



Exhibit 9

Deferral & Variance Accounts

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1

2 **2.9.0 Status & Disposition of Deferral & Variance**

3 **Accounts**

4 **2.9.0.1 Overview**

5 The purpose of this exhibit is to identify the variance/deferral accounts that have been used,
6 provide the principal balance recorded in each variance/deferral account and derive the carrying
7 charges on each account's balance up to and including April 30, 2019. The exhibit also describes
8 the methodology proposed to allocate account balances to customer classes, describes the
9 rationale supporting the proposed disposition period, describes the proposed charge parameters
10 and quantifies the proposed rate riders that will dispose of the recorded balances.

1 **2.9.0.2 List of Deferral Accounts with Balances**

2 **Table 9.1: List of Deferral Accounts with Balances**

Account Description	USoA	Closing Balance as of Dec 31, 2017	Total Claim
Smart Metering Entity Charge Variance Account	1551	(3,546.17)	(3,631.75)
RSVA - Wholesale Market Service Charge	1580	(206,554.91)	(211,505.01)
Variance WMS – Sub-account CBR Class A	1580	157.61	-
Variance WMS – Sub-account CBR Class B	1580	(1,545.82)	(1,589.43)
RSVA - Retail Transmission Network Charge	1584	(47,415.62)	(48,607.08)
RSVA - Retail Transmission Connection Charge	1586	(695.24)	(716.18)
RSVA - Power	1588	134,530.09	137,705.60
RSVA - Global Adjustment	1589	(196,955.12)	(201,761.16)
Disposition and Recovery/Refund of Regulatory Balances (2015)	1595	148.30	-
Disposition and Recovery/Refund of Regulatory Balances (2016)	1595	235,200.24	-
Disposition and Recovery/Refund of Regulatory Balances (2017)	1595	(114,076.01)	-
Total of Group 1 Accounts (including 1589)		(200,752.65)	(330,105.02)
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	150,261.76	153,746.01
Other Regulatory Assets - Sub-Account - OCEB	1508	210.92	216.92
Other Regulatory Assets - Energy East EB2013-0398	1508	1,184.51	1,212.41
OEB Cost Assessment	1508	16,343.39	16,735.11
Other Regulatory Assets - Sub-Account - Incremental Capital Expenditures	1508	2,635,716.32	-
Other Regulatory Assets - Sub-Account - Depreciation Expense	1508	132,983.34	-
Other Regulatory Assets - Sub-Account - Accumulated Depreciation	1508	(132,983.34)	-
Other Regulatory Assets - Sub-Account - Incremental Capital Expenditures Rate Rider Revenues	1508	(459,212.65)	-
Retail Cost Variance Account - Retail	1518	15,100.56	15,458.22
Retail Cost Variance Account - STR	1548	65,245.79	66,764.28
RSVA - One-time	1582	62.49	62.49
Other Deferred Credits	2425	(128,367.73)	-
Group 2 Sub-Total		2,296,545.36	254,195.44
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592	3,418.70	3,465.34
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592	(5,964.19)	(6,101.51)
LRAM Variance Account	1568	202,389.06	202,389.06
Renewable Generation Connection OM&A Deferral Account	1532	64.15	64.15
Renewable Generation Connection Funding Adder Deferral Account	1533	128.43	128.33
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries	1555	4.02	4.12
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs	1555	(1,764.75)	(1,764.75)
Accounting Changes Under CGAAP Balance + Return Component	1576	(232,011.65)	-
Total		2,062,056.49	122,275.17

1 **2.9.0.3 Interest Rates**

2 NOTL Hydro confirms that it uses the interest rates established by the OEB. The following rates
 3 have been used:

4 **Table 9.2: OEB Prescribed Interest Rates**

Quarter	Prescribed Interest Rate
Q3 2018	1.89%
Q2 2018	1.89%
Q1 2018	1.50%
Q4 2017	1.50%
Q3 2017	1.10%
Q2 2017	1.10%
Q1 2017	1.10%
Q4 2016	1.10%
Q3 2016	1.10%
Q2 2016	1.10%
Q1 2016	1.10%
Q4 2015	1.10%
Q3 2015	1.10%
Q2 2015	1.10%
Q1 2015	1.47%
Q4 2014	1.47%
Q3 2014	1.47%
Q2 2014	1.47%
Q1 2014	1.47%

5

6 **2.9.0.4 Reconciliation with RRR Reporting**

7 Table 9.3 contains a reconciliation of Group 1 and Group 2 account values with the corresponding
 8 RRR DVA balances as of December 31, 2017. NOTL Hydro follows and is in compliance with the
 9 OEB's Uniform System of Accounts for electricity distributors. All accounts are used in accordance
 10 with the Accounting Procedures Handbook and NOTL Hydro confirms that the account balance
 11 in Table 9.3 reconciles with the trial balance reported through the Electricity Reporting and
 12 Record-keeping Requirements and NOTL Hydro's Audited Financial Statements for all accounts
 13 except those highlighted below. Disposition will not be requested on all of these balances.

14

15 The continuity schedule is provided as Appendix 9A.

16

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Table 9.3: December 31, 2017 Group 1 & 2 Audited/RRR Balances – DVAs

Account Description	USoA	Closing Balance as of Dec 31, 2017	RRR 2.1.7 as of Dec 31, 2017	Variance
Smart Metering Entity Charge Variance Account	1551	(7,433.66)	(7,433.66)	-
RSVA - Wholesale Market Service Charge	1580	(433,269.02)	(433,269.02)	-
Variance WMS – Sub-account CBR Class A	1580	157.61	157.61	-
Variance WMS – Sub-account CBR Class B	1580	(3,458.23)	(3,458.23)	-
RSVA - Retail Transmission Network Charge	1584	(66,155.28)	(66,155.28)	-
RSVA - Retail Transmission Connection Charge	1586	6,876.57	6,876.57	-
RSVA - Power	1588	310,672.84	310,672.84	-
RSVA - Global Adjustment	1589	(456,120.30)	(534,672.85)	(78,552.55)
Disposition and Recovery/Refund of Regulatory Balances (2015)	1595	39,426.57	58,125.51	18,698.94
Disposition and Recovery/Refund of Regulatory Balances (2016)	1595	235,200.24	216,519.29	(18,680.95)
Disposition and Recovery/Refund of Regulatory Balances (2017)	1595	(114,076.01)	(114,076.01)	-
Total of Group 1 Accounts (including 1589)		(488,178.67)	(566,713.23)	(78,534.56)
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	150,261.76	150,261.76	-
Other Regulatory Assets - Sub-Account - OCEB	1508	210.92	210.92	-
Other Regulatory Assets - Energy East EB2013-0398	1508	1,184.51	1,184.51	-
OEB Cost Assessment	1508	16,343.39	16,343.39	-
Other Regulatory Assets - Sub-Account - Incremental Capital Expenditures	1508	2,635,716.32	2,635,716.32	-
Other Regulatory Assets - Sub-Account - Depreciation Expense	1508	132,983.34	132,983.34	-
Other Regulatory Assets - Sub-Account - Accumulated Depreciation	1508	(132,983.34)	(132,983.34)	-
Other Regulatory Assets - Sub-Account - Incremental Capital Expenditures Rate Rider Revenues	1508	(459,212.65)	(459,212.65)	-
Retail Cost Variance Account - Retail	1518	15,100.56	15,100.56	-
Retail Cost Variance Account - STR	1548	65,245.79	65,245.79	-
RSVA - One-time	1582	62.49	62.49	-
Other Deferred Credits	2425	(128,367.73)	(128,367.73)	-
Group 2 Sub-Total		2,296,545.36	2,296,545.36	-
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592	3,418.70	3,418.70	-
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592	(5,964.19)	(5,964.19)	-
LRAM Variance Account	1568	202,389.06	-	(202,389.06)
Renewable Generation Connection OM&A Deferral Account	1532	64.15	64.15	-
Renewable Generation Connection Funding Adder Deferral Account	1533	128.43	128.43	-
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries	1555	4.02	4.02	-
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs	1555	(1,764.75)	(1,764.75)	-
Accounting Changes Under CGAAP Balance + Return Component	1576	(232,011.65)	(232,011.65)	-
Total		1,774,630.47	1,493,706.84	(280,923.62)

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2.9.0.5 Variances from RRR Reporting

The following accounts have balances which vary from those reported for RRR purposes. An explanation for each follows:

Table 9.4: Accounts with Variances from RRR Reporting

Account Descriptions	Account Number	Variance RRR vs. 2017 Balance (Principal + Interest)
RSVA - Global Adjustment 12	1589	\$ (78,552.55)
Disposition and Recovery/Refund of Regulatory Balances (2015)7	1595	\$ 18,698.94
Disposition and Recovery/Refund of Regulatory Balances (2016)7	1595	\$ (18,680.95)
Other Regulatory Assets - Sub-Account - Incremental Capital Expenditures	1508	\$ (0.00)
LRAM Variance Account11	1568	\$ (197,652.36)

RSVA – Global Adjustment - This amount is due to the difference in generation estimates submitted to the IESO and actual generation for 2016 and January - April 2017. NOTL Hydro began submitting actual generation amounts in May 2017.

Disposition and Recovery / Refund of Regulatory Balances (2015) - Amounts related to the 1595-2016 rate rider were booked to account 1595-2015 in error. These amounts were adjusted in the General Ledger in 2018. In addition, interest expense was adjusted by \$17.99 due to the misallocation of funds to principal instead of interest.

Disposition and Recovery / Refund of Regulatory Balances (2016) - Amounts related to the 1595-2016 rate rider were booked to account 1595-2015 in error. These amounts were adjusted in the General Ledger in 2018.

LRAM Variance Account - LRAM claim as per OEB model.

2.9.0.6 Status of Group 2 Accounts

Table 9.5 below lists all Group 2 accounts and whether NOTL Hydro proposes to continue or discontinue each account on a going-forward basis. NOTL Hydro has only included those Group 2 accounts that have balances as of the 2018 Bridge year.

Table 9.5: Status of Group 2 Accounts

Account Description	USoA	Continue / Discontinue	Explanation
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	Discontinue	NOTLH is seeking recovery in this application, IFRS effective 2015
Other Regulatory Assets - Sub-Account - OCEB	1508	Discontinue	NOTLH is seeking recovery in this application
Other Regulatory Assets - Energy East EB2013-0398	1508	Discontinue	NOTLH is seeking recovery in this application
OEB Cost Assessment	1508	Continue	On-going use
Other Regulatory Assets - Sub-Account - Incremental Capital Expenditures	1508	Discontinue	NOTLH is requesting balance to be transferred to fixed assets
Other Regulatory Assets - Sub-Account - Depreciation Expense	1508	Discontinue	NOTLH is requesting balance to be transferred to depreciation
Other Regulatory Assets - Sub-Account - Accumulated Depreciation	1508	Discontinue	NOTLH is requesting balance to be transferred to fixed assets
Other Regulatory Assets - Sub-Account - Incremental Capital Expenditures Rate Rider Revenues	1508	Continue	Rate rider will end April 30, 2019 - account will be discontinued once final balances have been audited and approved for disposition
Retail Cost Variance Account - Retail	1518	Continue	On-going use
Retail Cost Variance Account - STR	1548	Continue	On-going use
RSVA - One-time	1582	Discontinue	NOTLH is seeking recovery in this application
Other Deferred Credits	2425	Continue	On-going use
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592	Discontinue	NOTLH is seeking recovery in this application
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592	Discontinue	NOTLH is seeking recovery in this application
Renewable Generation Connection OM&A Deferral Account	1532	Discontinue	NOTLH is seeking recovery in this application
Renewable Generation Connection Funding Adder Deferral Account	1533	Discontinue	NOTLH is seeking recovery in this application
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries	1555	Discontinue	NOTLH is seeking recovery in this application
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs	1555	Discontinue	NOTLH is seeking recovery in this application
Accounting Changes Under CGAAP Balance + Return Component	1576	Continue	Rate rider will end April 30, 2019 - account will be discontinued once final balances have been audited and approved for disposition

2.9.0.7 Request for New Accounts

NOTL Hydro is requesting a new sub-account 1595-2019 to track Deferral Variance dispositions listed in this application.

1

2 NOTL Hydro is requesting the establishment of a new variance account to track the revenue
3 difference between the actual demand of a new Large User customer and the 5,000 kW used in
4 the rate application. A more detailed explanation is provided in section 2.9.4.

5

6 **2.9.0.8 Adjustments to Deferral and Variance Accounts**

7 NOTL Hydro has followed the OEB's guidance as provided by the OEB's Electricity Distributor's
8 Disposition of Variance Accounts Reporting Requirements Report.

9 NOTL Hydro has not made any adjustments to DVA balances that were previously approved by
10 the Board on a final basis in Cost of Service and/or IRM proceedings.

11

12 All DVA balances are proposed to be disposed of over 1 year.

13

14 **2.9.0.9 Reconciliation of Energy Sales and Cost of Power Expenses to** 15 **Financial Statements**

16 The filing requirements state that a breakdown of energy sales and cost of power expenses, as
17 reported in the audited financial statements is requested. The sale of energy is a flow through
18 revenue and the cost of power is a flow through expense. NOTL Hydro has no profit or loss
19 resulting from the flow through of energy revenues and expenses as variances are included in
20 the RSVA balances.

21

1 **Table 9.6: Energy Sales and Service Revenue from Financial Statements**

	CGAAP	MIFRS	MIFRS	MIFRS	MIFRS
Account Descriptions	USoA	2014	2015	2016	2017
Residential	4006	6,165,062	7,261,009	8,358,542	7,009,379
Streetlights	4025	109,307	90,524	103,559	95,711
GS < 50 kW	4035	3,528,455	4,298,286	5,052,448	4,136,579
GS > 50 kW	4036	6,976,858	7,881,806	9,396,640	9,512,444
Retailers	4055	774,429	684,282	486,158	502,562
Wholesale Market Services	4062	1,034,144	699,419	1,012,107	744,597
Network Transmission	4066	1,323,640	1,423,045	1,429,474	1,397,612
Connection Transmission	4068	301,564	334,247	362,899	359,991
Smart Meter Entity Charge	4076	76,651	80,432	81,019	84,035
Total		\$20,290,110	\$22,753,050	\$26,282,846	\$23,792,943
		2014	2015	2016	2017
Financial Statement – Sale of Energy		\$20,290,110	\$22,506,046	\$26,677,590	\$24,198,363
IFRS Adjustments		\$0	\$247,004	-\$394,744	-\$405,420

2

3 **Table 9.7: Power Supply Expense**

	CGAAP	MIFRS	MIFRS	MIFRS	MIFRS
Account Descriptions	USoA	2014	2015	2016	2017
Power Purchased	4705	11,526,932	13,565,022	14,573,944	12,445,325
Global Adjustment	4707	5,948,743	6,588,868	8,718,566	8,811,350
Wholesale Market Services	4708	1,123,849	699,419	1,012,108	744,597
Load Transfers	4710/4711	-11,269	62,015	104,836	0
Network Transmission	4714	1,323,640	1,423,045	1,429,474	1,348,508
Connection Transmission	4716	301,564	334,248	362,899	359,128
Smart Meter Entity Charge	4751	76,651	80,433	81,019	84,035
Total		\$20,290,110	\$22,753,050	\$26,282,846	\$23,792,943
		2014	2015	2016	2017
Financial Statement - Cost of Power		\$20,290,110	\$23,322,938	\$26,794,215	\$23,229,633
IFRS Adjustments		\$0	-\$569,888	-\$511,369	\$563,310

4

5 As can be seen in the comparison above, there is no difference between energy sales and cost
6 of power expense reported numbers. With the conversion to IFRS, the sale of energy no longer

1 matches the cost of power on the financial statements. The difference flows through the regulatory
2 accounts.

3

4 **2.9.0.10 Pro-Rata of Global Adjustment into RPP/non-RPP**

5 NOTL Hydro confirms that it pro-rates the IESO Global Adjustment Charge into the RPP and non-
6 RPP portions.

7

8 **2.9.0.11 True-up of Commodity Account Balances**

9 NOTL Hydro confirms that the commodity account balances proposed for disposition have been
10 true-up with the IESO for RPP related GA and that the balances reflect GA costs proportionate
11 to actual RPP and non-RPP.

12

13

14

15 **2.9.1 Account 1575, IFRS-CGAAP Transitional PP&E**

16 **Amounts**

17 NOTL Hydro has not previously rebased under IFRS and is not applying for the disposition of a
18 balance in account 1575.

19

20 **2.9.2 Retail Service Charge**

21 NOTL Hydro attests that it has followed Article 490 of the Accounting Procedure Handbook and
22 that all its costs are incremental.

23

24 With respect to Account 1518, APH Article 220 states:

25

26 **1518 RCVA Retail**

27 A. This account shall be used monthly to record the net of:

28 i) Revenues derived, including accruals, from the following services:

- 1 a. Establishing Service Agreements;
- 2 b. Distributor-Consolidated Billing; and
- 3 c. Retailer-Consolidated Billing.

4 AND

- 5
- 6 ii) the costs of entering into Service Agreements, and related contract administration,
- 7 monitoring, and other expenses necessary to maintain the contract, as well as the
- 8 incremental costs incurred to provide the services in (b) and (c) above, as
- 9 applicable, and the avoided costs credit arising from Retailer-Consolidated Billing,
- 10 including accruals.
- 11

12 With respect to Account 1548, APH Article 220 states:

13

14 **1548 RCVASTR**

15 A. This account shall be used monthly to record the net of:

- 16
- 17 i) Revenues derived, including accruals, from the Service Transaction Request
- 18 services and charged by the distributor, as prescribed, in the form of
- 19 a. Request fee;
- 20 b. Processing fee;
- 21 c. Information Request fee;
- 22 d. Default fee; and
- 23 e. Other Associated Costs fee;

24 AND

- 25
- 26 ii) The incremental cost of labour, internal information system maintenance costs,
- 27 and delivery costs related to the provision of the services associated with the
- 28 above items.
- 29

30 NOTL Hydro is requesting disposition of the debit balances of \$15,458 in account 1518 and

31 \$66,764 in account 1548. These variances are incremental costs of providing retail services.

32

Table 9.8: Income/Expense of Providing Retail Services 1518

Year	Revenue - 4082	Expenses 5305/5315	Variance
2013	\$5,696	\$7,756	(\$2,060)
2014	6,933	5,574	1,359
2015	7,288	9,973	(2,685)
2016	6,962	11,781	(4,819)
2017	7,100	13,659	(6,559)
Interest		694	(694)
Totals	\$33,979	\$49,437	(\$15,458)

All of NOTL Hydro's expenses for retail services are labour expenses and are recorded in sub-accounts of USoA accounts 5305 and 5315. In 2015, the performance of both the service and transaction activities were given to one person where previously they had been split. As a result, all the time was booked to one account which was 1518.

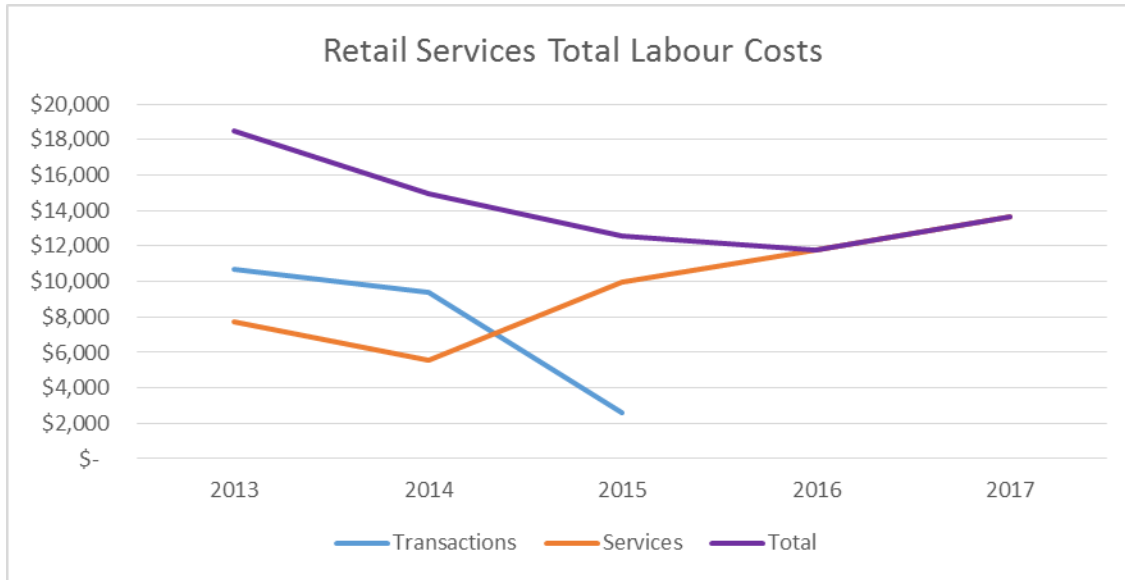
Table 9.9: Income/Expense of Providing Retail Transactions 1548

Year	Revenue 4084	HUB Expense 5315	Labour Expense 5315	EFT Expense 5315/5320	Total Expenses	Variance
2013	\$41	\$9,830	\$10,707	\$221	\$20,758	(\$20,717)
2014	175	8,058	9,402	147	17,607	(17,432)
2015	81	9,454	2,603	100	12,157	(12,076)
2016	49	6,465	-	142	6,607	(6,558)
2017	39	5,818	-	120	5,938	(5,899)
Interest					4,082	(4,082)
						\$66,764

The HUB expense is the retail transaction services provided by ERTH as NOTL Hydro's retail transaction service provider and is recorded in a sub-account of USoA account 5315. EFT are the bank charges incurred by NOTL Hydro and is recorded in a sub-account of USoA account 5315. Labour expense is the internal resources allocated to retail transaction processing and is recorded in a sub-account of USoA accounts 5315 and 5320. As noted above, with the combination of the duties related to retail services and transactions with one staff person, all the time since mid-2015 has been booked solely to the 1518 account. It should be noted that with experience, changes to processes and the combination of duties the total labour cost of retail services has been falling over most of the past five years.

1

Chart 9.10: Annual Retail Services Labour Costs



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6 **2.9.3 Disposition of Deferral and Variance Accounts**

7 **2.9.3.1 Disposition of Deferral and Variance Accounts**

8 The table below presents the list of deferral and variance accounts proposed for disposition. All
 9 account balances selected for disposition are as at December 31, 2017 being the most recent
 10 date the balances were subject to audit, adjusted for dispositions in 2018, plus forecasted interest
 11 through April 30, 2019.

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Board policy states: at the time of rebasing, all Account balances should be disposed of unless
 otherwise justified by the distributor or as required by a specific Board decision or guideline. In
 accordance with the above statement, NOTL Hydro proposes to dispose of all its balances listed
 in the table below.

