <sup>7</sup>	1595
Disposition and Recovery/Refund of Regulatory Balances (2012) <sup>7</sup>	1595
Disposition and Recovery/Refund of Regulatory Balances (2013) <sup>7</sup>	1595
Disposition and Recovery/Refund of Regulatory Balances (2014) <sup>7</sup>	1595
Disposition and Recovery/Refund of Regulatory Balances (2015) <sup>7</sup>	1595
Disposition and Recovery/Refund of Regulatory Balances (2016) <sup>7</sup>	1595
<i>Not to be disposed of until a year after rate rider has expired and that balance has been audited</i>	
<strong>Group 1 Sub-Total (including Account 1589 - Global Adjustment)</strong>	
<strong>Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)</strong>	
<strong>RSVA - Global Adjustment 12</strong>	<strong>1589</strong>
<strong>Group 2 Accounts</strong>	
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery	
Variance - Ontario Clean Energy Benefit Act <sup>3</sup>	1508
Other Regulatory Assets - Sub-Account - Capital Charges	1508
Other Regulatory Assets - Sub-Account - P & OPEB	1508
Other Regulatory Assets - Sub-Account - East Energy Cost Defer Cost	1508
Other Regulatory Assets - Sub-Account - Pole Attachment Charge Revenues Variance Account	1508
Other Regulatory Assets - Sub-Account - Wireless Attachment Revenues Deferral Account	1508
Other Regulatory Assets - Sub-Account - Y-Factor Variance Account	1508
Other Regulatory Assets - Sub-Account - Gains/Losses from Sale of Existing Facilities Deferral Account	1508
Other Regulatory Assets - Sub-Account - New Facilities Deferral Account	1508
Variance Account	1508
Other Regulatory Assets - Sub-Account - Earnings Sharing Mechanism (ESM) Variance Account	1508
Other Regulatory Assets - Sub-Account - Connection Cost Recovery Agreement (CCRA) Payment	1508
Other Regulatory Assets - Sub-Account - Revenue Requirement Differential Variance Account	1508
Other Regulatory Assets - Sub-Account - Efficiency Adjustment Mechanism Deferral Account	1508
Other Regulatory Assets - Sub-Account - OEB Cost Assessment Variance	1508
Retail Cost Variance Account - Retail	1518
Misc. Deferred Debits	1525
Retail Cost Variance Account - STR	1548
Board-Approved CDM Variance Account	1567



Account Descriptions	Account Number
Extra-Ordinary Event Costs	1572
Deferred Rate Impact Amounts	1574
RSVA - One-time	1582
Other Deferred Credits	2425
<b>Group 2 Sub-Total</b>	
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592
<b>Total of Group 1 and Group 2 Accounts (including 1592)</b>	

Account Descriptions	Account Number
LRAM Variance Account <sup>11</sup>	1568
Total including Account 1568	
Renewable Generation Connection Capital Deferral Account <sup>8</sup>	1531
Renewable Generation Connection OM&A Deferral Account <sup>8</sup>	1532
Renewable Generation Connection Funding Adder Deferral Account	1533
Smart Grid Capital Deferral Account	1534
Smart Grid OM&A Deferral Account	1535
Smart Grid Funding Adder Deferral Account	1536
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital <sup>4</sup>	1555
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries <sup>4</sup>	1555
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs <sup>4</sup>	1555
Smart Meter OM&A Variance <sup>4</sup>	1556
Meter Cost Deferral Account (MIST Meters) <sup>10</sup>	1557
IFRS-CGAAP Transition PP&E Amounts Balance + Return Component <sup>5</sup>	1575
Accounting Changes Under CGAAP Balance + Return Component <sup>5</sup>	1576

For all OEB-Approved dispositions, please ensure that the disposition amount has the same sign (figure and credit balance are to have a negative figure) as per the related OEB decision.

For RSVA accounts only, report the net variance to the account during the year. For all other accounts, record the tran this column.

Please provide explanations for the nature of the adjustments. If the adjustment relates to previously OEB Approved di As per the January 6, 2011 Letter from the OEB regarding the implementation of the Ontario Clean Energy Benefit:

"By way of exception... The Board does anticipate that licensed distributors that cannot adapt their invoices as of Janua "Sub account Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act" will be address

Deferral accounts related to Smart Meter deployment are not to be recovered/refunded through the Deferral and Varians Smart Meter Disposition and Cost Recovery (G-2011-0001)

The OEB requires that disposition of Account 1575 and Account 1576 shall require the use of separate rate riders. In th Account 1575 and 1576 rate rider calculation from the applicable Chapter 2-E appendix line "Amount included in Defer

Depending on the disposition period, balances may exist in Account 1575 and Account 1576 even if the accounts have this is the case and leave the checkbox "Check to Dispose of Account" in the Total Claim column unchecked.

If the LDC's rate year begins on January 1, 2018, the projected interest is recorded from January 1, 2017 to December 2017 rate decision. If the LDC's rate year begins on May 1, 2018, the projected interest is recorded from January 1, 20 the OEB in the 2017 rate decision.

The individual sub-accounts as well as the total for all Account 1595 sub-accounts are to agree to the RRR data. Differ For each Account 1595 sub-account, the transfer of the balance approved for disposition into Account 1595 is to be rec column. The two are not to be netted together and recorded in one column in the first year.

The audited balance in the account is only to be disposed a year after the recovery/refund period has been completed. ( Account 1595 is only to be disposed once on a final basis. No further dispositions of these accounts are generally exp Claims column if the account is requested for disposition.

As per the Filing Requirements for 2018 rate applications, request for rate protection on eligible investments are subject Benefits portion of Account 1531 should be transferred to rate base. The Direct Benefits portion of Account 1532 shoul 1531 is listed for reference only. Account 1532 is included in the Group 2 allocation of balances that are used to calculi Account 1580 RSVA WMS balance inputted into this schedule is to exclude any amounts relating to CBR. CBR amount Account 1580, sub-account CBR Class A, accounting guidance for this sub-account is to be followed. If a balance exist Account 1557 is to be recovered in a manner similar to the Smart Meter accounts. Distributors should request for disp application, outside of this continuity schedule.

