

# EXHIBIT 9 DEFERRAL AND VARIANCE ACCOUNTS

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Exhibit 9: Deferral And Variance Accounts

## Tab 1 (of 2): Status of Deferral and Variance Accounts

1 OVERVIEW

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#### 9.1.1 Overview of Deferral and Variance Accounts

4	The balances proposed for disposition in NPEI's deferral and variance accounts
5	("DVAs") have been recorded in accordance with Board-issued accounting guidance
6	including the following:

- The OEB's Accounting Procedures Handbook for Electricity Distributors and Accounting Procedures Handbook Frequently Asked Questions.
- The Report of the Board on Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR) (EB-2008-0046) issued July 31, 2009.
- The Report of the Ontario Energy Board Regulatory Treatment of Pension and Other Post-Employment Benefits (OPEBs) Costs (EB-2015-0040) issued September 14, 2017.
- The Board's Letter to All Licensed Electricity Distributors Updated Guidance on Smart Metering Entity Charge issued March 23, 2018.
  - The Board's Letter to All Licensed Electricity Distributors —Accounting Guidance on Wireline Pole Attachment Charges issued July 20, 2018.
  - The OEB's Decision and Order in the Matter of Energy Retailer Service Charges Effective May 1, 2019 (EB-2015-0304) issued February 14, 2019.
- The Board's Letter to All Licensed Electricity Distributors Guidance on the Disposition of Accounts 1588 and 1589 issued May 23, 2017.
- The Board's Letter to All Licensed Electricity Distributors Accounting Guidance related to Accounts 1588 RSVA Power and 1589 RSVA Global Adjustment, issued February 21, 2019.

NPEI is requesting approval for the disposition of all of its Group 1 and Group 2 Deferral and Variance Account balances as at December 31, 2019, plus forecasted carrying charges to December 31, 2020, with the exception of the following:

 NPEI is not requesting disposition of Account 1595 – Disposition and Recovery Refund of Regulatory Balances (2019) or Account 1595 – Disposition and Recovery Refund of Regulatory Balances (2020), as these sub-accounts are still active.

2. NPEI is not requesting disposition of Account 1595 – Disposition and Recovery Refund of Regulatory Balances (2018), as NPEI has been advised by Board Staff that eligibility for final disposition of the Account 1595 sub-accounts residual balance has changed effective for 2021 rate applications. Board Staff advised NPEI that the Account 1595 – Disposition and Recovery Refund of Regulatory Balances (2018) residual balance can be proposed for disposition in NPEI's 2022 Rate Application.

3. For Account 1522 Pension & OPEB Forecast Accrual versus Actual Cash Payment Differential, NPEI is requesting approval for the disposition of the carrying charges only, in accordance with the Report of the Ontario Energy Board Regulatory Treatment of Pension and Other Post-Employment Benefits (OPEBs) Costs, issued September 14, 2017, which states: "The variance account will act as a tracking account and only carrying charges applied to the account will be subject to disposition."

- 4. NPEI is requesting disposition of the following deferral and variance accounts based on forecast balances to December 31, 2020:
  - Account 1508 Other Regulatory Assets Sub-account OEB Cost Assessment Variance.
    - Account 1508 Other Regulatory Assets Sub-account Pole Attachment Revenue Variance.

1 Account 1518 – Retail Cost Variance Account Retail. 2 Account 1548 - Retail Cost Variance Account Service Transaction 3 Requests. 4 Account 1557 – Meter Cost Deferral Account (MIST Meters). 5 6 7 The accounts listed above are all either Group 2 accounts or Other accounts that NPEI 8 expects to utilize during 2020, but proposes to discontinue with the implementation of its 9 OEB-approved COS Rates, effective January 1, 2021. Rather than request disposition of 10 the December 2019 balances in the current application, and then wait until NPEI's next 11 COS application to dispose of the 2020 balances, NPEI proposes to dispose of accounts 12 listed above based on forecast balances to December 31, 2020. 13 Further details on NPEI's deferral and variance account balances are included in Exhibit 14 15 9.1.2 below. 16 17 **CERTIFICATION** 18 I certify that Niagara Peninsula Energy Inc. has robust processes and internal controls in 19 place for the preparation, review, verification and oversight of the account balances 20 being disposed of, consistent with the certification requirement of Chapter 1 Filing 21 Requirements. 22 23 24 Suzanne Wilson 25 26 Suzanne Wilson, CPA, CA 27 Senior Vice-President, Finance 28

#### **DEFERRAL AND VARIANCE ACCOUNTS USED**

#### 9.1.2 Deferral and Variance Accounts Used

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4	This section includes the descriptions of the deferral and variance account utilized by
5	NPEI and the account balances proposed for disposition.
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7	Table 9.1.2-1 below provides a summary of the deferral and variance account balances.
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#### **Table 9.1.2-1 – Deferral and Variance Account Balances**

		Principal	Carrying	Disposition	2020 Projected Incremental Principal for Accounts to	2020 Projected	Total
	Account	Balance as at	Charges as at	Approved in	be Discontinued	Carrying	Proposed for
Account Description Group 1 Accounts	Number	Dec. 31/19	Dec. 31/19	2020	Discontinued	Charges	Disposition
LV Variance Account	1550	1,915,647	45,612	(822,777)		24,555	1,163,038
Smart Metering Entity Charge Variance Account	1551	(30,873)	(1,396)	22,568		(210)	(9,911)
RSVA - Wholesale Market Service Charge	1580	(612,859)	(36,676)	239,201		(8,724)	(419,059)
Variance WMS – Sub-account CBR Class A	1580	(012,033)	(30,070)	233,201		(0,724)	(415,055)
Variance WMS – Sub-account CBR Class B	1580	(127,219)	33	27,107		(2,166)	(102,246)
RSVA - Retail Transmission Network Charge	1584	349,721	10,233	(257,865)		2,275	104,363
RSVA - Retail Transmission Network Charge	1586	85,332	1,865	(271,103)		(3,879)	(187,786)
RSVA - Power	1588	(1,355,511)	46,337	(385,677)		(37,367)	(1,732,219)
RSVA - Global Adjustment	1589	(1,333,311)	7,892	(9,108)		(0)	(1,732,213)
Nova - Global Adjustment	1303	(170)	7,832	(3,108)		(0)	(1,354)
Disposition and Recovery/Refund of Regulatory Balances (2017)	1595	(18,287)	22,911			(399)	4,225
Total Group 1		205,773	96,811	(1,457,656)	-	(25,917)	(1,180,988)
Group 2 Accounts							
Other Regulatory Assets - Sub-Account Pole Attachment							
Revenue Variance	1508	(346,646)	(3,146)		(331,298)	(11,168)	(692,258)
Other Regulatory Assets - Sub-Account - OEB Cost Assessment							
Variance	1508	233,758	9,007		52,912	5,673	301,350
Other Regulatory Assets - Sub-Account - Lead/Lag Study	1508	7,199	713			157	8,069
Other Regulatory Assets - Sub-Account - Hydro One Incremental							
Capital Charges	1508	4,293	368			94	4,755
		,					,
Other Regulatory Assets - Sub-Account - OPEB Deferral Account	1508	(398,479)	-				(398,479)
Other Regulatory Assets - Sub-Account - LTLT Rate Mitigation	1508	4,273	92			93	4,458
Retail Cost Variance Account - Retail	1518	109,953	-		16,723		126,676
Retail Cost Variance Account - STR	1548	374,473	-		59,177		433,650
Other Accounts							L
PILs and Tax Variance for 2006 and Subsequent Years- Sub-							
account CCA Changes	1592	-	-				-
LRAM Variance Account	1568	778,151	33,749			16,964	828,864
Pension & OPEB Forecast Accrual versus Actual Cash Payment							
Differential	1522	37,652	(75)				37,577
Pension & OPEB Forecast Accrual versus Actual Cash Payment							
Differential Contra Account	1522	(37,652)	-				(37,652)
Smart Meter Capital and Recovery Offset Variance - Sub-Account							
- Stranded Meter Costs	1555	(24,683)	-				(24,683)
Meter Cost Deferral Account (MIST Meters)	1557	86,344	(3,161)		204,500	4,111	291,795
, , , ,			, , , ,			,	
Accounting Changes Under CGAAP Balance + Return Component	1576	(160,882)	-				(160,882)
Total Group 2 and Other		667,756	37,548	-	2,014	15,923	723,241
Total for Dispsoition		873,529	134,358	(1,457,656)	2,014	(9,993)	(457,747)

#### **Group 1 Accounts**

#### 1550 LV Variance Account

This account is used monthly to record the variances arising from low voltage transactions which are not part of the electricity wholesale market.

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- 1 The balance in Account 1550 as at December 31, 2019, including carrying charges, is
- 2 \$1,961,260. In the Decision and Order in NPEI's 2020 IRM Rate Application (EB-2019-
- 3 0054) issued December 12, 2019, the Board approved the disposition of NPEI's Account
- 4 1550 balance in the amount of \$822,777. In this current application, NPEI is seeking
- 5 approval for the disposition of \$1,961,260 \$822,777 = \$1,138,483, plus forecast
- 6 carrying charges to December 31, 2020.

NPEI notes that there are several factors contributing to the Account 1550 balance:

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- 10 NPEI's Board-approved LV rates were last updated in NPEI's 2015 COS Rate
- 11 Application (EB-2014-0096). The accumulated balance in Account 1550 is partly due to
- 12 increases in Hydro One Networks Inc.'s ("Hydro One's") approved rates for its Sub-
- 13 Transmission rate class since NPEI's last COS application.

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- Another factor contributing to the Account 1550 balance is that, in 2016, the OEB
- 16 approved an Embedded Distributor rate class for Grimsby Power Inc. ("GPI") which
- 17 applies to NPEI. Prior to 2015, NPEI was a customer of Niagara West Transformation
- 18 Corporation ("NWTC"), a licensed transmitter. NWTC had a Board-approved
- 19 Transformation Connection Transmission rate of \$1.77/kW. NPEI recorded the charges
- 20 from NWTC in Account 4716 Charges Connection. In the EB-2014-0344 Decision and
- 21 Order, issued March 26, 2015, the Board approved the amalgamation of GPI and
- 22 NWTC, and deemed the NWTC transmission assets to be GPI distribution assets. The
- 23 Board also approved GPI to continue to charge NPEI the NWTC transmission rate of
- 24 \$1.77/kW until GPI's next rebasing.

- 26 In the Decision and Order in GPI's 2016 COS Rate Application (EB-2015-0072), the
- 27 Board approved an Embedded Distributor rate class for GPI, which applies to NPEI.
- 28 Since that time, GPI's monthly invoice to NPEI includes charges for Retail Transmission
- 29 Rates Network (recorded in Account 4714 Charges Network), Retail Transmission
- 30 Rates Connection (recorded in Account 4716 Charges Connection), Monthly Service
- 31 Charge and Distribution Volumetric Charge (both recorded in Account 4750 Charges –
- 32 LV).

1 2 1551 Smart Metering Entity Charge Variance Account 3 This account is used monthly to record the variances arising from the difference between 4 the Smart Metering Entity charges paid to the Smart Metering Entity and the amounts 5 charged to customers. 6 7 The balance in Account 1551 as at December 31, 2019, including carrying charges, is 8 (\$32,269). In the Decision and Order in NPEI's 2020 IRM Rate Application (EB-2019-9 0054) issued December 12, 2019, the Board approved the disposition of NPEI's Account 10 1551 balance in the amount of (\$22,568). In this current application, NPEI is seeking 11 approval for the disposition of (\$32,269) - (\$22,568) = (\$9,701), plus forecast carrying 12 charges to December 31, 2020. 13 14 15 1580 Retail Settlement Variance Account ("RSVA") – Wholesale Market Services 16 This account is used monthly to record the net of the amount charged by the IESO, and 17 host distributors if applicable, for the operation of the IESO administered market and the 18 operation of the IESO controlled grid, and the amount billed to customers using the 19 Board-approved Wholesale Market Service Rate. 20 21 The balance in Account 1580 as at December 31, 2019, including carrying charges, is 22 (\$649,535). In the Decision and Order in NPEI's 2020 IRM Rate Application (EB-2019-23 0054) issued December 12, 2019, the Board approved the disposition of NPEI's Account 24 1580 balance in the amount of (\$239,201). In this current application, NPEI is seeking 25 approval for the disposition of (\$649,535) - (\$239,201) = (\$410,344), plus forecast 26 carrying charges to December 31, 2020. 27 28 1580 RSVA - Wholesale Market Services Sub-Account CBR Class A 29 This account is used monthly to record the difference between the charges from the 30 IESO for Class A Capacity Based Recovery ("CBR") and the amounts billed to Class A

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customers for CBR.

- 1 Class A Customers are billed their proportionate share of the monthly Class A CBR
- 2 charges based on their Peak Demand Factor ("PDF").

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- 4 NPEI does not have a balance in Account 1580 Sub-account CBR Class A as at
- 5 December 31, 2019.

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- 7 <u>1580 RSVA Wholesale Market Services Sub-Account CBR Class B</u>
- 8 This account is used monthly to record the difference between the charges from the
- 9 IESO, and host distributors if applicable, for Class B Capacity Based Recovery ("CBR")
- and the amounts billed to Class B customers for CBR.