1

Table 9.11: DVA Balances sought for Disposition

Account Description	USoA	Closing Balance as of Dec 31, 2017	Total Claim
Smart Metering Entity Charge Variance Account	1551	(3,546.17)	(3,631.75)
RSVA - Wholesale Market Service Charge	1580	(206,554.91)	(211,505.01)
Variance WMS – Sub-account CBR Class B	1580	(1,545.82)	(1,589.43)
RSVA - Retail Transmission Network Charge	1584	(47,415.62)	(48,607.08)
RSVA - Retail Transmission Connection Charge	1586	(695.24)	(716.18)
RSVA - Power	1588	134,530.09	137,705.60
RSVA - Global Adjustment	1589	(196,955.12)	(201,761.16)
Total of Group 1 Accounts (including 1589)		(322,182.79)	(330,105.02)
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	150,261.76	153,746.01
Other Regulatory Assets - Sub-Account - OCEB	1508	210.92	216.92
Other Regulatory Assets - Energy East EB2013- 0398	1508	1,184.51	1,212.41
OEB Cost Assessment	1508	16,343.39	16,735.11
Retail Cost Variance Account - Retail	1518	15,100.56	15,458.22
Retail Cost Variance Account - STR	1548	65,245.79	66,764.28
RSVA - One-time	1582	62.49	62.49
Group 2 Sub-Total		248,409.42	254,195.44
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592	3,418.70	3,465.34
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592	(5,964.19)	(6,101.51)
LRAM Variance Account	1568	202,389.06	202,389.06
Renewable Generation Connection OM&A Deferral Account	1532	64.15	64.15
Renewable Generation Connection Funding Adder Deferral Account	1533	128.43	128.33
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries	1555	4.02	4.12
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs	1555	(1,764.75)	(1,764.75)
Total		124,502.05	122,275.17

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Table 9.12: DVA Balances not Proposed for Disposition

Account Description	USoA	Closing Balance as of Dec 31, 2017	Explanation
Variance WMS – Sub-account CBR Class A	1580	157.61	Timing difference.
Disposition and Recovery/Refund of Regulatory Balances (2015)	1595	148.30	Balance was disposed of during 2018, amount is due to billing adjustments and will be written off
Disposition and Recovery/Refund of Regulatory Balances (2016)	1595	235,200.24	Rate rider will end April 30, 2019 - disposition will be requested once final balances have been audited.
Disposition and Recovery/Refund of Regulatory Balances (2017)	1595	(114,076.01)	Rate rider will end April 30, 2019 - disposition will be requested once final balances have been audited.
Other Regulatory Assets - Sub-Account - Incremental Capital Expenditures	1508	2,635,716.32	NOTLH is requesting balance to be transferred to fixed assets
Other Regulatory Assets - Sub-Account - Depreciation Expense	1508	132,983.34	NOTLH is requesting balance to be transferred to depreciation
Other Regulatory Assets - Sub-Account - Accumulated Depreciation	1508	(132,983.34)	NOTLH is requesting balance to be transferred to fixed assets
Other Regulatory Assets - Sub-Account - Incremental Capital Expenditures Rate Rider Revenues	1508	(459,212.65)	Rate rider will end April 30, 2019 - disposition will be requested once final balances have been audited.
Other Deferred Credits	2425	(128,367.73)	CDM funds from IESO, any remaining balance at the end of the current framework will be returned
Accounting Changes Under CGAAP Balance + Return Component	1576	(232,011.65)	Rate rider will end April 30, 2019 - disposition will be requested once final balances have been audited.

2

3

4 Board policy states: at the time of rebasing, all account balances should be disposed of unless
 5 otherwise justified by the distributor or as required by a specific Board decision or guideline. On
 6 July 20, 2018, the Board issued a letter entitled “OEB’s Plan to Standardize Processes to Improve
 7 Accuracy of Commodity Pass-Through Variance Accounts”. In the letter, the Board proposes to
 8 adopt a standardized approach for disposing of RPP settlement balances recognizing that
 9 different LDCs have been using different approaches and calculations. NOTL Hydro supports this
 10 initiative. The Board also stated that “effective immediately, the OEB will not be approving Group
 11 1 rate riders on a final basis”. NOTL Hydro proposes to settle these balances on an interim basis
 12 as, in aggregate, they are a credit balance so their settlement is in the best interest of our
 13 customers.

14

15 In accordance with the above statement, NOTL Hydro proposes to dispose of its balances as
 16 outlined below.

1 **Group 1 Accounts**

2 All accounts in Group 1 are used in accordance with the Accounting Procedure Handbook.

3
4

Table 9.13: Group 1 Account Disposition Claims

Account Name	Account Number	Total Claim
Smart Metering Entity Charge Variance Account	1551	-\$3,631.75
RSVA – Wholesale Market Service Charge	1580	-\$211,505.01
Variance WMS – Sub-account CBR Class B	1580	-1,589.43
RSVA – Retail Transmission Network Charge	1584	-\$48,607.08
RSVA – Retail Transmission Connection Charge	1586	-\$716.18
RSVA – Power (excluding Global Adjustment)	1588	\$137,705.60
RSVA – Global Adjustment	1589	-\$201,761.16
Total		-\$330,105.02

5

6 **1551 – Smart Metering Entity Charge Variance Account**

7 For account 1551, NOTL Hydro is requesting disposition of the December 31, 2017 audited
 8 balance adjusted for dispositions during 2018, plus the forecasted interest through April 30, 2019.
 9 The December 31, 2017 audited balance reconciles with filing 2.1.7 of the RRR.

10

11 The balance requested for disposal, including carrying charges is a credit of \$3,632.

12

13 **1580 – Retail Settlement Variance Account 1 – Wholesale Market Service Charges**
 14 **(excluding CBR Class B) (“RSVAWMS”)**

15 For account 1580, NOTL Hydro is requesting disposition of the December 31, 2017 audited
 16 balance adjusted for dispositions during 2018, plus the forecasted interest through April 30, 2019.
 17 The December 31, 2017 audited balance reconciles with filing 2.1.7 of the RRR.

18

19 This balance includes a principal adjustment of (\$15,633). This is a reversal of the 2015 and 2016
 20 approved adjustments for amounts related to Notice of Disputes with the IESO. Settlement with
 21 the IESO was reached in 2017 and these amounts were transferred to accounts receivable.
 22 Settlement funds were received in 2018.

23

24 The balance requested for disposal, including carrying charges is a credit of \$211,505.

25

26 **1580 – Retail Settlement Variance Account 1 – Wholesale Market Service Charges Sub-**
 27 **Account CBR Class B) (“RSVAWMSCB”)**

1 For account 1580 sub-account CBR Class B, NOTL Hydro is requesting disposition of the
2 December 31, 2017 audited balance adjusted for dispositions during 2018, plus the forecasted
3 interest through April 30, 2019. The December 31, 2017 audited reconciles with filing 2.1.7 of the
4 RRR.

5
6 This balance includes a principal adjustment of \$512. This is a reversal of the 2016 approved
7 adjustments for amounts related to a Notice of Dispute with the IESO. Settlement with the IESO
8 was reached in 2017 and these amounts were transferred to accounts receivable. Settlement
9 funds were received in 2018.

10
11 The balance requested for disposal, including carrying charges is a credit of \$1,589.

12
13 **1584 – Retail Settlement Variance Account – Retail Transmission Network Charges**
14 **(“RSVANW”)**

15 RSVANW is used to record the difference between the amount of retail transmission network
16 costs paid to the IESO or host distributor and the amounts billed to customers for retail
17 transmission network costs. These amounts are calculated on an accrual basis, as are the
18 carrying charges, which are assessed on the monthly opening principal balance of this RSVA
19 account.

20
21 For account 1584, NOTL Hydro is requesting disposition of the December 31, 2017 audited
22 balance adjusted for dispositions during 2018, plus the forecasted interest through April 30, 2019.
23 The December 31, 2017 audited reconciles with filing 2.1.7 of the RRR.

24
25 This claim includes a principal adjustment of \$102,641 and an interest adjustment of \$847. The
26 principal adjustment is a reversal of the 2016 approved adjustment related to a Retail
27 Transmission Network Charge incurred by NOTL Hydro in March 2016 in order to allow Hydro
28 One to continue maintenance on their transmission lines that fed NOTL Hydro. Hydro One agreed
29 to repay this balance and NOTL Hydro transferred the amount to accounts receivable in 2017 and
30 expects to receive payment at any time. The interest adjustment is the reversal of the 2016
31 approved adjustment. Interest costs were not included in the settlement amount and will not be
32 recovered from Hydro One.

1 The balance requested for disposal, including carrying charges is a credit of \$48,607.

2

3 **1586 – Retail Settlement Variance Account – Retail Transmission Connection Charges**
4 **(“RSVACN”)**

5 RSVACN is used to record the difference between the amount of retail transmission connection
6 costs paid to the IESO or host distributor and the amounts billed to customers for retail
7 transmission connection costs. These amounts are calculated on an accrual basis, as are the
8 carrying charges, which are assessed on the monthly opening principal balance of this RSVA
9 account.

10

11 For account 1586, NOTL Hydro is requesting disposition of the December 31, 2017 audited
12 balance adjusted for dispositions during 2018, plus the forecasted interest through April 30, 2019.
13 The December 31, 2017 audited reconciles with filing 2.1.7 of the RRR.

14

15 This claim includes a principal adjustment of \$9,131 and an interest adjustment of \$75. This is a
16 reversal of the 2016 approved adjustment related to a Retail Transmission Connection Charge
17 incurred by NOTL Hydro in March 2016 in order to allow Hydro One to continue maintenance on
18 their transmission lines that fed NOTL Hydro. Hydro One agreed to repay this balance and NOTL
19 Hydro transferred the amount to accounts receivable in 2017 and expects to receive payment at
20 any time. The interest adjustment is the reversal of the 2016 approved adjustment. Interest costs
21 were not included in the settlement amount and will not be recovered from Hydro One.

22

23 The balance requested for disposal, including carrying charges is a credit of \$716.

24

25 **1588 – Retail Settlement Variance Account – Power (“RSVAPOWER”)**

26 The RSVAPOWER account is to be used to record the net differences in energy costs using the
27 settlement invoice received from the IESO, host distributor, or embedded generator and the
28 amounts billed to customers for energy. These amounts are calculated on an accrual basis, as
29 are the carrying charges, which are assessed on the monthly opening principal balance of this
30 RSVA account.

31

1 The RSVA power account is designed to capture variances due to billing timing differences (i.e.:
2 electricity charged by the IESO to LDCs vs electricity billed by LDCs to their customers), price
3 and quantity differences (i.e.: arising from final vs preliminary IESO settlement invoices), and line
4 loss differences (i.e.: actual vs estimate line loss factors).

5

6 This account is not designed to capture any price differences between the regulated price plan
7 (RPP) and spot prices applicable to RPP customers. This is the function of the Ontario Power
8 Authority (OPA) RPP variance account which is trued-up in accordance with the terms established
9 by the Board for the RPP.

10

11 Accordingly, since the RSVA power account is generic to all customers of an LDC, disposition of
12 the account balance in rates is attributable to all its customers.

13

14 For account 1588, NOTL Hydro is requesting disposition of the December 31, 2017 audited
15 balance adjusted for dispositions during 2018, plus the forecasted interest through April 30, 2019.
16 The December 31, 2017 audited reconciles with filing 2.1.7 of the RRR.

17

18 This claim includes a principal adjustment \$268,571 comprised of the following:

- 19 • \$237,386 – Reversal of true-up for unbilled revenue for December 2016.
- 20 • \$31,185 - Reversal of the 2015 and 2016 approved adjustments for amounts related to a
21 Notice of Dispute with the IESO. Settlement with the IESO was reached in 2017 and these
22 amounts were transferred to accounts receivable. Settlement funds were received in 2018.
- 23 • Note that December 2017 unbilled revenues were trued-up to actual amounts at year end
24 and no adjustment is required to account for differences in unbilled revenue in 2017.

25

26 The balance requested for disposal, including carrying charges is a debit of \$137,706.

27

28 **1589 – Retail Settlement Variance Account – Global Adjustment (“RSVAGA”)**

29 The RSVAGA account is used to record the net differences between the global adjustment
30 amount billed, to non-RPP consumers and the global adjustment charge to a distributor for non-
31 RPP consumers, using the settlement invoice received from the IESO, host distributor or

1 embedded generator. These amounts are calculated on an accrual basis, as are the carrying
 2 charges, which are assessed on the monthly opening principal balance of this RSVA account.

3
 4 The 1589 RSVA power – sub account Global Adjustments is designed for the global adjustments
 5 applicable to non-RPP customers. Hence, the disposition of the account balance should be
 6 attributable to non-RPP customers.

7
 8 For account 1589, NOTL Hydro is requesting disposition of \$201,761 that represents the
 9 December 31, 2017 audited balance adjusted for 2016 and 2017 Generation Estimates of
 10 (\$78,553) and for dispositions during 2018, plus the forecasted interest through April 30, 2019.
 11 The December 31, 2017 audited reconciles with filing 2.1.7 of the RRR with a reconciling
 12 difference being the difference adjustment for generation estimates noted above.

Table 9.14: Generation Estimates Adjustment

		Jan 2016	Feb 2016	Mar 2016	Apr 2016	May 2016	Jun 2016	Jul 2016	Aug 2016	Sep 2016	Oct 2016	Nov 2016	Dec 2016	Total
Actual Generation kWh	A	124,046	106,502	727,135	1,576,722	1,707,940	1,625,947	1,643,081	1,718,187	1,515,896	1,564,905	944,820	1,432,397	14,687,576
IESO Submission kWh	B	430,000	58,000	226,000	1,438,000	1,598,000	1,880,000	1,618,000	1,657,000	1,580,000	1,633,000	782,000	1,524,000	14,424,000
Difference kWh	C = A - B	(305,954)	48,502	501,135	138,722	109,940	(254,053)	25,081	61,187	(64,104)	(68,095)	162,820	(91,603)	263,576
GA Rate	D	\$0.0918	\$0.0985	\$0.1061	\$0.1113	\$0.1075	\$0.0955	\$0.0831	\$0.0710	\$0.0953	\$0.1123	\$0.1111	\$0.0871	
Difference	C X D	(\$28,083)	\$4,778	\$53,170	\$15,442	\$11,817	(\$24,249)	\$2,083	\$4,346	(\$6,110)	(\$7,644)	\$18,088	(\$7,977)	\$35,661
		Jan 2017	Feb 2017	Mar 2017	Apr 2017	May 2017	Jun 2017	Jul 2017	Aug 2017	Sep 2017	Oct 2017	Nov 2017	Dec 2017	Total
Actual Generation kWh	A	90,961	133,125	698,823	1,385,982	1,377,739	1,566,054	1,587,405	1,623,944	1,581,424	1,527,128	1,305,204	519,629	13,397,419
IESO Submission kWh	B	90,000	77,000	365,000	1,310,000	1,363,000	1,534,000	1,587,405	1,623,944	1,579,490	1,527,478	1,302,973	519,628	12,879,918
Difference kWh	C = A - B	961	56,125	333,823	75,982	14,739	32,054	(0)	0	1,934	(350)	2,231	1	517,501
GA Rate	D	\$0.0823	\$0.0864	\$0.0714	\$0.1078	\$0.1231	\$0.1185	\$0.1128	\$0.1011	\$0.0886	\$0.1256	\$0.0970	\$0.0921	
Difference	C X D	\$79	\$4,849	\$23,818	\$8,189	\$1,814	\$3,798	(\$0)	\$0	\$171	(\$44)	\$217	\$0	\$42,891

15
 16
 17 This claim includes a principal adjustment of \$237,237 comprised of the following:

- 18 • (\$231,902) – Reversal of true-up of unbilled revenue for December 2016.
- 19 • (\$72,100) – Reversal of adjustment for July 2016 billing error, this amount was returned
 20 to the impacted customers in 2017.
- 21 • \$498,348 - Reversal of the 2015 and 2016 approved adjustments for amounts related to
 22 a Notice of Dispute with the IESO. Settlement with the IESO was reached in 2017 and
 23 these amounts were transferred to accounts receivable. Settlement funds were received
 24 in 2018.
- 25 • \$42,891 – Adjustment for Generation estimates provided to the IESO from January – April
 26 2017.

- Note that December 2017 unbilled revenues were trued-up to actual amounts at year end and no adjustment is required to account for differences in unbilled revenue in 2017.

This claim also includes an interest adjustment of (\$330). The interest adjustment is the reversal of the 2015 and 2016 approved adjustment related to the Notice of Dispute with the IESO. Interest costs were not included in the settlement amount and will not be recovered from the IESO.

The balance requested for disposal, including carrying charges is a credit of \$201,761.

1595 – Disposition and Recover/Refund of Regulatory Balances

NOTL Hydro is not claiming any disposition of its prior year 1595 Regulatory Balances. NOTL Hydro has previously disposed of its regulatory balances up to and including 2015.

Group 2 Accounts

NOTL Hydro is seeking to dispose the following Group 2 accounts:

Table 9.15: Group 2 Account Disposition Claims

Account Name	Account Number	Total Claim
Deferred IFRS Transition Costs	1508	\$153,746.01
Variance – Ontario Clean Energy Benefit Act	1508	\$216.92
Other Regulatory Assets – Sub-Account Energy East	1508	\$1,212.41
Other Regulatory Assets – Sub-Account OEB Cost Assessment	1508	\$16,735.11
Retail Cost Variance Account – Retail	1518	\$15,458.22
Retail Cost Variance Account – STR	1548	\$66,764.28
RSVA – One-Time	1582	\$62.49
Group 2 Sub-Total		\$254,195.44
PILs and Tax Variance for 2006 and Subsequent Years	1592	\$3,465.34
PILs and Tax Variance for 2006 and Subsequent Years – Sub-Account HST	1592	-\$6,101.51
LRAM	1568	\$202,389.06
Total Including Account 1568		\$453,948.33
Renewable Generation Connection OM&A Deferral Account	1532	\$64.15
Renewable Generation Connection Funding Adder Deferral Account	1533	\$128.33
Smart Meter Capital and Recovery Offset Variance – Sub-Account – Recoveries	1555	\$4.12
Smart Meter Capital and Recovery Offset Variance – Sub-Account – Stranded Meter	1555	-\$1,764.75
Total		\$452,380.19

1 **1508 – Other Regulatory Assets – Sub-Account - Deferred IFRS Transition Costs.**

2 The OEB approved a deferral account for distributors to record one-time administrative
 3 incremental IFRS transition costs which were not already approved and included for recovery in
 4 distribution rates. These incremental costs were to be recorded in a sub-account of account
 5 1508 – Other Regulatory Assets, Sub-account Deferred IFRS Transition Costs.

6
 7 For account 1508 – Sub-account – Deferred IFRS Transition Costs, NOTL Hydro is requesting
 8 disposition of the December 31, 2017 audited balance, plus the forecasted interest through April
 9 30, 2019. The December 31, 2017 audited reconciles with filing 2.1.7 of the RRR.

10
 11 NOTL Hydro has recorded its incremental costs in this account beginning in 2010 and ending in
 12 2016. All the costs recorded in 2016 related to the 2015 year-end. NOTL Hydro has completed
 13 all of its transition to IFRS and has been providing IFRS compliant financial statements since
 14 2015. No one-time administrative incremental IFRS transition costs are included in the proposed
 15 2019 revenue requirement. There has been no prior approval for the disposition of the IFRS
 16 transition costs.

17
 18 NOTL Hydro has a balance in its IFRS transition cost account of \$153,746 including carrying
 19 costs through April 30, 2019. All costs included in the account are fully incremental and NOTL
 20 Hydro does not have any IFRS transition costs approved in its current rate structure. All costs in
 21 the account are one-time costs related directly to the IFRS project.

22
 23 **Table 9.16: Deferred IFRS Transition Costs**

Cost	Amount
KPMG	\$76,733
BDO – G/L support	30,458
Incremental labour	35,125
Miscellaneous	1,513
Interest	9,917
Total	\$153,746

24
 25 KPMG, as the auditor of NOTL Hydro, and as a local expert in IFRS for LDCs was the primary
 26 source of support for the IFRS conversion. BDO provides ongoing support to NOTL Hydro's
 27 General Ledger and the services captured in this account relate specifically to the changes to the
 28 General Ledger needed to support IFRS. The incremental labour was a junior accountant hired

1 on contract with a focus on the IFRS conversion. This resource would not otherwise have been
2 hired. No ongoing internal resources have been booked to this account.

3
4 The KPMG support included the following services:

5 **Hands on Assistance: Property, Plant & Equipment Analysis**

- 6 • Identify material PP&E accounts and perform the following analysis:
- 7 • Identification of any components which require separate accounting
- 8 • Analysis of original cost and accumulated depreciation under CGAAP vs. IFRS
- 9 • Assess the remaining useful lives of assets
- 10 • Analyze depreciation under CGAAP vs IFRS
- 11 • Develop a Fixed Asset Listing/Sub-Ledger for the account
- 12 • Analyze any required changes to the work order system to track additions and
- 13 disposals into the account
- 14 • Present the analysis to the external auditor for input and feedback
- 15 • Assistance with changes to existing PP&E processes
- 16 • Changes to tracking work orders and projects and setting up new PP&E items
- 17 including components
- 18 • Assistance with communicating changes to staff and Board

19
20 **Analysis of accounting for the following additional items:**

- 21 • Regulatory Assets & Liabilities
- 22 • Overhead & Burdens
- 23 • Borrowing Costs
- 24 • Customer Contributions
- 25 • Computer Software/Land Rights
- 26 • Impairment of Assets

27
28 The October 2009 APH FAQ #3 regarding costs that are permitted to be recorded in the Account
29 1508 Other Regulatory Assets, sub-account Deferred IFRS Transition Costs Account and
30 Account 1508 Other Regulatory Assets, sub-account IFRS Transition Costs Variance Account,
31 states the following:

32

1 *“The costs authorized for recording in the deferral or variance account referenced in the*
2 *answers to questions 1 and 2 above shall be incremental one-time administrative costs*
3 *caused by the transition of accounting policies, procedures, systems and processes to*
4 *IFRS. The incremental costs eligible for inclusion in these accounts may include*
5 *professional accounting and legal fees, salaries, wages and benefits of staff added to*
6 *support the transition to IFRS and associated staff training and development costs.”*
7

8 These accounts are exclusively for necessary, incremental transition costs and do not include
9 ongoing IFRS compliance costs or impacts arising from adopting accounting policy changes that
10 reflect changes in the timing of the recognition of income. The incremental costs in these accounts
11 do not include costs related to system upgrades, or replacements or changes where IFRS was
12 not the major reason for conversion. In addition, incremental IFRS costs do not include capital
13 assets or expenditures.

14
15 NOTL Hydro notes that no material variances in excess of the materiality threshold that have been
16 recorded in 1508 Other Regulatory Assets, sub-account IFRS Transition Costs Variance account.
17 NOTL Hydro also notes that no capital costs, ongoing IFRS compliance costs, or impacts arising
18 from adopting accounting policy changes are recorded in Account 1508 Other Regulatory Assets,
19 sub-account Deferred IFRS Transition Costs Account or Account 1508 Other Regulatory Assets,
20 sub-account IFRS Transition Costs Variance Account.

21
22 With the adoption of MIFRS in 2015, NOTL Hydro is not planning on using this account once its
23 disposition is complete. This statement is based on the utility’s best-known information at the time
24 of the application.

25
26 The balance requested for disposal, including carrying charges is a debit of \$153,746.

27
28 **1508 – Other Regulatory Assets – Other Sub-Accounts**

29 Other Regulatory Assets is used to capture costs incurred by NOTL Hydro which can be disposed
30 through a rate rider but do not have their own variance account. Typically these are transitory in
31 nature and the balance for disposal is small. There are currently three sub-accounts of 1508 for
32 which NOTL Hydro is requesting disposal.

Table 9.17: 1508 Sub-Accounts

Sub-Account	Balance
Ontario Clean Energy Act variance	\$217
Energy East	1,212
OEB Cost Assessments	16,735
Total	\$18,164

1508 – Other Regulatory Assets Sub-Account – Ontario Clean Energy Benefit

The OEB approved this account to be used by a distributor to capture the difference between the amounts of reimbursement claimed from the IESO or a host distributor and the financial assistance credited to eligible accounts. This account shall be used by way of exception only; if a licensed distributor cannot adapt its invoices as of January 1, 2011, it will be required to use this variance account for Ontario Clean Energy Benefit purposes. The balance in this account is due to historical billing adjustments completed in 2017.

1508 – Sub-Account – Energy East

On June 13, 2014, the Board established the following deferral account to record the Energy East Pipeline Project consultation costs: This is a Group 2 account and disposition will normally occur when the utility files a cost of service or custom IR application.

The balance in this account is due to OEB Hearing Costs incurred in 2015 plus carrying charges.

1508 – Sub-Account OEB Cost Assessments

The OEB has established this variance account for electricity distributors and transmitters to record any material differences between OEB Cost Assessments currently built into rates, and cost assessments that will result from the application of the new cost assessment model effective April 1, 2016. Entries into the variance accounts are to be made on a quarterly basis when the OEB's cost assessment invoice is received. Carrying charges at the OEB-prescribed rate are to be calculated using simple interest applied to the monthly opening balances in the accounts (exclusive of accumulated interest) and recorded in a separate sub-account.

The balance in this account represents the difference between OEB Costs Assessments invoiced to NOTL Hydro and the amount built in to NOTL Hydro's 2014 Cost of Service Application of \$7,575.