Input the LRAMVA balance in the continuity schedule as calculated from the LRAMVA model. The associated rate ride

Effective May 23, 2017, per the OEB's letter titled *Guidance on Disposition of Accounts 1588 and 1589*, applicants mu 1588 and 1589. This is to include true ups that impact the GA as well. The amount requested for disposition starts wit impacts of the true-up claims are to be shown in the Adjustment column in that year. Note that this true-up claim will ne up claim was not reflected at the end of the last year of the account balance that was previously disposed, then no adju disposition. This way the adjustment is appropriately captured in the last year of the previously disposed period and the Note that if a distributor has any balance in Account 1589 that pertains to Class A, this must be excluded from the bala

## 2018 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.

Account Descriptions	Account Number	Variance RRR vs. 2016 Balance (Principal + Interest)	Explanation
LV Variance Account	1550	\$ (0.29)	
Smart Metering Entity Charge Variance Account	1551	\$ 0.45	
RSVA - Wholesale Market Service Charge <sup>9</sup>	1580	\$ (0.41)	
Variance WMS – Sub-account CBR Class B9	1580	\$ 0.58	
RSVA - Retail Transmission Network Charge	1584	\$ (0.66)	
RSVA - Retail Transmission Connection Charge	1586	\$ 0.11	
RSVA - Power (excluding Global Adjustment) <sup>12</sup>	1588	\$ (0.25)	
RSVA - Global Adjustment <sup>12</sup>	1589	\$ (1.25)	
Disposition and Recovery/Refund of Regulatory Balances (2011) <sup>7</sup>	1595	\$ (4,919.00)	Amount relates to 1595 (2012)
Disposition and Recovery/Refund of Regulatory Balances (2012) <sup>7</sup>	1595	\$ 4,916.14	
Disposition and Recovery/Refund of Regulatory Balances (2013) <sup>7</sup>	1595	\$ 1.01	
Disposition and Recovery/Refund of Regulatory Balances (2014) <sup>7</sup>	1595	\$ (0.61)	
Disposition and Recovery/Refund of Regulatory Balances (2016) <sup>7</sup>	1595	\$ (3.90)	
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	\$ (0.38)	
Other Regulatory Assets - Sub-Account - Capital Charges	1508	\$ 1.82	
Other Regulatory Assets - Sub-Account - East Energy Cost Defer Cost	1508	\$ (0.32)	
Retail Cost Variance Account - Retail	1518	\$ 1.14	
Retail Cost Variance Account - STR	1548	\$ (1.48)	



Ontario Energy Board

## 2018 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	C		D=A-C		E		F=B-C-E (deduct E if applicable)	1595 Recovery Share Proportion (2009) <sup>1</sup>
			Total Metered kWh <sup>4</sup>	Total Metered kW <sup>4</sup>	Metered kWh for Non-RPP Customers <sup>4,5</sup>	Metered KW for Non-RPP Customers <sup>4,5</sup>		Metered kWh for Wholesale Market Participants (WMP) <sup>4</sup>	Metered KW for Wholesale Market Participants (WMP) <sup>4</sup>	Total Metered kWh less WMP consumption (if applicable)	Total Metered kW less WMP consumption (if applicable)	Total Metered 2016 kWh for Class A Customers that were Class A for the entire period the GA balance accumulated	Total Metered 2016 kWh for Customers that Transitioned Between Class A and B during the period the GA balance accumulated	Non-RPP Metered Consumption for Current Class B Customers (Non-RPP Consumption excluding WMP, Class A and Transition Customers' Consumption)	
RESIDENTIAL	kWh	305,144	2,206,411,000		78,310,448		98,285,240	0	0	2,206,411,000	-	0	-	-	78,310,448
GENERAL SERVICE LESS THAN 50 KW	kWh	24,739	709,791,000		102,830,977		22,437,830	0	0	709,791,000	-	0	-	-	102,830,977
GENERAL SERVICE 50 TO 1,499 KW	kW	3,351	2,875,422,000	6,824,350	2,469,460,051	6,824,351	39,332,942	0	0	2,875,422,000	6,824,350	-	-	-	2,469,460,051
GENERAL SERVICE 1,500 TO 4,999 KW	kW	76	895,369,000	1,916,044	895,369,000	1,916,045	11,840,457	37,049,412	66,568	858,319,588	1,849,476	-	-	-	858,319,588
LARGE USE	kW	11	618,467,000	1,118,300	618,467,000	1,118,300	6,451,316	0	0	618,467,000	1,118,300	-	-	-	618,467,000
UNMETERED SCATTERED LOAD	kWh	3,573	16,731,000				599,609	0	0	16,731,000	-	0	-	-	-
STANDBY POWER GENERAL SERVICE 50 TO 1,499 KW	kW									-	-	-	-	-	-
STANDBY POWER GENERAL SERVICE 1,500 TO 4,999 KW	kW	2		4,800			11,465			-	4,800	-	-	-	-
STANDBY POWER GENERAL SERVICE LARGE USE	kW									-	-	-	-	-	-
SENTINEL LIGHTING	kW	47	48,000	216			4,820	0	0	48,000	216	-	-	-	-
STREET LIGHTING	kW	55,516	43,765,000	123,144	43,765,000	123,144	1,302,150	0	0	43,765,000	123,144	-	-	-	43,765,000
MICROFIT AND MICRO-NET METERING										-	-	-	-	-	-
FIT										-	-	-	-	-	-
HCI, RESOP, OTHER ENERGY RESOURCE										-	-	-	-	-	-
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<sup>1</sup> Account 1595 sub-accounts are to be allocated to rate classes in proportion to the recovery share as established when rate riders were implemented.

<sup>2</sup> The proportion of customers for the Residential and GS<50 Classes will be used to allocate Account 1551.

[illegible]