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- 12 The balance in Account 1580 Sub-account CBR Class B as at December 31, 2019,
- 13 including carrying charges, is (\$127,186). In the Decision and Order in NPEI's 2020 IRM
- Rate Application (EB-2019-0054) issued December 12, 2019, the Board approved the
- disposition of NPEI's Account 1580 Sub-account CBR Class A balance in the amount of
- 16 (\$27,107). In this current application, NPEI is seeking approval for the disposition of
- (\$127,186) (\$27,107) = (\$100,079), plus forecast carrying charges to December 31,
- 18 2020.

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#### 20 1584 RSVA – Network

- 21 This account is used monthly to record the net of the amount charged by the IESO, and
- 22 host distributors if applicable, for transmission network services, and the amount billed to
- 23 customers using the Board-approved Retail Transmission Service Rate ("RTSR") for
- 24 network.
- 25 The balance in Account 1584 as at December 31, 2019, including carrying charges, is
- 26 \$359,954. In the Decision and Order in NPEI's 2020 IRM Rate Application (EB-2019-
- 27 0054) issued December 12, 2019, the Board approved the disposition of NPEI's Account
- 28 1584 balance in the amount of \$257,865. In this current application, NPEI is seeking
- 29 approval for the disposition of \$359,954 \$257,865 = \$102,089 plus forecast carrying
- 30 charges to December 31, 2020.

1 <u>1586 RSVA – Connection</u>

- 2 This account is used monthly to record the net of the amount charged by the IESO, and
- 3 host distributors if applicable, for transmission connection services, and the amount
- 4 billed to customers using the Board-approved Retail Transmission Service Rate
- 5 ("RTSR") for connection.

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- 7 The balance in Account 1586 as at December 31, 2019, including carrying charges, is
- 8 \$87,196 In the Decision and Order in NPEI's 2020 IRM Rate Application (EB-2019-0054)
- 9 issued December 12, 2019, the Board approved the disposition of NPEI's Account 1586
- 10 balance in the amount of \$271,103. In this current application, NPEI is seeking approval
- for the disposition of \$87,196 \$271,103 = (\$183,907), plus forecast carrying charges to
- 12 December 31, 2020.

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#### 15 1588 RSVA – Power

- 16 This account is used monthly to record the net difference between the energy amount
- 17 billed to customers and the energy charged to NPEI by the IESO, host distributor or
- 18 embedded generator.

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- 20 The balance in Account 1588 as at December 31, 2019, including carrying charges, is
- 21 (\$1,309,174). In the Decision and Order in NPEI's 2020 IRM Rate Application (EB-2019-
- 22 0054) issued December 12, 2019, the Board approved the disposition of NPEI's Account
- 23 1588 balance in the amount of \$385,677. In this current application, NPEI is seeking
- 24 approval for the disposition of (\$1,309,174) \$385,677 = (\$1,694,851), plus forecast
- 25 carrying charges to December 31, 2020.
- 26 Further details on Account 1588 RSVA Power are provided in Exhibit 9.1.6 and Exhibit
- 27 9.1.7.

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#### 29 <u>1589 RSVA – Global Adjustment</u>

- 30 This account is used monthly to record the net difference between the Global
- 31 Adjustment ("GA") amount billed to non-RPP customers and the GA charged to NPEI by
- 32 the IESO or host distributor.

2 \$7,714. In the Decision and Order in NPEI's 2020 IRM Rate Application (EB-2019-0054) 3 issued December 12, 2019, the Board approved the disposition of NPEI's Account 1589 4 balance in the amount of \$9,108. In this current application, NPEI is seeking approval for the disposition of \$7,714 - \$9,108 = (\$1,394), plus forecast carrying charges to 5 6 December 31, 2020. 7 8 Further details on Account 1589 RSVA GA are provided in Exhibit 9.1.6 and Exhibit 9 9.1.7. 10 11 12 13 1595 Disposition and Recovery/Refund of Regulatory Balances (2017) 14 This account is used to record the disposition of deferral and variance account balances 15 for electricity distributors receiving approval to recover (or refund) account balances in 16 rates as part of the regulatory process. 17 18 In the Decision and Order in NPEI's 2017 IRM Rate Application (EB-2016-0094), issued 19 May 4, 2017, the OEB approved the disposition of NPEl's Account 1568 LRAMVA 20 balance of \$496,934. The disposition was implemented by way of rate riders in effect 21 from May 1, 2017 to April 30, 2018. 22 23 In this current application, NPEI is requesting approval for the final disposition of the Account 1595 (2017) residual balance, including carrying charges, of \$6,219 as at 24

Table 9.1.2-2 below shows the details of the Account 1595 (2017) balance as at

The balance in Account 1589 as at December 31, 2019, including carrying charges, is

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December 31, 2019.

December 31, 2019:

#### Table 9.1.2-2 - Account 1595 (2017) Balance

Description	Amount
Principal Approved for Disposition	477,114
Carrying Charged Approved for Disposition	19,820
Total Approved for Disposition	496,934
Recovered/Refunded via Rate Riders	(495,401)
Carrying Charges	3,091
Balance as at December 31, 2019	4,623
Residual Balance as Percent of Total Approved for Disposition	0.93%

NPEI has completed the OEB's Account 1595 Analysis Workform, which is included as Appendix 3 to this Exhibit.

As shown in Table 9.1.2-2 above, the residual balance proposed for disposition represents 0.93% of the original amount approved for disposition. Since the residual balance does not exceed +/- 10% of the original amount, the residual balance is not considered material.

#### 1595 Disposition and Recovery/Refund of Regulatory Balances (2018)

This account is used to record the disposition of deferral and variance account balances for electricity distributors receiving approval to recover (or refund) account balances in rates as part of the regulatory process.

In the Decision and Order in NPEI's 2018 IRM Rate Application (EB-2017-0063), issued March 22, 2018, the OEB approved the disposition of NPEI's Account Group 1 account balances in the total amount of (\$5,372,891). The disposition was implemented by way of rate riders in effect from May 1, 2018 to April 30, 2019.

Table 9.1.2-3 below shows the details of the Account 1595 (2018) balance as at December 31, 2019:

#### Table 9.1.2-3 – Account 1595 (2018) Balance

Description	Amount
Principal Approved for Disposition	(6,518,026)
Carrying Charged Approved for Disposition	1,145,133
Total Approved for Disposition	(5,372,893)
Recovered/Refunded via Rate Riders	5,351,077
Carrying Charges	(98,515)
Balance as at December 31, 2019	(120,331)
Residual Balance as Percent of Total Approved for Disposition	2.24%

NPEI has completed the OEB's Account 1595 Analysis Workform, which is included as Appendix 3 to this Exhibit.

As shown in Table 9.1.2-3 above, the residual balance proposed for disposition represents 2.24% of the original amount approved for disposition. Since the residual balance does not exceed +/- 10% of the original amount, the residual balance is not considered material.

As discussed in Exhibit 9.1.1, NPEI plans to request disposition of the Account 1595 (2018) residual balance in its 2022 Rate Application.

#### 1595 Disposition and Recovery/Refund of Regulatory Balances (2019)

This account is used to record the disposition of deferral and variance account balances for electricity distributors receiving approval to recover (or refund) account balances in rates as part of the regulatory process.

In the Decision and Order in NPEI's 2019 IRM Rate Application (EB-2018-0054), issued March 28, 2019, the OEB approved the disposition of NPEI's Account Group 1 account balances in the total amount of (\$794,854), to be implemented by way of rate riders in effect from May 1, 2019 to April 30, 2020.

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- 1 Since these rate riders are in effect until April 30, 2020, and the residual balances have
- 2 not yet been audited, NPEI is not requesting disposition of the Account 1595 (2019)
- 3 balance in this Application.

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- 5 NPEI will request disposition of the Account 1595 (2019) residual balance, if any, in a
- 6 future rate proceeding.

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#### **Group 2 Accounts**

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#### 1508 Other Regulatory Assets

- 11 This account includes amounts of regulatory created assets, not included in other
- 12 accounts, resulting from the rate making actions of the Board. NPEI currently has
- 13 balances in six sub-accounts of 1508:

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- 15 1508 Other Regulatory Assets Sub-account Pole Attachment Variance
- On March 22, 2018, the OEB issued the Report on Wireline Pole Attachment Charges,
- which set the province-wide wireline pole attachment charge at \$28.09 per pole per year
- 18 effective September 1, 2018 to December 31, 2018, increasing to \$43.63 per pole per
- 19 year effective January 1, 2019. The pole attachment charge will be adjusted annually
- 20 based on the OEB's inflation factor commencing on January 1, 2020.

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- 22 The province-wide pole attachment charge is applicable to all LDCs that have not
- 23 received OEB approved for a distributor-specific pole attachment charge. As NPEI does
- 24 not have an OEB-approved distributor-specific pole attachment charge, the new
- 25 province-wide pole attachment charge is applicable to NPEI.

- 27 On July 20, 2018, the OEB issued its Accounting Guidance on Wireline Pole Attachment
- 28 Charges. The Guidance states: "Because the increase in the pole attachment charge will
- 29 result in LDCs earning revenue above what is reflected in their current distribution rates,
- 30 the excess incremental revenue will need to be recorded in a new variance account
- 31 related to pole attachment charges, with the accumulated balance ultimately being
- refunded to ratepayers in the LDCs next cost-based rate application."

- 1 "Once an LDC has had the new pole attachment charge incorporated into a cost based
- 2 rate application, the variance account will no longer be required and must be closed after
- 3 disposition of the last amounts have been tracked."

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Commencing September 1, 2018, NPEI has recorded its incremental pole attachment revenue in Account 1508 – Sub Account Pole Attachment Revenue Variance.

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8 Beginning in 2021, in accordance with the Accounting Guidance, NPEI will no longer record any portion of its pole attachment revenue in Account 1508.

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The balance in Account 1508 Sub-account Pole Attachment Revenue Variance as at December 31, 2019, including carrying charges, is (\$349,792).

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Table 9.1.2-4 below shows the details of the Account 1508 – Sub-account Pole Attachment Revenue Variance balance as at December 31, 2019:

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Table 9.1.2-4 - Account 1508 Sub-account Pole Attachment Revenue Variance

Transaction	Year	# of Poles	OEB- Approved Pole Attachment Rate	Rate Effective in Last COS	Incremental Portion of Current Rate	Recorded in
LDCs on NPEI Poles	Sept-Dec 2018	37	28.09	22.35	5.74	(71)
Telecommunications carriers on NPEI poles	Sept-Dec 2018	14,786	28.09	22.35	5.74	(28,291)
LDCs on NPEI Poles	2019	40	43.63	22.35	21.28	(851)
Telecommunications carriers on NPEI poles	2019	14,917	43.63	22.35	21.28	(317,434)
Carrying Charges						(3,146)
Balance as at December 31, 2019						(349,793)

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As detailed in Exhibit 3.3.1, NPEI's proposed Other Revenue for the 2021 Test Year includes the full amount of NPEI's estimated 2021 pole attachment revenue. As noted above, the OEB's accounting guidance indicates: "Once an LDC has had the new pole attachment charge incorporated into a cost based rate application, the variance account will no longer be required and must be closed after disposition of the last amounts have been tracked."

1 Accordingly, NPEI will continue to record the incremental revenue in Account 1508 Sub-

2 account Pole Attachment Revenue Variance during 2020, and cease to use the variance

account when its cost of service rates become effective.

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Table 9.1.2-5 below presents the estimated amount to be recorded in Account 1508

Sub-account Pole Attachment Revenue Variance during 2020, based on the Board-

approved 2020 Pole Attachment Rate of \$44.50 per pole per year.

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## Table 9.1.2-5 – Account 1508 Sub-account Pole Attachment Revenue Variance 2020

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			OEB- Approved Pole Attachment	Rate Effective in	Incremental Portion of	Recorded in
Transaction	Year	# of Poles	Rate	Last COS	Current Rate	Account 1508
LDCs on NPEI Poles	2020	40	44.50	22.35	22.15	(886)
Telecommunications carriers on NPEI poles	2020	14,917	44.50	22.35	22.15	(330,412)
Total Estimated 2020 Transactions						(331,298)

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As indicated in Exhibit 9.1.1 above, rather than request disposition of the December 2019 balance in the current application, and then wait until NPEI's next COS application to dispose of the 2020 balance, NPEI proposes to dispose of Account 1508 Sub-account Pole Attachment Revenue Variance based on the estimated balance as at December 31, 2020, as follows:

(\$349,793) as at December 31, 2019 + (\$331,298) estimated for 2020 = (\$681,091) plus
 forecast carrying charges to December 31, 2020.

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#### <u>1508 Other Regulatory Assets – Sub-account OEB Cost Assessment Variance</u>

On February 9, 2016 the OEB issued a *Letter to Regulated Entities Subject to the OEB's Cost Assessment Model*, which established a new variance account, Account 1508 Subaccount OEB Cost Assessment Variance for electricity distributor and transmitters to record any material differences between OEB cost assessments build into rates, and

1 cost assessments that would result from the application of the new cost assessment 2 model effective April 1, 2016.