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Table 9.18: 1508 Sub-Account OEB Cost Assessment

Invoice Date	Invoice Total	Accounting Entries	
		5655	1508
1/04/16	9,715.00	\$ 7,575.00	\$ 2,140.00
7/01/16	9,715.00	\$ 7,575.00	\$ 2,140.00
10/01/16	9,714.00	\$ 7,575.00	\$ 2,139.00
1/01/17	9,714.00	\$ 7,575.00	\$ 2,139.00
4/01/17	10,290.00	\$ 7,575.00	\$ 2,715.00
7/01/17	10,290.00	\$ 7,575.00	\$ 2,715.00
10/01/17	9,757.00	\$ 7,575.00	\$ 2,182.00
Total	69,195.00	53,025.00	16,170.00

For account 1508 – Other Sub-Accounts, NOTL Hydro is requesting disposition of the December 31, 2017 audited balance, plus the forecasted interest through April 30, 2019. The December 31, 2017 audited reconciles with filing 2.1.7 of the RRR.

The balance requested for disposal, including carrying charges is a debit of \$18,164.

1518 – Retail Cost Variance Account – Retail

The Retail Cost Variance Account – Retail is used to record the revenue derived, including accruals from establishing service agreements, distributor-consolidated billing, and retailer-consolidated billing. The account also includes costs of entering into service agreements, and related contract administration, monitoring, necessary to maintain the contract, as well as incremental costs incurred to provide the services as applicable and the avoided costs credit arising from retailer-consolidated billing, including accruals.

For account 1518, NOTL Hydro is requesting disposition of the December 31, 2017 audited balance, plus the forecasted interest through April 30, 2019. The December 31, 2017 audited reconciles with filing 2.1.7 of the RRR.

The balance requested for disposal, including carrying charges is a debit of \$15,458.

1 **1548 – Retail Cost Variance Account - STR**

2 The Retail Cost Variance Account – STR is used to record the revenues derived, including
3 accruals, from the Service Transaction Request services and charged by the distributor, in the
4 form of a request fee, processing fee, information request fee, default fee, and other associated
5 costs. The account also includes the cost of labour, internal information system maintenance
6 costs, and delivery costs related to the provision of the services associated with the service
7 transaction request services.

8

9 For account 1548, NOTL Hydro is requesting disposition of the December 31, 2017 audited
10 balance, plus the forecasted interest through April 30, 2019. The December 31, 2017 audited
11 reconciles with filing 2.1.7 of the RRR.

12

13 The balance requested for disposal, including carrying charges is a debit of \$66,764.

14

15 **1582 – RSVA – One Time**

16 The 1582 account was previously disposed. The interest assumed to clear the account was lower
17 than the actual subsequent prescribed rate. As a result, a small balance which is 100% interest
18 has accrued in the account.

19

20 For account 1582, NOTL Hydro is requesting disposition of the December 31, 2017 audited
21 balance. The December 31, 2017 audited reconciles with filing 2.1.7 of the RRR.

22

23 The balance requested for disposal is a debit of \$62.

24

25 **1532 – Renewable Generation Connection OM&A Deferral Account**

26 The 1532 account was previously disposed. The interest assumed to clear the account was lower
27 than the actual subsequent prescribed rate. As a result, a small balance which is 100% interest
28 has accrued in the account.

29

30 For account 1532, NOTL Hydro is requesting disposition of the December 31, 2017 audited
31 balance. The December 31, 2017 audited reconciles with filing 2.1.7 of the RRR.

32

1 The balance requested for disposal is a debit of \$64.

2

3 **1533 – Renewable Generation Connection Funding Adder Deferral Account**

4 The 1533 account was previously disposed. The interest assumed to clear the account was lower
5 than the actual subsequent prescribed rate. As a result, a small balance which is 100% interest
6 has accrued in the account.

7

8 For account 1533, NOTL Hydro is requesting disposition of the December 31, 2017 audited
9 balance. The December 31, 2017 audited reconciles with filing 2.1.7 of the RRR.

10

11 The balance requested for disposal is a debit of \$128.

12

13 **1555 – Sub-account Smart Meter Capital and Recovery Offset - Recoveries Variance**
14 **Account**

15 This 1555 sub-account was previously disposed. The interest assumed to clear the account was
16 lower than the actual subsequent prescribed rate. As a result, a small balance which is 100%
17 interest has accrued in the account.

18

19 For account 1555 sub-account Smart Meter Capital and Recovery Offset - Recoveries, NOTL
20 Hydro is requesting disposition of the December 31, 2017 audited balance. The December 31,
21 2017 audited reconciles with filing 2.1.7 of the RRR.

22

23 The balance requested for disposal is a debit of \$4.

24

25 **1555 – Sub-account Smart Meter Capital and Recovery Offset – Stranded Meter Variance**
26 **Account**

27 This 1555 sub-account was previously disposed. As a result of additional activity in this account
28 in 2015 a credit has accumulated.

29

30 For account 1555 sub-account Smart Meter Capital and Recovery Offset – stranded meters,
31 NOTL Hydro is requesting disposition of the December 31, 2017 audited balance. The December

1 31, 2017 audited reconciles with filing 2.1.7 of the RRR. This account does not qualify for carrying
2 charges.

3
4 The balance requested for disposal is a credit of \$1,765.

5
6 **1592 – PILs and Tax Variance Accounts**

7 The PILS and Tax Variance account is used to record differences between tax rates included in
8 Board approved rates and actual tax rates. The sub-account is used to capture differences in HST
9 and ITCs.

10
11 For account 1592, NOTL Hydro is requesting disposition of the December 31, 2017 audited
12 balance, plus the forecasted interest through April 30, 2019. The December 31, 2017 audited
13 reconciles with filing 2.1.7 of the RRR.

14
15 The balance requested for disposal, including carrying charges, is a debit of \$3,465. The balance
16 requested for disposal of the sub-account, including carrying charges, is a credit of \$6,102.

17
18 **1568 – LRAM Variance Account**

19 The LRAM Variance account shall include the lost revenue adjustment mechanism (LRAM)
20 variances in relation to the conservation and demand management (CDM) programs or activities
21 undertaken by a distributor in accordance with Board prescribed requirements (e.g. licence, codes
22 and guidelines). The LRAM variance recorded in this account, at the customer rate-class level, is
23 the difference between:

24 i. The results of the actual verified impacts of authorized CDM activities undertaken by the
25 electricity distributor for Board-Approved CDM programs and/or OPA-Contracted
26 Province-Wide CDM programs in relation to activities undertaken by the distributor and/or
27 delivered for the distributor by a third party under contract (in the distributor's franchise
28 area) AND

29 ii. The level of CDM programs activities included in the distributor's load forecast (i.e. the
30 level embedded into rates) used to track lost revenues because a CDM program has
31 lowered customers' consumption levels.

32

1 For account 1568, NOTL Hydro is requesting disposition of the amount as calculated as part of
2 the Cost of Service application which includes the forecasted interest through April 30, 2019. This
3 amount is not included in the last RRR filing or the 2017 Audited Financial Statements.

4

5 The balance requested for disposal, including carrying charges, is a debit of \$202,389.

6

7 **2.9.3.2 Calculation of Rate Rider**

8 NOTL Hydro is proposing to dispose of these balances over a period of one year. The rate rider
9 calculations are calculated in the OEB's DVA Continuity Schedule model. The rate riders are
10 reproduced on the pages.

11

12 NOTL Hydro did not propose a billing determinant that is different than the OEB standards. NOTL
13 Hydro does not need to establish separate rate riders to recover the balances in the RSVAs from
14 Market Participants ("MPs") who must not be allocated the RSVA account balances related to
15 charges for which the MPs settle directly with the IESO (e.g. wholesale energy, wholesale market
16 services).

17

1 **Table 9.19: Rate Rider Calculation for Deferral Variance Accounts excluding Global Adjustment**

Please indicate the Rate Rider Recovery Period (in months)			12	
Rate Rider Calculation for Group 1 Deferral / Variance Accounts Balances (excluding Global Adj.)				
<i>1550, 1551, 1584, 1586, 1595, 1580 and 1588 per instructions</i>				
Rate Class (Enter Rate Classes in cells below)	Units	kW / kWh	Allocated Group 1 Balance (excluding 1589)	Rate Rider for Deferral / Variance Accounts
RESIDENTIAL	kWh	73,998,981	-\$ 44,485	- 0.0001
GENERAL SERVICE LESS THAN 50 KW	kWh	41,877,513	-\$ 23,921	- 0.0000
GENERAL SERVICE 50 TO 4,999 KW	kW	212,896	-\$ 46,232	- 0.0181
STREET LIGHTING	kW	2,475	-\$ 496	- 0.0167
UNMETERED	kWh	251,508	-\$ 141	- 0.0000
LARGE USER	kWh	60,000	-\$ 13,029	- 0.0181
Total			-\$ 128,304	

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Table 9.20: Rate Rider Calculation for Group 2 Accounts

Please indicate the Rate Rider Recovery Period (in months)			12	
Rate Rider Calculation for Group 2 Accounts				
Rate Class (Enter Rate Classes in cells below)	Units	kW / kWh / # of Customers	Allocated Group 2 Balance	Rate Rider for Deferral / Variance Accounts
RESIDENTIAL	# of Customers	8,152	\$ 83,486	0.07
GENERAL SERVICE LESS THAN 50 KW	kWh	41,877,513	\$ 47,247	0.0001
GENERAL SERVICE 50 TO 4,999 KW	kW	212,896	\$ 93,309	0.0365
STREET LIGHTING	kW	2,475	\$ 1,000	0.0337
UNMETERED	kWh	251,508	\$ 284	0.0001
LARGE USER	kW	60,000	\$ 26,297	0.0365
Total			\$ 251,623	

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Table 9.21: Rate Rider Calculation for Account 1568

Please indicate the Rate Rider Recovery Period (in months)				12
Rate Rider Calculation for Account 1568				
Rate Class (Enter Rate Classes in cells below)	Units	kW / kWh / # of Customers	Allocated Account 1568 Balance	Rate Rider for Deferral / Variance Accounts
RESIDENTIAL	kWh	73,998,981	\$ 40,582	0.0000
GENERAL SERVICE LESS THAN 50 KW	kWh	41,877,513	\$ 39,669	0.0001
GENERAL SERVICE 50 TO 4,999 KW	kW	212,896	\$ 56,927	0.0223
STREET LIGHTING	kW	2,475	\$ 65,211	2.1959
UNMETERED	kWh	251,508	-	-
LARGE USER	kW	60,000	-	-
Total			\$ 202,389	

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4 **2.9.3.2.1 Rate Riders for Wholesale Market Participants**

5 NOTL Hydro does not have any wholesale market participants within it's service territory.

6

7 **2.9.3.2.2 Disposition of Account 1580 sub-account CBR Class B**

8 NOTL Hydro had one customer transition to Class A during the period when the Account 1580
 9 sub-account CBR Class B balance accumulated. NOTL Hydro completed tabs 6 through 6.2 of
 10 the Deferral and Variance Account (Continuity Schedule) Work Form Version 1.0 to allocate the
 11 customer specific amount this transition customer. The tables below show the allocation
 12 calculations which resulted in (\$40) of the variance allocated to the transition customer which
 13 will be returned in 12 equal monthly payments of (\$3).

14

15

Table 9.22: Class Transition Customers – Non-loss Adjusted Billing Determinants

Customer	Rate Class		2017	
			January to June	July to December
Customer 1	GS>50	kWh	2,680,108	2,849,283
		kW	5,664	5,918
		Class A/B	B	A

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Table 9.23: Allocation of Total Consumption (kWh) between Class B and Class A/B Transition Customers

		Total	2017
Total Class B Consumption for Years During Balance Accumulation (Total Consumption Less WMP Consumption and Consumption for Class A who were Class A for the full year)	A	106,284,260	106,284,260
All Class B Consumption (i.e. full year or partial year) for Transition Customers	B	2,680,108	2,680,108
Transition Customers' Portion of Total Consumption	C=B/A	2.52%	103,604,152

Table 9.24: Allocation of Total CBR Class B Balance

Total CBR Class B Balance	D	-\$	1,589
Transition Customers Portion of CBR Class B Balance	E=D*C	-\$	40
CBR Class B Balance to be disposed to Current Class B Customers through Rate Rider	F=D-E	-\$	1,549

# of Class A/B Transition Customers		1				
Customer	Total Metered Class B Consumption (kWh) for Transition Customers During the Period They were Class B Customers	Metered Class B Consumption (kWh) for Transition Customers During the Period They were Class B Customers in 2017	% of kWh	Customer Specific CBR Class B Allocation During the Period They Were a Class B Customer	Monthly Equal Payments	
Customer 1	2,680,108	2,680,108	100.00%	-\$ 40	-\$	3
Total	2,680,108	2,680,108	100.00%	-\$ 40	-\$	3

The allocated CBR Class B amount results in a volumetric rate rider that rounds to zero at the fourth decimal place for all rate classes. NOTL Hydro proposes that the balance in Account 1580 Class B sub-account be added to the Account 1580 – WMS control account to be disposed through the general purpose Group 1 DVA rate riders.

1 **Table 9.25: Rate Rider Calculation for Account 1580, sub-account CBR Class B**

Please indicate the Rate Rider Recovery Period (in months)				12
Rate Rider Calculation for Account 1580, sub-account CBR Class B				
<i>1580, Sub-account CBR Class B</i>				
Rate Class (Enter Rate Classes in cells below)	Units	kW / kWh / # of Customers	Allocated Account 1580 CBR Class B Balance	Rate Rider for Deferral / Variance Accounts
RESIDENTIAL	kWh	73,998,981	-\$ 514	-
GENERAL SERVICE LESS THAN 50 KW	kWh	41,877,513	-\$ 291	-
GENERAL SERVICE 50 TO 4,999 KW	kW	212,896	-\$ 575	-
STREET LIGHTING	kW	2,475	-\$ 6	-
UNMETERED	kWh	251,508	-\$ 2	-
LARGE USER	kW	60,000	-\$ 162	-
Total			-\$ 1,549	

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2.9.3.3 Disposition of Global Adjustment Variance

2.9.3.3.1 Class B and A Customers

NOTL Hydro settles GA costs with Class A customers on actual GA prices and no GA variance is allocated to these customers for the period the they were designated Class A.

The calculation for Class B customers and allocation to Class A customers that transitioned during the period are shown below.

1 **Table 9.26: Rate Rider Calculation for RSVA – Power – Global Adjustment**

Please indicate the Rate Rider Recovery Period (in months)			12	
Rate Rider Calculation for RSVA - Power - Global Adjustment				
<i>Balance of Account 1589 Allocated to Non-WMPs</i>				
Rate Class (Enter Rate Classes in cells below)	Units	kW / kWh	Allocated Global Adjustment Balance	Rate Rider for Deferral / Variance Accounts
RESIDENTIAL	kWh	1,780,312	-\$ 3,213	- 0.0002
GENERAL SERVICE LESS THAN 50 KW	kWh	6,394,270	-\$ 11,541	- 0.0002
GENERAL SERVICE 50 TO 4,999 KW	kWh	76,701,807	-\$ 138,442	- 0.0002
STREET LIGHTING	kWh	779,154	-\$ 1,406	- 0.0002
UNMETERED	kWh	-	\$ -	-
LARGE USER	kWh	23,308,825	-\$ 42,071	- 0.0002
Total			-\$ 196,673	

2

3 NOTL Hydro had one transition to Class A during the period when the Account 1589 Global
 4 Adjustment balance accumulated. NOTL Hydro completed tabs 6 through 6.2 of the Deferral and
 5 Variance Account (Continuity Schedule) Work Form Version 1.0 to allocate the customer specific
 6 amount this transition customer. The tables below show the allocation calculations which resulted
 7 in (\$5,088) of the variance allocated to the transition customer which will be returned in 12 equal
 8 monthly payments of (\$424).

9

10 **Table 9.27: Class Transition Customers – Non-loss Adjusted Billing Determinants**

Customer	Rate Class		2017	
			January to June	July to December
Customer 1	GS>50	kWh	2,680,108	2,849,283
		kW	5,664	5,918
		Class A/B	B	A

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12
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Table 9.28: Allocation of total Consumption (kWh) between Class B and Class A/B Transition Customers

		Total	2017
Total Class B Consumption for Years During Balance Accumulation (Total Consumption Less WMP Consumption and Consumption for Class A who were Class A for the full year)	A	106,284,260	106,284,260
All Class B Consumption (i.e. full year or partial year) for Transition Customers	B	2,680,108	2,680,108
Transition Customers' Portion of Total Consumption	C=B/A	2.52%	103,604,152

Table 9.29: Allocation of Total GA Balance

Allocation of Total GA Balance \$

Total GA Balance	D	-\$	201,761
Transition Customers Portion of GA Balance	E=C*D	-\$	5,088
GA Balance to be disposed to Current Class B Customers through Rate Rider	F=D-E	-\$	196,673

# of Class A/B Transition Customers		1				
Customer		Total Metered Class B Consumption (kWh) for Transition Customers During the Period They were Class B Customers	Metered Class B Consumption (kWh) for Transition Customers During the Period They were Class B Customers in 2017	% of kWh	Customer Specific CBR Class B Allocation During the Period They Were a Class B Customer	Monthly Equal Payments
Customer 1		2,680,108	2,680,108	100.00%	-\$ 5,088	-\$ 424
Total		2,680,108	2,680,108	100.00%	-\$ 5,088	-\$ 424

2.9.3.3.2 GA Workform

The GA Workform and associated appendix are attached as Appendix 9B.

NOTL Hydro bills non-RPP customers on the actual GA rate. The GA rate used to calculate unbilled revenue from January through November 2017 was based on the previous months actual GA rate as the actual GA rate for the reporting month is not available at the time unbilled accounting entries are processed. Unbilled revenue for December 2017 was trued-up to the actual amount billed and is therefore based on the actual GA rate.

The expected GA amount for non-RPP Class B Customers for 2017 was \$25,316,017:

1

Table 9.30: Expected GA Amount

Analysis of Expected GA Amount

Year	2017					
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
	F	G	H	I = F-G+H	J	K = I*J
January	6,578,474	-	7,876,297	7,615,726	22,070,497	\$ 1,815,740
February	7,801,969	-	7,615,726	6,189,745	21,607,439	\$ 1,866,667
March	6,828,217	-	6,189,745	6,801,524	19,819,486	\$ 1,414,120
April	7,426,063	-	6,801,524	6,513,551	20,741,139	\$ 2,235,480
May	6,573,087	-	6,513,551	6,381,009	19,467,647	\$ 2,395,883
June	7,026,155	-	6,381,009	6,180,641	19,587,804	\$ 2,320,763
July	7,392,165	-	6,180,641	7,446,295	21,019,101	\$ 2,370,955
August	7,979,082	-	7,446,295	7,137,680	22,563,057	\$ 2,280,899
September	8,526,624	-	7,137,680	7,012,331	22,676,634	\$ 2,010,057
October	7,443,719	-	7,012,331	7,104,920	21,560,969	\$ 2,708,705
November	7,089,848	-	7,104,920	6,318,863	20,513,631	\$ 1,990,643
December	6,905,261	-	6,318,863	7,478,661	20,702,785	\$ 1,906,105
Net Change in Expected GA Balance in the Year (i.e. Transactions in the Year)	87,570,663	-	82,578,582	82,180,945	252,330,190	\$ 25,316,017

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As all Class B non-RPP customers are billed at the actual GA rate the expected GA variance is zero. The net change in account 1589 for 2017 was (\$448,573). The table below provides reconciling amounts and explanations.

7

8

Table 9.31: Reconciliation of Net Change in GA Amount

Note 5 **Reconciling Items**

Item	Amount	Explanation
Net Change in Principal Balance in the GL (i.e. Transactions in the Year)	-\$ 448,573	
1a True-up of GA Charges based on Actual Non-RPP Volumes - prior year		
1b True-up of GA Charges based on Actual Non-RPP Volumes - current year		
2a Remove prior year end unbilled to actual revenue differences	-\$ 231,901	Reversal of 2016 unbilled revenue difference. Amount was not included in 2018 IRM request for disposition
2b Add current year end unbilled to actual revenue differences	\$ -	2017 unbilled revenues were true-up to actual amounts at year end
3a Remove difference between prior year accrual/forecast to actual from long term load transfers		
3b Add difference between current year accrual/forecast to actual from long term load transfers		
4 Remove GA balances pertaining to Class A customers		
5 Significant prior period billing adjustments recorded in current year	\$ 29,813	(\$72,100) - reversal of 2016 adjustment due to some customers were billed the June GA rate on their July consumption. This resulted in higher GA revenue since the June rate was higher than the July rate. These
6 Differences in GA IESO posted rate and rate charged on IESO invoice	\$ 47,862	Difference between the actual invoiced GA amount and the amount calculated was on NOTL Hydro's proportion of the total GA.
7 Differences in actual system losses and billed TLFs	\$ 69,662	Difference between kWh used to calculate GA expense and actual amount billed to customers
8 Others as justified by distributor	\$ 498,348	\$493,306 was move to A/R in 2017 due to settlement of the NOD with the IESO. \$5,042 in legal fees
9 Generation Estimates	\$ 42,891	Monthly generation numbers reported as part of our 1598 submission to IESO are based on estimates from
10 OEB Approved Disposition	\$ 12,943	Approved in NOTL Hydro's 2018 IRM

Note 6	Adjusted Net Change in Principal Balance in the GL	\$ 21,045
	Net Change in Expected GA Balance in the Year Per Analysis	\$ -
	Unresolved Difference	\$ 21,045
	Unresolved Difference as % of Expected GA Payments to IESO	0.1%

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1 **2.9.3.3.3 Description of Settlement Process**

2 NOTL Hydro bills non-RPP customers on the actual GA rate. The GA rate used to calculate
 3 unbilled revenue from January through November 2017 was based on the previous months actual
 4 GA rate as the actual GA rate for the reporting month is not available at the time unbilled
 5 accounting entries are processed. Unbilled revenue for December 2017 was trued-up to the actual
 6 amount billed and is therefore based on the actual GA rate.

7

8 Determine Estimated RPP kWh for the reporting month

9 Actual amounts consumed by RPP customers for the reporting month are not available at the time
 10 that the 1598 submission is due to the IESO. Due to this fact, NOTL Hydro estimates RPP
 11 consumption by applying a scaling factor to the kWhs billed to RPP customers in the reporting
 12 month. This is calculated as follows:

13 1. Scaling Factor

14 a. 'Totalized Meter Data with losses for MMP' reports for each day are downloaded from the
 15 IESO Reports website. Daily information is consolidated for NOTL Hydro's 2 transformer
 16 stations to determine the Total Grid Supplied Consumption.

17 b. Actual Embedded Generation for the month is added to the Total Grid Supplied
 18 Consumption to determine the Total System Consumption for the reporting month.

19

Table 9.32: Total System Consumption

Example: June 2018		
Grid Supplied Consumption	Embedded Generation	Total System Consumption
16,351,107	1,640,550	17,991,657

20

21 c. The total kWhs billed for all customers (RPP and non-RPP) for the reporting month is
 22 obtained from NOTL Hydro's Harris Northstar billing system. The Total System
 23 Consumption / Total Billed kWh = Scaling Factor

24

Table 9.33: Calculation of Scaling Factor

Example: June 2018		
Total System Consumption	Total Billed kWh	Scaling Factor
17,991,657	13,172,187	1.3660

25

26 2. Energy billed for the reporting month to RPP customers (kWh) in Block 1 and 2 for
 27 conventional meters OFF/MID/ON PEAK periods for smart meters are obtained from
 28 Northstar. Since these are the billed amounts and not the actual consumption for the month,

1 the scaling factor is applied to estimate the RPP Block 1 & 2 and ON/OFF/MID Peak
 2 consumption for the reporting month.

3
 4

Table 9.34: Estimated RPP Consumption

	Billed kWh (Northstar) a	Scaling Factor b	Consumption Estimate c = a x b
Block 1	247,313	1.3660	337,830
Block 2	441,012	1.3660	602,422
Off Peak	5,133,449	1.3660	7,012,291
Mid Peak	1,612,397	1.3660	2,202,534
On Peak	1,729,682	1.3660	2,362,746
Total RPP	9,163,853	1.3660	12,517,823

5
 6

7 Determine Estimated Weighted Average Price for the reporting month

8 1. At the time of submission, pricing is normally available in Northstar for the first 19 – 22 days
 9 of the reporting month.