		Amounts from Sheet 2	Allocator	RESIDENTIAL	GENERAL SERVICE LESS THAN 50 KW	GENERAL SERVICE 50 TO 1,499 KW	GENERAL SERVICE 1,500 TO 4,999 KW	LARGE USE	UNMETERED SCATTERED LOAD	STANDBY POWER GENERAL SERVICE 50 TO 1,499 KW
LV Variance Account	1550	(306,979)	kWh	(61,952)	(29,581)	(119,834)	(37,315)	(25,775)	(697)	0
Smart Metering Entity Charge Variance Account	1551	(97,643)	# of Customers	(90,321)	(7,323)	0	0	0	0	0
RSVA - Wholesale Market Service Charge	1580	(7,272,775)	kWh	(2,189,498)	(704,350)	(2,853,381)	(851,740)	(613,726)	(16,603)	0
RSVA - Retail Transmission Network Charge	1584	9,085	kWh	2,721	875	3,546	1,104	763	21	0
RSVA - Retail Transmission Connection Charge	1586	(2,612,939)	kWh	(782,679)	(251,784)	(1,019,997)	(317,614)	(219,389)	(5,935)	0
RSVA - Power (excluding Global Adjustment)	1588	1,373,653	kWh	413,544	133,035	538,935	160,873	115,918	3,136	0
RSVA - Global Adjustment	1589	0	Non-RPP kWh	0	0	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2009)	1595	0	%	0	0	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2010)	1595	0	%	0	0	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2011)	1595	0	%	0	0	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2012)	1595	0	%	0	0	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2013)	1595	0	%	0	0	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2014)	1595	0	%	0	0	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2015)	1595	0	%	0	0	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2016)	1595	0	%	0	0	0	0	0	0	0
Total of Group 1 Accounts (excluding 1589)		(8,907,599)		(2,738,185)	(859,127)	(3,450,730)	(1,044,691)	(742,208)	(20,078)	0
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	0	kWh	0	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508	0	kWh	0	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	0
Other Regulatory Assets - Sub-Account - Capital Charges	1508	0	kWh	0	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - P & OPEB	1508	0	kWh	0	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - East Energy Cost Defer Cost	1508	0	kWh	0	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Pole Attachment Charge Revenues Variance	1508	0	kWh	0	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Wireless Attachment Revenues Deferral	1508	0	kWh	0	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Y-Factor Variance Account	1508	0	kWh	0	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Gains/Losses from Sale of Existing Facilities	1508	0	kWh	0	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - New Facilities Deferral Account	1508	0	kWh	0	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Gains and Loss on disposal of Fixed Assets	1508	0	kWh	0	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Earnings Sharing Mechanism (ESM) Variance	1508	0	kWh	0	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Connection Cost Recovery Agreement	1508	0	kWh	0	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Revenue Requirement Differential Variance	1508	0	kWh	0	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Efficiency Adjustment Mechanism Deferral	1508	0	kWh	0	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - OEB Cost Assessment Variance	1508	0	kWh	0	0	0	0	0	0	0
Retail Cost Variance Account - Retail	1518	0	kWh	0	0	0	0	0	0	0
Misc. Deferred Debits	1525	0	kWh	0	0	0	0	0	0	0
Retail Cost Variance Account - STR	1548	0	kWh	0	0	0	0	0	0	0
Board-Approved CDM Variance Account	1567	0	kWh	0	0	0	0	0	0	0
Extra-Ordinary Event Costs	1572	0	kWh	0	0	0	0	0	0	0
Deferred Rate Impact Amounts	1574	0	kWh	0	0	0	0	0	0	0
RSVA - One-time	1582	0	kWh	0	0	0	0	0	0	0
Other Deferred Credits	2425	0	kWh	0	0	0	0	0	0	0
Total of Group 2 Accounts		0		0	0	0	0	0	0	0
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account)	1592	0	kWh	0	0	0	0	0	0	0
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592	(0)	kWh	(0)	(0)	(0)	(0)	(0)	(0)	0
Total of Account 1592		(0)		(0)	(0)	(0)	(0)	(0)	(0)	0
LRAM Variance Account (Enter dollar amount for each class)	1568	0		0	0	0	0	0	0	0
(Account 1568 - total amount allocated to classes)	0									
Variance		0								
Renewable Generation Connection OM&A Deferral Account	1532	(5)	kWh	(1)	(0)	(2)	(1)	(0)	(0)	0
Variance WMS - Sub-account CBR Class B (separate rate rider if no Class A Customers)	1580	(358,621)	kWh	(107,964)	(34,732)	(140,700)	(41,999)	(30,263)	(819)	0
Total of Group 1 Accounts (1550, 1551, 1584, 1586 and 1595)		(3,008,477)		(962,231)	(287,812)	(1,136,284)	(353,824)	(244,400)	(6,612)	0
Total of Account 1580 and 1586 (not allocated to WMPs)		(5,895,122)		(1,775,954)	(571,315)	(2,314,445)	(690,867)	(497,808)	(13,467)	0
Balance of Account 1589 Allocated to Non-WMPs		0		0	0	0	0	0	0	0
Group 2 Accounts (including 1592, 1532)		(4)		(1)	(0)	(2)	(1)	(0)	(0)	0
IFRS-CGAAP Transition PP&E Amounts Balance + Return Component	1575	0	kWh	0	0	0	0	0	0	0
Accounting Changes Under CGAAP Balance + Return Component	1576	0	kWh	0	0	0	0	0	0	0
Total Balance Allocated to each class for Accounts 1575 and 1576		0		0	0	0	0	0	0	0

# 2018 Deferral/Variance Account Worksheet

		Amounts from Sheet 2	Allocator	STANDBY POWER GENERAL SERVICE 1,500 TO 4,999 KW	STANDBY POWER GENERAL SERVICE LARGE USE	SENTINEL LIGHTING	STREET LIGHTING	MICROFIT AND MICRO- NET METERING	FIT
LV Variance Account	1550	(306,979)	kWh	0	0	(2)	(1,824)	0	0
Smart Metering Entity Charge Variance Account	1551	(97,643)	# of Customers	0	0	0	0	0	0
RSVA - Wholesale Market Service Charge	1580	(7,272,775)	kWh	0	0	(48)	(43,430)	0	0
RSVA - Retail Transmission Network Charge	1584	9,085	kWh	0	0	0	54	0	0
RSVA - Retail Transmission Connection Charge	1586	(2,612,939)	kWh	0	0	(17)	(15,525)	0	0
RSVA - Power (excluding Global Adjustment)	1588	1,373,653	kWh	0	0	9	8,203	0	0
RSVA - Global Adjustment	1589	0	Non-RPP kWh	0	0	0	0	0	0
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	%	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	%	0	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2014)	1595	0	%	0	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2015)	1595	0	%	0	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2016)	1595	0	%	0	0	0	0	0	0
<b>Total of Group 1 Accounts (excluding 1589)</b>		<b>(5,907,599)</b>		<b>0</b>	<b>0</b>	<b>(58)</b>	<b>(52,521)</b>	<b>0</b>	<b>0</b>
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	0	kWh	0	0	0	0	0	0
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 - Capital Charges	1508	0	kWh	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - P & OPEB	1508	0	kWh	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - East Energy Cost Defer Cost	1508	0	kWh	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Pole Attachment Charge Revenues Va	1508	0	kWh	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Wireless Attachment Revenues Deferr	1508	0	kWh	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Y-Factor Variance Account	1508	0	kWh	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Gains/Losses from Sale of Existing Fa	1508	0	kWh	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - New Facilities Deferral Account	1508	0	kWh	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Gains and Loss on disposal of Fixed A	1508	0	kWh	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Earnings Sharing Mechanism (ESM) Va	1508	0	kWh	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Connection Cost Recovery Agreement	1508	0	kWh	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Revenue Requirement Differential Var	1508	0	kWh	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Efficiency Adjustment Mechanism Def	1508	0	kWh	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - OEB Cost Assessment Variance	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>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</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/OVAT 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	0		0	0	0	0	0	0
(Account 1568 - total amount allocated to classes)		0							
<b>Variance</b>		<b>0</b>							
Renewable Generation Connection OM&A Deferral Account	1532	(5)	kWh	0	0	(0)	(0)	0	0
<b>Variance WMS - Sub-account CBR Class B (separate rate rider if no Class A Customers)</b>	<b>1580</b>	<b>(358,621)</b>	<b>kWh</b>	<b>0</b>	<b>0</b>	<b>(2)</b>	<b>(2,142)</b>	<b>0</b>	<b>0</b>
<b>Total of Group 1 Accounts (1550, 1551, 1584, 1586 and 1595)</b>		<b>(3,008,477)</b>		<b>0</b>	<b>0</b>	<b>(19)</b>	<b>(17,295)</b>	<b>0</b>	<b>0</b>
<b>Total of Account 1580 and 1588 (not allocated to WMPs)</b>		<b>(5,899,122)</b>		<b>0</b>	<b>0</b>	<b>(39)</b>	<b>(35,227)</b>	<b>0</b>	<b>0</b>
<b>Balance of Account 1589 Allocated to Non-WMPs</b>		<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Group 2 Accounts (including 1592, 1532)</b>		<b>(4)</b>		<b>0</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>	<b>0</b>	<b>0</b>
IFRS-CGAAP Transition PP&E Amounts Balance + Return Component	1575	0	kWh	0	0	0	0	0	0
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>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