The amount of regulatory expense related to the OEB's cost assessment invoices that was incorporated into NPEI's 2015 COS Rate Application (EB-2014-0096), OEB Appendix 2-M Regulatory Costs is \$172,000 annually, or \$43,000 per quarter. Based on the level of increase in NPEI's cost assessment invoices from the OEB under the new cost assessment model, NPEI estimated that the incremental cost until its next rebasing would be material and therefore began recording quarterly entries in Account 1508 Subaccount OEB Cost Assessment Variance to record the quarterly invoiced amounts in excess of \$43,000.

The balance in Account 1508 Sub-account OEB Cost Assessment Variance as at December 31, 2019, including carrying charges, is \$242,765.

 Table 9.1.2-6 below shows the details of the Account 1508 – Sub-account OEB Cost Assessment Variance balance as at December 31, 2019:

Table 9.1.2-6 - Account 1508 Sub-account OEB Cost Assessment Variance

Year	Annual Total of Quarterly Cost Assessment Invoices	Annual Cost Assessment Included in Rates	Difference Recorded in Account 1508	Carrying Charges	Total
2016	230,785	172,000	58,785	304	59,089
2017	238,209	172,000	66,209	1,167	67,376
2018	223,637	172,000	51,637	2,925	54,562
2019	229,127	172,000	57,127	4,611	61,738
Balance Dec. 31/19	921,758	688,000	233,758	9,007	242,765

The February 9, 2016 letter states: "Regulated entities are expected to seek disposition of the variance account balances when their rates, payment amounts or fees, as applicable, are next rebased/reset, and the accounts will be closed to any further entries at that time." Accordingly, NPEI will continue to record the incremental OEB assessment

1 cost in Account 1508 Sub-account OEB Cost Assessment Variance during 2020, and 2 cease to use the variance account when its cost of service rates become effective.

3

NPEI estimates that the additional variance to be recorded during 2020 is \$52,912.

4 5

- 6 As indicated in Exhibit 9.1.1 above, rather than request disposition of the December
- 7 2019 balance in the current application, and then wait until NPEI's next COS application
- 8 to dispose of the 2020 balance, NPEI proposes to dispose of Account 1508 Sub-account
- 9 OEB Cost Assessment Variance based on the estimated balance as at December 31,
- 10 2020, as follows:
- 11 \$242,765 as at December 31, 2019 + \$52,912 estimated for 2020 = \$295,677 plus
- 12 forecast carrying charges to December 31, 2020.

13

- 14 <u>1508 Other Regulatory Assets Sub-account Lead/Lag Study</u>
- 15 In NPEI's 2015 COS Rate Application (EB-2015-0094), the OEB approved NPEI's 2015
- distribution rates on an interim basis, based on a placeholder Working Capital Allowance
- 17 ("WCA") percentage of 13%. The Board ordered NPEI to complete a lead-lag study to be
- 18 filed with NPEI's 2016 IRM Rate Application, and also directed NPEI "to establish a new
- 19 deferral account to capture all incremental costs associated with the study, both internal
- 20 and external costs to ensure NPEI is not financially affected by the Board's directive."

21

- 22 NPEI completed the lead/lag study and filed it with the 2016 IRM Rate Application (EB-
- 23 2015-0090). In the EB-2015-0090 Decision and Procedural Order No. 2, issued April 21,
- 24 2016, the Board ordered:

- 26 "NPEI's 2015 rates were approved on an interim basis pending completion of the
- 27 lead/lag study. The 2015 rates were implemented and effective June 1, 2015 and were
- 28 based on a 13% WCA. As a result, NPEI has over-collected revenue from its customers.
- 29 NPEI shall calculate the amount of the over-collection from June 1, 2015 to April 30,
- 30 2016, net of the incremental lead/lag study costs, and shall propose rate riders to return
- 31 the funds to its customers over a one-year period starting May 1, 2016."

"The OEB approves the disposition of the \$34,077 balance in account 1508 for the incremental costs associated with the completion of the lead/lag study. The OEB approves NPEI's proposal to deduct the \$34,077 cost of the study from the refund to customers. The OEB finds that it is appropriate to dispose of these costs over the same time frame as the rate refund."

At the time of the EB-2015-0090 Decision and Procedural Order No. 2, all of the costs associated with the preparation of NPEI's lead/lag study were not known, including intervenor costs which would not be filed until after the completion of NPEI's 2016 rate proceeding. In the EB-2015-0090 Decisional and Rate Order, issued May 12, 2016, the Board approved NPEI's request to keep the 1508 Sub-account Lead Lag Study open to record further incremental costs:

"This proceeding resulted from an OEB policy change. The OEB revised the working capital allowance default value after NPEI filed its 2015 cost of service application and evidence. The OEB established the new deferral account to capture all incremental costs, internal and external, associated with the lead-lag study. The OEB finds it appropriate for the account to remain open as yet unfiled intervenor costs, for example, are an external cost to NPEI related to the lead-lag study and this proceeding. Disposition of any future account balance requires OEB approval. As account 1508 is a Group 2 deferral account, the OEB would expect NPEI to request disposition in its next cost of service application"

Table 9.1.2-7 below shows the details of the Account 1508 – Sub-account Lead Lag Study balance as at December 31, 2019 of \$7,912, which consists of costs relating to the preparation of the lead/lag study that were received subsequent to disposition of \$34,077 approved in EB-2015-0090.

#### Table 9.1.2-7 – Account 1508 Sub-account Lead Lag Study

Item	Total
Legal fees	972
Consulting expense	225
Intervenor Cost Award	6,002
Carrying Charges	713
Total	7,912

<u>1508 Other Regulatory Assets – Sub-account Hydro One Incremental Capital Charges</u>

The Accounting Procedures Handbook Frequently Asked Questions, issued October 2009, Question 18, indicated that charges related to the new incremental capital rate rider approved for Hydro One Networks Inc. should be recorded in Account 1508 Subaccount Incremental Capital Charges.

NPEI received Board approval for the disposition of its Account 1508 Sub-account Incremental Capital Charges balance as at December 31, 2013 in its 2015 COS Rate Application (EB-2014-0090).

The balance in Account 1508 Sub-account Incremental Capital Charges as at December 31, 2019, including carrying charges, is \$4,662. This balance relates to incremental capital charges from Hydro One during 2014.

NPEI notes that subsequent accounting guidance, in the *Accounting Procedures Handbook Frequently Asked Questions*, issued March 2015, Question 16, indicates that all rate riders charged by Hydro One to distributors should be recorded in Account 4750 LV Charges. Accordingly, since 2015, NPEI has recorded all rate rider charges from Hydro One in Account 4750 LV charges, which ultimately flow into Account 1550 RSVA LV.

- 1 1508 Other Regulatory Assets Sub-account OPEB Deferral Account
- 2 The Board-approved Settlement Agreement in NPEI's 2015 COS Rate Application (EB-
- 3 2014-0090) includes a draft accounting order for Account 1508 Sub-account Other Post-
- 4 Employment Benefits Deferral Account.

- 6 The draft account order states:
- 7 "NPEI shall establish the Other Post-Employment Benefits ("OPEB") Deferral Account to
- 8 record the cumulative actuarial gains or losses with respect to NPEI's post-retirement
- 9 benefits in Account 1508, Other Regulatory Assets, Sub-account OPEB Deferral
- 10 Account.

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- 12 Upon rebasing on a MIFRS basis, effective from 2015 to the next time NPEI's rates are
- 13 rebased, the deferral account shall be adjusted as required to record changes in the
- 14 cumulative actuarial gains or losses in NPEI's post-employment benefits as supported
- 15 by updated actuarial valuations prepared for NPEI.

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- The adjustments that will be recorded in this account shall be supported by actuarial
- valuations when disposition of the deferral account is sought by NPEI."

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- The balance in Account 1508 Sub-account OPEB Deferral Account as at December 31,
- 21 2019, is (\$398,479).

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- 23 Table 9.1.2-8 below shows the details of the Account 1508 Sub-account OPEB
- 24 Deferral Account balance as at December 31, 2019.

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#### Table 9.1.2-8 – Account 1508 Sub-account OPEB Deferral Account

Date	Amount
December 31, 2014	(1,570,621)
December 31, 2017	713,200
December 31, 2019	458,952
Total	(398,469)

1 Each transaction in Table 9.1.2-8 above was recorded based on an actuarial valuation

2 prepared for NPEI.

3

- 5 <u>1508 Other Regulatory Assets Sub-account LTLT Rate Mitigation</u>
- 6 On December 21, 2015, the OEB issued a Notice of Amendments to a Code -
- 7 Amendments to the Distribution System Code (EB-2015-0006), related to the Elimination
- 8 of Load Transfer Arrangements between electricity distributors.

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- 10 On March 30, 2016, the OEB issued its Load Transfer Elimination Package to All
- 11 Licenced Electricity Distributors, which stated: "The OEB has set the objective of
- 12 elimination of the remaining Load Transfer Arrangements by June 21, 2017. In order to
- 13 achieve this objective, the OEB has developed an expedited service area amendment
- 14 (SAA) and asset transfer approach during a consultation process."

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- 16 NPEI had long-term load transfer arrangements with six neighbouring distributors.
- 17 During 2017, NPEI was able to eliminate long-term load transfers with five of these
- 18 neighbouring distributors, by filing joint SAA and asset transfer applications with the OEB
- 19 based on the expedited approach outlined in the OEB's Load Transfer Elimination
- 20 Package. The Decisions and Orders for these joint applications are listed below:

- NPEI and Welland Hydro–Electric System Corp. (EB-2017-0138) Decision and
   Order issued May 18, 2017.
- 2. NPEI and Alectra Utilities Corporation (EB-2017-0105) Decision and Order issued May 25, 2017.
- NPEI and Niagara-on-the-Lake Hydro Inc. (EB-2017-0197) Decision and Order
   issued June 29, 2017.
- 4. NPEI and Canadian Niagara Power Inc. (EB-2017-0217) Decision and Order issued June 29, 2017.
- 5. NPEI and Grimsby Power Inc. (EB-2017-0217) Decision and Order issued October 19, 2017.

Section 6.5.4 of the DSC states: "If the transfer to the physical distributor results in the load transfer customer(s) paying higher delivery charges, the physical distributor shall apply rate mitigation in a manner that is approved by the Board."

Three of the LTLT elimination applications listed above involve customers transferring to NPEI as the physical distributor from a geographic distributor that had lower delivery charges (EB-2017-0105, EB-2017-0197 and EB-0217). In each of these three case, the OEB's Decision and Order includes the approval for NPEI to apply a monthly bill credit to each affected customer, calculated using the most recent 12 months' consumption data, to be fixed at this calculated level and remain in place as long as the customer remains the account holder. The Decisions include approval for NPEI to record these monthly bill credits in Account 1508 Sub-account LTLT Rate Impact Mitigation.

The balance in Account 1508 Sub-account LTLT Rate Impact Mitigation as at December 31, 2019, including carrying charges, is \$4,365.

Table 9.1.2-9 below shows the details of the Account 1508 – Sub-account LTLT Rate Impact Mitigation balance as at December 31, 2019.

Table 9.1.2-9 – Account 1508 Sub-account LTLT Rate Impact Mitigation

Transaction	Amount
2017 Total of Monthly Bill Credits	157
2018 Total of Monthly Bill Credits	2,018
2019 Total of Monthly Bill Credits	2,098
Carrying Charges	92
Total	4,365

NPEI notes that the Decision and Order for the elimination of long-term load transfer arrangements with the remaining neighbouring distributor, Hydro One Networks Inc., was issued on March 12, 2020. The customers transferring from Hydro One to NPEI will see a reduction in their delivery charges and, therefore, no rate mitigation impact credits will be required for these customers.

#### 1 1518 Retail Cost Variance Account - Retail

- 2 This account is used monthly to record the net of revenues derived from:
- a) Establishing Service Agreements
  - b) Distributor-Consolidated Billing
  - c) Retailer-Consolidated Billing
- 6 and 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) above.

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- 10 NPEI's Account 1518 balance was last approved for disposition in NPEI's 2015 COS
- 11 Rate Application (EB-2014-0090), based on the balance as at December 31, 2013.

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- 13 The balance in Account 1518 RCVA Retail as at December 31, 2019, including carrying
- 14 charges, is \$109,953.

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- Table 9.1.2-10 below shows the details of the Account 1518 RCVA Retail balance as at
- 17 December 31, 2019.

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Table 9.1.2-10 - Account 1518 RCVA Retail - 2014 to 2019

	USoA							
RCVA-Retail Transactions	Account	2014	2015	2016	2017	2018	2019	Total
Revenue								
Establishing Service Agreements	4082	(27,687)	(25,732)	(23,111)	(20,506)	(18,139)	(27,014)	(142,186)
Distributor Consolidated Billing	4082	(13,972)	(12,835)	(11,250)	(9,747)	(8,159)	(11,648)	(67,611)
Total Revenue		(41,658)	(38,566)	(34,361)	(30,253)	(26,298)	(38,662)	(209,797)
Expenses								
Direct Labour	5340	53,759	47,141	47,258	45,322	42,380	53,153	289,013
Other Expenses	5340	8,371	7,087	5,069	4,020	3,019	3,172	30,738
Total Expenses		62,130	54,228	52,327	49,342	45,399	56,324	319,751
Total RCVA - Retail	1518	20,472	15,662	17,967	19,089	19,101	17,663	109,953

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On February 14, 2019, the OEB issued its Decision and Order in the Matter of Energy Retailer Service Charges Effective May 1, 2019. The Decision and Order provides updated service charges for electricity distributors effective May 1, 2019, and provides accounting guidance related to the updated charges.