10 a. For the period that pricing is available in Northstar an estimate of the IESO invoice is
 11 generated utilizing a 3rd party software provided by Kinetiq. This software uses NOTL
 12 Hydro’s load, net system load shape and pricing for the period to determine IESO
 13 Charge Type 101 – Net energy market settlement for non-dispatchable load. In the
 14 example below, pricing in Northstar was available up to and including June 21st.
 15 Therefore, the estimated invoice covers the period from June 1 – 21, 2018.

16

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Table 9.35: Estimated IESO Invoice

Final Start Date	01-Jun-18	
Final End Date	07-Jun-18	
Preliminary Start Date	08-Jun-18	
Preliminary End Date	21-Jun-18	
IESO Charge Code	Description	Total Cost
101	Net Energy Market Settlement for Non-dispatchable Load	\$209,083.68
102	TR Clearing Account Credit	-\$0.40
148	Class B Global Adjustment Settlement Amount	-\$2.92
150	Net Energy Market Settlement Uplift	\$6,531.42
155	Congestion Management Settlement Uplift	\$11,977.95
169	Station Service Reimbursement Debit	\$2.70
170	Local Market Power Rebate	-\$0.01
183	Generation cost guarantee recovery debt	\$0.07
186	Intertie Failure Charge Rebate	-\$136.89
250	10-Minute Spinning Market Reserve Hourly Uplift	\$2,518.74
252	10-Minute Non-Spinning Market Reserve Hourly Uplift	\$1,852.82
254	30-Minute Operating Reserve Market Hourly Uplift	\$1,266.54
451	New Code	\$1,100.44
452	Reactive Support And Voltage Control Settlement Debit	\$0.01
454	Regulation Service Settlement Debit	\$0.09
900	GST Credit	-\$26.01
950	GST Debit	\$30,889.23
1350	Capacity Based Recovery Amount for Class A Loads	\$24.09
1351	Capacity Based Recovery Amount For Class B Loads	\$827.61
1550	Day-Ahead Production Cost Guarantee Recovery Debit	\$2,361.57
		\$268,270.73

2

3 2. For the remainder of the reporting month when pricing is not available in Northstar pricing is
 4 determined using the following method:

5 a. kWhs are obtained from the 'Totalized Meter Data with losses for MMP' reports
 6 mentioned earlier and Ontario Zone HOEP On Peak and Off Peak prices are obtained
 7 from the Daily Market Summary reports available on the IESO website.

8

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Table 9.36: Sample Daily Market Summary from IESO Website

Daily Market Summary
 Friday June 22 2018

ONTARIO ZONE MARKET QUANTITIES									
(MW)	DAILY			ON PEAK ¹			OFF PEAK		
	Ave	Max	Min	Ave	Max	Min	Ave	Max	Min
Market Demand	16,859	18,665	13,896	17,866	18,665	16,664	14,846	16,446	13,896
Ontario Demand	14,551	16,202	11,884	15,509	16,202	14,149	12,635	14,383	11,884
Imports	356	663	233	385	663	248	299	374	233
Exports	2,365	2,736	2,043	2,411	2,736	2,167	2,273	2,566	2,043
Unavailable Capacity	7,896	8,403	7,098	7,764	8,302	7,098	8,161	8,403	7,874
ONTARIO ZONE MARKET PRICES ²									
Energy Prices (\$/MWh)	DAILY			ON PEAK			OFF PEAK		
	Ave	Max	Min	Ave	Max	Min	Ave	Max	Min
HOEP	2.89	8.07	-4.35	5.14	8.07	1.87	-1.62	1.80	-4.35
5 Minute MCP	2.89	14.33	-4.40	5.14	14.33	0.00	-1.62	5.78	-4.40
Operating Reserve Prices (\$/MWh/hr)									
10 Minute Sync	6.34	21.51	0.20	9.36	21.51	0.32	0.32	1.38	0.20
10 Minute Non-Sync	5.66	21.51	0.20	8.40	21.51	0.28	0.20	0.20	0.20
30 Minute	5.66	21.51	0.20	8.40	21.51	0.28	0.20	0.20	0.20

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- b. For the purpose of determining the Net energy market settlement for non-dispatchable load for each day that pricing is not available it is assumed that 75% of the consumption is at the ON Peak price and 25% is at the OFF peak price.

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Table 9.37: Calculation of Estimated Daily Energy Cost

Date	kWh - Totalized Meter Data with Losses	ON Peak price / kWh - Daily Market Summary	OFF Peak price / kWh - Daily Market Summary	Daily Total Cost Estimate
	a	b	c	$d = (a \times 75\% \times b) + (a \times 25\% \times c)$
6/22/18	486,044	\$ 0.00514	\$ (0.00162)	\$ 1,676.85
6/23/18	503,249	\$ 0.01135	\$ 0.01135	\$ 5,711.88
6/24/18	473,543	\$ 0.01096	\$ 0.01096	\$ 5,190.03
6/25/18	493,407	\$ 0.01492	\$ 0.00393	\$ 6,006.00
6/26/18	515,451	\$ 0.01728	\$ 0.00112	\$ 6,824.57
6/27/18	567,863	\$ 0.02658	\$ 0.00311	\$ 11,761.87
6/28/18	637,833	\$ 0.03977	\$ 0.01694	\$ 21,726.17
6/29/18	724,141	\$ 0.03904	\$ 0.01675	\$ 24,235.17
6/30/18	793,124	\$ 0.02437	\$ 0.02437	\$ 19,328.42
	5,194,654			\$ 102,460.97

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- c. The amount found on Line 101 of the estimated invoice plus the daily total cost estimate are used as the estimate of the commodity cost for the month purchased from the grid. This amount is then divided by the Grid Supplied Consumption to arrive at the weighted average price for the month.

7

Table 9.38: Calculation of Estimated Energy Cost for Reporting Month

Estimated Invoice Line 101	June 1 - 21	\$209,083.68
Daily Totals	June 22 - 30	\$ 102,460.97
Total Commodity Cost (a)		\$311,544.65
Grid Supplied Consumption (kWh) (b)	June 1 - 30	16,351,107
Average Price per kWh (a / b)	June 1 - 30	\$ 0.0191

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3. Since the actual Global Adjustment rate for the month is not available at the time of the submission, the 2nd Estimate of the Global adjustment rates for Class B customers for the month is used for estimating RPP cost of power. The rate is obtained from the IESO website.

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Table 9.39: Global Adjustment Rates from IESO Website

Global Adjustment Estimates and Actual Rates

The 1st, 2nd estimate and actual rates for Class B customers are posted below in MWh.

2018	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1st Estimate (\$/MWh)	87.77	73.33	78.77	98.10	93.92	133.36	85.02	77.90				
2nd Estimate (\$/MWh)	63.70	77.05	85.95	100.74	131.99	102.39	81.23					
Actual Rate (\$/MWh)	67.36	81.67	94.81	99.59	107.93	118.96						

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Table 9.40: Estimated Cost of Power and Global Adjustment Rate for RPP Customers

Average Price per kWh	\$	0.01905
GA 2nd Estimate per kWh	\$	0.10239
Total	\$	0.12144

5

6

Estimate and submit RPP Variances

The estimated/scaled RPP energy consumption is multiplied by the RPP rates to estimate the amount NOTL Hydro will receive from RPP customers for the reporting month.

10

Table 9.41: Estimated Revenue for RPP Customers

	Billed kWh (Northstar) a	Scaling Factor b	Consumption Estimate c = a x b	RPP Rates d	Revenue e = c x d
Block 1	247,313	1.3660	337,830	\$ 0.077	\$ 26,012.88
Block 2	441,012	1.3660	602,422	\$ 0.089	\$ 53,615.59
Off Peak	5,133,449	1.3660	7,012,291	\$ 0.065	\$ 455,798.94
Mid Peak	1,612,397	1.3660	2,202,534	\$ 0.094	\$ 207,038.22
On Peak	1,729,682	1.3660	2,362,746	\$ 0.132	\$ 311,882.42
Total RPP	9,163,853	1.3660	12,517,823		\$ 1,054,348.05

11

The estimated/scaled RPP energy consumption is multiplied by the estimated weighted average price and GA 2nd estimate to determine the total cost of power.

13

1

Table 9.42: Estimated Cost of Power and GA RPP Customers

	Billed kWh (Northstar) a	Scaling Factor b	Consumption Estimate c = a x b	Estimated Weighted Average Price d	GA 2nd Estimate e	Cost per kWh f = d + e	Total Cost e = c x d
Block 1	247,313	1.3660	337,830	\$ 0.0191	\$ 0.102	\$ 0.12149	\$ 41,042.91
Block 2	441,012	1.3660	602,422	\$ 0.0191	\$ 0.102	\$ 0.12149	\$ 73,188.30
Off Peak	5,133,449	1.3660	7,012,291	\$ 0.0191	\$ 0.102	\$ 0.12149	\$ 851,923.27
Mid Peak	1,612,397	1.3660	2,202,534	\$ 0.0191	\$ 0.102	\$ 0.12149	\$ 267,585.89
On Peak	1,729,682	1.3660	2,362,746	\$ 0.0191	\$ 0.102	\$ 0.12149	\$ 287,049.96
Total RPP	9,163,853	1.3660	12,517,823				\$ 1,520,790.34

2

3 The differences between dollars received and cost for each of blocks 1 and 2 for conventional
4 meters and OFF/MID/ON PEAK periods for smart meters are the RPP variances submitted to the
5 IESO in the Form 1598.

6

Table 9.43: Calculation of 1598 Submission Amount

	Revenue a	Total Cost b	Due to / (from) IESO c = a - b
Block 1	\$ 26,012.88	\$ 41,042.91	\$ (15,030.04)
Block 2	\$ 53,615.59	\$ 73,188.30	\$ (19,572.70)
Off Peak	\$ 455,798.94	\$ 851,923.27	\$ (396,124.34)
Mid Peak	\$ 207,038.22	\$ 267,585.89	\$ (60,547.67)
On Peak	\$ 311,882.42	\$ 287,049.96	\$ 24,832.46
Total RPP	\$ 1,054,348.05	\$ 1,520,790.34	\$ (466,442.29)

7

8

9 Determine Accounting Entries

10 When the IESO invoice for the reporting month is received, an accounting entry is made to reflect
11 the components of the total RPP variance amount in Charge Type 1142. For each of blocks 1 and
12 2 for conventional meters and OFF/MID/ON PEAK periods for smart meters, the entry to OEB
13 Account 4705 is to reflect passing on to the IESO the RPP dollars received by NOTL Hydro from
14 customers less NOTL Hydro's energy cost at the weighted average price. The entry to Account
15 4707 is to reflect NOTL Hydro's energy cost at the GA rate for non-RPP customers.

16

1 **Table 9.44: Calculation of Accounting Entries**

	Due to (from) IESO	GA - RPP Account 4707	Cost of Power Account 4705
Block 1	\$ (15,030.04)	\$ (34,590.37)	\$ 19,560.33
Block 2	\$ (19,572.70)	\$ (61,682.03)	\$ 42,109.33
Off Peak	\$ (396,124.34)	\$ (717,988.51)	\$ 321,864.17
Mid Peak	\$ (60,547.67)	\$ (225,517.49)	\$ 164,969.82
On Peak	\$ 24,832.46	\$ (241,921.52)	\$ 266,753.98
Total RPP	\$ (466,442.29)	\$ (1,281,699.92)	\$ 815,257.63

	Consumption Estimate a	Estimated Weighted Average Price d	Cost of Power c = a x b	GA 2nd Estimate d	GA e	Total Cost e = c x d
Block 1	337,830	\$ 0.019	\$ 6,452.54	\$ 0.102	\$ 34,590.368	\$ 41,042.91
Block 2	602,422	\$ 0.019	\$ 11,506.27	\$ 0.102	\$ 61,682.029	\$ 73,188.30
Off Peak	7,012,291	\$ 0.019	\$ 133,934.76	\$ 0.102	\$ 717,988.510	\$ 851,923.27
Mid Peak	2,202,534	\$ 0.019	\$ 42,068.41	\$ 0.102	\$ 225,517.487	\$ 267,585.89
On Peak	2,362,746	\$ 0.019	\$ 45,128.44	\$ 0.102	\$ 241,921.523	\$ 287,049.96
Total RPP	12,517,823		\$ 239,090.42		\$ 1,281,699.92	\$ 1,520,790.34

2
3
4
5 **2.9.3.3.4 Description of 1598 True-up Process**

- 6 1. The true-up process is completed once all billings for the reporting period have been
 7 processed through the billing system. The last billings for 2017 were completed in mid-
 8 February 2018. While the true-up was completed in 2018 all entries were booked to 2017.
- 9 2. Actual billed usage data and weighted average price is extracted from the NOTL Hydro's
 10 Northstar Reporting Database using SQL Server Management Studio. Data includes:
- 11 a. Read from Date
 12 b. Read to Date
 13 c. Billed Days
 14 d. Usage (kwh)
 15 e. Rate
 16 f. Rate Type (Block 1, Block 2, On, Off, Mid Peak)
 17 g. Weighted Average Price (WAP)
- 18 3. The data is consolidated and sorted to determine the following by Rate Type and month of
 19 consumption:
- 20 a. kWh consumed (including losses)
 21 b. RPP amount received
 22 c. Cost (WAP) amount.

- 1 d. Global Adjustment (GA) Cost is calculated by multiplying kWh consumed is multiplied
2 by the actual GA for each month to determine the total GA attributable to RPP
3 customers
- 4 4. Actual settlement amounts are calculated for 4705 and 4707:
5 a. 4705 = RPP Received – Cost (WAP)
6 b. 4707 = GA Cost
- 7 5. The Actual settlement amounts are compared to the monthly 1598 submissions
8

9 ***2.9.3.3.5 Embedded Generation***

10 NOTL Hydro does not have its own embedded generation.
11 NOTL Hydro does have MicroFIT, FIT, and SOP customers. The kWh generated is reported to
12 the IESO as actual on-peak and off-peak kWh generation. The difference between the contracted
13 IESO price and the WAP is reported on the 1598 monthly submission and the difference is
14 credited back to the LDC on the IESO monthly invoice. The amounts submitted to the IESO via
15 charge codes 1410-Renewable energy standard offer program settlement amount and 1412-
16 Feed-in tariff program settlement amount is reported to the IESO by the 4th business day of the
17 month at the actual amounts.
18

19 ***2.9.3.3.6 Internal Controls***

20 In terms of Control and Oversight, NOTL Hydro follows a substantive approach using
21 reconciliation procedures to ensure accuracy and completeness for the settlement submission
22 process where possible and it is reviewed by senior financial personnel for accuracy and
23 completeness prior to submission to the IESO. In addition, NOTL Hydro does regular bill testing
24 for each class of customer, recalculates the various charges based on approved rates and
25 ensures all correct general ledger accounts are used.
26

27 NOTL Hydro has taken steps to improve the accuracy of estimates, including improving process
28 to obtain meter reads for generation and Class A to allow for actual amounts to be submitted
29 instead of estimates, moving to monthly calendar billing, adjusting billing schedules, developing
30 a SQL reporting database to improve data retrieval and to be used as a tool to verify amounts

1 included on Northstar reports, and changes to the billing system to retrieve monthly billed as well
2 as monthly consumption amounts.

3
4 NOTL Hydro is currently working with Utilismart to incorporate their Settlement Manager program
5 to further streamline 1598 reporting, to act as a double check against existing procedures, and to
6 remove some of the current manual processes.

7

8 ***2.9.3.3.7 Description of Accounting Methods and Transactions***

9 Amounts are calculated on an accrual basis, as are the carrying charges, which are assessed on
10 the monthly opening principal balance of this RSVA account.

11

12 The balances in accounts 1588 and 1589 were trued-up to actuals in 2017 using the method
13 described in section 2.9.1.3.4 above and those amounts are recorded in Tab 2a column BD –
14 Transactions Debit/(Credit) during 2017.

- 15 • 1588 - \$525,938
- 16 • 1589 – (\$678,908)

17

18 NOTL Hydro uses the actual GA rate to bill all non-RPP class B customers. The filing
19 requirements state that these customers are not be charged/refunded the GA rate rider as they
20 did no contribute to the accumulation of the balance of Account 1589 RSVA GA. However,
21 variances will still arise due to prior period billing adjustments and differences in the actual loss
22 factor and billed loss factor that require a rate rider to recover/return these differences from
23 customers.

24

25 **2.9.3.4 Commodity Accounts 1588 and 1589**

26 ***2.9.3.4.1 RPP Settlement True-up***

27 NOTL Hydro that 2017 settlement claims for account 1588 and 1589 are included in the 2017
28 balances.

29

1 **2.9.3.4.2 Certification of Evidence**

2 I, Jeff Klassen, Vice President Finance for NOTL Hydro certify to the best of my knowledge that
3 NOTL Hydro has robust processes and internal controls in place for the preparation, review,
4 verification and oversight of the account balances being disposed, consistent with the certification
5 requirements in Chapter 1 of the filing requirements.
6
7
8

9 **2.9.4 Establishment of New Deferral and Variance**
10 **Accounts**

11 NOTL Hydro is requesting the establishment of a variance account for any demand over and
12 below 5,000 kW from a customer whose demand is expected to grow beyond 5,000 kW in the
13 near future. This variance is required as NOTL Hydro does not have any reasonable way of
14 estimating demand from this customer for 2019 or any time thereafter:

- 15
- 16 • The full feeder line to the customer is scheduled to be completed in July 2018. NOTL
17 Hydro therefore does not have any usage history with the customer having full access of
18 up to 20 MW of capacity.
 - 19 • The customer is still working on their premises so will not be in a position to determine
20 peak demand for at least a year.
 - 21 • The customer operates in an industry for which the legal framework is changing
22 substantially but is still subject to considerable uncertainty in terms of both legality and
23 market demand. This will affect the customers' production requirements.
 - 24 • The customer has plants across Canada so can shift projection between plants at its
25 discretion.

26 The variance account provides value by both protecting the financial sufficiency of NOTL Hydro
27 and ensuring any benefits from higher demand by this customer are passed on to other NOTL
28 Hydro customers.

29 NOTL Hydro submits that this request meets the eligibility criteria:
30

1 Causation – Any additional revenues or shortfalls in revenue from this customer are clearly
2 outside the base upon which rates are derived. The rates have been derived using a demand of
3 5,000 kW. This variance account will capture the actual variances between actual revenues
4 received from this customer versus the revenue that would be collected if the customer’s demand
5 is 5,000kW.

6
7 Materiality – If the customer’s actual demand reaches the customer’s forecast, then the
8 incremental monthly revenues beyond what is included in the determination of 2019 rates would
9 be at least \$30,000. This could lead to annual additional revenues of at least \$200,000. That is
10 well above the materiality level for NOTL Hydro (\$50,000).

11
12 Prudence – The use of the variance account maximizes the potential benefit to NOTL Hydro’s
13 customers. This approach permits NOTL Hydro to forecast the uncertain demand from the
14 customer at a reasonable level, while ensuring that all future benefit from higher than forecast
15 demand will accrue to ratepayers.

16
17 A Draft Accounting Order is provided as an appendix to this Exhibit. NOTL Hydro proposes to
18 dispose of the balances in the variance account each year as part of its IRM filings.

19
20 NOTL Hydro is also requesting to establish a new 1595 sub-account 2019 to track Deferral
21 Variance dispositions listed in this application.

22 23 24 25 **2.9.5 Application of Recoveries in Account 1595**

26 **(Appendix A)**

27 NOTL Hydro is not requesting disposition of any 1595 accounts in this application and therefore
28 Appendix A: Application of Recoveries in Account 1595 is not applicable.

29

1 **Appendix**

2 **List of Appendices**

3

Appendix 9A	NOTL_2019_DVA_Continuity_Schedule_CoS _20180831
Appendix 9B	NOTL_GA_Analysis_Workform_20180831
Appendix 9C	Draft Accounting Order

4

5

APPENDIX

9A

2019 NIAGARA-ON-THE-LAKE HYDRO
**COST OF SERVICE
RATE APPLICATION**
EB-2018-0056






2019 Deferral/Variance Account Workform


Utility Name	Niagara-on-the-Lake Hydro Inc.
Service Territory	Niagara-on-the-Lake
Assigned EB Number	EB-2018-0056
Name of Contact and Title	Jeff Klassen, VP Finance
Phone Number	905-468-4235 ext 380
Email Address	jklassen@notlhydro.com

General Notes

Notes

 Pale green cells represent input cells.

 Pale blue cells represent drop-down lists. The applicant should select the appropriate item from the drop-down list.

 White cells contain fixed values, automatically generated values or formulae.

This Workbook Model is protected by copyright and is being made available to you solely for the purpose of preparing your rate application. You may use and copy this model for that purpose, and provide a copy of this model to any person that is advising or assisting you in that regard. Except as indicated above, any copying, reproduction, publication, sale, adaptation, translation, modification, reverse engineering or other use or dissemination of this model without the express written consent of the Ontario Energy Board is prohibited. If you provide a copy of this model to a person that is advising or assisting you in preparing or reviewing your draft rate order, you must ensure that the person understands and agrees to the restrictions noted above.

6 - Class A Data Consumption	This is a new tab that is to be completed if there were any Class A customers at any point during the period the GA balance CBR Class B balance accumulated. The tab also considers Class A/B transition customers. The data on this tab is used for the purposes of determining the GA rate rider, CBR Class B rate rider (if applicable), as well as customer specific GA and CBR Class B charges for transition customers (if applicable).	6 7 8 9	<p>6 This tab is generated when the utility checks in tab 2a. that they have Class A customers during the period that the GA balance accumulated. Under #1, enter the year for which the Account 1589 GA balance was last disposed.</p> <p>7 Under #2a, indicate whether you had any customers that transitioned between Class A and B during the period the Account 1589 GA balance accumulated. If no, proceed to #3b in step 9. If yes, #2b and tab 6.1a. will be generated. Proceed to #2b. Under #2b, indicate whether you had any customers that transitioned between Class A and B during the period the Account 1580, sub-account CBR Class B balance accumulated. If no, proceed to #3a in step 8. If yes, tab 6.2a. will be generated. Proceed to #3a in step 8.</p> <p>8 Under #3a, enter the number of transition customers during the period the Account 1589 GA balance accumulated. A table will be generated based on the number of customers. Complete the table accordingly for each transition customer identified (i.e. kWh/kW for half year periods, and the customer class during the half year). This data will automatically be used in the GA balance and CBR Class B balance allocation to transition customers in tabs 6.1a. and 6.2a., respectively. Each transition customer identified in tab 6, table 3a will be assigned a customer number and the number will correspond to the same transition customers populated in tabs 6.1a. and 6.2a. The data in tab 6 will also be used in the calculation of billing determinants in the allocation of GA and CBR Class B balances to the rate classes, as applicable.</p> <p>9 Under #3b, enter the number of customers who were Class A customers during the entire period since the year the Account 1589 GA balance accumulated (i.e. did not transition between Class A and B during the period). A table will be generated based on the number of customers. Complete the table accordingly for each Class A customer identified. This data will be used in the calculation of billing determinants in the allocation of GA and CBR Class B balances to the rate classes, as applicable.</p>
6.1a. - GA Allocation	This tab has been revised. It allocates the GA balance to each transition customer for the period in which these customers were Class B customers and contributed to the GA balance (i.e. former Class B customers who contributed to the GA balance but are now Class A customers and former Class A customers who are now Class B customers contributing to the GA balance).	10	<p>10 This tab is generated when the utility indicates that they have transition customers in tab 6, #2a during the period when the GA balance accumulated. In row 20, enter the total Class B consumption which equals to Non-RPP consumption less WMP consumption and consumption for Class A customers (who were Class A for partial and full year). The rest of the information in this tab will be auto-populated and will calculate the customer specific allocation of the GA balance to transition customers in the bottom table. All transition customers who are allocated a specific GA amount are not to be charged the general Non-RPP Class B GA rate rider as calculated in tab 7.</p>
6.2 - CBR	This is a new tab that calculates the CBR Class B rate rider if there were Class A customers at any point during the period that the CBR Class B balance accumulated.	11	<p>11 This tab is generated when the utility checks in tab 2a. that they have Class A customers during the period that Account 1580, sub-account CBR Class B balance accumulated. The rest of the information in the tab is auto-populated and will be used in the calculation of the CBR Class B rate rider calculated in tab 6.</p>
6.2a - CBR_B Allocation	This is a new tab that allocates the CBR Class B balance to each transition customer for the period in which these customers were Class B customers and contributed to the CBR Class B balance (i.e. former Class B customers who contributed to the balance but are now Class A customers and former Class A customers who are now Class B contributing to the balance).	12	<p>12 This tab is generated when the utility indicates that they have transition customers in tab 6, #2b during the period where the CBR Class B balance accumulated. In B16 select the year when the balance in CBR Class B was last disposed. In row 20, enter the total Class B consumption which equals to total consumption less WMP consumption and consumption for Class A customers (who were Class A for either partial or full year). The rest of the information in this tab will be auto-populated and will calculate the customer specific allocation of the CBR Class B balance to transition customers in the bottom table. Note that the transition customers for GA may be different than the transition customers for CBR Class B as this would depend on the period in which the GA and CBR Class B balances accumulated. Any transition customer who is allocated a specific CBR Class B amount is not to be charged the general CBR Class B rate rider.</p>
7 - Calculation of Def-Var RR	This tab calculates all the applicable DVA rate riders.	13	<p>13 Enter the proposed rate rider recovery period if different than the default 12 month period. For each rate class of each rate rider, select whether the rate rider is to be calculated on a kWh, kW or number of customers basis. The rest of the information in the tab is auto-populated and the rate riders are calculated accordingly .</p>

2019 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, 2017, regardless of whether disposition is being requested for the account. For all accounts, except for Account 1595, start 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 2014 by 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 with balances approved for disposition was first transferred into Account 1595 (2014). The DVA continuity schedule currently starts from 2012. If a utility has an Account 1595 with a vintage year prior to 2012, then a separate schedule should be provided start vintage year. For any new accounts that have never been disposed, start inputting data from the year the account was approved to be used.