		Amounts from Sheet 2	Allocator	HCI, RESOP, OTHER ENERGY RESOURCE							
LV Variance Account	1550	(306,979)	kWh	0	0	0	0	0	0	0	0
Smart Metering Entity Charge Variance Account	1551	(97,843)	# of Customers	0	0	0	0	0	0	0	0
RSVA - Wholesale Market Service Charge	1580	(7,272,775)	kWh	0	0	0	0	0	0	0	0
RSVA - Retail Transmission Network Charge	1584	9,085	kWh	0	0	0	0	0	0	0	0
RSVA - Retail Transmission Connection Charge	1586	(2,612,939)	kWh	0	0	0	0	0	0	0	0
RSVA - Power (excluding Global Adjustment)	1588	1,373,653	kWh	0	0	0	0	0	0	0	0
RSVA - Global Adjustment	1589	0	Non-RPP kWh	0	0	0	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2009)	1595	0	%	0	0	0	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2010)	1595	0	%	0	0	0	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2011)	1595	0	%	0	0	0	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2012)	1595	0	%	0	0	0	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2013)	1595	0	%	0	0	0	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2014)	1595	0	%	0	0	0	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2015)	1595	0	%	0	0	0	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2016)	1595	0	%	0	0	0	0	0	0	0	0
Total of Group 1 Accounts (excluding 1589)		(8,907,599)		0	0	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	0	kWh	0	0	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508	0	kWh	0	0	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	0	0
Other Regulatory Assets - Sub-Account - Capital Charges	1508	0	kWh	0	0	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - P & OPEB	1508	0	kWh	0	0	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - East Energy Cost Defer Cost	1508	0	kWh	0	0	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Pole Attachment Charge Revenues Variance	1508	0	kWh	0	0	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Wireless Attachment Revenues Deferral	1508	0	kWh	0	0	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Y-Factor Variance Account	1508	0	kWh	0	0	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Gains/Losses from Sale of Existing Facilities	1508	0	kWh	0	0	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - New Facilities Deferral Account	1508	0	kWh	0	0	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Gains and Loss on disposal of Fixed Assets	1508	0	kWh	0	0	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Earnings Sharing Mechanism (ESM) Variance	1508	0	kWh	0	0	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Connection Cost Recovery Agreement	1508	0	kWh	0	0	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Revenue Requirement Differential Variance	1508	0	kWh	0	0	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Efficiency Adjustment Mechanism Deferral	1508	0	kWh	0	0	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - OEB Cost Assessment Variance	1508	0	kWh	0	0	0	0	0	0	0	0
Retail Cost Variance Account - Retail	1518	0	kWh	0	0	0	0	0	0	0	0
Misc. Deferred Debits	1525	0	kWh	0	0	0	0	0	0	0	0
Retail Cost Variance Account - STR	1548	0	kWh	0	0	0	0	0	0	0	0
Board-Approved CDM Variance Account	1567	0	kWh	0	0	0	0	0	0	0	0
Extra-Ordinary Event Costs	1572	0	kWh	0	0	0	0	0	0	0	0
Deferred Rate Impact Amounts	1574	0	kWh	0	0	0	0	0	0	0	0
RSVA - One-time	1582	0	kWh	0	0	0	0	0	0	0	0
Other Deferred Credits	2425	0	kWh	0	0	0	0	0	0	0	0
Total of Group 2 Accounts		0		0	0	0	0	0	0	0	0
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account)	1592	0	kWh	0	0	0	0	0	0	0	0
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/IOVAT Input Tax Credits (ITCs)	1592	(0)	kWh	0	0	0	0	0	0	0	0
Total of Account 1592		(0)		0	0	0	0	0	0	0	0
LRAM Variance Account (Enter dollar amount for each class)	1568	0		0	0	0	0	0	0	0	0
(Account 1568 - total amount allocated to classes)		0									
Variance		0									
Renewable Generation Connection OM&A Deferral Account	1532	(5)	kWh	0	0	0	0	0	0	0	0
Variance WMS - Sub-account CBR Class B (separate rate rider if no Class A Customers)	1580	(358,621)	kWh	0	0	0	0	0	0	0	0
Total of Group 1 Accounts (1550, 1551, 1584, 1586 and 1595)		(3,008,477)		0	0	0	0	0	0	0	0
Total of Account 1580 and 1588 (not allocated to WMPs)		(5,899,122)		0	0	0	0	0	0	0	0
Balance of Account 1589 Allocated to Non-WMPs		0		0	0	0	0	0	0	0	0
Group 2 Accounts (including 1592, 1532)		(4)		0	0	0	0	0	0	0	0
IFRS-CGAAP Transition PP&E Amounts Balance + Return Component	1575	0	kWh	0	0	0	0	0	0	0	0
Accounting Changes Under CGAAP Balance + Return Component	1576	0	kWh	0	0	0	0	0	0	0	0
Total Balance Allocated to each class for Accounts 1575 and 1576		0		0	0	0	0	0	0	0	0



Account 1589 reference calculation by customer and consumption	
Account 1589 / Number of Customers	\$0.00
1589/total kwh	\$0.0000

## 2018 Deferral/Variance Account Workform

1 Please enter the Year the Account 1589 GA Balance was Last Disposed.  (e.g. If in the 2016 EDR process, you received approval to dispose the GA variance account balance as at December 31, 2014, enter 2014.)

2a Did you have any customers who transitioned between Class A and Class B (transition customers) during the period the Account 1589 GA balance accumulated (i.e. from year after the balance was last disposed to 2016)?  (e.g. If you received approval to dispose the GA account balance as at December 31, 2014, the period the GA accumulated would be 2015 and 2016.)

3b Enter the number of customers who were Class A during the entire period since the Account 1589 GA balance accumulated (i.e. did not transition between Class A and B).

### Class A Customers - Billing Determinants by Customer

Customer	Rate Class		2016
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Ontario Energy Board

## 2018 Deferral/Variance Account Workform

The purpose of this tab is to calculate the billing determinants for CBR rate riders for all current Class B customers who did not transition between Class A and B in the period since the Account 1580, sub-account CBR Class B balance accumulated.