- 1 The Decision and Order states:
- 2 "Electricity Distributors that currently record the revenues and costs associated with the
- 3 RCVAs are expected to do so until their next rebasing application. At rebasing, the
- 4 balances will be disposed of and the RCVAs will be eliminated."

As NPEI currently records its retailer revenues and costs in RCVA accounts, NPEI will continue to do so until December 31, 2020.

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NPEI estimates that the additional variance to be recorded in Account 1518 RCVA Retail during 2020 is \$16,723, as shown in Table 9.1.2-11 below.

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Table 9.1.2-11 - Account 1518 RCVA Retail - Estimated 2020

RCVA-Retail Transactions	2020
Revenue	
Establishing Service Agreements	(30,529)
Distributor Consolidated Billing	(12,736)
Total Revenue	(43,264)
Expenses	
Direct Labour	56,610
Other Expenses	3,378
Total Expenses	59,988
Total RCVA - Retail	16,723

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- As indicated in Exhibit 9.1.1 above, rather than request disposition of the December 2019 balance in the current application, and then wait until NPEI's next COS application to dispose of the 2020 balance, NPEI proposes to dispose of Account 1518 RCVA Retail based on the estimated balance as at December 31, 2020, as follows:
- 22 \$109,953 as at December 31, 2019 + \$16,723 estimated for 2020 = \$126,676.

- 1 NPEI confirms that all expenses that are incorporated into the variances reported in
- 2 Account 1518 are incremental costs of providing retail services, and the variances have
- 3 been calculated in accordance with Article 490 of the Accounting Procedures Handbook.

5

#### 1548 Retail Cost Variance Account - Retail

- 6 This account is used monthly to record the net of revenues derived from:
- 7 a) Request fee
- 8 b) Processing fee
- 9 c) Information Request fee
- 10 d) Default fee
- 11 e) Other Associated Costs fee
- and the incremental costs related to the provision of the services associated with the above items.

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NPEI's Account 1548 balance was last approved for disposition in NPEI's 2015 COS Rate Application (EB-2014-0090), based on the balance as at December 31, 2013.

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The balance in Account 1548 RCVA STR as at December 31, 2019, including carrying charges, is \$374,473.

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Table 9.1.2-12 below shows the details of the Account 1548 RCVA STR balance as at December 31, 2019.

Table 9.1.2-12 - Account 1518 RCVA STR - 2014 to 2019

	USoA							
RCVA-STR Transactions	Account	2014	2015	2016	2017	2018	2019	Total
Revenue								
Request Fee	4084	(344)	(233)	(242)	(128)	(124)	(215)	(1,285)
Processing Fee	4084	(627)	(421)	(415)	(240)	(225)	(363)	(2,289)
Total Revenue		(971)	(653)	(657)	(368)	(348)	(578)	(3,574)
Expenses								
Direct Labour	5340	45,761	45,629	59,759	64,375	68,463	59,526	343,513
Other Expenses	5340	7,126	6,859	6,410	5,710	4,877	3,552	34,534
Total Expenses		52,887	52,488	66,170	70,084	73,340	63,078	378,047
Total RCVA - STR	1548	51,916	51,835	65,513	69,716	72,992	62,500	374,473

- 1 On February 14, 2019, the OEB issued its Decision and Order in the Matter of Energy
- 2 Retailer Service Charges Effective May 1, 2019. The Decision and Order provides
- 3 updated service charges for electricity distributors effective May 1, 2019, and provides
- 4 accounting guidance related to the updated charges.

- 6 The Decision and Order states:
- 7 "Electricity Distributors that currently record the revenues and costs associated with the
- 8 RCVAs are expected to do so until their next rebasing application. At rebasing, the
- 9 balances will be disposed of and the RCVAs will be eliminated."

10 11

As NPEI currently records its retailer revenues and costs in RCVA accounts, NPEI will continue to do so until December 31, 2020.

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NPEI estimates that the additional variance to be recorded in Account 1548 RCVA STR during 2020 is \$59,177, as shown in Table 9.1.2-13 below.

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Table 9.1.2-13 - Account 1548 RCVA Retail - Estimated 2020

RCVA-STR Transactions	2020
Revenue	
Request Fee	(276)
Processing Fee	(501)
Total Revenue	(776)
Expenses	
Direct Labour	56,577
Other Expenses	3,376
Total Expenses	59,953
Total RCVA - STR	59,177

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As indicated in Exhibit 9.1.1 above, rather than request disposition of the December 2019 balance in the current application, and then wait until NPEI's next COS application

- 1 to dispose of the 2020 balance, NPEI proposes to dispose of Account 1548 RCVA STR
- 2 based on the estimated balance as at December 31, 2020, as follows:
- 3 \$374,473 as at December 31, 2019 + \$59,177 estimated for 2020 = \$433,650.

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- 5 NPEI confirms that all expenses that are incorporated into the variances reported in
- 6 Account 1518 are incremental costs of providing retail services, and the variances have
- 7 been calculated in accordance with Article 490 of the Accounting Procedures Handbook.

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#### **Other Accounts**

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- 11 1592 PILs and Tax Variance for 2006 and Subsequent Years Sub-account CCA
- 12 Changes

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- On June 21, 2019, Bill C-97, the Budget Implementation Act, 2019, No. 1, was given
- 15 Royal Assent. Included in Bill C-97 are various changes to the federal income tax
- 16 regime.
- 17 One of the changes introduced by Bill C-97 is the Accelerated Investment Incentive (AII)
- 18 program, which provides for a first-year increase in capital cost allowance (CCA)
- deductions on eligible capital assets acquired after November 20, 2018.

20

- 21 On July 25, 2019, the OEB issued a letter Re: Accounting Direction Regarding Bill C-97
- 22 and Other Changes in Regulatory or Legislated Tax Rules for Capital Cost Allowance,
- 23 which states: "The Ontario Energy Board (OEB) anticipates that these Bill C-97 rule
- 24 changes may have a material impact on the taxes payable of electricity and natural gas
- 25 utilities and Ontario Power Generation."

- 27 The letter indicates that utilities are expected to record the impact on PILs resulting from
- 28 the CCA rule changes in Account 1592 PILs and Tax Variances Sub-Account CCA
- 29 Changes for the period November 21, 2018 until the effective date of the utility's next
- 30 cost-based rate order.

- 1 As shown in Exhibit 4.9.1 Overview of PILs, Table 4.9.1.3 Taxable Income Calculation,
- 2 NPEI has no regulatory taxable income in 2018, 2019 or forecast 2020. Table 4.9.1.3 is
- 3 reproduced below as Table 9.1.2-14.

**Table 9.1.2-14 – Taxable Income Calculation** 

			1		ı	
Post data	T2 64	2015 Board	2040	2040	2020	2024
Description Determination of Taxable Income	T2 S1	Approved	2018	2019	2020	2021
Utility Income Before Taxes		5,206,576	4,658,497	3,311,849	3,976,153	5,791,971
Additions to Accounting Income		3,200,376	4,036,497	3,311,043	3,370,133	3,731,371
Interest and penalties				38,282		
Amortization of tangible assets	104	5,034,074	7,449,739	7,818,837	8,224,182	8,442,650
Loss on disposal of assets	111	3,034,074	96,089	74,145	0,224,102	0,442,030
Charitable donations and gifts	112		73,407	74,036	71,966	0
Non-deductible club dues and fees	120		8,766	74,030	71,300	١
Non-deductible meals and entertainment expenses	121		21,794	18,655	18,655	22,000
Reserves from financial statements-balance at end of year	126		4,020,821	4,780,183	4,845,358	4,929,236
Net movement in regulatory balances	120		4,020,021	4,700,103	4,043,330	4,323,230
Change in Employee future benefits		101,909				
Capital contributions Received (ITA 12(1)(x)		101,303	2,538,034	5,462,680	3,854,173	2,583,228
Prior year tax credits to income		111,028	57,210	22,166	13,589	17,315
Total Additions		5,247,011	14,265,860	18,288,984	17,027,923	15,994,429
Total Additions		3,247,011	14,203,000	10,200,304	17,027,323	13,334,423
Deductions from Accounting Income						
Capital cost allowance from Schedule 8		9,700,584	10,445,587	11,448,713	11,382,751	11,906,284
Cumulative eligible capital deduction from Schedule 10 CEC		63,571	10,443,307	11,440,713	11,302,731	11,300,204
Gain on disposal of assets per financial statements		03,371				
Reserves from financial statements-balance at beginning of year			3,883,400	4,020,821	4,780,183	4,845,358
Apprenticeship credits included in FS income		81,003	3,863,400	4,020,021	4,760,163	4,043,336
Net movement in regulatory balances		01,003	3,773,480	1,061,366	0	
Depreciation of capital contributions			894,004	1,002,764	1,126,809	1,211,588
Meter proceeds from Prior Years			0	1,002,704	1,120,003	1,211,300
Future tax effect booked to OCI			٥			
Capital contributions received 13(7.4)			2,538,034	5,462,680	3,854,173	2,583,228
Total Deductions		9,845,158	21,534,505	22,996,344	21,143,917	20,546,458
Total Deductions		3,043,130	21,334,303	22,330,344	21,143,317	20,340,430
Net Income for Tax Purposes		608,429	(2,610,148)	(1,395,512)	(139,840)	1,239,942
·						
Non-capital losses of previous tax years from Schedule 4			0	0	0	(247,988)
Taxable Income		608,429	(2,610,148)	(1,395,512)	(139,840)	991,954
Tax Rate		26.50%	26.50%	26.50%	26.50%	26.50%
Income Taxes		161,234	-	-	-	262,868
Tax Credits		81,003				17,315
Other Adjustments		0				
PILS for Test Year		80,231	-	-	-	245,553
PILS gross up		28,927	0	0	0	88,533
Total Income Taxes		109,158	0	0	0	334,085
Ontario minimum tax		0	97,057	61,160	107,356	C
Ontario apprenticeship tax credit		0	(31,166)	(6,000)	(17,315)	C
Total Taxes		109,158	65,891	55,160	90,041	334,085

- 1 Further, as explained in Exhibit 4.9.1 Overview of PILs, NPEI is forecasting a non-capital
- 2 loss carry forward balance of \$2,029,931 at the end of 2020. The non-capital loss-carry
- 3 forward has been incorporated into NPEI's PILs Model to reduce the PILs amount
- 4 proposed to be included in the 2021 Revenue Requirement.

5

Accordingly, NPEI has not recorded any balances in Account 1592 related to CCA changes.

8

- 9 1568 Lost Revenue Adjustment Mechanism Variance Account ("LRAMVA")
- 10 On March 31, 2010, the Minister of Energy and Infrastructure issued a directive (the
- 11 "Directive") to the OEB regarding electricity CDM targets to be met by licensed electricity
- 12 distributors. The Directive required that the OEB amend the licenses of distributors to
- 13 add, as a condition of license, the requirement for distributors to achieve reductions in
- 14 electricity demand through the delivery of CDM programs over a four-year period
- 15 beginning January 1, 2011.

16

- 17 Section 12 of the Directive required that the OEB have regard to the objective that lost
- 18 revenues that result from CDM programs should not act as a disincentive to a distributor.
- 19 On April 26, 2012, the OEB issued Guidelines for Electricity Distributor Conservation and
- 20 Demand Management (2012 CDM Guidelines). In keeping with the Directive, the OEB
- 21 adopted a mechanism to capture the difference between the results of actual, verified
- 22 impacts of authorized CDM activities undertaken by distributors between 2011 and 2014,
- and the level of activities embedded into rates through the distributors load forecast in an
- 24 LRAM Variance Account.

- 26 In December 2013, the Government of Ontario released its Long-Term Energy Plan
- 27 ("LTEP") that among other priorities encourages conservation and reinforces the policy
- 28 of considering conservation first in planning processes. Under the LTEP, conservation
- 29 will be used to lessen the need for new supply and demand-response initiatives will be
- 30 used to meet peak demand requirements.

1 Resulting from the LTEP, the Board received a Directive on March 31, 2014 from the 2 Minister of Energy pursuant to sections 27.1 and 27.2 of the Act (altogether, the

3 "Conservation Directive") requiring the Board to take steps to promote CDM including

amendments to the licences of electricity distributors and the establishment of CDM

5 Requirement guidelines.

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7 On December 19, 2014, the OEB issued its Conservation and Demand Management

Requirement Guidelines for Electricity Distributors ("2015 CDM Guidelines"), which

continued the LRAM mechanism for CDM activities undertaken by distributors between

10 2015 and 2020.