		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 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(1) during 2012	Closing Interest Amounts as of Dec-31-12
Group 1 Accounts											
LV Variance Account	1550					\$0					\$0
Smart Metering Entity Charge Variance Account	1551										
RSVA - Wholesale Market Service Charge ⁹	1580					\$0					\$0
Variance WMS - Sub-account CBR Class A ⁹	1580										
Variance WMS - Sub-account CBR Class B ⁹	1580										
RSVA - Retail Transmission Network Charge	1584					\$0					\$0
RSVA - Retail Transmission Connection Charge	1586					\$0					\$0
RSVA - Power (excluding Global Adjustment) ¹²	1588					\$0					\$0
RSVA - Global Adjustment ¹²	1589					\$0					\$0
Disposition and Recovery/Refund of Regulatory Balances (2012) ⁷	1595					\$0					\$0
Disposition and Recovery/Refund of Regulatory Balances (2013) ⁷	1595					\$0					\$0
Disposition and Recovery/Refund of Regulatory Balances (2014) ⁷	1595					\$0					\$0
Disposition and Recovery/Refund of Regulatory Balances (2015) ⁷	1595					\$0					\$0
Disposition and Recovery/Refund of Regulatory Balances (2016) ⁷	1595					\$0					\$0
Disposition and Recovery/Refund of Regulatory Balances (2017) ⁷	1595					\$0					\$0
<i>Not to be disposed of until a year after rate rider has expired and that balance has been audited</i>											
Group 1 Sub-Total (including Account 1589 - Global Adjustment)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
RSVA - Global Adjustment 12	1589	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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.

Deferral/Variance Account Workf

This continuity schedule must be completed for each account and sub-account that the util inputting data from the year in which the GL balance was last disposed. For example, if in the 2017 rate apgance in the Adjustment column under 2014. For each Account 1595 sub-account, start inputting data from the relevant balances approved for disposition was first transferred into Account 1595 (2014). The DVA ting from the vintage year. For any new accounts that have never been disposed, start inputting data from

		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
Group 1 Accounts											
LV Variance Account	1550	\$0				\$0	\$0				\$0
Smart Metering Entity Charge Variance Account	1551					\$0	\$0				\$0
RSVA - Wholesale Market Service Charge ⁹	1580	\$0				\$0	\$0				\$0
Variance WMS – Sub-account CBR Class A ⁹	1580										
Variance WMS – Sub-account CBR Class B ⁹	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) ¹²	1588	\$0				\$0	\$0				\$0
RSVA - Global Adjustment ¹²	1589	\$0				\$0	\$0				\$0
Disposition and Recovery/Refund of Regulatory Balances (2012) ⁷	1595	\$0				\$0	\$0				\$0
Disposition and Recovery/Refund of Regulatory Balances (2013) ⁷	1595	\$0				\$0	\$0				\$0
Disposition and Recovery/Refund of Regulatory Balances (2014) ⁷	1595	\$0				\$0	\$0				\$0
Disposition and Recovery/Refund of Regulatory Balances (2015) ⁷	1595	\$0				\$0	\$0				\$0
Disposition and Recovery/Refund of Regulatory Balances (2016) ⁷	1595	\$0				\$0	\$0				\$0
Disposition and Recovery/Refund of Regulatory Balances (2017) ⁷	1595	\$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>											
Group 1 Sub-Total (including Account 1589 - Global Adjustment)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
RSVA - Global Adjustment 12	1589	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

For all OEB-Approved dispositions, please ensure that the disposition amount has the same sign positive figure and credit balance are to have a negative figure) as per the related OEB decision.

Deferral/Variance Account Workfile

This continuity schedule must be completed for each account and sub-account that the utility from the year in which the GL balance was last disposed. For example, if in the 2017 rate adjustment column under 2014. For each Account 1595 sub-account, start inputting data for balances approved for disposition was first transferred into Account 1595 (2014). The DVA vintage year. For any new accounts that have never been disposed, start inputting data for

		2014									
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-14	Transactions(1) Debit/(Credit) during 2014	OEB-Approved Disposition during 2014	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
Group 1 Accounts											
LV Variance Account	1550	\$0				\$0	\$0				\$0
Smart Metering Entity Charge Variance Account	1551	\$0				\$0	\$0				\$0
RSVA - Wholesale Market Service Charge ⁹	1580	\$0				\$0	\$0				\$0
Variance WMS – Sub-account CBR Class A ⁹	1580										
Variance WMS – Sub-account CBR Class B ⁹	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) ¹²	1588	\$0				\$0	\$0				\$0
RSVA - Global Adjustment ¹²	1589	\$0				\$0	\$0				\$0
Disposition and Recovery/Refund of Regulatory Balances (2012) ⁷	1595	\$0				\$0	\$0				\$0
Disposition and Recovery/Refund of Regulatory Balances (2013) ⁷	1595	\$0				\$0	\$0				\$0
Disposition and Recovery/Refund of Regulatory Balances (2014) ⁷	1595	\$0				\$0	\$0				\$0
Disposition and Recovery/Refund of Regulatory Balances (2015) ⁷	1595	\$0				\$0	\$0				\$0
Disposition and Recovery/Refund of Regulatory Balances (2016) ⁷	1595	\$0				\$0	\$0				\$0
Disposition and Recovery/Refund of Regulatory Balances (2017) ⁷	1595	\$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>											
Group 1 Sub-Total (including Account 1589 - Global Adjustment)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
RSVA - Global Adjustment 12	1589	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

For all OEB-Approved dispositions, please ensure that the disposition amount has the same sign positive figure and credit balance are to have a negative figure) as per the related OEB decision.

Energy Board

Deferral/Variance Account Workf

This continuity schedule must be completed for each account and sub-account that the utility from the year in which the GL balance was last disposed. For example, if in the 2017 rate adjustment column under 2014. For each Account 1595 sub-account, start inputting data for balances approved for disposition was first transferred into Account 1595 (2014). The DVA vintage year. For any new accounts that have never been disposed, start inputting data from

		2015									
Account Descriptions	Account Number	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	OEB-Approved Disposition during 2015	Interest Adjustments(2) during 2015	Closing Interest Amounts as of Dec-31-15
Group 1 Accounts											
LV Variance Account	1550	\$0			\$0	\$0				\$0	\$0
Smart Metering Entity Charge Variance Account	1551	\$0			\$5,706	-\$5,706				-\$45	-\$45
RSVA - Wholesale Market Service Charge ⁹	1580	\$0			-\$539,882	-\$539,882				-\$3,913	-\$3,913
Variance WMS - Sub-account CBR Class A ⁷	1580					\$0					\$0
Variance WMS - Sub-account CBR Class B ⁷	1580				\$56,692	\$56,692				\$186	\$186
RSVA - Retail Transmission Network Charge	1584	\$0			\$66,875	\$66,875				\$2,215	\$2,215
RSVA - Retail Transmission Connection Charge	1586	\$0			\$19,762	\$19,762				\$373	\$373
RSVA - Power (excluding Global Adjustment) ¹²	1588	\$0			-\$643,674	-\$643,674				-\$16,506	-\$16,506
RSVA - Global Adjustment ¹²	1589	\$0			\$1,033,086	\$1,033,086				\$15,288	\$15,288
Disposition and Recovery/Refund of Regulatory Balances (2012) ⁷	1595	\$0			\$0	\$0				-\$13,736	-\$13,736
Disposition and Recovery/Refund of Regulatory Balances (2013) ⁷	1595	\$0			\$25,200	\$25,200				\$4,136	\$4,136
Disposition and Recovery/Refund of Regulatory Balances (2014) ⁷	1595	\$0			\$93	\$93				\$44,575	\$44,575
Disposition and Recovery/Refund of Regulatory Balances (2015) ⁷	1595	\$0	\$335,855	\$516,205	\$0	-\$180,350	\$0	-\$2,347	-\$12,460	\$0	\$10,114
Disposition and Recovery/Refund of Regulatory Balances (2016) ⁷	1595	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Disposition and Recovery/Refund of Regulatory Balances (2017) ⁷	1595	\$0	\$0	\$0	\$0	\$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>											
Group 1 Sub-Total (Including Account 1589 - Global Adjustment)		\$0	\$335,855	\$516,205	\$12,447	-\$167,902	\$0	-\$2,347	-\$12,460	\$32,573	\$42,687
Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)		\$0	\$335,855	\$516,205	-\$1,020,639	-\$1,200,988	\$0	-\$2,347	-\$12,460	\$17,286	\$27,399
RSVA - Global Adjustment 12	1589	\$0	\$0	\$0	\$1,033,086	\$1,033,086	\$0	\$0	\$0	\$15,288	\$15,288

For all OEB-Approved dispositions, please ensure that the disposition amount has the same sign positive figure and credit balance are to have a negative figure) as per the related OEB decision.

Energy Board

Deferral/Variance Account Workf

This continuity schedule must be completed for each account and sub-account that the utility from the year in which the GL balance was last disposed. For example, if in the 2017 rate adjustment column under 2014. For each Account 1595 sub-account, start inputting data for balances approved for disposition was first transferred into Account 1595 (2014). The DVA vintage year. For any new accounts that have never been disposed, start inputting data for

		2016									
Account Descriptions	Account Number	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
Group 1 Accounts											
LV Variance Account	1550	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Smart Metering Entity Charge Variance Account	1551	-\$5,705	-\$3,810	-\$3,118	\$0	-\$6,398	-\$45	-\$55	-\$81	\$0	-\$20
RSVA - Wholesale Market Service Charge ²	1580	-\$539,882	-\$228,078	-\$87,893	\$4,809	-\$675,258	-\$3,913	-\$6,548	-\$1,673	-\$10	-\$8,798
Variance WMS - Sub-account CBR Class A ³	1580	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Variance WMS - Sub-account CBR Class B ³	1580	\$56,692	-\$1,113	\$0	-\$512	\$55,067	\$186	\$570	\$0	\$0	\$756
RSVA - Retail Transmission Network Charge	1584	\$66,875	\$84,032	\$71,183	-\$102,841	-\$22,917	\$2,215	\$946	\$1,912	-\$847	\$402
RSVA - Retail Transmission Connection Charge	1586	\$19,762	\$16,404	\$15,116	-\$9,131	\$11,918	\$373	\$328	\$368	-\$75	\$259
RSVA - Power (excluding Global Adjustment) ¹²	1588	-\$643,674	\$410,932	-\$668,081	-\$232,781	\$202,559	-\$16,506	-\$4,489	-\$20,744	\$33	-\$218
RSVA - Global Adjustment ¹²	1589	\$1,033,086	-\$542,813	\$1,020,143	\$276,726	-\$253,144	\$15,288	\$10,574	\$21,892	\$730	\$4,700
Disposition and Recovery/Refund of Regulatory Balances (2012) ⁷	1595	\$0	-\$167	\$137	\$0	-\$304	-\$13,736	-\$39	-\$13,928	\$0	\$153
Disposition and Recovery/Refund of Regulatory Balances (2013) ⁷	1595	\$25,200	-\$117	\$25,182	\$0	-\$99	\$4,136	\$115	\$4,077	\$0	\$174
Disposition and Recovery/Refund of Regulatory Balances (2014) ⁷	1595	\$93	-\$666	\$0	\$0	-\$573	\$44,575	-\$4	\$0	\$0	\$44,571
Disposition and Recovery/Refund of Regulatory Balances (2015) ⁷	1595	-\$180,350	\$227,961	\$0	-\$21,372	\$26,240	\$10,114	-\$161	\$0	\$2,673	\$12,625
Disposition and Recovery/Refund of Regulatory Balances (2016) ⁷	1595	\$0	\$106,182	-\$372,397	\$0	\$478,579	\$0	\$2,586	\$8,081	\$0	-\$5,495
Disposition and Recovery/Refund of Regulatory Balances (2017) ⁷	1595	\$0	\$0	\$0	\$0	\$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>											
Group 1 Sub-Total (including Account 1589 - Global Adjustment)		-\$167,902	\$68,745	\$271	-\$84,902	-\$184,331	\$42,687	\$3,824	-\$96	\$2,503	\$49,109
Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)		-\$1,200,988	\$611,558	-\$1,019,872	-\$361,628	\$68,813	\$27,399	-\$6,750	-\$21,987	\$1,774	\$44,409
RSVA - Global Adjustment 12	1589	\$1,033,086	-\$542,813	\$1,020,143	\$276,726	-\$253,144	\$15,288	\$10,574	\$21,892	\$730	\$4,700

For all OEB-Approved dispositions, please ensure that the disposition amount has the same sign positive figure and credit balance are to have a negative figure) as per the related OEB decision.

Deferral/Variance Account Workfo

This continuity schedule must be completed for each account and sub-account that the utility from the year in which the GL balance was last disposed. For example, if in the 2017 rate adjustment column under 2014. For each Account 1595 sub-account, start inputting data for balances approved for disposition was first transferred into Account 1595 (2014). The DVA vintage year. For any new accounts that have never been disposed, start inputting data for

		2017									
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-17	Transactions(1) Debit / (Credit) during 2017	OEB-Approved Disposition during 2017	Principal Adjustments(2) during 2017	Closing Principal Balance as of Dec-31-17	Opening Interest Amounts as of Jan-1-17	Interest Jan-1 to Dec-31-17	OEB-Approved Disposition during 2017	Interest Adjustments(2) during 2017	Closing Interest Amounts as of Dec-31-17
Group 1 Accounts											
LV Variance Account	1550	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Smart Metering Entity Charge Variance Account	1551	\$6,389	\$3,533	\$2,588	\$0	\$7,343	\$20	\$73	\$3	\$0	\$91
RSVA - Wholesale Market Service Charge ⁹	1580	\$675,259	\$188,706	\$451,989	\$15,633	\$427,608	\$8,798	\$5,733	\$8,869	\$0	\$5,661
Variance WMS - Sub-account CBR Class A ⁹	1580	\$0	\$156	\$0	\$0	\$156	\$0	\$1	\$0	\$0	\$1
Variance WMS - Sub-account CBR Class B ⁹	1580	\$55,067	\$2,312	\$56,692	\$512	\$3,426	\$756	\$229	\$1,018	\$0	\$33
RSVA - Retail Transmission Network Charge	1584	\$22,917	\$151,824	\$4,307	\$102,641	\$67,792	\$402	\$628	\$240	\$847	\$1,637
RSVA - Retail Transmission Connection Charge	1586	\$11,918	\$9,995	\$4,645	\$9,131	\$6,408	\$259	\$208	\$74	\$75	\$469
RSVA - Power (excluding Global Adjustment) ¹²	1588	\$202,559	\$137,487	\$24,408	\$268,571	\$309,235	\$218	\$6,252	\$4,596	\$0	\$1,438
RSVA - Global Adjustment ¹²	1589	\$253,144	\$435,630	\$12,943	\$237,237	\$464,480	\$4,700	\$2,424	\$6,414	\$330	\$8,360
Disposition and Recovery/Refund of Regulatory Balances (2012) ⁷	1595	\$304	\$166	\$138	\$0	\$0	\$153	\$38	\$191	\$0	\$0
Disposition and Recovery/Refund of Regulatory Balances (2013) ⁷	1595	\$99	\$117	\$18	\$0	\$0	\$174	\$114	\$59	\$0	\$0
Disposition and Recovery/Refund of Regulatory Balances (2014) ⁷	1595	\$573	\$666	\$93	\$0	\$0	\$44,571	\$6	\$44,576	\$0	\$0
Disposition and Recovery/Refund of Regulatory Balances (2015) ⁷	1595	\$26,240	\$10	\$0	\$0	\$26,230	\$12,625	\$571	\$0	\$0	\$13,197
Disposition and Recovery/Refund of Regulatory Balances (2016) ⁷	1595	\$478,579	\$261,987	\$0	\$18,569	\$235,161	\$5,495	\$5,421	\$0	\$112	\$39
Disposition and Recovery/Refund of Regulatory Balances (2017) ⁷	1595	\$0	\$153,848	\$258,588	\$0	\$104,740	\$0	\$1,396	\$7,940	\$0	\$9,336
<i>Not to be disposed of until a year after rate rider has expired and that balance has been audited</i>											
Group 1 Sub-Total (including Account 1589 - Global Adjustment)		\$184,331	\$1,036,530	\$101,635	\$621,028	\$498,198	\$49,109	\$3,614	\$43,409	\$704	\$10,019
Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)		\$68,813	\$600,900	\$114,578	\$383,791	\$33,718	\$44,409	\$6,038	\$49,822	\$1,034	\$1,660
RSVA - Global Adjustment 12	1589	\$253,144	\$435,630	\$12,943	\$237,237	\$464,480	\$4,700	\$2,424	\$6,414	\$330	\$8,360

For all OEB-Approved dispositions, please ensure that the disposition amount has the same sign positive figure and credit balance are to have a negative figure) as per the related OEB decision.

Deferral/Variance Account Workfile

This continuity schedule must be completed for each account and sub-account that the utility from the year in which the GL balance was last disposed. For example, if in the 2017 rate adjustment column under 2014. For each Account 1595 sub-account, start inputting data for balances approved for disposition was first transferred into Account 1586 (2014). The DVA vintage year. For any new accounts that have never been disposed, start inputting data for

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 2017), check off the checkbox

If you had Class A customer(s) during this period, Tab 6 will be generated and applicants must complete the information pertaining to Class A customers.

If you had any customers classified as Class A at any point during the period where the balance in 1580 sub-account CBR Class B accumulated (i.e. from the year the balance was last disposed to 2017), check off the checkbox

If you had Class A customer(s) during this period, Tab 6.2 will be generated. Account 1580 sub-account CBR Class B will be disposed through a rate rider using information in Tab 6.2.

If you only had Class B customers during this period, the balance in 1580 sub-account CBR Class B will be allocated and disposed with Account 1580 WMS.

Account Descriptions	Account Number	2018				Projected Interest on Dec-31-17 Balances				2.1.7 RRR		
		Principal Disposition during 2018 - instructed by OEB	Interest Disposition during 2018 - instructed by OEB	Closing Principal Balances as of Dec 31-17 Adjusted for Dispositions during 2018	Closing Interest Balances as of Dec 31-17 Adjusted for Dispositions during 2018	Projected Interest from Jan 1, 2018 to December 31, 2018 on Dec 31-17 balance adjusted for disposition during 2018 (e)	Projected Interest from January 1, 2019 to April 30, 2019 on Dec 31-17 balance adjusted for disposition during 2018 (e)	Total Interest	Total Claim	As of Dec 31-17	Variance RRR vs 2017 Balance (Principal + Interest)	
Group 1 Accounts												
LV Variance Account	1550	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	\$0	\$0	
Smart Metering Entry Charge Variance Account	1551	-\$3,810	-\$77	-\$3,533	-\$13	-\$63	-\$22	-\$89	-\$3,631.75	-\$7,494	\$0	
RSVA - Wholesale Market Service Charge ⁷	1580	-\$223,269	-\$3,445	-\$204,338	-\$2,216	-\$3,663	-\$1,287	-\$7,167	-\$211,505.01	-\$433,269	\$0	
Variance WMS - Sub-account CBR Class A ⁸	1580	\$0	\$0	\$156	\$1	\$3	\$1	\$5	\$0.00	\$158	\$0	
Variance WMS - Sub-account CBR Class B ⁹	1580	-\$1,625	-\$287	-\$1,900	\$255	-\$32	-\$11	\$211	-\$1,589.43	-\$3,458	\$0	
RSVA - Retail Transmission Network Charge	1584	-\$18,609	-\$130	-\$49,183	\$1,768	-\$882	-\$310	\$576	-\$48,607.08	-\$66,195	\$0	
RSVA - Retail Transmission Connection Charge	1586	\$7,272	\$299	-\$864	\$169	-\$15	-\$5	\$148	-\$716.18	\$6,877	\$0	
RSVA - Power (excluding Global Adjustment) ¹²	1588	\$178,151	-\$2,008	\$131,084	\$3,446	\$2,350	\$826	\$6,622	\$137,705.60	\$310,673	\$0	
RSVA - Global Adjustment ¹²	1589	-\$266,088	\$6,923	-\$198,392	\$1,437	-\$3,556	-\$1,250	-\$3,369	-\$201,761.16	-\$534,673	-\$78,553	
Disposition and Recovery/Refund of Regulatory Balances (2012) ⁷	1595	\$0	\$0	-\$0	-\$0	-\$0	-\$0	-\$0	<input type="checkbox"/> Check to Dispose of Account	\$0.00	\$0	
Disposition and Recovery/Refund of Regulatory Balances (2013) ⁷	1595	\$0	\$0	-\$0	\$0	\$0	\$0	\$0	<input type="checkbox"/> Check to Dispose of Account	\$0.00	-\$0	
Disposition and Recovery/Refund of Regulatory Balances (2014) ⁷	1595	\$0	\$0	\$0	\$0	\$0	\$0	\$0	<input type="checkbox"/> Check to Dispose of Account	\$0.00	-\$0	
Disposition and Recovery/Refund of Regulatory Balances (2015) ⁷	1595	\$26,240	\$13,039	-\$10	\$158	-\$0	-\$0	\$158	<input type="checkbox"/> Check to Dispose of Account	\$0.00	\$58,126	\$18,699
Disposition and Recovery/Refund of Regulatory Balances (2016) ⁷	1595	\$0	\$0	\$235,161	\$39	\$4,215	\$1,482	\$5,736	<input type="checkbox"/> Check to Dispose of Account	\$0.00	\$216,519	-\$18,681
Disposition and Recovery/Refund of Regulatory Balances (2017) ⁷	1595	\$0	\$0	-\$104,740	-\$9,336	-\$1,877	-\$660	-\$11,873	<input type="checkbox"/> Check to Dispose of Account	\$0.00	-\$114,076	\$0
<i>Not to be disposed of until a year after rate rider has expired and that balance has been audited</i>												
Group 1 Sub-Total (including Account 1589 - Global Adjustment)		-\$301,739	\$14,313	-\$196,459	-\$4,293	-\$3,522	-\$1,238	-\$9,053	-\$330,105.02	-\$566,713	-\$78,535	
Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)		-\$35,651	\$7,390	\$1,933	-\$5,730	\$35	\$12	-\$5,683	-\$128,343.86	-\$32,040	\$18	
RSVA - Global Adjustment 12	1589	-\$266,088	\$6,923	-\$198,392	\$1,437	-\$3,556	-\$1,250	-\$3,369	-\$201,761.16	-\$534,673	-\$78,553	

For all OEB-Approved dispositions, please ensure that the disposition amount has the same sign positive figure and credit balance are to have a negative figure) as per the related OEB decision.