Year(s) in which CBR Class B Balance accumulated

2016

(Note: Account 1580, Sub-account CBR Class B was established starting in 2015)

	Total Metered 2016 Consumption Minus WMP		Total Metered 2016 Consumption for Class A customers that were Class A for the entire period CBR Class B balance accumulated		Total Metered 2016 Consumption for Customers that Transitioned Between Class A and B during the period CBR Class B balance accumulated		Metered Consumption for Current Class B Customers (Total Consumption LESS WMP, Class A and Transition Customers' Consumption)		% of total kWh
	kWh	kW	kWh	kW	kWh	kW	kWh	kW	
RESIDENTIAL	2,206,411,000	-	0	0	0	0	2,206,411,000	-	30%
GENERAL SERVICE LESS THAN 50 KW	709,791,000	-	0	0	0	0	709,791,000	-	10%
GENERAL SERVICE 50 TO 1,499 KW	2,875,422,000	6,824,350	0	0	0	0	2,875,422,000	6,824,350	39%
GENERAL SERVICE 1,500 TO 4,999 KW	858,319,588	1,849,476	0	0	0	0	858,319,588	1,849,476	12%
LARGE USE	618,467,000	1,118,300	0	0	0	0	618,467,000	1,118,300	8%
UNMETERED SCATTERED LOAD	16,731,000	-	0	0	0	0	16,731,000	-	0%
STANDBY POWER GENERAL SERVICE 50 TO 1,499 KW	-	-	0	0	0	0	-	-	0%
STANDBY POWER GENERAL SERVICE 1,500 TO 4,999 KW	-	4,800	0	0	0	0	-	4,800	0%
STANDBY POWER GENERAL SERVICE LARGE USE	-	-	0	0	0	0	-	-	0%
SENTINEL LIGHTING	48,000	216	0	0	0	0	48,000	216	0%
STREET LIGHTING	43,765,000	123,144	0	0	0	0	43,765,000	123,144	1%
MICROFIT AND MICRO-NET METERING	-	-	0	0	0	0	-	-	0%
FIT	-	-	0	0	0	0	-	-	0%
HCI, RESOP, OTHER ENERGY RESOURCE	-	-	0	0	0	0	-	-	0%
	-	-	0	0	0	0	-	-	0%
	-	-	0	0	0	0	-	-	0%
	-	-	0	0	0	0	-	-	0%
	-	-	0	0	0	0	-	-	0%
	-	-	0	0	0	0	-	-	0%
	-	-	0	0	0	0	-	-	0%
<b>Total</b>	<b>7,328,954,588</b>	<b>9,920,286</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,328,954,588</b>	<b>9,920,286</b>	<b>100%</b>

Please indicate the Rate Rider Recovery Period (in years)	1
---	---

1550, 1551, 1584, 1586, 1595

**Rate Rider Calculation for Group 1 Deferral / Variance Accounts Balances (excluding Global Adj.) - NON-WMP**

1580 and 1588

Only for rate classes with WMP customers are the Deferral/Variance Account Rate Riders for Non-WMP calculated separately in the table above. For all rate classes without WMP customers, balances in Accounts 1580 and 1588 are included in Deferral/Variance Account Rate Riders calculated in the first table above and disposed through a combined Deferral/Variance Account and Rate Rider.

1580 Sub-account CBR Class B

Rate rider calculated separately only if Class A customers exist during the period the balance accumulated

Balance of Account 1589 Allocated to Non-WMPs

Rate riders for Global Adjustment is to be calculated on the basis of kWh for all classes

FIT		-	\$	-	-
HCI, RESOP, OTHER ENERGY RESOURC		-	\$	-	-
		-	\$	-	-
		-	\$	-	-
		-	\$	-	-
		-	\$	-	-
		-	\$	-	-
		-	\$	-	-
<b>Total</b>			\$	-	-

#### Rate Rider Calculation for Group 2 Accounts

Rate Class (Enter Rate Classes in cells below)	Units	# of Customers	Allocated Group 2 Balance	Rate Rider for Group 2 Accounts	
RESIDENTIAL	# of Customers	305,144	\$	1	\$ 0.00 per customer per month
GENERAL SERVICE LESS THAN 50 KW	# of Customers	24,739	\$	0	\$ 0.0000 per customer per month
GENERAL SERVICE 50 TO 1,499 KW	# of Customers	3,351	\$	2	\$ 0.0000 per customer per month
GENERAL SERVICE 1,500 TO 4,999 KW	# of Customers	76	\$	1	\$ 0.0000 per customer per month
LARGE USE	# of Customers	11	\$	0	\$ 0.0028 per customer per month
UNMETERED SCATTERED LOAD	# of Customers	3,573	\$	0	\$ 0.0000 per customer per month
STANDBY POWER GENERAL SERVICE 5	# of Customers	-	\$	-	\$ - per customer per month
STANDBY POWER GENERAL SERVICE 1	# of Customers	2	\$	-	\$ - per customer per month
STANDBY POWER GENERAL SERVICE L		-	\$	-	\$ - per customer per month
SENTINEL LIGHTING		-	\$	0	\$ - per customer per month
STREET LIGHTING		-	\$	0	\$ - per customer per month
MICROFIT AND MICRO-NET METERING		-	\$	-	\$ - per customer per month
FIT		-	\$	-	\$ - per customer per month
HCI, RESOP, OTHER ENERGY RESOURC		-	\$	-	\$ - per customer per month
		-	\$	-	\$ - per customer per month
		-	\$	-	\$ - per customer per month
		-	\$	-	\$ - per customer per month
		-	\$	-	\$ - per customer per month
		-	\$	-	\$ - per customer per month
<b>Total</b>			\$	4	

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

#### 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	Allocated Accounts 1575 and 1576 Balances	Rate Rider for Accounts 1575 and 1576	
RESIDENTIAL	# of Customers	305,144	\$	-	- per customer per month
GENERAL SERVICE LESS THAN 50 KW	# of Customers	24,739	\$	-	- per customer per month
GENERAL SERVICE 50 TO 1,499 KW	# of Customers	3,351	\$	-	- per customer per month
GENERAL SERVICE 1,500 TO 4,999 KW	# of Customers	76	\$	-	- per customer per month
LARGE USE	# of Customers	11	\$	-	- per customer per month
UNMETERED SCATTERED LOAD	# of Customers	3,573	\$	-	- per customer per month
STANDBY POWER GENERAL SERVICE 5	# of Customers	-	\$	-	- per customer per month
STANDBY POWER GENERAL SERVICE 1	# of Customers	2	\$	-	- per customer per month
STANDBY POWER GENERAL SERVICE L	kW	-	\$	-	\$/kW
SENTINEL LIGHTING	kW	216	\$	-	\$/kW
STREET LIGHTING	kW	123,144	\$	-	\$/kW
MICROFIT AND MICRO-NET METERING		-	\$	-	- per customer per month
FIT		-	\$	-	- per customer per month
HCI, RESOP, OTHER ENERGY RESOURC		-	\$	-	- per customer per month
		-	\$	-	- per customer per month
		-	\$	-	- per customer per month
		-	\$	-	- per customer per month
		-	\$	-	- per customer per month
		-	\$	-	- per customer per month
<b>Total</b>			\$	-	