11

12 On November 16, 2015, NPEI filed an application with the OEB (EB-2015-0328)

13 requesting approval for the disposition of its LRAMVA account balance of \$482,804,

relating to conservation program results for the period 2011-2014, based on a report

prepared for NPEI by IndEco Strategic Consulting Inc. ("IndEco"). In a letter issued on

16 November 27, 2015, the OEB decided it would hold a combined hearing for NPEI's

17 LRAMVA Application and NPEI's 2016 IRM Rate Application (EB-2015-0090).

18

19 In the EB-2015-0328/EB-2015-0090 Decision and Order, issued March 17, 2016, the

20 OEB did not approve disposition of NPEI's LRAMVA balance due to a generic issue that

21 the IESO had identified, related to quantifying savings from demand response programs.

22 The OEB intended to issue further guidance on LRAMVA following a stakeholder

23 meeting to be held on March 31, 2016.

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25 On May 19, 2016, the Board issued its Report of the Ontario Energy Board – Updated

26 Policy for the Lost Revenue Adjustment Mechanism Calculation: Lost Revenues and

Peak Demand Savings from Conservation and Demand Management Programs, in

which the OEB determined that peak demand savings from demand response programs

29 should not be included in LRAMVA results.

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- 1 NPEI engaged IndEco to update its 2011-2014 LRAMVA report to exclude demand
- 2 response results, as well as incorporate an additional year of LRAMVA results for 2015,
- 3 as the 2015 final verified CDM results had become available.
- 4 The updated 2011-2015 report identified additional LRAM revenue for 2015 of \$27,307,
- 5 and a reduction to 2011-2014 LRAM revenue of \$18,006 for the removal of demand
- 6 response savings.

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- 8 NPEI requested disposition of its 2011-2015 LRAMVA balance of \$496,934 in its 2017
- 9 IRM Rate Application (EB-2016-0094). In the EB-2016-0094 Decision and Order, issued
- 10 May 4, 2017, the OEB approved the disposition of NPEI's LRAMVA balance of
- 11 \$496,934, to be collected through rate riders in effect from May 1, 2017 to April 30,
- 12 2018.

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- 14 On March 20, 2019, the Minister of Energy, Northern Development and Mines issued a
- 15 directive to the IESO that concluded the Conservation First Framework. All electricity
- 16 CDM activity for the balance of 2019 and for 2020 will be centralized and administered
- 17 by the IESO.

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- 19 NPEI again engaged IndEco to prepare an LRAMVA report for 2016-2018, and complete
- 20 the OEB's LRAMVA Workform. The IndEco report is included in Appendix 4-10 of Exhibit
- 21 4. The OEB LRAMVA Workform is included as Appendix 4-11 of Exhibit 4.

- 23 As explained in the LRAMVA report, in calculating NPEI's 2016-2018 LRAM amounts,
- 24 IndEco has incorporated the following:
- The IESO's 2011-2014 Final Results Report (for persistence savings).
- The IESO's Final 2015 Annual Verified Results Report Annual Persistence (for persistence savings)
- The IESO's Final Verified 2016 Annual LDC CDM Program Results Report
- The IESO's Final Verified 2017 Annual LDC CDM Program Results Report
- The IESO's latest Participation and Cost Report, issued in April 2019

- The Streetlighting upgrade projects were undertaken as part of the Retrofit
   program, and energy savings were reported within the results of that program.
   Accordingly, the calculated kWh of savings has been manually removed from the
   Retrofit program results each year.
- 5 The IESO results files listed above are included as Appendix 4-4 of Exhibit 4.

In this current Application, NPEI is requesting approval for the disposition of its 2016-8 2018 LRAMVA total amount of \$828,864, which consists of a principal amount of 9 \$778,151 plus carrying charges of \$50,713 (including projected carrying charges to 10 December 31, 2020).

Table 9.1.2-15 provides a summary of NPEI's 2016-2018 proposed LRAMVA by rate class.

Table 9.1.2-15 – Summary of Proposed LRAMVA Claim

Rate Class	Principal	Carrying Charges	Total LRAMVA
Nate Class	Fillicipal	Carrying Charges	IOIAI LINAIVIVA
Residential	362,535	24,651	387,186
GS < 50 kW	66,329	3,938	70,266
GS > 50 kW	259,890	16,137	276,027
Streetlighting	89,397	5,988	95,385
Total LRAMVA	778,151	50,713	828,864

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21 <u>1522 Pension & OPEB Forecast Accrual versus Actual Cash Payment Differential</u>

22 <u>1522 Pension & OPEB Forecast Accrual versus Actual Cash Payment Differential –</u>

- 23 Contra Account
- 24 On September 14, 2017, the OEB issued its Report of the Ontario Energy Board,
- 25 Regulatory Treatment of Pension and Other Post-Employment Benefits ("OPEB") Costs
- 26 (EB-2015-0040).

- 1 The Report provides for the establishment of the Pension and OPEB Forecast Accrual
- 2 versus Actual Cash Payment Differential variance account on a generic basis, effective
- 3 January 1 2018. This account will track the differences between the forecast accrual
- 4 amounts recovered in rates and the actual cash payments made for both pension and
- 5 OPEBs in one account, on a go-forward basis, form the date the account is established.

- 7 The amount of OPEB costs included in NPEI's last COS Rate Application (EB-2014-
- 8 0096) is \$171,909 per year. In accordance with the Report, commencing January 1,
- 9 2018, NPEI has recorded the difference between the amount recovered in rates and the
- 10 actual OPEB costs in Account 1522 Pension & OPEB Forecast Accrua
  I versus Actual
- 11 Cash Payment Differential and Account 1522 Pension & OPEB Forecast Accrual versus
- 12 Actual Cash Payment Differential Contra Account.

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- The Report states: "Utilities who are members of OMERS do not need to post pension
- 15 entries to the account." NPEI is an OMERS member, and therefore has not recorded
- any entries related to pension costs in Account 1522.
- 17 Table 9.1.2-16 below shows NPEI's Account 1522 balance as at December 31, 2019.

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## Table 9.1.2-16 – 1522 Pension & OPEB Forecast Accrual versus Actual Cash Payment Differential

Item	Amount
OPEB Forecast vs. Cash Payment Differential	37,652
OPEB Forecast vs. Cash Payment Differential - Contra Account	(37,652)
Carrying Charges	(75)
Total	(75)

- 25 1555 Smart Meter Capital and Recovery Offset Variance Sub-Account Stranded
- 26 Meter Costs
- 27 The Board's Decision and Order in NPEI's Smart Meter Application (EB-2013-0359)
- 28 granted approval for the disposition of NPEI's Smart Meter variance account balances,

with the exception of the stranded meter residual net book value. The Board ordered that the balance for stranded meters be brought forward for disposition in NPEI's next cost of service application.

 In NPEI's 2015 COS Rate Application (EB-2014-0096), the OEB approved the disposition of NPEI's stranded meter costs in the amount of \$1,283,704 and the corresponding rate riders which were effective from June 1, 2015 to April 30, 2017.

Table 9.1.2-17 below shows the balance in NPEI's 1555 Smart Meter Capital and Recovery Offset Variance - Sub-Account – Stranded Meter Costs as at December 31, 2019.

# Table 9.1.2-17 – 1555 Smart Meter Capital and Recovery Offset Variance - Sub-Account – Stranded Meter Costs

Item	Amount
Stranded Meter Costs Approved for Disposition (EB-2014-0096)	1,283,704
Rate Rider Recoveries - 2015	(403,353)
Rate Rider Recoveries - 2016	(676,465)
Rate Rider Recoveries - 2017	(228,569)
Total	(24,683)

#### 1557 Meter Cost Deferral Account (MIST Meters)

In the 2015 Cost of Service rate application, NPEI was approved for a Deferral and Variance Account related to the incremental meter reading expenses as a result of converting conventional meters to MIST meters as required by the OEB's Amendment to the Distribution System Code EB-2013-0311, dated May 21, 2014. As per the Amendment to Section 5.1.3 of the DSC, distributors have until August 21, 2020 to install a MIST meter on any existing installation that has a monthly average peak demand during a calendar year of over 50 kW. NPEI will have all of its conventional meters converted to either a MIST meter or Smart meter by the end of June 2020.

NPEI's Deferral and Variance account for incremental meter reading costs related to MIST meters was based on an annual MIST meter reading expense of \$43,760. Any MIST meter reading expenses above or below \$43,760 was recorded to the Deferral and Variance Account for MIST meter reading. At the end of December 2019, the principal balance of the Deferral and Variance Account for MIST meter reading is \$86,344, as shown in Table 9.1.2-18 below.

### Table 9.1.2-18 - 1557 MIST Meter Variance Account

MIST Meter Costs	2015	2016	2017	2018	2019	Total
Amount Included in Rates (EB-2014-0096)	(43,760)	(43,760)	(43,760)	(43,760)	(43,760)	(218,800)
Actual MIST Meter Expense	0	4,561	40,732	94,591	165,261	305,144
Account 1557 Variance	(43,760)	(39,199)	(3,029)	50,831	121,501	86,344

NPEI estimates that the additional variance to be recorded in Account 1557 during 2020 is \$204,500, as shown in Table 9.1.2-19 below.

Table 9.1.2-19 – 1557 MIST Meter Variance – Estimated 2020

MIST Meter Costs	2020
Amount Included in Rates (EB-2014-0096)	(43,760)
Estimated MIST Meter Expense	248,260
Account 1557 Variance	204,500

As indicated in Exhibit 9.1.1 above, rather than request disposition of the December 2019 balance in the current application, and then wait until NPEI's next COS application to dispose of the 2020 balance, NPEI proposes to dispose of Account 1557 MIST Meter Variance based on the estimated balance as at December 31, 2020, as follows: \$86,344 as at December 31, 2019 + \$204,500 estimated for 2020 + \$951 carrying charges = \$291,795.

# 1576 Accounting Changes Under CGAAP and Return Component

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In NPEI's 2015 COS Rate Application (EB-2014-0096), the OEB approved the disposition of NPEI's Account 1576 balance of (\$6,910,688) and the corresponding rate riders which were effective from June 1, 2015 to April 30, 2017.

Table 9.1.2-20 below shows the balance in NPEI's Account 1576 Accounting Changes
 Under CGAAP and Return Component as at December 31, 2019.

#### Table 9.1.2-20 – 1576 Accounting Changes Under CGAAP and Return Component

Item	Amount
Account 1576 Balance Approved for Disposition (EB-2014-0096)	(6,910,688)
Rate Rider Recoveries - 2015	2,087,654
Rate Rider Recoveries - 2016	3,553,062
Rate Rider Recoveries - 2017	1,094,861
Rate Rider Recoveries - Billing Adjustments during 2018 & 2019	14,229
Total	(160,882)

In this current application, NPEI is requesting approval for the disposition of the Account 1576 residual balance of (\$160,882). NPEI notes that the residual balance represents (\$160,882) / (\$6,910,688) = 2.3% of the original balance approved for disposition.

# INTEREST RATES APPLIED

#### 9.1.3 Interest Rates Applied

Where applicable, NPEI calculates carrying charges on deferral and variance account balances. These amounts are calculated using simple interest applied to the monthly opening balances in the account (exclusive of accumulated interest) and are recorded in separate carrying charges sub-accounts. The interest rates that NPEI uses to calculate carrying charges on deferral and variance accounts are the quarterly rates prescribed by the OEB. Table 9.1.3-1 below shows the applicable OEB-prescribed interest rates. NPEI has utilized the most recent published rate of 2.18% for Q2 2020 to calculate projected carrying charges.

Table 9.1.3-1 – Prescribed Interest Rates for Deferral and Variance Account

Carrying Charges

Quarter	2014	2015	2016	2017	2018	2019	2020 (Q1 and Q2 Actual)
Q1	1.47%	1.47%	1.10%	1.10%	1.50%	2.45%	2.18%
Q2	1.47%	1.10%	1.10%	1.10%	1.89%	2.18%	2.18%
Q3	1.47%	1.10%	1.10%	1.10%	1.89%	2.18%	2.18%
Q4	1.47%	1.10%	1.10%	1.50%	2.17%	2.18%	2.18%

In accordance with the OEB's Report of the Ontario Energy Board, Regulatory Treatment of Pension and Other Post-Employment Benefits ("OPEB") Costs (EB-2015-0040), issued September 14, 2017, carrying charges on Account 1522 Pension & OPEB Forecast Accrual versus Actual Cash Payment Differential balances are to be calculated using the OEB's prescribed interest rate for Construction Work in Progress ("CWIP") on an asymmetrical basis (i.e. carrying charges only apply when the Account 1522 balance is in a credit position.)

The balance in NPEI's Account 1522 Pension & OPEB Forecast Accrual versus Actual Cash Payment Differential was a credit during January to October 2018, and has been in

a debit position beginning in November 2018. Accordingly, NPEI has not recorded any carrying charges on Account 1522 since October 2018. Table 9.1.3-2 below shows the OEB's prescribed CWIP interest rates that NPEI used to calculate carrying charges on the Account 1522 balance during January to October 2018.