2019 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 in 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 2014 balance 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 when 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 provided starting vintage year. For any new accounts that have never been disposed, start inputting data from the year the account was approved to be used.

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.

Identify 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	2012									
		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(1) during 2012	Closing Interest Amounts as of Dec-31-12
Group 2 Accounts											
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	\$25,208	\$48,131	\$0	\$0	\$73,339	\$128	\$733	\$0	\$0	\$861
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 ¹	1508					\$0					\$0
Other Regulatory Assets - Sub-Account - Greenly East	1508					\$0					\$0
Other Regulatory Assets - Sub-Account - OEB Cost Assessment	1508					\$0					\$0
Other Regulatory Assets - Sub-Account - Incremental Capital Expenditures	1508					\$0					\$0
Other Regulatory Assets - Sub-Account - Depreciation Expense	1508					\$0					\$0
Other Regulatory Assets - Sub-Account - Accumulated Depreciation	1508					\$0					\$0
Other Regulatory Assets - Sub-Account - Incremental Capital Expenditures Rate Rider Revenue	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	1507					\$0					\$0
Extra-Ordinary Event Costs	1572					\$0					\$0
Deferred Rate Impact Amounts	1574					\$0					\$0
PSVA - One-time	1582					\$0					\$0
Other Deferred Credits	2425					\$0					\$0
Group 2 Sub-Total			\$48,131	\$0	\$0	\$73,339	\$128	\$733	\$0	\$0	\$861
PILs and Tax Variance for 2006 and Subsequent Years (includes sub-account and contra account below)	1592					\$0					\$0
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/IOVAT Input Tax Credits (ITCs)	1592					\$0					\$0
LRAM Variance Account¹¹	1588					\$0					\$0
Total Including Account 1568			\$48,131	\$0	\$0	\$73,339	\$128	\$733	\$0	\$0	\$861
Renewable Generation Connection Capital Deferral Account ⁸	1531					\$0					\$0
Renewable Generation Connection OM&A Deferral Account ⁸	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 ⁴	1555					\$0					\$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries ⁴	1555					\$0					\$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs ⁴	1555					\$0					\$0
Smart Meter OM&A Variance ⁴	1556					\$0					\$0
Meter Cost Deferral Account (MIST Meters) ¹⁰	1557					\$0					\$0
IFRS-CGAAP Transition PPAE Amounts Balance + Return Component ²	1575					\$0					\$0
Accounting Changes Under CGAAP Balance + Return Component ²	1576					\$0					\$0

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.

ard

Deferral/Variance Account Workform

This continuity schedule must be completed for each account and sub-account that the outputting data from the year in which the GL balance was last disposed. For example, if in the 2017 rate appce in the Adjustment column under 2014. For each Account 1595 sub-account, start inputting data from the relevant balances approved for disposition was first transferred into Account 1595 (2014). The OVA (q) from the vintage year. For any new accounts that have never been disposed, start inputting data from

		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
Group 2 Accounts											
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	\$73,339	-\$4,619	\$0	\$0	\$68,721	\$861	\$753	\$0	\$0	\$1,014
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 ³	1508	\$0			-\$0	-\$0	\$0			\$144	\$144
Other Regulatory Assets - Sub-Account - Energy East	1508	\$0				\$0	\$0			\$0	\$0
Other Regulatory Assets - Sub-Account - OEB Cost Assessment	1508	\$0				\$0	\$0			\$0	\$0
Other Regulatory Assets - Sub-Account - Incremental Capital Expenditures	1508	\$0				\$0	\$0			\$0	\$0
Other Regulatory Assets - Sub-Account - Depreciation Expense	1508	\$0				\$0	\$0			\$0	\$0
Other Regulatory Assets - Sub-Account - Accumulated Depreciation	1508	\$0				\$0	\$0			\$0	\$0
Other Regulatory Assets - Sub-Account - Incremental Capital Expenditures Rate Rider Revenue	1508	\$0				\$0	\$0			\$0	\$0
Retail Cost Variance Account - Retail	1518	\$0			\$77,755	\$77,755	\$0			\$7,333	\$7,333
Misc. Deferred Debits	1525	\$0				\$0	\$0			\$0	\$0
Retail Cost Variance Account - STR	1548	\$0			\$164,583	\$164,583	\$0			\$9,856	\$9,856
Board-Approved OMA Variance Account	1567	\$0			\$0	\$0	\$0			\$0	\$0
Extra-Ordinary Event Costs	1572	\$0			\$55,232	\$55,232	\$0			\$332	\$332
Deferred Rate Impact Amounts	1574	\$0			\$0	\$0	\$0			\$0	\$0
PCVA - One-time	1582	\$0			\$10,203	\$10,203	\$0			\$2,368	\$2,368
Other Deferred Credits	2425	\$0			\$0	\$0	\$0			\$0	\$0
Group 2 Sub-Total		\$73,339	-\$4,619	\$0	\$307,772	\$376,493	\$861	\$753	\$0	\$20,033	\$21,647
PIUs and Tax Variance for 2006 and Subsequent Years (includes sub-account and contra account below)	1592	\$0			\$127,335	\$127,335	\$0			\$968	\$968
PIUs and Tax Variance for 2006 and Subsequent Years - Sub-Account HISTOYAT Input Tax Credits (ITCs)	1592	\$0			-\$127,335	-\$127,335	\$0			-\$968	-\$968
LRAM Variance Account⁴	1568	\$0			\$37,193	\$37,193	\$0			\$352	\$352
Total including Account 1568		\$73,339	-\$4,619	\$0	\$344,965	\$413,686	\$861	\$753	\$0	\$20,385	\$21,999
Renewable Generation Connection Capital Deferral Account ⁵	1531	\$0			\$0	\$0	\$0			\$0	\$0
Renewable Generation Connection OMA Deferral Account ⁶	1532	\$0			\$17,457	\$17,457	\$0			\$0	\$0
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 OMA Deferral Account	1535	\$0			\$0	\$0	\$0			\$0	\$0
Smart Grid Funding Adder Deferral Account	1536	\$0			\$0	\$0	\$0			\$0	\$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital ⁴	1555	\$0			\$0	\$0	\$0			\$0	\$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries ⁴	1555	\$0			\$0	\$0	\$0			\$0	\$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs ⁴	1555	\$0			\$92,784	\$92,784	\$0			\$0	\$0
Smart Meter OMA Variances ⁴	1556	\$0			\$0	\$0	\$0			\$0	\$0
Meter Cost Deferral Account (MIST Meters) ¹⁰	1557	\$0								\$0	\$0
IFRS-CGAAP Transition PP&E Amounts Balance + Return Component ²	1575	\$0			\$0	\$0					
Accounting Changes Under CGAAP Balance + Return Component ²	1576	\$0			-\$671,921	-\$671,921					

For all OEB-Approved dispositions, please ensure that the disposition amount has the same sign (e.g. figure and credit balance are to have a negative figure) as per the related OEB decision.

ard

Deferral/Variance Account Workform

This continuity schedule must be completed for each account and sub-account that the utility in the year in which the GL balance was last disposed. For example, if in the 2017 rate adjustment column under 2014. For each Account 1595 sub-account, start inputting data from balances approved for disposition was first transferred into Account 1595 (2014). The OVA is vintage year. For any new accounts that have never been disposed, start inputting data from

Account Descriptions	Account Number	2014									
		Opening Principal Amounts as of Jan-1-14	Transactions(1) Debit/(Credit) during 2014	OEB-Approved Disposition during 2014	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
Group 2 Accounts											
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	\$68,721	\$0	\$0	\$0	\$68,721	\$1,614	\$1,010	\$0	\$0	\$2,624
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery											
Variance - Ontario Clean Energy Benefit Act ³	1508	-\$0	\$2,563	-\$0	\$0	\$2,563	\$144	\$0	\$144	\$0	\$0
Other Regulatory Assets - Sub-Account - Energy East	1508	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Regulatory Assets - Sub-Account - OEB Cost Assessment	1508	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Regulatory Assets - Sub-Account - Incremental Capital Expenditures	1508	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Regulatory Assets - Sub-Account - Depreciation Expense	1508	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Regulatory Assets - Sub-Account - Accumulated Depreciation	1508	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Regulatory Assets - Sub-Account - Incremental Capital Expenditures Rate Rider Revenue	1508	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Retail Cost Variance Account - Retail	1518	\$77,755	-\$1,359	\$75,695	\$0	\$701	\$7,353	\$489	\$7,693	\$0	\$129
Misc. Deferred Debits	1525	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Retail Cost Variance Account - STR	1548	\$164,583	\$17,433	\$143,867	\$0	\$38,150	\$9,856	\$1,292	\$10,422	\$0	\$728
Board-Approved OMA Variance Account	1567	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Extra-Ordinary Event Costs	1572	\$55,232	\$0	\$55,232	\$0	\$0	\$332	\$203	\$535	\$0	\$0
Deferred Rate Impact Amounts	1574	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
RSVA - One-time	1582	\$10,203	\$0	\$10,203	\$0	\$0	\$2,468	\$62	\$2,368	\$0	\$62
Other Deferred Credits	2425	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Group 2 Sub-Total		\$376,483	\$18,637	\$284,995	\$0	\$110,135	\$21,647	\$3,057	\$21,162	\$0	\$3,641
PIAs and Tax Variance for 2006 and Subsequent Years (includes sub-account and contra account below)	1592	\$127,335	-\$101,123	\$0	\$0	\$26,213	\$968	\$383	\$0	\$0	\$1,351
PIAs and Tax Variance for 2009 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITC)	1592	-\$127,335	\$78,919	-\$42,748	\$0	-\$5,668	-\$968	-\$105	-\$975	\$0	-\$98
LRAM Variance Account⁴	1568	\$37,193	\$5,979	\$26,936	\$0	\$16,236	\$352	\$323	\$726	\$0	-\$51
Total including Account 1568		\$413,686	\$2,412	\$269,184	\$0	\$146,915	\$21,998	\$3,668	\$20,913	\$0	\$4,743
Renewable Generation Connection Capital Deferral Account ⁵	1531	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Renewable Generation Connection OMA Deferral Account ⁶	1532	\$17,457	-\$17,457	\$0	\$0	\$0	\$0	\$64	\$0	\$0	\$64
Renewable Generation Connection Funding Adder Deferral Account	1533	\$0	\$5,868	\$0	\$0	\$5,868	\$0	\$115	\$0	\$0	\$115
Smart Grid Capital Deferral Account	1534	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Smart Grid OMA Deferral Account	1535	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Smart Grid Funding Adder Deferral Account	1536	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital ⁴	1555	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries ⁴	1555	\$0	\$4	\$0	\$0	\$4	\$0	\$0	\$0	\$0	\$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs ⁴	1555	\$92,784	-\$54,385	\$0	\$0	\$38,399	\$0	\$0	\$0	\$0	\$0
Smart Meter OMA Variances ⁴	1556	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Meter Cost Deferral Account (MIST Meters) ¹⁰	1557	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IFRS-CGAAP Transition PP&E Amounts Balance + Return Component ²	1575	\$0	\$0	\$0	\$0	\$0					
Accounting Changes Under CGAAP Balance + Return Component ²	1576	-\$671,921	-\$127,898	\$0	\$0	-\$799,820					

For all OEB-Approved dispositions, please ensure that the disposition amount has the same sign (e.g. figure and credit balance are to have a negative figure) as per the related OEB decision.

ard

Referral/Variance Account Workform

This continuity schedule must be completed for each account and sub-account that the utility from the year in which the GL balance was last disposed. For example, if in the 2017 rate app Adjustment column under 2014. For each Account 1595 sub-account, start inputting data for balances approved for disposition was first transferred into Account 1595 (2014). The DVA is vintage year. For any new accounts that have never been disposed, start inputting data from

		2015									
Account Descriptions	Account Number	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	OEB-Approved Disposition during 2015	Interest Adjustments(2) during 2015	Closing Interest Amounts as of Dec-31-15
Group 2 Accounts											
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	\$68,721	\$15,811	\$0	\$0	\$84,531	\$2,624	\$866	\$0	\$0	\$3,490
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery											
Variance - Ontario Clean Energy Benefit Act ¹	1508	\$2,563	-\$2,563	\$0	\$0	\$0	\$0	\$2	\$0	\$0	\$2
Other Regulatory Assets - Sub-Account - Energy East	1508	\$0	\$1,152	\$0	\$0	\$1,152	\$0	\$10	\$0	\$0	\$10
Other Regulatory Assets - Sub-Account - OEB Cost Assessment	1508	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Regulatory Assets - Sub-Account - Incremental Capital Expenditures	1508	\$0	\$2,336,747	\$0	\$0	\$2,336,747	\$0	\$11,273	\$0	\$0	\$11,273
Other Regulatory Assets - Sub-Account - Depreciation Expense	1508	\$0	\$26,417	\$0	\$0	\$26,417	\$0	\$0	\$0	\$0	\$0
Other Regulatory Assets - Sub-Account - Accumulated Depreciation	1508	\$0	-\$26,417	\$0	\$0	-\$26,417	\$0	\$0	\$0	\$0	\$0
Other Regulatory Assets - Sub-Account - Incremental Capital Expenditures Rate Rider Revenue	1508	\$0	-\$103,717	\$0	\$0	-\$103,717	\$0	-\$290	\$0	\$0	-\$290
Retail Cost Variance Account - Retail	1518	\$701	\$2,885	\$0	\$0	\$3,586	\$129	\$13	\$0	\$0	\$142
Misc. Deferred Debits	1526	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Retail Cost Variance Account - STR	1548	\$38,150	\$12,076	\$0	\$0	\$50,226	\$726	\$531	\$0	\$0	\$1,257
Board-Approved CDM Variance Account	1567	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Extra-Ordinary Event Costs	1572	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Rate Impact Amounts	1574	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
RSVA - One-time	1582	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Deferred Credits	2426	\$0	-\$315,876	\$0	\$0	-\$315,876	\$0	\$0	\$0	\$0	\$0
Group 2 Sub-Total		\$110,135	\$2,146,314	\$0	\$0	\$2,256,448	\$3,541	\$12,405	\$0	\$0	\$15,946
PLs and Tax Variance for 2006 and Subsequent Years (includes sub-account and contra account below)	1592	\$26,213	-\$24,329	\$0	\$0	\$1,884	\$1,351	\$98	\$0	\$0	\$1,449
PLs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/IOVAT Input Tax Credits (ITCs)	1592	-\$5,668	\$0	\$0	\$0	-\$5,668	-\$98	-\$68	\$0	\$0	-\$165
LRAM Variance Account¹¹	1568	\$16,236	\$17,049	\$0	\$0	\$33,284	-\$51	\$241	\$0	\$0	\$188
Total including Account 1568		\$146,915	\$2,139,033	\$0	\$0	\$2,286,948	\$4,743	\$12,676	\$0	\$0	\$17,419
Renewable Generation Connection Capital Deferral Account ⁸	1531	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Renewable Generation Connection OMA Deferral Account ⁸	1532	\$0	\$0	\$0	\$0	\$0	\$64	\$0	\$0	\$0	\$64
Renewable Generation Connection Funding Adder Deferral Account	1533	\$5,868	-\$5,872	\$0	\$0	-\$4	\$115	\$17	\$0	\$0	\$133
Smart Grid Capital Deferral Account	1534	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Smart Grid OMA Deferral Account	1535	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Smart Grid Funding Adder Deferral Account	1536	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital ⁴	1555	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries ⁴	1555	\$4	\$0	\$0	\$0	\$4	\$0	\$0	\$0	\$0	\$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs ⁴	1555	\$38,399	-\$40,163	\$0	\$0	-\$1,764	\$0	\$0	\$0	\$0	\$0
Smart Meter OMA Variance ⁸	1556	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Meter Cost Deferral Account (MIST Meters) ¹³	1557	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IFRS-CGAAP Transition PP&E Amounts Balance + Return Components ⁵	1575	\$0	\$0	\$0	\$0	\$0					
Accounting Changes Under CGAAP Balance + Return Components ⁵	1576	-\$799,820	\$127,076	\$0	\$0	-\$672,743					

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ard

Deferral/Variance Account Workform

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		2016									
Account Descriptions	Account Number	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
Group 2 Accounts											
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	\$84,531	\$59,286	\$0	\$0	\$143,829	\$3,450	\$1,217	\$0	\$0	\$4,707
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery											
Variance - Ontario Clean Energy Benefit Act ¹	1508	\$0	\$0	\$0	\$0	\$0	\$2	\$0	\$0	\$0	\$2
Other Regulatory Assets - Sub-Account - Energy East	1508	\$1,152	\$0	\$0	\$0	\$1,152	\$10	\$10	\$0	\$0	\$19
Other Regulatory Assets - Sub-Account - OEB Cost Assessment	1508	\$0	\$6,419	\$0	\$0	\$6,419	\$0	\$29	\$0	\$0	\$29
Other Regulatory Assets - Sub-Account - Incremental Capital Expenditures	1508	\$2,536,747	\$47,548	\$0	\$0	\$2,584,295	\$11,273	\$27,904	\$0	\$0	\$39,177
Other Regulatory Assets - Sub-Account - Depreciation Expense	1508	\$26,417	\$53,133	\$0	\$0	\$79,550	\$0	\$0	\$0	\$0	\$0
Other Regulatory Assets - Sub-Account - Accumulated Depreciation	1508	\$26,417	\$53,133	\$0	\$0	\$79,550	\$0	\$0	\$0	\$0	\$0
Other Regulatory Assets - Sub-Account - Incremental Capital Expenditures Rate Rider Revenue	1508	-\$103,717	-\$175,717	\$0	\$0	-\$279,435	-\$290	-\$1,977	\$0	\$0	-\$2,267
Retail Cost Variance Account - Retail	1518	\$3,386	\$4,818	\$0	\$0	\$8,205	\$142	\$52	\$0	\$0	\$194
Misc. Deferred Debits	1525	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Retail Cost Variance Account - STR	1548	\$50,226	\$6,558	\$0	\$0	\$56,784	\$1,257	\$586	\$0	\$0	\$1,843
Board-Approved CDM Variance Account	1567	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Extra-Ordinary Event Costs	1572	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Rate Impact Amounts	1574	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
RSVA - One-time	1582	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Deferred Credits	2425	-\$315,876	\$187,508	\$0	\$0	-\$128,368	\$0	\$0	\$0	\$0	\$0
Group 2 Sub-Total		\$2,256,448	\$136,432	\$0	\$0	\$2,392,881	\$15,946	\$27,822	\$0	\$0	\$43,768
PIAs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592	\$1,884	\$42	\$0	\$0	\$1,925	\$1,449	\$21	\$0	\$0	\$1,470
PIAs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592	-\$5,668	\$0	\$0	\$0	-\$5,668	-\$165	-\$82	\$0	\$0	-\$228
LRAM Variance Account²	1568	\$33,284	\$23,504	\$0	\$0	\$56,789	\$189	\$1,638	\$0	\$0	\$1,827
Total including Account 1568		\$2,289,948	\$159,978	\$0	\$0	\$2,449,926	\$17,419	\$29,418	\$0	\$0	\$46,838
Renewable Generation Connection Capital Deferral Account ³	1531	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Renewable Generation Connection OMA Deferral Account ⁴	1532	\$0	\$0	\$0	\$0	\$0	\$64	\$0	\$0	\$0	\$64
Renewable Generation Connection Funding Adder Deferral Account	1533	-\$4	\$0	\$0	\$0	-\$4	\$133	-\$0	\$0	\$0	\$132
Smart Grid Capital Deferral Account	1534	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Smart Grid OMA Deferral Account	1535	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Smart Grid Funding Adder Deferral Account	1536	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital ⁵	1555	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries ⁶	1555	\$4	\$0	\$0	\$0	\$4	\$0	\$0	\$0	\$0	\$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs ⁷	1555	-\$1,764	-\$0	\$0	\$0	-\$1,765	\$0	\$0	\$0	\$0	\$0
Smart Meter OMA Variance ⁸	1556	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Meter Cost Deferral Account (MST Meters) ⁹	1557	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FRS-CGAAP Transition PP&E Amounts Balance + Return Component ¹⁰	1575	\$0	\$0	\$0	\$0	\$0					
Accounting Changes Under CGAAP Balance + Return Component ¹¹	1576	-\$672,743	\$200,950	\$0	\$0	-\$471,793					

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Deferral/Variance Account Workform

This continuity schedule must be completed for each account and sub-account that the utility from the year in which the GL balance was last disposed. For example, if in the 2017 rate adjustment column under 2014. For each Account 1595 sub-account, start inputting data from balances approved for disposition was first transferred into Account 1595 (2014). The DVA or vintage year. For any new accounts that have never been disposed, start inputting data from

		2017									
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-17	Transaction(1) Debit / (Credit) during 2017	OEB-Approved Disposition during 2017	Principal Adjustments(2) during 2017	Closing Principal Balance as of Dec-31-17	Opening Interest Amounts as of Jan-1-17	Interest Jan-1 to Dec-31-17	OEB-Approved Disposition during 2017	Interest Adjustments(2) during 2017	Closing Interest Amounts as of Dec-31-17
Group 2 Accounts											
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	\$143,829	\$0	\$0	\$0	\$143,829	\$4,707	\$1,726	\$0	\$0	\$6,433
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery											
Variance - Ontario Clean Energy Benefit Act ¹	1508	\$0	\$248	\$0	\$0	\$247	\$2	\$39	\$0	\$0	-\$37
Other Regulatory Assets - Sub-Account - Energy East	1508	\$1,152	\$0	\$0	\$0	\$1,152	\$19	\$14	\$0	\$0	\$33
Other Regulatory Assets - Sub-Account - OEB Cost Assessment	1508	\$6,419	\$9,751	\$0	\$0	\$16,170	\$29	\$144	\$0	\$0	\$173
Other Regulatory Assets - Sub-Account - Incremental Capital Expenditures	1508	\$2,284,295	-\$18,767	\$0	\$0	\$2,265,528	\$39,177	\$31,012	\$0	\$0	\$70,189
Other Regulatory Assets - Sub-Account - Depreciation Expense	1508	\$79,550	-\$53,433	\$0	\$0	\$12,283	\$0	\$0	\$0	\$0	\$0
Other Regulatory Assets - Sub-Account - Accumulated Depreciation	1508	-\$79,550	-\$53,433	\$0	\$0	-\$132,983	\$0	\$0	\$0	\$0	\$0
Other Regulatory Assets - Sub-Account - Incremental Capital Expenditures Rate Rider Revenue	1508	-\$279,435	-\$173,164	\$0	\$0	-\$452,598	-\$2,267	-\$4,347	\$0	\$0	-\$6,614
Retail Cost Variance Account - Retail	1518	\$8,205	\$6,559	\$0	\$0	\$14,764	\$194	\$142	\$0	\$0	\$336
Misc. Deferred Debits	1525	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Retail Cost Variance Account - STR	1548	\$56,784	\$5,899	\$0	\$0	\$62,683	\$1,843	\$720	\$0	\$0	\$2,563
Board-Approved CDM Variance Account	1567	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Extra-Ordinary Event Costs	1572	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Rate Impact Amounts	1574	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
RSVA - One-time	1582	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Deferred Credits	2425	-\$128,368	\$0	\$0	\$0	-\$128,368	\$0	\$0	\$0	\$0	\$0
Group 2 Sub-Total		\$2,392,881	-\$169,474	\$0	\$0	\$2,223,406	\$43,768	\$29,371	\$0	\$0	\$73,139
PIUs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592	\$1,925	\$0	\$0	\$0	\$1,925	\$1,470	\$23	\$0	\$0	\$1,493
PIUs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/QVAT Input Tax Credits (ITCs)	1592	-\$5,668	\$0	\$0	\$0	-\$5,668	-\$228	-\$68	\$0	\$0	-\$296
LRAM Variance Account¹⁰	1568	\$56,789	\$195,530	\$56,789	\$0	\$195,530	\$1,827	\$7,068	\$2,035	\$0	\$6,889
Total including Account 1568		\$2,445,926	\$26,055	\$56,789	\$0	\$2,415,193	\$46,838	\$36,394	\$2,035	\$0	\$81,198
Renewable Generation Connection Capital Deferral Account ⁸	1531	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Renewable Generation Connection OMA Deferral Account ⁸	1532	\$0	\$0	\$0	\$0	\$0	\$64	\$0	\$0	\$0	\$64
Renewable Generation Connection Funding Adder Deferral Account	1533	-\$4	\$0	\$0	\$0	-\$4	\$132	-\$0	\$0	\$0	\$132
Smart Grid Capital Deferral Account	1534	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Smart Grid OMA Deferral Account	1535	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Smart Grid Funding Adder Deferral Account	1536	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital ⁹	1555	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries ⁹	1555	\$4	\$0	\$0	\$0	\$4	\$0	\$0	\$0	\$0	\$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs ⁹	1555	-\$1,765	\$0	\$0	\$0	-\$1,765	\$0	\$0	\$0	\$0	\$0
Smart Meter OMA Variance ⁹	1556	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Meter Cost Deferral Account (MST Meters) ¹⁰	1557	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FRS-CGAAP Transition PP&E Amounts Balance + Return Component ⁹	1575	\$0	\$0	\$0	\$0	\$0					
Accounting Changes Under CGAAP Balance + Return Component ⁹	1576	-\$471,793	\$239,782	\$0	\$0	-\$232,012					

