

- Capacity Based Recovery
- microFIT Service Charge
- Specific Service Charges
- Transformation and Primary Metering Allowances
- Smart Metering Entity Charge

Disposition of Group 1 Deferral and Variance Account Balances

Oshawa Power seeks Board approval to dispose of the balances of Group 1 deferral and variance accounts on an interim basis as at December 31, 2018, including interest to December 31, 2019. As discussed in the Report of the Board on the Electricity Distributors' Deferral and Variance Account Review Initiative (EB-2008-0046), (EDDVAR Report), issued July 31, 2009, under the Price Cap IR or the Annual IR Index, the distributor's Group 1 account balances will be reviewed and disposed if the pre-set disposition threshold of \$0.001 per kWh (debit or credit) is met; subject to new accounting guidance for commodity pass-through variance accounts posted by the OEB on February 21, 2019, discussed below. Consistent with a letter from the Board on July 25, 2014, distributors may also elect to dispose of Group 1 account balances below the threshold.

On February 21, 2019, the OEB issued detailed accounting guidance, Accounting Guidance Related to Commodity Pass-Through Accounts 1588 & 1589, in which it provides guidance to standardize the accounting processes used by distributors relating to Regulated Price Plan (RPP) wholesale settlements and accounting procedures (including the treatment of unbilled revenue) to improve the accuracy of the Retail Settlement Variance Accounts: RSVAPOWER and RSVAGA. The OEB expects that the standardization of processes would minimize the risk of inaccurate balances being disposed. During Accounting Guidance Training provided by the OEB in April 2019, the OEB noted it will not be approving Group 1 rate riders on a final basis. Whether the riders will be approved on an interim basis or not approved at all (i.e. no disposition of account balances) will be determined on a case by case basis by the OEB. Oshawa Power is reviewing the accounting guidance to determine whether any changes to the current process are necessary to align with the requirements. As of submission date, no material adjustments have been noted, but Oshawa Power continues to complete its comprehensive review and expects to implement the new guidance by August 31, 2019. Oshawa Power has reviewed the accounting guidance and is on track to having fully implemented the new guidance by August 31, 2019.