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Table 9.1.3-2 - Prescribed Interest Rates for CWIP

Quarter	2018
Q1	2.99%
Q2	3.35%
Q3	3.35%
Q4	3.35%

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# **RECONCILIATION TO RRR FILING**

# 9.1.4 Reconciliation to RRR Filing

Section 2.9 of the Filing Requirements indicates that an explanation should be provided if account balances in the continuity schedule differ from the account balances in the trial
balance reported through the Electricity Reporting and Record-keeping Requirements ("RRR"), and documented in the applicant's Audited Financial Statements ("AFS"). Table
9.1.4-1 below shows the balances in the continuity schedule as at December 31, 2019 compared to the balances that NPEI reported in the 2019 RRR filing and 2019 AFS.

# Table 9.1.4-1 – Reconciliation to RRR / Financial Statement Balances

		Balance as at Dec.		
		31/19 per	Balance as at Dec.	
	Account	Continuity	31/19 per RRR	
Account Description	Number	Schedule	Filing and 2019 AFS	Variance
Group 1 Accounts				
LV Variance Account	1550	1,961,260	1,961,260	(0)
Smart Metering Entity Charge Variance Account	1551	(32,269)	(32,269)	(0)
RSVA - Wholesale Market Service Charge	1580	(649,535)	(776,721)	127,186
Variance WMS – Sub-account CBR Class A	1580	-		-
Variance WMS – Sub-account CBR Class B	1580	(127,186)		(127,186)
RSVA - Retail Transmission Network Charge	1584	359,954	359,954	(0)
RSVA - Retail Transmission Connection Charge	1586	87,196	87,196	0
RSVA - Power	1588	(1,309,174)	(1,309,174)	0
RSVA - Global Adjustment	1589	7,714	7,714	(0)
Disposition and Recovery/Refund of Regulatory Balances (2017)	1595	4,624	4,623	0
Disposition and Recovery/Refund of Regulatory Balances (2018)	1595	(120,331)	(120,331)	(0)
Disposition and Recovery/Refund of Regulatory Balances (2019)	1595	(279,551)	(279,551)	<u>-</u>
Group 2 Accounts				
Other Regulatory Assets - Sub-Account Pole Attachment				
Revenue Variance	1508	(349,792)	(349,792)	_
Other Regulatory Assets - Sub-Account - OEB Cost Assessment	1500	(3.3)7327	(3.3)732)	
Variance	1508	242,765	242,765	-
Other Regulatory Assets - Sub-Account - Lead/Lag Study	1508	7,912	7,912	-
Other Regulatory Assets - Sub-Account - Hydro One Incremental				
Capital Charges	1508	4,662	4,662	0
Other Regulatory Assets - Sub-Account - OPEB Deferral Account	1508	(398,479)	(398,479)	-
Other Regulatory Assets - Sub-Account - LTLT Rate Mitigation	1508	4,365	4,365	-
Retail Cost Variance Account - Retail	1518	109,953	109,953	-
Retail Cost Variance Account - STR	1548	374,473	374,473	-
				-
Other Accounts				-
PILs and Tax Variance for 2006 and Subsequent Years- Sub-				
account CCA Changes	1592	-	-	-
LRAM Variance Account	1568	811,900	-	811,900
Pension & OPEB Forecast Accrual versus Actual Cash Payment				
Differential	1522	37,577	37,577	-
Pension & OPEB Forecast Accrual versus Actual Cash Payment				
Differential Contra Account	1522	(37,652)	(37,652)	-
Smart Meter Capital and Recovery Offset Variance - Sub-Account				
- Stranded Meter Costs	1555	(24,683)	(24,683)	0
Meter Cost Deferral Account (MIST Meters)	1557	83,183	83,183	-
Accounting Changes Under CGAAP Balance + Return Component	1576	(160,882)	(160,882)	-

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1 As shown in Table 9.1.4-1 above, the only differences between the balances in the continuity schedule as at December 31, 2019 and the balances that NPEI reported in the 2 3 2019 RRR filing and 2019 Financial Statements are as follows:

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There are offsetting differences of \$127,186 and (\$127,186) between the Account 1580 RSVA - WMS control account and Account 1580 - RSVA WMS -Sub Account CBR Class B. These offsetting differences occur because in the RRR filing, the CBR Class B Sub-Account is included in the main Account 1580 balance, whereas in the continuity schedule the CBR Class B Sub-Account is shown separately.

There is a difference of \$828,864 relating to Account 1568 LRAMVA. As

discussed in Exhibit 9.1.2, NPEI is requesting approval for the disposition of

LRAMVA in the amount of \$828,864, relating to CDM activity for 2016-2018.

NPEI has not recorded the requested LRAMVA in its general ledger. NPEI

proposes to record its LRAMVA balance subsequent to receiving Board approval

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for the disposition.

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# ADJUSTMENTS TO BOARD APPROVED DEFERRAL AND VARIANCE ACCOUNTS

- 9.1.5 Adjustments to Board Approved Deferral and Variance Accounts
- 4 NPEI has not made any adjustments to deferral and variance account balances that
- 5 were previously approved by the OEB on a final basis.

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# BREAKDOWN OF ENERGY SALES AND COST OF POWER

# 9.1.6 Breakdown of Energy Sales and Cost of Power

The following Table 9.1.6-1 shows the energy sales and cost of power expense by USoA account, as reported in the annual RRR filings, reconciled to the energy sales and cost of power amounts as per NPEI's audited financial statements for the years 2015-2019.

Table 9.1.6-1 - Breakdown of Energy Sales and Cost of Power

Energy Sales	2015	2016	2017	2018	2019
4006 Residential Energy Sales	(44,390,304)	(49,825,344)	(38,836,796)	(33,307,583)	(33,875,649)
4010 Commercial Energy Sales	(13,901,588)	(15,726,833)	(13,777,711)	(12,536,776)	(13,706,262)
4025 Streetlighting energy sales	(720,694)	(578,430)	(520,259)	(513,162)	(569,524)
4030 Sentinel Lighting Energy Sales	(20,554)	(21,286)	(9,779)	(26,279)	(1,405)
4035 General Energy Sales	(68,138,892)	(75,497,568)	(72,552,644)	(71,005,090)	(78,115,248)
4062 Billed WMS	(7,176,971)	(7,587,999)	(6,279,802)	(4,974,222)	(4,923,600)
4066 Billed NW	(9,441,201)	(9,193,666)	(7,956,811)	(8,270,653)	(8,217,713)
4068 Billed CN	(6,041,559)	(6,219,059)	(5,469,934)	(5,980,546)	(6,038,760)
4075 Billed - LV	(524,910)	(526,001)	(514,301)	(539,773)	(535,009)
4076 Billed SME Charge	(497,847)	(492,877)	(508,480)	(372,641)	(375,434)
Total per RRR	(150,854,522)	(165,669,062)	(146,426,517)	(137,526,725)	(146,358,604)
Net Movement in Regulatory Balances				3,016,697	2,637,164
Energy Sales per Audited Financial Statements	(150,854,522)	(165,669,062)	(146,426,517)	(134,510,027)	(143,721,440)
Cost of Power					
4705 Power Purchased	76,959,542	77,646,678	65,298,862	65,058,587	61,169,795
4707 Global adjustment purchased	50,212,491	64,002,782	60,398,327	52,330,302	65,098,292
4708 Charges - WMS	7,176,971	7,587,999	6,279,802	4,974,222	4,923,600
4714 Charges -NW	9,441,201	9,193,666	7,956,811	8,270,653	8,217,713
4716 Charges -CN	6,041,559	6,219,059	5,469,934	5,980,546	6,038,760
4750 Charges - LV	524,910	526,001	514,301	539,773	535,009
4751 Charges - SME	497,847	492,877	508,480	372,641	375,434
Total per RRR	150,854,522	165,669,062	146,426,517	137,526,725	146,358,604
Net Movement in Regulatory Balances	(4,241,549)	(1,152,985)	962,084	628,729	(1,982,327)
Cost of Power per Audited Financial Statements	146,612,973	164,516,077	147,388,601	138,155,453	144,376,276

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# **IESO GLOBAL ADJUSTMENT PRO-RATION**

# 9.1.7 IESO Global Adjustment Pro-ration

- 3 NPEI confirms that it pro-rates the IESO Class B Global Adjustment ("GA") Charge into
- 4 RPP and non-RPP portions. Further details on NPEI's Account 1588 RSVA Power and
- 5 Account 1589 RSVA GA balances, as well as NPEI's IESO settlement process are
- 6 provided in Exhibit 9.2.5.

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Exhibit 9: Deferral And Variance Accounts

# Tab 2 (of 2): Clearance of Deferral and Variance Accounts

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# ACCOUNT 1576-ACCOUNTING CHANGES UNDER CGAAP

# 9.2.1 Account 1576-Accounting Changes Under CGAAP

- 4 NPEI's 2015 COS Rate Application (EB-2014-0096) was filed on the basis of MIFRS. As
- 5 discussed in Exhibit 9.1.2, in NPEI's 2015 COS Rate Application, the OEB approved the
- 6 disposition of NPEI's Account 1576 balance of (\$6,910,688).

8 In this current application, NPEI is requesting approval for disposition of the Account

9 1576 residual balance of (\$160,882).

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# ACCOUNTS PROPOSED / NOT PROPOSED FOR DISPOSITION

# 9.2.2 Accounts Proposed / Not Proposed for Disposition

Table 9.2.2-1 below provides a summary of NPEI's current Deferral and Variance accounts, whether or not each account is proposed for disposition in the current application, and the date at which the principal balance proposed for disposition is established (i.e. either the actual balance as at December 31, 2019 or the forecast balance as at December 31, 2020).

Table 9.2.2-1 – Accounts Proposed for Disposition

Table 9.2.2-1 – Accounts Flopos	<u> </u>		
Account Description	Account Number	Disposition Requested	Date of Principal Balance Proposed for Disposition
Group 1 Accounts			
LV Variance Account	1550	YES	2019
Smart Metering Entity Charge Variance Account	1551	YES	2019
RSVA - Wholesale Market Service Charge	1580	YES	2019
Variance WMS – Sub-account CBR Class B	1580	YES	2019
RSVA - Retail Transmission Network Charge	1584	YES	2019
RSVA - Retail Transmission Connection Charge	1586	YES	2019
RSVA - Power	1588	YES	2019
RSVA - Global Adjustment	1589	YES	2019
Disposition and Recovery/Refund of Regulatory Balances (2017)	1595	YES	2019
Disposition and Recovery/Refund of Regulatory Balances (2018)	1595	NO	N/A
Disposition and Recovery/Refund of Regulatory Balances (2019)	1595	NO	N/A
Group 2 Accounts			
Other Regulatory Assets - Sub-Account Pole Attachment Revenue Variance	1508	YES	2020 Forecast
Other Regulatory Assets - Sub-Account - OEB Cost Assessment Variance	1508	YES	2020 Forecast
Other Regulatory Assets - Sub-Account - Lead/Lag Study	1508	YES	2019
Other Regulatory Assets - Sub-Account - Hydro One Incremental Capital Charges	1508	YES	2019
Other Regulatory Assets - Sub-Account - OPEB Deferral Account	1508	YES	2019
Other Regulatory Assets - Sub-Account - LTLT Rate Mitigation	1508	YES	2019
Retail Cost Variance Account - Retail	1518	YES	2020 Forecast
Retail Cost Variance Account - STR	1548	YES	2020 Forecast
Other Accounts			
LRAM Variance Account	1568	YES	2019
Pension & OPEB Forecast Accrual versus Actual Cash Payment		CARRYING CHARGES	
Differential	1522	ONLY	N/A
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs	1555	YES	2019
Meter Cost Deferral Account (MIST Meters)	1557	YES	2020 Forecast
Accounting Changes Under CGAAP Balance + Return Component	1576	YES	2019

- 1 As explained in Exhibit 9.1.3, NPEI is not requesting disposition of Account 1595 -
- 2 Disposition and Recovery Refund of Regulatory Balances (2018) or Account 1595 -
- 3 Disposition and Recovery Refund of Regulatory Balances (2019) in this current
- 4 application. The residual balances in these sub-accounts will be proposed for disposition
- 5 in a future rate application.

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- 7 In accordance with the Report of the Ontario Energy Board Regulatory Treatment of
- 8 Pension and Other Post-Employment Benefits (OPEBs) Costs, issued September 14,
- 9 2017 In NPEI is requesting approval for the disposition of the carrying charges only for
- 10 Account 1522 Pension & OPEB Forecast Accrual versus Actual Cash Payment
- 11 Differential.

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- 13 As indicated in Exhibit 9.1.3, there are five accounts, all either Group 2 accounts or
- 14 Other accounts, that NPEI expects to utilize during 2020, but proposes to discontinue
- with the implementation of its OEB-approved COS Rates, effective January 1, 2021.
- 16 Rather than request disposition of the December 2019 balances in the current
- 17 application, and then wait until NPEI's next COS application to dispose of the 2020
- 18 balances, NPEI proposes to dispose of the five accounts listed below based on forecast
- 19 balances to December 31, 2020:

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- Account 1508 Other Regulatory Assets Sub-account OEB Cost
- Assessment Variance.
  - Account 1508 Other Regulatory Assets Sub-account Pole Attachment
- 24 Revenue Variance.
  - Account 1518 Retail Cost Variance Account Retail.
    - Account 1548 Retail Cost Variance Account Service Transaction
- 27 Requests.
- Account 1557 Meter Cost Deferral Account (MIST Meters).