For all OEB-Approved dispositions, please ensure that the disposition amount has the same sign (e.g. figure and credit balance are to have a negative figure) as per the related OEB decision.

ard

Deferral/Variance Account Workform

This continuity schedule must be completed for each account and sub-account that the utility from the year in which the GL balance was last disposed. For example, if in the 2017 rate adjustment column under 2014. For each Account 1595 sub-account, start inputting data from balances approved for disposition was first transferred into Account 1595 (2014). The DVA is vintage year. For any new accounts that have never been disposed, start inputting data from

Account Descriptions	Account Number	2018				Projected Interest on Dec-31-17 Balances				2.1.7 RRR		Variance RRR vs. 2017 Balance (Principal + Interest)
		Principal Disposition during 2018 - Indirected by OEB	Interest Disposition during 2018 - Indirected by OEB	Closing Principal Balances as of Dec 31-17 Adjusted for Dispositions during 2018	Closing Interest Balances as of Dec 31-17 Adjusted for Dispositions during 2018	Projected Interest from Jan 1, 2018 to December 31, 2018 on Dec 31-17 balance adjusted for disposition during 2018 (6)	Projected Interest from January 1, 2019 to April 30, 2019 on Dec 31-17 balance adjusted for disposition during 2018 (6)	Total Interest	Total Claim	As of Dec 31-17		
Group 2 Accounts												
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	\$0	\$0	\$143,829	\$6,433	\$2,578	\$906	\$9,017	\$153,746.01	\$150,262	\$0	\$0
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act ²	1508	\$0	\$0	\$247	-\$37	\$4	\$2	-\$31	\$216.50	\$211	\$0	\$0
Other Regulatory Assets - Sub-Account - Eemey East	1508	\$0	\$0	\$1,152	\$33	\$21	\$7	\$61	\$1,212.41	\$1,188	\$0	\$0
Other Regulatory Assets - Sub-Account - OEB Cost Assessment	1508	\$0	\$0	\$16,170	\$173	\$290	\$102	\$565	\$16,735.11	\$16,343	\$0	\$0
Other Regulatory Assets - Sub-Account - Incremental Capital Expenditures	1508	\$0	\$0	\$2,665,528	\$70,189	\$45,987	\$16,163	\$132,339	\$2,685,716	\$2,635,716	\$0	\$0
Other Regulatory Assets - Sub-Account - Depreciation Expense	1508	\$0	\$0	\$132,983	\$0	\$2,384	\$838	-\$3,222	\$132,983	\$132,983	\$0	\$0
Other Regulatory Assets - Sub-Account - Accumulated Depreciation	1508	\$0	\$0	-\$132,983	\$0	-\$2,384	-\$838	-\$3,222	\$0.00	-\$132,983	\$0	\$0
Other Regulatory Assets - Sub-Account - Incremental Capital Expenditures Rate Rider Revenue	1508	\$0	\$0	-\$452,598	-\$8,614	-\$8,113	-\$2,851	-\$17,578	\$0.00	-\$459,218	\$0	\$0
Retail Cost Variance Account - Retail	1518	\$0	\$0	\$14,784	\$338	\$265	\$93	\$854	\$15,456.23	\$15,101	\$0	\$0
Misc. Deferred Debits	1525	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	\$0	\$0	\$0
Retail Cost Variance Account - STR	1548	\$0	\$0	\$82,683	\$2,563	\$1,124	\$395	\$4,082	\$86,764.28	\$85,248	\$0	\$0
Board-Approved CDM Variance Account	1567	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	\$0	\$0	\$0
Extra-Ordinary Event Costs	1572	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	\$0	\$0	\$0
Deferred Rate Impact Amounts	1574	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	\$0	\$0	\$0
RSVA - One-time	1582	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	\$0	\$0	\$0
Other Deferred Credits	2425	\$0	\$0	-\$128,368	\$0	-\$2,301	-\$809	-\$3,110	\$0.00	-\$128,368	\$0	\$0
Group 2 Sub-Total		\$0	\$0	\$2,223,406	\$73,139	\$39,855	\$14,007	\$127,001	\$254,195.44	\$2,298,545	\$0	\$0
PI.s and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592	\$0	\$0	\$1,925	\$1,493	\$35	\$12	\$1,540	\$3,485.38	\$3,418	\$0	\$0
PI.s and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592	\$0	\$0	-\$5,668	-\$298	-\$102	-\$36	-\$433	\$6,101.51	-\$5,964	\$0	\$0
LRAM Variance Account¹¹	1588	\$0	\$0	\$195,630	\$6,859			\$6,859	\$202,389.06	\$0	\$0	-\$202,389
Total including Account 1588		\$0	\$0	\$2,419,136	\$80,198	\$39,787	\$13,984	\$134,967	\$453,948.34	\$2,294,000	\$0	-\$202,389
Renewable Generation Connection Capital Deferral Account ⁸	1531	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	\$0	\$0	\$0
Renewable Generation Connection OMA Deferral Account ⁸	1532	\$0	\$0	\$64	\$0	\$0	\$0	\$64	\$64.15	\$64	\$0	\$0
Renewable Generation Connection Funding Adder Deferral Account	1533	\$0	\$0	-\$4	-\$132	-\$0	-\$0	-\$132	\$128.25	-\$128	\$0	\$0
Smart Grid Capital Deferral Account	1534	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	\$0	\$0	\$0
Smart Grid OMA Deferral Account	1535	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	\$0	\$0	\$0
Smart Grid Funding Adder Deferral Account	1536	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	\$0	\$0	\$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital ⁴	1555	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	\$0	\$0	\$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries ⁴	1555	\$0	\$0	\$4	\$0	\$0	\$0	\$0	\$4.12	\$4	\$0	\$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs ⁴	1555	\$0	\$0	-\$1,765	\$0	\$0	\$0	\$0	-\$1,764.75	-\$1,765	\$0	\$0
Smart Meter OMA Variance ⁸	1556	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	\$0	\$0	\$0
Meter Cost Deferral Account (MIST Meters) ⁹	1557	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	\$0	\$0	\$0
IFRS-CGAAP Transition PP&E Amounts Balance + Return Component ²	1575	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	\$0	\$0	\$0
Accounting Changes Under CGAAP Balance + Return Component ²	1576	\$0	\$0	-\$232,012	\$0	\$0	\$0	\$0	\$0.00	-\$232,012	\$0	\$0

For all OEB-Approved dispositions, please ensure that the disposition amount has the same sign (e.g. figure and credit balance are to have a negative figure) as per the related OEB decision.



Ontario Energy Board

2019 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. 2017 Balance (Principal + Interest)	Explanation
RSVA - Global Adjustment 12	1589	\$ (78,552.55)	This amount is due to the difference in generation estimates submitted to the IESO and actual generation for 2016 and January - May 2017. NOTL Hydro began submitting actual generations amounts in May 2017.
Disposition and Recovery/Refund of Regulatory Balances (2015)7	1595	\$ 18,698.94	Amounts related to the 1595-2016 rate rider were booked to account 1595-2017 in error. These amounts were adjusted in the General Ledger in 2018. In addition interest expense was adjusted by \$17.99 related to the misallocation of funds to principal
Disposition and Recovery/Refund of Regulatory Balances (2016)7	1595	\$ (18,680.95)	Amounts related to the 1595-2016 rate rider were booked to account 1595-2017 in error. These amounts were adjusted in the General Ledger in 2018.
Other Regulatory Assets - Sub-Account - Incremental Capital Expenditures	1508	\$ (0.00)	n/a

2019 Deferral/Variance Account Workform

		Amounts from Sheet 2	Allocator	RESIDENTIAL	GENERAL SERVICE LESS THAN 50 KW	GENERAL SERVICE 50 TO 4,999 KW	STREET LIGHTING	UNMETERED	LARGE USER
LV Variance Account	1550	0	kWh	0	0	0	0	0	0
Smart Metering Entity Charge Variance Account	1551	(3,632)	# of Customers	(3,120)	(512)	0	0	0	0
RSVA - Wholesale Market Service Charge	1580	(211,505)	kWh	(70,175)	(39,714)	(78,432)	(841)	(239)	(22,104)
RSVA - Retail Transmission Network Charge	1584	(48,607)	kWh	(16,127)	(9,127)	(18,025)	(193)	(55)	(5,080)
RSVA - Retail Transmission Connection Charge	1586	(716)	kWh	(238)	(134)	(266)	(3)	(1)	(75)
RSVA - Power (excluding Global Adjustment)	1588	137,706	kWh	45,689	25,857	51,065	547	155	14,392
RSVA - Global Adjustment	1589	(196,673)	Non-RPP kWh	(3,213)	(11,541)	(138,442)	(1,406)	0	(42,071)
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
Disposition and Recovery/Refund of Regulatory Balances (2017)	1595	0	%	0	0	0	0	0	0
Total of Group 1 Accounts (excluding 1589)		(126,754)		(43,971)	(23,630)	(45,657)	(489)	(139)	(12,868)
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	153,746	kWh	51,011	28,868	57,014	611	173	16,068
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	217	kWh	72	41	80	1	0	23
Other Regulatory Assets - Sub-Account - Energy East	1508	1,212	kWh	402	228	450	5	1	127
Other Regulatory Assets - Sub-Account - OEB Cost Assessment	1508	16,735	kWh	5,553	3,142	6,206	67	19	1,749
Other Regulatory Assets - Sub-Account - Incremental Capital Expenditures	1508	0	kWh	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Depreciation Expense	1508	0	kWh	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Accumulated Depreciation	1508	0	kWh	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Incremental Capital Expenditures Rate	1508	0	kWh	0	0	0	0	0	0
Retail Cost Variance Account - Retail	1518	15,458	kWh	5,129	2,903	5,732	61	17	1,616
Misc. Deferred Debits	1525	0	kWh	0	0	0	0	0	0
Retail Cost Variance Account - STR	1548	66,764	kWh	22,152	12,536	24,758	265	75	6,978
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	62	kWh	21	12	23	0	0	7
Other Deferred Credits	2425	0	kWh	0	0	0	0	0	0
Total of Group 2 Accounts		254,195		84,340	47,729	94,263	1,011	287	26,566
PIs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account)	1592	3,465	kWh	1,150	651	1,285	14	4	362
PIs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592	(6,102)	kWh	(2,024)	(1,146)	(2,263)	(24)	(7)	(638)
Total of Account 1592		(2,636)		(875)	(495)	(978)	(10)	(3)	(276)
LRAM Variance Account (Enter dollar amount for each class)	1568	202,389		40,582	39,669	56,927	65,211	0	0
(Account 1568 - total amount allocated to classes)		202,389							
Variance		0							
Renewable Generation Connection OM&A Deferral Account	1532	64	kWh	21	12	24	0	0	7
Variance WMS - Sub-account CBR Class B (separate rate rider if no Class A Customers)	1580	(1,549)	kWh	(514)	(291)	(575)	(6)	(2)	(162)
Total of Group 1 Accounts (1550, 1551, 1584, 1586 and 1595)		(52,955)		(19,485)	(9,773)	(18,291)	(196)	(56)	(5,155)
Total of Account 1580 and 1588 (not allocated to WMPs)		(73,799)		(24,486)	(13,857)	(27,367)	(293)	(83)	(7,713)
Balance of Account 1589 Allocated to Non-WMPs		(196,673)		(3,213)	(11,541)	(138,442)	(1,406)	0	(42,071)
Group 2 Accounts (including 1592, 1532)		251,623		83,486	47,247	93,309	1,000	284	26,297
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
Total Balance Allocated to each class for Accounts 1575 and 1576		0		0	0	0	0	0	0
Account 1589 reference calculation by customer and consumption									
Account 1589 / Number of Customers		(\$20.90)							
1589/total kwh		(\$0.0009)							



2019 Deferral/Variance Account Workform

1 Please enter the Year the Account 1589 GA Balance was Last Disposed. (e.g. If in the 2018 EDR process, you received approval to dispose the GA variance account balance as at December 31, 2016, enter 2016.)

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 2017)? (e.g. If you received approval to dispose the GA account balance as at December 31, 2016, the period the GA accumulated would be 2017.)

2b Did you have any customers who transitioned between Class A and Class B (transition customers) during the period the Account 1580, sub-account CBR Class B balance accumulated (i.e. from year after the balance was last disposed to 2017). (e.g. If the CBR Class B balance was last disposed as at December 31, 2016, the period the CBR Class B variance accumulated would be 2017.)

3a Enter the number of transition customers you had during the period the Account 1589 GA balance accumulated.

Transition Customers - Non-loss Adjusted Billing Determinants by Customer

Customer	Rate Class		2017	
			January to June	July to December
Customer 1	GS>50	kWh	2,680,108	2,849,283
		kW	5,664	5,918
		Class A/B	B	A

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		2017



2019 Deferral/Variance Account Workform

This tab allocates the GA balance to transition customers (i.e Class A customers who were former Class B customers and Class B customers who were former Class A customers) who contributed to the current GA balance. The tables below calculates specific amounts for each transition customer. The general GA rate rider to non-RPP customers is not to be charged to the transition customers that are allocated amounts in the table below. Consistent with with prior decisions, distributors are generally expected to settle the amount through 12 equal adjustments to bills.

Year of the Account 1589 GA Balance Last Disposed

2016

Allocation of total Non-RPP Consumption (kWh) between Current Class B and Class A/B Transition Customers

		Total	2017
Total Class B Consumption for Years During Balance Accumulation (Non-RPP Consumption LESS WMP Consumption and Consumption for Class A customers who were Class A for partial and full year)	A	106,284,260	106,284,260
All Class B Consumption (i.e. full year or partial year) for Transition Customers	B	2,680,108	2,680,108
Transition Customers' Portion of Total Consumption	C=B/A	2.52%	

Allocation of Total GA Balance \$

Total GA Balance	D	-\$	201,761
Transition Customers Portion of GA Balance	E=C*D	-\$	5,088
GA Balance to be disposed to Current Class B Customers through Rate Rider	F=D-E	-\$	196,673

Allocation of GA Balances to Class A/B Transition Customers

# of Class A/B Transition Customers		1				
Customer		Total Metered Consumption (kWh) for Transition Customers During the Period They Were Class B Customers	Metered Consumption (kWh) for Transition Customers During the Period They Were Class B Customers in 2017	% of kWh	Customer Specific GA Allocation During the Period They Were a Class B customer	Monthly Equal Payments
Customer 1		2,680,108	2,680,108	100.00%	-\$ 5,088	-\$ 424
TOTAL		2,680,108	2,680,108	100.00%	-\$ 5,088	-\$ 424



2019 Deferral/Variance Account Workform

This tab allocates the CBR Class B balance to transition customers (i.e Class A customers who were former Class B customers and Class B customers who were former Class A customers) who contributed to the current CBR Class B balance. The tables below calculate specific amounts for each transition customer. The general CBR Class B rate rider is not to be charged to the transition customers that are allocated amounts in the table below. Consistent with with prior decisions, distributors are generally expected to settle the amount through 12 equal adjustments to bills.

Please enter the Year the Account 1580 CBR Class B was Last Disposed.

2016

(Note: Account 1580, Sub-account CBR Class B was established starting in 2015)

Allocation of total Consumption (kWh) between Class B and Class A/B Transition Customers

		Total	2017
Total Class B Consumption for Years During Balance Accumulation (Total Consumption Less WMP Consumption and Consumption for Class A who were Class A for the full year)	A	106,284,260	106,284,260
All Class B Consumption (i.e. full year or partial year) for Transition Customers	B	2,680,108	2,680,108
Transition Customers' Portion of Total Consumption	C=B/A	2.52%	103,604,152

Allocation of Total CBR Class B Balance \$

Total CBR Class B Balance	D	-\$	1,589
Transition Customers Portion of CBR Class B Balance	E=D*C	-\$	40
CBR Class B Balance to be disposed to Current Class B Customers through Rate Rider	F=D-E	-\$	1,549

Allocation of CBR Class B Balances to Transition Customers

# of Class A/B Transition Customers		1				
Customer		Total Metered Class B Consumption (kWh) for Transition Customers During the Period They were Class B Customers	Metered Class B Consumption (kWh) for Transition Customers During the Period They were Class B Customers in 2017	% of kWh	Customer Specific CBR Class B Allocation During the Period They Were a Class B Customer	Monthly Equal Payments
Customer 1		2,680,108	2,680,108	100.00%	-\$ 40	3
Total		2,680,108	2,680,108	100.00%	-\$ 40	3

2019 Deferral/Variance Account Workform

Please indicate the Rate Rider Recovery Period (in months)

Rate Rider Calculation for Accounts 1568

Please indicate the Rate Rider Recovery Period (in months)

Rate Class (Enter Rate Classes in cells below)	Units	kW / kWh / # of Customers	Allocated Account 1568 Balance	Rate Rider for Account 1568
RESIDENTIAL	kWh	73,998,981	\$ 40,582	0.0000
GENERAL SERVICE LESS THAN 50 KW	kWh	41,877,513	\$ 39,669	0.0001
GENERAL SERVICE 50 TO 4,999 KW	kW	212,896	\$ 56,927	0.0223
STREET LIGHTING	kW	2,475	\$ 65,211	2.1959
UNMETERED	kWh	251,508	\$ -	-
LARGE USER	kW	60,000	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
Total			\$ 202,389	

\$/kWh
\$/kWh
\$/kW
\$/kW
\$/kWh
\$/kW

APPENDIX

9B

2019 NIAGARA-ON-THE-LAKE HYDRO
**COST OF SERVICE
RATE APPLICATION**
EB-2018-0056



GA Analysis Workform

Note 2 **Consumption Data Excluding for Loss Factor (Data to agree with RRR as applicable)**

Year	2017			
Total Metered excluding WMP	C = A+B	196,959,263	kWh	100%
RPP	A	110,282,244	kWh	56.0%
Non RPP	B = D+E	86,677,019	kWh	44.0%
Non-RPP Class A	D	2,849,283	kWh	1.4%
Non-RPP Class B*	E	83,827,736	kWh	42.6%

*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

Please confirm that the GA Rate used for unbilled revenue is the same as the one used for billed revenue in any particular month

Note 4 **Analysis of Expected GA Amount**

Year	2017									
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	6,578,474	- 7,876,297	7,615,726	22,070,497	0.08227	\$ 1,815,740	0.08227	\$ 1,815,740	\$ -	
February	7,801,969	- 7,615,726	6,189,745	21,607,439	0.08639	\$ 1,866,667	0.08639	\$ 1,866,667	\$ -	
March	6,828,217	- 6,189,745	6,801,524	19,819,486	0.07135	\$ 1,414,120	0.07135	\$ 1,414,120	\$ -	
April	7,426,063	- 6,801,524	6,513,551	20,741,139	0.10778	\$ 2,235,480	0.10778	\$ 2,235,480	\$ -	
May	6,573,087	- 6,513,551	6,381,009	19,467,647	0.12307	\$ 2,395,883	0.12307	\$ 2,395,883	\$ -	
June	7,026,155	- 6,381,009	6,180,641	19,587,804	0.11848	\$ 2,320,763	0.11848	\$ 2,320,763	\$ -	
July	7,392,165	- 6,180,641	7,446,295	21,019,101	0.11280	\$ 2,370,955	0.11280	\$ 2,370,955	\$ -	
August	7,979,082	- 7,446,295	7,137,680	22,563,057	0.10109	\$ 2,280,899	0.10109	\$ 2,280,899	\$ -	
September	8,526,624	- 7,137,680	7,012,331	22,676,634	0.08864	\$ 2,010,057	0.08864	\$ 2,010,057	\$ -	
October	7,443,719	- 7,012,331	7,104,920	21,560,969	0.12563	\$ 2,708,705	0.12563	\$ 2,708,705	\$ -	
November	7,089,848	- 7,104,920	6,318,863	20,513,631	0.09704	\$ 1,990,643	0.09704	\$ 1,990,643	\$ -	
December	6,905,261	- 6,318,863	7,478,661	20,702,785	0.09207	\$ 1,906,105	0.09207	\$ 1,906,105	\$ -	
Net Change in Expected GA Balance in the Year (i.e. Transactions in the Year)	87,570,663	- 82,578,582	82,180,945	252,330,190		\$ 25,316,017		\$ 25,316,017	\$ -	

Calculated Loss Factor

3.0101

Note 5 **Reconciling Items**

	Item	Amount	Explanation
	Net Change in Principal Balance in the GL (i.e. Transactions in the Year)	-\$ 448,573	
1a)	True-up of GA Charges based on Actual Non-RPP Volumes prior year		
1b)	True-up of GA Charges based on Actual Non-RPP Volumes current year		
2a)	Remove prior year end unbilled to actual revenue differences	-\$ 231,901	Reversal of 2016 unbilled revenue difference. Amount was not included in 2018 IRM request for disposition
2b)	Add current year end unbilled to actual revenue differences	\$ -	2017 unbilled revenues were true-up to actual amounts at year end
3a)	Remove difference between prior year accrual/forecast to actual from long term load transfers		
3b)	Add difference between current year accrual/forecast to actual from long term load transfers		
4)	Remove GA balances pertaining to Class A customers		
5)	Significant prior period billing adjustments recorded in current year	\$ 29,813	(\$72,100) - reversal of 2016 adjustment due to some customers were billed the June GA rate on their July consumption. This resulted in higher GA revenue since the June rate was higher than the July rate. These
6)	Differences in GA IESO posted rate and rate charged on IESO invoice	\$ 47,862	Difference between the actual invoiced GA amount and the amount calculated was on NOTL Hydro's proportion of the total GA.
7)	Differences in actual system losses and billed TLFs	\$ 69,662	Difference between kWh used to calculate GA expense and actual amount billed to customers
8)	Others as justified by distributor	\$ 498,348	\$493,306 was move to A/R in 2017 due to settlement of the NOD with the IESO. \$5,042 in legal fees included the
9)	Generation Estimates	\$ 42,891	Monthly generation numbers reported as part of our 1598 submission to IESO are based on estimates from
10)	OEB Approved Disposition	\$ 12,943	Approved in NOTL Hydro's 2018 IRM

Note 6	Adjusted Net Change in Principal Balance in the GL	\$ 21,045
	Net Change in Expected GA Balance in the Year Per Analysis	\$ -
	Unresolved Difference	\$ 21,045
	Unresolved Difference as % of Expected GA Payments to IESO	0.1%

Appendix A

GA Methodology Description

Questions on Accounts 1588 & 15891

NOTE: Questions shown in **BLACK**. Answers shown in **BLUE**. Charts may be shown in black.

1. In booking expense journal entries for Charge Type (CT) 1142 and CT 148 from the IESO invoice, please confirm which of the following approaches is used:

- a. CT 1142 is booked into Account 1588. CT 148 is pro-rated based on RPP/non-RPP consumption and then booked into Account 1588 and 1589 respectively.
- b. *CT 148 is booked into Account 1589. The portion of CT 1142 equaling RPP minus HOEP for RPP consumption is booked into Account 1588. The portion of CT 1142 equaling GA RPP is credited into Account 1589.*
- c. If another approach is used, please explain in detail.