As per the Board's letter issued July 16, 2015 outlining details regarding the implementation of the transition to fully fixed distribution charges for residential customers, Residential rates for group 2 accounts, including Accounts 1575 and 1576 are to be on a per customer basis. Please choose "# of customers" for the

#### Rate Rider Calculation for Accounts 1568

Please indicate the Rate Rider Recovery Period (in years)

Rate Class (Enter Rate Classes in cells below)	Units	kW / kWh / # of Customers	Allocated Account 1568 Balance	Rate Rider for Account 1568	
RESIDENTIAL	kWh	2,206,411,000	\$	-	\$/kWh
GENERAL SERVICE LESS THAN 50 KW	kWh	709,791,000	\$	-	\$/kWh
GENERAL SERVICE 50 TO 1,499 KW	kW	6,824,350	\$	-	\$/kW
GENERAL SERVICE 1,500 TO 4,999 KW	kW	1,916,044	\$	-	\$/kW
LARGE USE	kW	1,118,300	\$	-	\$/kW
UNMETERED SCATTERED LOAD	kWh	16,731,000	\$	-	\$/kWh
STANDBY POWER GENERAL SERVICE 5	kW	-	\$	-	\$/kW
STANDBY POWER GENERAL SERVICE 1	kW	4,800	\$	-	\$/kW
STANDBY POWER GENERAL SERVICE L	kW	-	\$	-	\$/kW
SENTINEL LIGHTING	kW	216	\$	-	\$/kW
STREET LIGHTING	kW	123,144	\$	-	\$/kW
MICROFIT AND MICRO-NET METERING		-	\$	-	- per customer per month
FIT		-	\$	-	- per customer per month
HCI, RESOP, OTHER ENERGY RESOURC		-	\$	-	- per customer per month
		-	\$	-	- per customer per month
		-	\$	-	- per customer per month
		-	\$	-	- per customer per month
		-	\$	-	- per customer per month
		-	\$	-	- per customer per month
<b>Total</b>			\$	-	



Ontario Energy Board

# GA Analysis Workform

**Update from July 20th DVA workform version:**  
-Cells C87,D87,E87, H87 - name of cells updated for cell reference  
-Cells F88 to F91 and G88 to G91 - formula of cells updated

**Account 1589 Global Adjustment (GA) Analysis Workform**

Input cells

Drop down cells

Note 1

Year(s) Requested for Disposition

**Note 2 Consumption Data Excluding for Loss Factor (Data to agree with RRR as applicable)**

Year				
Total Metered excluding WMP	C = A+B	-	kWh	100%
RPP	A		kWh	0.0%
Non RPP	B = D+E	-	kWh	0.0%
Non-RPP Class A	D		kWh	0.0%
Non-RPP Class B*	E		kWh	0.0%

\*Non-RPP Class B consumption reported in this table is not expected to directly agree with the Non-RPP Class B Including Loss Adjusted Billed Consumption in the GA Analysis of Expected Balance table below. The difference should be equal to the loss factor.

**Note 3 GA Billing Rate**

GA is billed on the

**GA Billing Rate Description**

Note 4      **Analysis of Expected GA Amount**

Year									
Calendar Month	Non-RPP Class B Including Loss Factor Billed Consumption (kWh)	Deduct Previous Month Unbilled Loss Adjusted Consumption (kWh)	Add Current Month Unbilled Loss Adjusted Consumption (kWh)	Non-RPP Class B Including Loss Adjusted Consumption, Adjusted for Unbilled (kWh)	GA Rate Billed (\$/kWh)	\$ Consumption at GA Rate Billed	GA Actual Rate Paid (\$/kWh)	\$ Consumption at Actual Rate Paid	Expected GA Variance (\$)
	F	G	H	I = F-G+H	J	K = I*J	L	M = I*L	=M-K
January				-		\$ -		\$ -	\$ -
February				-		\$ -		\$ -	\$ -
March				-		\$ -		\$ -	\$ -
April				-		\$ -		\$ -	\$ -
May				-		\$ -		\$ -	\$ -
June				-		\$ -		\$ -	\$ -
July				-		\$ -		\$ -	\$ -
August				-		\$ -		\$ -	\$ -
September				-		\$ -		\$ -	\$ -
October				-		\$ -		\$ -	\$ -
November				-		\$ -		\$ -	\$ -
December				-		\$ -		\$ -	\$ -
Net Change in Expected GA Balance in the Year (i.e. Transactions in the Year)	-	-	-	-		\$ -		\$ -	\$ -

Note 5     **Reconciling Items**

	Item	Applicability of Reconciling Item (Y/N)	Amount (Quantify if it is a significant reconciling item)	Explanation
<b>Net Change in Principal Balance in the GL (i.e. Transactions in the Year)</b>				
1a	Remove impacts to GA from prior year RPP Settlement true up process that are booked in current year			
1b	Add impacts to GA from current year RPP Settlement true up process that are booked in subsequent year			
2a	Remove prior year end unbilled to actual revenue differences			
2b	Add current year end unbilled to actual revenue differences			
3a	Remove difference between prior year accrual to forecast from long term load transfers			
3b	Add difference between current year accrual to forecast from long term load transfers			
4	Remove GA balances pertaining to Class A customers			
5	Significant prior period billing adjustments included in current year GL balance but would not be included in the billing consumption used in the GA Analysis			
6	Differences in GA IESO posted rate and rate charged on IESO invoice			
7				
8				
9				
10				



Note 6	Adjusted Net Change in Principal Balance in the GL	\$	-
	Net Change in Expected GA Balance in the Year Per		
	Analysis	\$	-
	Unresolved Difference	\$	-
	Payments to IESO		0.0%

Note 7      Summary of GA (if multiple years requested for disposition)

Year	Annual Net Change in Expected GA Balance from GA Analysis (cell K59)	Net Change in Principal Balance in the GL (cell D65)	Reconciling Items (sum of cells D66 to D78)	Adjusted Net Change in Principal Balance in the GL	Unresolved Difference	Payments to IESO (cell J59)	Unresolved Difference as % of Expected GA Payments to IESO
				\$ -	\$ -		0.0%
				\$ -	\$ -		0.0%
				\$ -	\$ -		0.0%
				\$ -	\$ -		0.0%
Cumulative Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A