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# **GROUP 2 ACCOUNTS CONTINUE OR DISCONTINUE**

# 9.2.3 Group 2 Accounts Continue or Discontinue

- 3 Table 9.2.3-1 below shows the Group 2 and Other Deferral and Variance accounts
- 4 currently in use, and whether NPEI proposes to continue or discontinue each account in
- 5 2021.

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## Table 9.2.3-1 - Group 2 and Other Accounts - Continue or Discontinue

Table 3.2.3-1 - Group 2 and Other Accounts - Continue or Discontinue						
Account Description	Account Number	Continue or Discontinue				
Group 2 Accounts						
Other Regulatory Assets - Sub-Account Pole Attachment						
Revenue Variance	1508	Discontinue				
Other Regulatory Assets - Sub-Account - OEB Cost Assessment						
Variance	1508	Discontinue				
Other Regulatory Assets - Sub-Account - Lead/Lag Study	1508	Discontinue				
Other Regulatory Assets - Sub-Account - Hydro One Incremental						
Capital Charges	1508	Discontinue				
Other Regulatory Assets - Sub-Account - OPEB Deferral Account	1508	Continue				
Other Regulatory Assets - Sub-Account - LTLT Rate Mitigation	1508	Continue				
Retail Cost Variance Account - Retail	1518	Discontinue				
Retail Cost Variance Account - STR	1548	Discontinue				
Other Accounts						
PILs and Tax Variance for 2006 and Subsequent Years- Sub-						
account CCA Changes	1592	Discontinue				
LRAM Variance Account	1568	Continue				
Pension & OPEB Forecast Accrual versus Actual Cash Payment						
Differential	1522	Continue				
Smart Meter Capital and Recovery Offset Variance - Sub-Account						
- Stranded Meter Costs	1555	Discontinue				
Meter Cost Deferral Account (MIST Meters)	1557	Discontinue				
Accounting Changes Under CGAAP Balance + Return Component	1576	Discontinue				

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1 For each account in Table 9.2.3-1, the rationale to continue or discontinue is provided 2 below: 3 4 1508 Other Regulatory Assets – Sub-account Pole Attachment Variance - Discontinue 5 On March 22, 2018, the OEB issued the Report on Wireline Pole Attachment Charges, 6 which set the province-wide wireline pole attachment charge at \$28.09 per pole per year 7 effective September 1, 2018 to December 31, 2018, increasing to \$43.63 per pole per 8 year effective January 1, 2019. The pole attachment charge will be adjusted annually 9 based on the OEB's inflation factor commencing on January 1, 2020. 10 11 The province-wide pole attachment charge is applicable to all LDCs that have not 12 received OEB approved for a distributor-specific pole attachment charge. As NPEI does 13 not have an OEB-approved distributor-specific pole attachment charge, the new 14 province-wide pole attachment charge is applicable to NPEI. 15 16 On July 20, 2018, the OEB issued its Accounting Guidance on Wireline Pole Attachment 17 Charges. The Guidance states: "Because the increase in the pole attachment charge will 18 result in LDCs earning revenue above what is reflected in their current distribution rates, 19 the excess incremental revenue will need to be recorded in a new variance account 20 related to pole attachment charges, with the accumulated balance ultimately being 21 refunded to ratepayers in the LDCs next cost-based rate application." 22 23 "Once an LDC has had the new pole attachment charge incorporated into a cost based 24 rate application, the variance account will no longer be required and must be closed after 25 disposition of the last amounts have been tracked." 26 27 Commencing September 1, 2018, NPEI has recorded its incremental pole attachment 28 revenue in Account 1508 – Sub Account Pole Attachment Revenue Variance. 29 30 Beginning in 2021, in accordance with the Accounting Guidance, NPEI will no longer 31 record any portion of its pole attachment revenue in Account 1508, and this sub-account 32 will be discontinued.

1 1508 Other Regulatory Assets - Sub-account OEB Cost Assessment Variance -

2 <u>Discontinue</u>

- 3 On February 9, 2016 the OEB issued a Letter to Regulated Entities Subject to the OEB's
- 4 Cost Assessment Model, which established a new variance account, Account 1508 Sub-
- 5 account OEB Cost Assessment Variance for electricity distributor and transmitters to
- 6 record any material differences between OEB cost assessments build into rates, and
- 7 cost assessments that would result from the application of the new cost assessment
- 8 model effective April 1, 2016.

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- 10 The February 9, 2016 letter states: "Regulated entities are expected to seek disposition
- 11 of the variance account balances when their rates, payment amounts or fees, as
- 12 applicable, are next rebased/reset, and the accounts will be closed to any further entries
- 13 at that time." Accordingly, NPEI proposes to discontinue the use of this sub-account in
- 14 2021.

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- 1508 Other Regulatory Assets Sub-account Lead/Lag Study Discontinue
- 17 In NPEI's 2015 COS Rate Application (EB-2015-0094), the OEB approved NPEI's 2015
- 18 distribution rates on an interim basis, based on a placeholder Working Capital Allowance
- 19 ("WCA") percentage of 13%. The Board ordered NPEI to complete a lead-lag study to be
- 20 filed with NPEI's 2016 IRM Rate Application, and also directed NPEI "to establish a new
- 21 deferral account to capture all incremental costs associated with the study, both internal
- 22 and external costs to ensure NPEI is not financially affected by the Board's directive."

- 24 In NPEI's 2016 IRM Rate Application (EB-2015-0090), the OEB approved the disposition
- of NPEI's 1508 Other Regulatory Assets Sub-account Lead/Lag Study balance of
- 26 \$34,077. The EB-2019-0090 Decision and Rate Order states: "The OEB finds it
- 27 appropriate for the account to remain open as yet unfiled intervenor costs, for example,
- 28 are an external cost to NPEI related to the lead-lag study and this proceeding.
- 29 Disposition of any future account balance requires OEB approval. As account 1508 is a
- 30 Group 2 deferral account, the OEB would expect NPEI to request disposition in its next
- 31 cost of service application"

1 In this current application, NPEI is requesting approval for the disposition of the 2 remaining balance in 1508 Other Regulatory Assets - Sub-account Lead/Lag Study, 3 after which NPEI proposes that this sub-account be discontinued. 4 1508 Other Regulatory Assets - Sub-account Hydro One Incremental Capital Charges -5 6 Discontinue 7 The Accounting Procedures Handbook Frequently Asked Questions, issued October 8 2009, Question 18, indicated that charges related to the new incremental capital rate 9 rider approved for Hydro One Networks Inc. should be recorded in Account 1508 Sub-10 account Incremental Capital Charges. 11 12 NPEI received Board approval for the disposition of its Account 1508 Sub-account 13 Incremental Capital Charges balance as at December 31, 2013 in its 2015 COS Rate 14 Application (EB-2014-0090). 15 16 The balance principal balance in Account 1508 Sub-account Incremental Capital 17 Charges proposed or disposition in this current application relates to incremental capital 18 charges from Hydro One recorded during 2014. 19 20 NPEI notes that subsequent accounting guidance, in the Accounting Procedures 21 Handbook Frequently Asked Questions, issued March 2015, Question 16, indicates that 22 all rate riders charged by Hydro One to distributors should be recorded in Account 4750 23 LV Charges. Accordingly, since 2015, NPEI has recorded all rate rider charges from 24 Hydro One in Account 4750 LV charges, which ultimately flow into Account 1550 RSVA 25 LV. 26 27 Therefore, NPEI proposes that this sub-account be discontinued upon approval of 28 disposition of the current balance. 29 30 31 32

1 1508 Other Regulatory Assets - Sub-account OPEB Deferral Account - Continue 2 The Board-approved Settlement Agreement in NPEI's 2015 COS Rate Application (EB-3 2014-0090) includes a draft accounting order for Account 1508 Sub-account Other Post-4 Employment Benefits Deferral Account. 5 6 The draft account order states: 7 "NPEI shall establish the Other Post-Employment Benefits ("OPEB") Deferral Account to 8 record the cumulative actuarial gains or losses with respect to NPEI's post-retirement 9 benefits in Account 1508, Other Regulatory Assets, Sub-account OPEB Deferral 10 Account. 11 12 Upon rebasing on a MIFRS basis, effective from 2015 to the next time NPEI's rates are 13 rebased, the deferral account shall be adjusted as required to record changes in the 14 cumulative actuarial gains or losses in NPEI's post-employment benefits as supported 15 by updated actuarial valuations prepared for NPEI. 16 17 The adjustments that will be recorded in this account shall be supported by actuarial 18 valuations when disposition of the deferral account is sought by NPEI." 19 20 The balance of Account 1508 Sub-account OPEB Deferral Account proposed for 21 disposition in this current application is (\$398,479). 22 23 NPEI proposes to continue use of this sub-account to record future changes in the 24 cumulative change in actuarial gains or losses with respect to NPEI's post-retirement 25 benefits. 26 27 1508 Other Regulatory Assets – Sub-account LTLT Rate Mitigation – Continue 28 On December 21, 2015, the OEB issued a Notice of Amendments to a Code -29 Amendments to the Distribution System Code (EB-2015-0006), related to the Elimination 30 of Load Transfer Arrangements between electricity distributors.

1 Section 6.5.4 of the DSC states: "If the transfer to the physical distributor results in the

2 load transfer customer(s) paying higher delivery charges, the physical distributor shall

apply rate mitigation in a manner that is approved by the Board."

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- 5 Several of the LTLT elimination applications approved by the OEB involve customers
- 6 transferring to NPEI as the physical distributor from a geographic distributor that had
- 7 lower delivery charges (EB-2017-0105, EB-2017-0197 and EB-0217). In each of these
- 8 three case, the OEB's Decision and Order includes the approval for NPEI to apply a
- 9 monthly bill credit to each affected customer, calculated using the most recent 12
- 10 months' consumption data, to be fixed at this calculated level and remain in place as
- 11 long as the customer remains the account holder. The Decisions include approval for
- 12 NPEI to record these monthly bill credits in Account 1508 Sub-account LTLT Rate
- 13 Impact Mitigation.

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- 15 Since the rate mitigation credit is to remain in place as long as the affected customer
- remains the account holder, NPEI proposes to continue use of this sub-account.

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- 18 <u>1518 Retail Cost Variance Account Retail Discontinue</u>
- 19 1548 Retail Cost Variance Account Retail Discontinue
- 20 On February 14, 2019, the OEB issued its Decision and Order in the Matter of Energy
- 21 Retailer Service Charges Effective May 1, 2019. The Decision and Order provides
- 22 updated service charges for electricity distributors effective May 1, 2019, and provides
- 23 accounting guidance related to the updated charges.

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- 25 The Decision and Order states:
- 26 "Electricity Distributors that currently record the revenues and costs associated with the
- 27 RCVAs are expected to do so until their next rebasing application. At rebasing, the
- 28 balances will be disposed of and the RCVAs will be eliminated."

- 30 Accordingly, NPEI proposes that Accounts 1518 and 1548 be discontinued upon
- approval of disposition of the 2020 balances.

1 2 1568 Lost Revenue Adjustment Mechanism Variance Account ("LRAMVA") - Continue 3 On March 20, 2019, the Minister of Energy, Northern Development and Mines issued a 4 directive to the IESO that concluded the Conservation First Framework. All electricity 5 CDM activity for the balance of 2019 and for 2020 will be centralized and administered 6 by the IESO. 7 8 In this current Application, NPEI is requesting approval for the disposition of LRAMVA 9 amounts that relate to 2016-2018 CDM activity. 10 11 NPEI proposes that Account 1568 be continued in order for NPEI to record the approved 12 level of 2016-2018 LRAMVA requested in this application, as well as any future 13 LRAMVA balances, if any. 14 1522 Pension & OPEB Forecast Accrual versus Actual Cash Payment Differential -15 16 Continue 1522 Pension & OPEB Forecast Accrual versus Actual Cash Payment Differential -17 18 Contra Account - Continue 19 On September 14, 2017, the OEB issued its Report of the Ontario Energy Board, 20 Regulatory Treatment of Pension and Other Post-Employment Benefits ("OPEB") Costs 21 (EB-2015-0040). 22 23 The Report provides for the establishment of the Pension and OPEB Forecast Accrual 24 versus Actual Cash Payment Differential variance account on a generic basis, effective 25 January 1 2018. This account will track the differences between the forecast accrual 26 amounts recovered in rates and the actual cash payments made for both pension and 27 OPEBs in one account, on a go-forward basis, form the date the account is established. 28 29 NPEI proposes to continue the use of these sub-accounts. 30 31 1555 Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded 32 Meter Costs - Discontinue

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1 In NPEI's 2015 COS Rate Application (EB-2014-0096), the OEB approved the 2 disposition of NPEI's stranded meter costs in the amount of \$1,283,704 and the 3 corresponding rate riders which were effective from June 1, 2015 to April 30, 2017. 4 5 In this current application NPEI is requesting approval for disposition of the Account 6 1555 Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded 7 Meter Costs residual balance. Upon approval, NPEI proposes to discontinue use of this 8 sub-account. 9 10 1576 Accounting Changes Under CGAAP - Discontinue 11 In NPEI's 2015 COS Rate Application (EB-2014-0096), the OEB approved the 12 disposition of NPEI's Account 1576 balance of \$6,910,688 and the corresponding rate 13 riders which were effective from June 1, 2015 to April 30, 2017. 14 15 In this current application is requesting approval for disposition of the Account 1576 16 residual balance. Upon approval, NPEI proposes to discontinue use of this account. 17 18

# PROPOSED RATE RIDERS FOR RECOVERY OF BALANCES

# 9.2.4 Proposed Rate Riders for Recovery of Balances

For the calculation of proposed rate riders, NPEI has utilized the billing determinants and allocators from its 2021 Test Year load forecast, as detailed in Exhibit 3. The billing determinant data has been entered in Sheet 4. Billing Determinants in the OEB's 2021 Deferral and Variance Account WorkForm, which is included as Appendix 1 to this Exhibit. Table 9.2.4-1 below provides a summary of the billing determinants used in the WorkForm.