Niagara-on-the-Lake Hydro uses approach B

2. Questions on CT 1142

- a. **Please describe how the initial RPP related GA is determined for settlement forms submitted by day 4 after the month-end (resulting in CT 1142 on the IESO invoice).**

Refer to Appendix 2B

- b. **Please describe the process for truing up CT 1142 to actual RPP kWh, including which data is used for each TOU/Tier 1&2 prices, as well as the timing of the true up.**

Refer to Appendix 2C

- c. **Has CT 1142 been trued up for with the IESO for all of 2017?**

Yes

- d. **Which months from 2017 were trued up in 2018?**

None

- e. **Have all of the 2017 related true-up been reflected in the applicant's DVA Continuity Schedule in this proceeding?**

Yes

- f. **Please quantify the amount reflected in the DVA Continuity Schedule, and the column where it is included.**
-

Credit to account 4705 in the amount of \$525,938 is included in the DVA Continuity Schedule in Sheet 2a column BD – Transactions Debit/(Credit) during 2017.

3. Questions on CT 148

- a. Please describe the process for the initial recording of CT 148 in the accounts (i.e. 1588 and 1589)

Refer to Appendix 2B

- b. Please describe the process for true up of the GA related cost to ensure that the amounts reflected in Account 1588 are related to RPP GA costs and amounts in 1589 are related to only non-RPP GA costs.

Refer to Appendix 2C

- c. What data is used to determine the non-RPP kWh volume that is multiplied with the actual GA per kWh rate (based on CT 148) for recording as expense in Account 1589 for initial recording of the GA expense?

The initial amount recorded in account 1589 is the total GA (excluding Class A customers) less Estimated RPP GA

- d. Does the utility true up the initial recording of CT 148 in Accounts 1588 and 1589 based on estimated proportions to actuals based on actual consumption proportions for RPP and non-RPP?

Yes

- e. Please indicate which months from 2017 were trueed up in 2018 for CT 148 proportions between RPP and non-RPP.

None

- f. Are all true-ups for 2017 consumption reflected in the DVA Continuity Schedule under 2017.

Yes

- g. Please quantify the amount reflected in the DVA Continuity Schedule, and the column where it is included.

Debit to account 4707 in the amount of \$678,907.98 is included in the DVA Continuity Schedule in Sheet 2a column BD – Transactions Debit/(Credit) during 2017.

4. Questions regarding principal adjustments and reversals on the DVA Continuity Schedule:

Questions on Principal Adjustments - Accounts 1588 and 1589

- a. Did the applicant have principal adjustments in its 2018 rate proceeding which were approved for disposition?**

Yes

- b. Please provide a break-down of the total amount of principal adjustments that were approved (e.g. true-up of unbilled (for 1589 only), true up of CT 1142, true up of CT 148 etc.).**

1588

2016 Adjustments

1. True-up of unbilled revenue for Dec 2016: (\$237,386.16).
2. Estimate for impact of 2016 IESO Notice of Dispute (NOD): (\$6,947.29)
3. Adjust 2015 NOD from estimate to settlement amount: \$12,445.39
4. Adjust 2016 NOD from estimate to settlement amount: (\$892.44)

Total 2016 Principal Adjustments: $-\$237,386.16 - \$6,947.29 + \$12,445.39 - \$892.44 = -\$232,780.50$

2015 Adjustments

1. Estimate for impact of 2015 NOD: (\$35,790.65)

1589

2016 Adjustments

1. True-up of unbilled revenue for Dec 2016: \$231,902.02
2. Estimate for impact of 2016 NOD: (\$125,029.94)
3. Adjust 2015 NOD from estimate to settlement amount: \$64,312.16
4. Adjust 2016 NOD from estimate to settlement amount: \$2,822.86
5. Remove legal fees related to NOD included in balance: (\$5,042.37)
6. Adjustment for billing error in July 2016: \$72,099.66
7. Adjustment for Generation Estimates provided to IESO: \$35,661.43

Total 2016 Principal Adjustments: $\$231,902.02 - 125,029.94 + 64,312.16 + \$2,822.86 - \$5,042.37 + \$72,099.66 + 35,661.43 = \$276,725.82$

2015 Adjustments

1. Estimate for impact of 2015 NOD: (\$435,410.61)

- c. Has the applicant reversed the adjustment approved in 2018 in its current proposed amount for disposition?**

1588

Yes, the total 2016 amount of \$232,780.50 and 2015 amount of \$35,790.65 are reversed in 2017 for a total of \$268,571.15.

1589

No, the amounts related to Generation Estimates are not reversed in 2017. At the conclusion of our Cost of Service application NOTL Hydro will undertake a historical review of generation estimates provided to IESO to determine the total impact.

All other amounts were reversed. 2016 amount of (\$241,063.39) (total \$276,724.82 less Generation Estimates \$35,661.43) and total 2015 amount of \$435,410.61 for a total of \$194,347.22

- d. Please provide a breakdown of the amounts shown under principal adjustments in the DVA Continuity Schedule filed in the current proceeding, including the reversals and the new true up amounts regarding 2017 true ups.**

1588**2017 Adjustments**

1. Reversal of True-up of unbilled revenue for Dec 2016: \$237,386.16
2. Reversal of Estimate for impact of 2016 IESO Notice of Dispute (NOD): \$6,947.29
3. Reversal of Adjustment for 2015 NOD from estimate to settlement amount: (\$12,445.39)
4. Reversal of Adjustment 2016 NOD from estimate to settlement amount: \$892.44
5. Reversal of Estimate for impact of 2015 NOD: \$35,790.65

Total 2017 Principal Adjustments: $\$237,386.16 + \$6,947.29 - \$12,445.39 + \$892.44 + \$35,790.65 = \$268,571.15$

1589**2017 Adjustments**

1. Reversal of True-up of unbilled revenue for Dec 2016: (\$231,902.02)
2. Reversal of Estimate for impact of 2016 NOD: \$125,029.94
3. Reversal of Adjustment for 2015 NOD from estimate to settlement amount: (\$64,312.16)
4. Reversal of Adjustment for 2016 NOD from estimate to settlement amount: (\$2,822.86)

5. Reversal of legal fees related to NOD included in balance: \$5,042.37
6. Reversal of Adjustment for billing error in July 2016: (\$72,099.66)
7. Reversal of Estimate for impact of 2015 NOD: \$435,410.61
8. Adjustment for Generation Estimates provided to IESO 2017: \$42,891.11

Total 2017 Principal Adjustments: $-\$231,902.02 + 125,029.94 - 64,312.16 - \$2,822.86 + \$5,042.37 - \$72,099.66 + 435,410.61 + 42,891.11 = \$237,237.33.$

- e. **Do the amount calculated in part d. above reconcile to the applicant's principal adjustments shown in the DVA Continuity Schedule for the current proceeding? If not, please provide an explanation.**

Yes

- f. **Please confirm that the principal adjustments approved for disposition in 2018 were not recorded in the applicant's GL as adjustments (they would be recorded as OEB approved dispositions in the GL and shown as such on the DVA Continuity Schedule under 2018).**

Confirmed

Appendix 2A – RPP Settlement

Determine Estimated RPP kWh for the reporting month

Actual amounts consumed by RPP customers for the reporting month are not available at the time that the 1598 submission is due to the IESO. Due to this fact, NOTL Hydro estimates RPP consumption by applying a scaling factor to the kWhs billed to RPP customers in the reporting month. This is calculated as follows:

1. Scaling Factor

- a. 'Totalized Meter Data with losses for MMP' reports for each day are downloaded from the IESO Reports website. Daily information is consolidated for NOTL Hydro's 2 transformer stations to determine the Total Grid Supplied Consumption.
- b. Actual Embedded Generation for the month is added to the Total Grid Supplied Consumption to determine the Total System Consumption for the reporting month.

Example: June 2018		
Grid Supplied Consumption	Embedded Generation	Total System Consumption
16,351,107	1,640,550	17,991,657

- c. The total kWhs billed for all customers (RPP and non-RPP) for the reporting month is obtained from NOTL Hydro's Harris Northstar billing system. The Total System Consumption / Total Billed kWh = Scaling Factor

Example: June 2018		
Total System Consumption	Total Billed kWh	Scaling Factor
17,991,657	13,172,187	1.3660

2. Energy billed for the reporting month to RPP customers (kWh) in Block 1 and 2 for conventional meters OFF/MID/ON PEAK periods for smart meters are obtained from Northstar. Since these are the billed amounts and not the actual consumption for the month, the scaling factor is applied to estimate the RPP Block 1 & 2 and ON/OFF/MID Peak consumption for the reporting month.

	Billed kWh (Northstar) a	Scaling Factor b	Consumption Estimate c = a x b
Block 1	247,313	1.3660	337,830
Block 2	441,012	1.3660	602,422
Off Peak	5,133,449	1.3660	7,012,291
Mid Peak	1,612,397	1.3660	2,202,534
On Peak	1,729,682	1.3660	2,362,746
Total RPP	9,163,853	1.3660	12,517,823

Determine Estimated Weighted Average Price for the reporting month

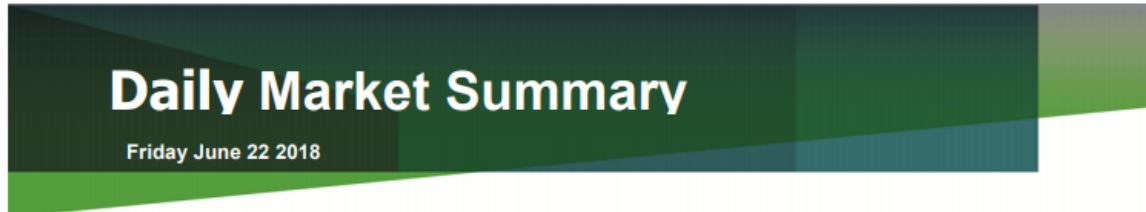
1. At the time of submission, pricing is normally available in Northstar for the first 19 – 22 days of the reporting month.

- a. For the period that pricing is available in Northstar an estimate of the IESO invoice is generated utilizing a 3rd party software provided by Kinetiq. This software uses NOTL Hydro's load, net system load shape and pricing for the period to determine IESO Charge Type 101 – Net energy market settlement for non-dispatchable load. In the example below, pricing in Northstar was available up to and including June 21, 2018. Therefore the estimate invoice cover the period from June 1 – 21, 2018.

Final Start Date	01-Jun-18	
Final End Date	07-Jun-18	
Preliminary Start Date	08-Jun-18	
Preliminary End Date	21-Jun-18	
IESO Charge Code	Description	Total Cost
101	Net Energy Market Settlement for Non-dispatchable Load	\$209,083.68
102	TR Clearing Account Credit	-\$0.40
148	Class B Global Adjustment Settlement Amount	-\$2.92
150	Net Energy Market Settlement Uplift	\$6,531.42
155	Congestion Management Settlement Uplift	\$11,977.95
169	Station Service Reimbursement Debit	\$2.70
170	Local Market Power Rebate	-\$0.01
183	Generation cost guarantee recovery debt	\$0.07
186	Intertie Failure Charge Rebate	-\$136.89
250	10-Minute Spinning Market Reserve Hourly Uplift	\$2,518.74
252	10-Minute Non-Spinning Market Reserve Hourly Uplift	\$1,852.82
254	30-Minute Operating Reserve Market Hourly Uplift	\$1,266.54
451	New Code	\$1,100.44
452	Reactive Support And Voltage Control Settlement Debit	\$0.01
454	Regulation Service Settlement Debit	\$0.09
900	GST Credit	-\$26.01
950	GST Debit	\$30,889.23
1350	Capacity Based Recovery Amount for Class A Loads	\$24.09
1351	Capacity Based Recovery Amount For Class B Loads	\$827.61
1550	Day-Ahead Production Cost Guarantee Recovery Debit	\$2,361.57
		\$268,270.73

2. For the remainder of the reporting month when pricing is not available in Northstar pricing is determined using the following method:

- a. kWhs are obtained from the 'Totalized Meter Data with losses for MMP' reports mentioned above and Ontario Zone HOEP On Peak and Off Peak prices are obtained from the Daily Market Summary reports available on the IESO website. A sample of the Daily Market Summary is provided below.



ONTARIO ZONE MARKET QUANTITIES									
(MW)	DAILY			ON PEAK ¹			OFF PEAK		
	Ave	Max	Min	Ave	Max	Min	Ave	Max	Min
Market Demand	16,859	18,665	13,896	17,866	18,665	16,664	14,846	16,446	13,896
Ontario Demand	14,551	16,202	11,884	15,509	16,202	14,149	12,635	14,383	11,884
Imports	356	663	233	385	663	248	299	374	233
Exports	2,365	2,736	2,043	2,411	2,736	2,167	2,273	2,566	2,043
Unavailable Capacity	7,896	8,403	7,098	7,764	8,302	7,098	8,161	8,403	7,874
ONTARIO ZONE MARKET PRICES ²									
Energy Prices (\$/MWh)	DAILY			ON PEAK			OFF PEAK		
	Ave	Max	Min	Ave	Max	Min	Ave	Max	Min
HOEP	2.89	8.07	-4.35	5.14	8.07	1.87	-1.62	1.80	-4.35
5 Minute MCP	2.89	14.33	-4.40	5.14	14.33	0.00	-1.62	5.78	-4.40
Operating Reserve Prices (\$/MWh/hr)									
10 Minute Sync	6.34	21.51	0.20	9.36	21.51	0.32	0.32	1.38	0.20
10 Minute Non-Sync	5.66	21.51	0.20	8.40	21.51	0.28	0.20	0.20	0.20
30 Minute	5.66	21.51	0.20	8.40	21.51	0.28	0.20	0.20	0.20

- b. For the purpose of determining the Net energy market settlement for non-dispatchable load for each day that pricing is not available it is assumed that 75% of the consumption is at the ON Peak price and 25% is at the OFF peak price.

Date	kWh - Totalized Meter Data with Losses	ON Peak price / kWh - Daily Market Summary	OFF Peak price / kWh - Daily Market Summary	Daily Total Cost Estimate
	a	b	c	d = (a x 75% x b) + (a x 25% x c)
6/22/18	486,044	\$ 0.00514	\$ (0.00162)	\$ 1,676.85
6/23/18	503,249	\$ 0.01135	\$ 0.01135	\$ 5,711.88
6/24/18	473,543	\$ 0.01096	\$ 0.01096	\$ 5,190.03
6/25/18	493,407	\$ 0.01492	\$ 0.00393	\$ 6,006.00
6/26/18	515,451	\$ 0.01728	\$ 0.00112	\$ 6,824.57
6/27/18	567,863	\$ 0.02658	\$ 0.00311	\$ 11,761.87
6/28/18	637,833	\$ 0.03977	\$ 0.01694	\$ 21,726.17
6/29/18	724,141	\$ 0.03904	\$ 0.01675	\$ 24,235.17
6/30/18	793,124	\$ 0.02437	\$ 0.02437	\$ 19,328.42
	5,194,654			\$ 102,460.97

- c. The amount found on Line 101 of the estimated invoice plus the daily total cost estimate are used as the estimate of the commodity cost for the month purchased from the grid. This amount is then divided by the Grid Supplied Consumption to arrive at the weighted average price for the month.

Estimated Invoice Line 101	June 1 - 21	\$ 209,083.68
Daily Totals	June 22 - 30	\$ 102,460.97
Total Commodity Cost (a)		\$ 311,544.65
Grid Supplied Consumption (kWh) (b)	June 1 - 30	16,351,107
Average Price per kWh (a / b)	June 1 - 30	\$ 0.0191

3. Since the actual Global Adjustment rate for the month is not available at the time of the submission, the 2nd Estimate of the Global adjustment rates for Class B customers for the month is used for estimating RPP cost of power. The rate is obtained from the IESO website.

Global Adjustment Estimates and Actual Rates

The 1st, 2nd estimate and actual rates for Class B customers are posted below in MWh.

2018	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1st Estimate (\$/MWh)	87.77	73.33	78.77	98.10	93.92	133.36	85.02	77.90				
2nd Estimate (\$/MWh)	63.70	77.05	85.95	100.74	131.99	102.39	81.23					
Actual Rate (\$/MWh)	67.36	81.67	94.81	99.59	107.93	118.96						

Average Price per kWh	\$	0.01905
GA 2nd Estimate per kWh	\$	0.10239
Total	\$	0.12144

Estimate and submit RPP Variances

The estimated/scaled RPP energy consumption is multiplied by the RPP rates to estimate the amount NOTL Hydro will receive from RPP customers for the reporting month.

	Billed kWh (Northstar) a	Scaling Factor b	Consumption Estimate c = a x b	RPP Rates d	Revenue e = c x d
Block 1	247,313	1.3660	337,830	\$ 0.077	\$ 26,012.88
Block 2	441,012	1.3660	602,422	\$ 0.089	\$ 53,615.59
Off Peak	5,133,449	1.3660	7,012,291	\$ 0.065	\$ 455,798.94
Mid Peak	1,612,397	1.3660	2,202,534	\$ 0.094	\$ 207,038.22
On Peak	1,729,682	1.3660	2,362,746	\$ 0.132	\$ 311,882.42
Total RPP	9,163,853	1.3660	12,517,823		\$ 1,054,348.05

The estimated/scaled RPP energy consumption is multiplied by the estimated weighted average price and GA 2nd estimate to determine the total cost of power.

	Billed kWh (Northstar) a	Scaling Factor b	Consumption Estimate c = a x b	Estimated Weighted Average Price d	GA 2nd Estimate e	Cost per kWh f = d + e	Total Cost g = c x d
Block 1	247,313	1.3660	337,830	\$ 0.0191	\$ 0.102	\$ 0.12149	\$ 41,042.91
Block 2	441,012	1.3660	602,422	\$ 0.0191	\$ 0.102	\$ 0.12149	\$ 73,188.30
Off Peak	5,133,449	1.3660	7,012,291	\$ 0.0191	\$ 0.102	\$ 0.12149	\$ 851,923.27
Mid Peak	1,612,397	1.3660	2,202,534	\$ 0.0191	\$ 0.102	\$ 0.12149	\$ 267,585.89
On Peak	1,729,682	1.3660	2,362,746	\$ 0.0191	\$ 0.102	\$ 0.12149	\$ 287,049.96
Total RPP	9,163,853	1.3660	12,517,823				\$ 1,520,790.34

The differences between dollars received and cost for each of blocks 1 and 2 for conventional meters and OFF/MID/ON PEAK periods for smart meters are the RPP variances submitted to the IESO in the Form 1598.

	Revenue a	Total Cost b	Due to / (from) IESO c = a - b
Block 1	\$ 26,012.88	\$ 41,042.91	\$ (15,030.04)
Block 2	\$ 53,615.59	\$ 73,188.30	\$ (19,572.70)
Off Peak	\$ 455,798.94	\$ 851,923.27	\$ (396,124.34)
Mid Peak	\$ 207,038.22	\$ 267,585.89	\$ (60,547.67)
On Peak	\$ 311,882.42	\$ 287,049.96	\$ 24,832.46
Total RPP	\$ 1,054,348.05	\$ 1,520,790.34	\$ (466,442.29)

Determine Accounting Entries

When the IESO invoice for the reporting month is received, an accounting entry is made to reflect the components of the total RPP variance amount in Charge Type 1142. For each of blocks 1 and 2 for conventional meters and OFF/MID/ON PEAK periods for smart meters, the entry to OEB Account 4705 is to reflect passing on to the IESO the RPP dollars received by NOTL Hydro from customers less NOTL Hydro's energy cost at the weighted average price. The entry to Account 4707 is to reflect NOTL Hydro's energy cost at the GA rate for non-RPP customers.

	Due to (from) IESO	GA - RPP Account 4707	Cost of Power Account 4705
Block 1	\$ (15,030.04)	\$ (34,590.37)	\$ 19,560.33
Block 2	\$ (19,572.70)	\$ (61,682.03)	\$ 42,109.33
Off Peak	\$ (396,124.34)	\$ (717,988.51)	\$ 321,864.17
Mid Peak	\$ (60,547.67)	\$ (225,517.49)	\$ 164,969.82
On Peak	\$ 24,832.46	\$ (241,921.52)	\$ 266,753.98
Total RPP	\$ (466,442.29)	\$ (1,281,699.92)	\$ 815,257.63

	Consumption Estimate a	Estimated Weighted Average Price d	Cost of Power c = a x b	GA 2nd Estimate d	GA e	Total Cost e = c x d
Block 1	337,830	\$ 0.019	\$ 6,452.54	0.102	\$ 34,590.368	\$ 41,042.91
Block 2	602,422	\$ 0.019	\$ 11,506.27	0.102	\$ 61,682.029	\$ 73,188.30
Off Peak	7,012,291	\$ 0.019	\$ 133,934.76	0.102	\$ 717,988.510	\$ 851,923.27
Mid Peak	2,202,534	\$ 0.019	\$ 42,068.41	0.102	\$ 225,517.487	\$ 267,585.89
On Peak	2,362,746	\$ 0.019	\$ 45,128.44	0.102	\$ 241,921.523	\$ 287,049.96
Total RPP	12,517,823		\$ 239,090.42		\$ 1,281,699.92	\$ 1,520,790.34

Appendix 2c - 1598 True-up Process

1. The true-up process is completed once all billings for the reporting period have been processed through the billing system. The last billings for 2017 were completed in mid-February 2018. While the true-up was completed in 2018 all entries were booked in 2017.
2. Actual billed usage data and weighted average price is extracted from the NOTL Hydro's Northstar Reporting Database using SQL Server Management Studio. Data includes:
 - a. Read from Date
 - b. Read to Date
 - c. Billed Days
 - d. Usage (kwh)
 - e. Rate
 - f. Rate Type (Block 1, Block 2, On, Off, Mid Peak)
 - g. Weighted Average Price (WAP)
3. The data is consolidated and sorted to determine the following by Rate Type and month of consumption:
 - a. kWh consumed (including losses)
 - b. RPP amount received
 - c. Cost (WAP) amount.
 - d. Global Adjustment (GA) Cost is calculated by multiplying kWh consumed is multiplied by the actual GA for each month to determine the total GA attributable to RPP customers
4. Actual settlement amounts are calculated for 4705 and 4707:
 - a. $4705 = \text{RPP Received} - \text{Cost (WAP)}$
 - b. $4707 = \text{GA Cost}$
5. The Actual settlement amounts are compared to the monthly 1598 submissions
 - a. The variance between the 2 amounts is the True-up entry.

APPENDIX

9C

2019 NIAGARA-ON-THE-LAKE HYDRO
**COST OF SERVICE
RATE APPLICATION**
EB-2018-0056



Niagara-on-the-Lake Hydro Inc.

DRAFT ACCOUNTING ORDER

Large User Variance Account

On a monthly basis the demand revenue from the Large User will be reviewed and any variance from a demand of 5,000 kW will result in a journal entry.

If the demand exceeds 5,000 kW then the entry is:

Dr.	4080-4040-02	Large User Volumetric Distribution Revenue
Cr.	15xx-2019-00	Large User Revenue Variance Account (2019)

If the demand is lower than 5,000 kW then the entry is:

Dr.	15xx-2019-00	Large User Revenue Variance Account (2019)
Cr.	4080-4040-02	Large User Volumetric Distribution Revenue

Each year a new account will be established so that the annual underage or overage can be tracked.

Following the audit of each years accounts, NOTL Hydro will request disposition of the account via a rate rider which will be in effect for one year. Assuming the variance account has a credit balance the monthly recording of the billing of the rate rider will be:

Dr.	15xx-2019-00	Large User Revenue Variance Account (2019)
Cr.	1100-1010-00	Customer Accounts Receivable

If the variance account has a debit balance the entry would be:

Dr.	1100-1010-00	Customer Accounts Receivable
Cr.	15xx-2019-00	Large User Revenue Variance Account (2019)

Following the audit of the year in which the last month of the rate rider was billed, any remaining balance in the variance account will be transferred to the variance account of a future year.

Dr./Cr.	15xx-2019-00	Large User Revenue Variance Account (2019)
Dr./Cr.	15xx-2022-00	Large User Revenue Variance Account (2022)