Additional Notes and Comments

**GA Rates per IESO website**

	2016			2015			2014		
(\$/kWh)	First Estimate	Second Estimate	Actual	First Estimate	Second Estimate	Actual	First Estimate	Second Estimate	Actual
January	0.08423	0.09214	0.09179	0.05549	0.06161	0.05068	0.03626	0.01806	0.01261
February	0.10384	0.09678	0.09851	0.06981	0.04095	0.03961	0.02231	0.01118	0.01330
March	0.09022	0.10299	0.10610	0.03604	0.05740	0.06290	0.01103	-0.00800	-0.00027
April	0.12115	0.11177	0.11132	0.06705	0.09268	0.09559	-0.00965	0.05453	0.05198
May	0.10405	0.11493	0.10749	0.09416	0.09730	0.09668	0.05356	0.07352	0.07196
June	0.11650	0.09360	0.09545	0.09228	0.09768	0.09540	0.07190	0.06664	0.06025
July	0.07667	0.08412	0.08306	0.08888	0.08413	0.07883	0.05976	0.05753	0.06256
August	0.08569	0.07050	0.07103	0.08805	0.07355	0.08010	0.06108	0.06897	0.06761
September	0.07060	0.09148	0.09531	0.08270	0.07191	0.06703	0.08049	0.08072	0.07963
October	0.09720	0.11780	0.11226	0.06371	0.07193	0.07544	0.07492	0.10135	0.10014
November	0.12271	0.11500	0.11109	0.07623	0.12448	0.11320	0.09901	0.08504	0.08232
December	0.10594	0.07872	0.08708	0.11462	0.08809	0.09471	0.07318	0.05789	0.07444

## **NEW DEFERRAL AND VARIANCE ACCOUNTS**

### **1.0 INTRODUCTION**

This Schedule describes Hydro Ottawa's proposal for establishing one new deferral and variance account ("DVA"). Below, Hydro Ottawa describes the eligibility criteria regarding causation, materiality, and prudence for the proposed new account.

### **2.0 GROUP 1 ACCOUNTS**

Per the Approved Settlement Agreement, Hydro Ottawa will follow the OEB's instruction regarding the clearance of Group 1 Accounts. The Board's Chapter 3 *Filing Requirements for Electricity Distribution Rate Applications*, issued July 20, 2017, set a disposition threshold of \$0.001 per kWh.<sup>1</sup> In addition, in a letter from the Board dated July 25, 2014, distributors may now elect to dispose of Group 1 Account balances below the threshold. Hydro Ottawa's circumstances meet the above-mentioned threshold for Group 1 Accounts.

Hydro Ottawa proposes to dispose a number of Group 1 DVAs by way of this Application (please see Exhibit 9-2-1 for details) and move the balance into a newly established 1595 (2018) Sub-Account.

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<sup>1</sup> Section 3.2.5, p. 9.

## **DISPOSITION OF DEFERRAL AND VARIANCE ACCOUNTS**

### **1.0 INTRODUCTION**

Hydro Ottawa is requesting the disposition of a number of its Group 1 deferral and variance accounts ("DVAs"), in compliance with the *Electricity Distributors' Deferral and Variance Account Review Initiative* ("EDDVAR Report").

As part of the OEB's Decision and Rate Order for Hydro Ottawa's 2017 rate adjustment application, Hydro Ottawa received approval of rate riders to recover Group 1 accumulated balances to December 31, 2015, including forecasted interest, and the forecasted balance to December 31, 2016 of Group 2 1508 Sub-Account Pole Attachment Charge Revenues Variance. Accordingly, Group 1 Accounts requested for disposal have accumulated balances since January 1, 2016.

### **2.0 ACCOUNTS FOR WHICH HYDRO OTTAWA IS SEEKING DISPOSITION**

As part of this Application, Hydro Ottawa is seeking disposition of Group 1 Accounts, with the exception of the 1595 Sub-Accounts. Hydro Ottawa has not requested disposition of its 1589 Global Adjustment Account at this time.

Table 1 provides a summary of the Group 1 DVAs by Uniform System of Accounts ("USofA") for which Hydro Ottawa is seeking disposition. For the completed DVA Continuity Schedule, please see Attachment 9-1-A 2018 DVA Workform, attached to Exhibit 9-1-1. Per the DVA Continuity Schedule, principal balances are up to December 31, 2016 and interest forecasted to December 31, 2017. The total net balance of the Group 1 DVAs for which Hydro Ottawa is seeking disposition is \$8.9 million.

The Board introduced a new GA Analysis Workform as part of the 2018 rate application process, which is integrated into the DVA (Continuity Schedule) Workform. During the Board's Webinar for 2018 Incentive Regulation Mechanism ("IRM") applicants, held July

26, 2017, Board staff indicated that it would be acceptable for an applicant to file the new GA Analysis Workform subsequent to the submittal of the applicant's 2018 rate application. When the GA Analysis Workform is complete, Hydro Ottawa will update its DVA (Continuity Schedule) Workform, which includes the GA Analysis Workform.

**Table 1 – Hydro Ottawa's Proposed DVA Dispositions<sup>1</sup>**

USofA Number	Group 1 Deferral/Variance Account Description	Amount (\$)	Principal (\$)	Interest (\$)
1550	LV Variance Account	(306,979)	(302,419)	(4,560)
1551	Smart Metering Entity Charge Variance Account	(97,643)	(96,084)	(1,559)
1580	RSVA – Wholesale Market Service Charge <sup>2</sup>	(7,272,775)	(7,002,178)	(270,597)
1584	RSVA – Retail Transmission Network Charge	9,085	9,935	(850)
1586	RSVA – Retail Transmission Connection Charge	(2,612,939)	(2,572,072)	(40,867)
1588	RSVA – Power (excluding Global Adjustment)	1,373,653	1,333,538	40,116
	<b>Total DVA for Disposition</b>	<b>(8,907,599)</b>	<b>(8,629,280)</b>	<b>(278,318)</b>
1580	Variance WMS – Sub-account CBR Class B	(358,621)	(351,426)	(7,195)
	<b>Total DVA balance to be moved to 1595 (2018)</b>	<b>(9,266,219)</b>	<b>(8,980,706)</b>	<b>(285,513)</b>

With respect to Sub-Account to Wholesale Market Service Charge ("WMS") Capacity Based Recovery ("CBR") Class B, Hydro Ottawa proposes to move the balance in WMS CBR Class B into 1595 (2018) to be recovered at a later date, as the amount would yield a rate rider with less than four decimals. This approach is consistent with guidance provided by the OEB in a letter dated July 25, 2016 regarding Accounting Guidance on Capacity Based Recovery for 2017 rate applications.

### 3.0 ACCOUNTS FOR WHICH HYDRO OTTAWA IS NOT SEEKING DISPOSITION

Consistent with the Approved Settlement Agreement, Hydro Ottawa is not seeking disposition for Group 2 Accounts in this Application. Hydro Ottawa is not requesting disposition of Account 1568 LRAM Variance Account at this time. In order to exclude Account 1518 Retail Cost Variance Account – Retail, Account 1548 Retail Cost Variance

<sup>1</sup> Dollar amounts are rounded to the nearest dollar.

<sup>2</sup> Balance does not include Sub-Account to 1580 WMS CBR Class B.

1 Account – STR, and Account 1568 LRAM Variance Account from disposition, an  
2 offsetting amount was entered into the “Projected Interest from January 1, 2018 to April  
3 30, 2018 on Dec 31 -16 balance adjusted for disposition during 2017” column on the  
4 DVA Continuity Schedule.

5  
6 In the Board’s updated Chapter 3 *Filing Requirements for Electricity Distribution Rate*  
7 *Applications*, issued July 20, 2017, the following is stated: “Applicants are expected to  
8 only request disposition of residual balances for vintage Account 1595 Sub-Accounts  
9 once. Distributors are expected to seek disposition of the audited account balance a  
10 year after a rate rider’s sunset date has expired. No further transactions are expected to  
11 flow through the account. Any vintage Account 1595 Sub-Account is to be disposed only  
12 once, on a final basis. No further dispositions of these accounts are expected thereafter  
13 unless justified by the distributor.” Hydro Ottawa is not requesting disposition of any  
14 vintage 1595 Sub-Accounts, including 1595 (2016). Per the updated filing requirements,  
15 Hydro Ottawa would propose to clear 1595 Sub-Accounts (2016) after December 31,  
16 2017.

17  
18 Hydro Ottawa is not requesting clearance of its 1598 Global Adjustment Account at this  
19 time. An offsetting amount was entered into the “Projected Interest from January 1,  
20 2018 to April 30, 2018 on Dec 31 -16 balance adjusted for disposition during 2017”  
21 column on the DVA Continuity Schedule to have a zero balance to be populated in “total  
22 Claim” column.

23  
24 In addition, as stated above, Hydro Ottawa is requesting the balance in WMS CBR Class  
25 B to be moved into 1595 (2018) to be recovered at a later time.

## 4.0 VARIANCE ANALYSIS

### 4.1 Balances Proposed for Disposition Consistent with Audited Financial Statements

Hydro Ottawa confirms the amounts proposed for disposition align with Hydro Ottawa's 2016 Financial Statements. As per the OEB's Guidance on the Disposition of Accounts 1588 and 1589 dated May 23, 2017, Hydro Ottawa has included the Regulated Price Plan ("RPP") settlement true-up claims made with the Independent Electricity System Operator ("IESO") in 2017 related to the 2016 fiscal year for Account 1588. For clarity and for the unaudited balances to be easily identifiable, Hydro Ottawa has entered the amount in the "Projected Interest from January 1, 2018 to April 30, 2018 on Dec 31 -16 balance adjusted for disposition during 2017" column on the DVA Continuity Schedule.

### 4.2 Explanation of Variances

Per the Chapter 2 *Filing Requirements for Electricity Distribution Rate Applications*, issued July 20, 2017, the following two variance explanations are required:

1) "Provide an explanation for any variances greater than 5% between amounts proposed for disposition before forecasted interest and the amounts reported in the applicant's RRR filings for each account."<sup>3</sup>

2) "Provide explanations, even if such variances are below the 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>4</sup>

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<sup>3</sup> Section 2.9.5, p. 64.

<sup>4</sup> Section 2.9.5, p. 64.

With the exception of the required 1588 Account true-up, as explained in section 4.1, Hydro Ottawa does not have any variance amounts proposed for disposition that would meet the above requirements for a variance explanation.

## 5.0 ALLOCATION OF DVAs AND LENGTH OF DISPOSITION PERIOD

Hydro Ottawa is requesting a one-year rate rider for the recovery or refund of balances proposed for disposition. This adheres to the default disposition period.

## 6.0 PROPOSED RATE RIDERS

Tables 2 and 3 set forth proposed rate riders to clear the DVA balances in the Group 1 Accounts for which Hydro Ottawa is seeking disposition. All rate riders have a proposed recovery period of one year. Hydro Ottawa is complying with the allocators set out for the type of group or individual variance account. Hydro Ottawa has established a separate rate rider for market participants that settle directly with the IESO.

**Table 2 – Rate Riders for DVAs (excluding Global Adjustment)**

Rate Class	Units	kW / kWh / # of Customers	Allocated Balance	Rate Rider	Billing Determinate
Residential	kWh	2,206,411,000	(\$962,231)	-0.0004	\$/kWh
General Service < 50 kW	kWh	709,791,000	(\$287,812)	-0.0004	\$/kWh
General Service 50 to 1,499 kW	kW	6,824,350	(\$1,136,284)	-0.1665	\$/kW
General Service 1,500 to 4,999 kW	kW	1,916,044	(\$353,824)	-0.1847	\$/kW
Large Use	kW	1,118,300	(\$244,400)	-0.2185	\$/kW
Unmetered Scattered Load	kWh	16,731,000	(\$6,612)	-0.0004	\$/kWh
Sentinel Lighting	kW	216	(\$19)	-0.0878	\$/kW
Street Lighting	kW	123,144	(\$17,295)	-0.1404	\$/kW
<b>Total</b>			(\$3,008,477)		



**Table 3 – Rate Riders for DVAs (excluding Global Adjustment) – NON-WMP**

Rate Class	Units	kW / kWh / # of Customers	Allocated Balance	Rate Rider	Billing Determinate
Residential	kWh	2,206,411,000	(\$1,775,954)	<b>-0.0008</b>	\$/kWh
General Service < 50 kW	kWh	709,791,000	(\$571,315)	<b>-0.0008</b>	\$/kWh
General Service 50 to 1,499 kW	kW	6,824,350	(\$2,314,445)	<b>-0.3391</b>	\$/kW
General Service 1,500 to 4,999 kW	kW	1,849,476	(\$690,867)	<b>-0.3735</b>	\$/kW
Large Use	kW	1,118,300	(\$497,808)	<b>-0.4451</b>	\$/kW
Unmetered Scattered Load	kWh	16,731,000	(\$13,467)	<b>-0.0008</b>	\$/kWh
Sentinel Lighting	kW	216	(\$39)	<b>-0.1789</b>	\$/kW
Street Lighting	kW	123,144	(\$35,227)	<b>-0.2861</b>	\$/kW
<b>Total</b>			(\$5,899,122)		

## 7.0 RATE RIDER FOR GLOBAL ADJUSTMENT

Hydro Ottawa has both Class A and Class B Global Adjustment (“GA”) customers. Historically, the disposition of USofA 1589 – RSVA – Global Adjustment has been allocated to all non-RPP customers on a kWh basis. This method has been used for several years and was maintained upon the introduction of Class A GA customers. The DVA Workform was updated in 2016, for 2017 filers, to allocate an appropriate portion of the GA Variance Account balance to customers transitioning between Class A and Class B.

As discussed in Section 2 of this Exhibit, once Hydro Ottawa has completed the new GA Analysis Workform, Hydro Ottawa will update any necessary changes related to Account 1589.

## 8.0 PROPOSED ESTABLISHMENT OF NEW DVAs

Please see Exhibit 9-1-2 for new accounts for which approval is being sought as part of this proceeding.