#### Table 9.2.4-1 - Billing Determinants

							Metered kWh for	Metered kW for
				Metered	Metered kW		Wholesale	Wholesale
				kWh for	for		Market	Market
	# of Customers/	Total	Total	Non-RPP	Non-RPP	Distribution	Participants	Participants
Rate Class	Connections	Metered kWh	Metered kW	Customers	Customers	Revenue	(WMP)	(WMP)
RESIDENTIAL	51,935	454,614,210	-	16,398,472	-	22,529,403	=	-
GENERAL SERVICE < 50 KW	4,541	131,961,769	-	23,505,891	-	4,420,950	-	-
GENERAL SERVICE > 50 TO 4,999 KW	810	697,166,267	1,775,257	670,267,963	1,706,460	8,041,757	3,070,169	5,800
UNMETERED SCATTERED LOAD	325	1,481,614	-	-	-	104,345	-	-
SENTINEL LIGHTING	283	218,613	653	-	-	81,629	=	-
STREET LIGHTING	13,634	4,469,101	12,545	4,469,101	12,545	155,816	-	-
Total	71.529	1.289.911.574	1.788.455	714.641.426	1.719.005	35.333.899	3.070.169	5.800

Rate Class	Total Metered kWh less WMP consumption	Total Metered kW less WMP consumption	Forecast Total Metered Test Year kWh for Full Year Class A Customers	Forecast Total Metered Test Year kWh for Transition Customers	Non-RPP Metered Consumption for Current Class B Customers	1595 Recovery Share Proportion (2017)	1568 LRAM Variance Account Class Allocation	Number of Customers for Residential and GS<50 classes
RESIDENTIAL	454,614,210	-	-	-	16,398,472	16.9%	387,186	51,935
GENERAL SERVICE < 50 KW	131,961,769	-	-	-	23,505,891	30.3%	70,266	4,541
GENERAL SERVICE > 50 TO 4,999 KW	694,096,099	1,769,457	159,963,774	42,660,779	464,573,240	52.8%	276,027	-
UNMETERED SCATTERED LOAD	1,481,614	-	-	=	-	0.0%	-	-
SENTINEL LIGHTING	218,613	653	-	-	-	0.0%	-	-
STREET LIGHTING	4,469,101	12,545	-	-	4,469,101	0.0%	95,385	-
Total	1,286,841,405	1,782,655	159,963,774	42,660,779	508,946,704	100.0%	828,864	56,476

# 9.2.4.1 Group 1 Accounts

Table 9.2.4.1-1 below shows the allocation to each rate class of the Group 1 balances proposed for disposition.

#### Table 9.2.4.1-1 – Allocation of Group 1 Accounts

					GENERAL	GENERAL	UNMETERED			
	Account				SERVICE < 50	SERVICE > 50	SCATTERED	SENTINEL	STREET	
Account Description	Number	Amount	Allocator	RESIDENTIAL	KW	TO 4,999 KW	LOAD	LIGHTING	LIGHTING	Total Allocated
LV Variance Account	1550	1,163,038	kWh	409,899	118,982	628,594	1,336	197	4,030	1,163,038
Smart Metering Entity Charge Variance Account	1551	(9,911)	# of Customers	(9,114)	(797)	-	-	-	-	(9,911)
RSVA - Wholesale Market Service Charge	1580	(521,304)	kWh	(184,166)	(53,458)	(281,181)	(600)	(89)	(1,810)	(521,304)
RSVA - Retail Transmission Network Charge	1584	104,363	kWh	36,782	10,677	56,406	120	18	362	104,363
RSVA - Retail Transmission Connection Charge	1586	(187,786)	kWh	(66,183)	(19,211)	(101,494)	(216)	(32)	(651)	(187,786)
RSVA - Power (excluding Global Adjustment)	1588	(1,732,219)	kWh	(611,957)	(177,634)	(934,324)	(1,994)	(294)	(6,016)	(1,732,219)
RSVA - Global Adjustment	1589	(1,327)	Non-RPP kWh	(43)	(61)	(1,212)	-	-	(12)	(1,327)
Disposition and Recovery/Refund of Regulatory										
Balances (2017)	1595	4,225	%	712	1,282	2,231	-	-	-	4,225
Total		(1,180,922)		(424,070)	(120,221)	(630,979)	(1,355)	(200)	(4,097)	(1,180,922)

Section 2.9.3 of the filing requirements states: "In the DVA Continuity Schedule, applicants must indicate whether they serve any Class A customers during the period where the Account 1580 CBR Class B sub-account balance accumulated. If yes, a separate rate rider will be calculated in Tab CBR B of the DVA Continuity Schedule. However, in the event that the allocated CBR B amount results in a volumetric rate rider that rounds to zero at the fourth decimal place in one or more rate classes, the entire balance in the Account 1580 CBR Class B sub-account will be added to the Account 1580 – WMS control account to be disposed through the general purpose group 1 DVA rate riders."

NPEI did serve Class A customers during the period where the Account 1580 CBR Class B sub-account balance accumulated (i.e. 2019). However, the resulting rate riders calculated in Tab 7 Rate Riders rounds to zero at the fourth decimal place for several rate classes. Accordingly, the entire balance in the Account 1580 CBR Class B sub-account has been added to the Account 1580 – WMS control account balance.

NPEI has one wholesale market participant ("WMP") customer in the GS >50 kW rate class. In accordance with the filing requirements, no portion of the balances in Account

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- 1580 RSVA - Wholesale Market Service Charge, Account 1580 Variance WMS - Sub-
- Account CBR Class B, Account 1588 - RSVA Power or Account 1589 RSVA - Global
- Adjustment have been allocated to the WMP customer.

NPEI proposes to dispose of its Group 1 balances over the default period of one year.

- The resulting proposed Group 1 rate riders, excluding Account 1589 RSVA Global
- Adjustment, are shown in Table 9.2.4.1-2 below.

## Table 9.2.4.1-2 - Group 1 Rate Riders

				-				
	Allocated Deferral / Variance Balance to All	Deferral / Variance Balance to Non- WMP Classes Only if	Total	Metered kWh		Proposed Rate Rider (per kWh or	Proposed Rate Rider (per kWh or kW) Applicable to Non-WMP	Billing
Rate Class	Classes	Applicable	Allocated	/ kW	WMP)	kW)	Only	Determinant
RESIDENTIAL	(424,027)		(424,027)	454,614,210		(0.0009)		kWh
GENERAL SERVICE < 50 KW	(120,159)		(120,159)	131,961,769		(0.0009)		kWh
GENERAL SERVICE > 50 TO 4,999 KW	585,737	(1,215,505)	(629,767)	1,775,257	1,769,457	0.3299	(0.6869)	kW
UNMETERED SCATTERED LOAD	(1,355)		(1,355)	1,481,614		(0.0009)		kWh
SENTINEL LIGHTING	(200)		(200)	653		(0.3061)		kW
STREET LIGHTING	(4,086)		(4,086)	12,545		(0.3257)		kW
Total	35,910	(1,215,505)	(1,179,594)					

# 9.2.4.2 Group 2 Accounts

Table 9.2.4.2-1 below shows the allocation to each rate class of the Group 2 balances proposed for disposition.

# 1 Table 9.2.4.2-1 – Allocation of Group 2 Accounts

					GENERAL	GENERAL	UNMETERED			
	Account				SERVICE < 50	SERVICE > 50	SCATTERED	SENTINEL	STREET	
Account Description	Number	Amount	Allocator	RESIDENTIAL	KW	TO 4,999 KW	LOAD	LIGHTING	LIGHTING	Total Allocated
Pole Attachment Revenue Variance	1508	(692,258)	kWh	(243,978)	(70,820)	(374,149)	(795)	(117)	(2,398)	(692,258)
Other Regulatory Assets - Sub-Account - OEB										
Cost Assessment Variance	1508	301,350	kWh	106,207	30,829	162,872	346	51	1,044	301,350
Other Regulatory Assets - Sub-Account -										
Lead/Lag Study	1508	8,069	kWh	2,844	825	4,361	9	1	28	8,069
Other Regulatory Assets - Sub-Account - Hydro										
One Incremental Capital Charges	1508	4,755	kWh	1,676	486	2,570	5	1	16	4,755
Other Regulatory Assets - Sub-Account - OPEB										
Deferral Account	1508	(398,479)	kWh	(140,439)	(40,766)	(215,368)	(458)	(68)	(1,381)	(398,479)
Other Regulatory Assets - Sub-Account - LTLT										
Rate Mitigation	1508	4,458	kWh	1,571	456	2,410	5	1	15	4,458
Retail Cost Variance Account - Retail	1518	126,676	kWh	44,646	12,959	68,466	146	21	439	126,676
Pension & OPEB Forecast Accrual versus Actual										
Cash Payment Differential Carrying Charges	1522	(75)	kWh	(26)	(8)	(40)	(0)	(0)	(0)	(75)
Retail Cost Variance Account - STR	1548	433,650	kWh	152,835	44,364	234,377	498	73	1,502	433,650
Total		(211,853)		(74,665)	(21,673)	(114,502)	(243)	(36)	(734)	(211,853)

As per the OEB's letter issued July 16, 2015 outlining details regarding the implementation of the transition to fully fixed distribution charges to residential customers, Group 2 rate riders for the residential class are to be established on a per customer basis.

NPEI proposes to dispose of its Group 2 balances over the default period of one year.

The resulting proposed Group 2 rate riders are shown in Table 9.2.4.2-2 below.

Table 9.2.4.2-2 - Group 2 Rate Riders

Rate Class	Allocated Deferral / Variance Balance	# of Customers / Metered kWh / Metered kW	ŕ	Billing Determinant
RESIDENTIAL	(83,364)	51,935	(0.13)	# of Customers
GENERAL SERVICE < 50 KW	(24,198)	131,961,769	(0.0002)	kWh
GENERAL SERVICE > 50 TO 4,999 KW	(127,842)	1,775,257	(0.0720)	kW
UNMETERED SCATTERED LOAD	(272)	1,481,614	(0.0002)	kWh
SENTINEL LIGHTING	(40)	653	(0.0614)	kW
STREET LIGHTING	(820)	12,545	(0.0653)	kW
Total	(236,536)			

- 1 Account 1576 Accounting Changes Under CGAAP
- 2 NPEI's 2015 COS Rate Application (EB-2014-0096) was filed on the basis of MIFRS. As
- discussed in Exhibit 9.1.2, in NPEI's 2015 COS Rate Application, the OEB approved the
- 4 disposition of NPEI's Account 1576 balance of (\$6,910,688).

5 6

In this current application, NPEI is requesting approval for disposition of the Account 1576 residual balance of (\$160,882).

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9 NPEI proposes to dispose of its Account 1576 residual balance over the default period of 10 one year.

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The resulting proposed Account 1576 rate riders are shown in Table 9.2.4.2-3 below.

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Table 9.2.4.2-3 - Account 1576 Rate Riders

Rate Class	Allocated Deferral / Variance Balance	# of customers/ Metered kWh / Metered kW	Proposed Rate Rider (per customer, kWh or kW)	Billing Determinant
RESIDENTIAL	(56,701)	51,935	(0.0910)	# of customers
GENERAL SERVICE < 50 KW	(16,459)	131,961,769	(0.0001)	kWh
GENERAL SERVICE > 50 TO 4,999 KW	(86,953)	1,775,257	(0.0490)	kW
UNMETERED SCATTERED LOAD	(185)	1,481,614	(0.0001)	kWh
SENTINEL LIGHTING	(27)	653	(0.0418)	kW
STREET LIGHTING	(557)	12,545	(0.0444)	kW
Total	(160,882)			

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Account 1568 – Lost Revenue Adjustment Mechanism Variance Account (LRAMVA)

- 21 As explained in Exhibit 9.1.2, NPEI is requesting approval for the disposition of its 2016-
- 22 2018 LRAMVA total amount of \$828,864, based on the LRAM report prepared by IndEco
- 23 Strategic Consulting Inc.

NPEI proposes to dispose of its Account 1568 balance over the default period of one year.

The resulting proposed Account 1576 rate riders are shown in Table 9.2.4.2-4 below.

#### Table 9.2.4.2-4 - LRAMVA Rate Riders

Rate Class	Allocated Deferral / Variance Balance	# of customers/ Metered kWh / Metered kW	Proposed Rate Rider (per customer, kWh or kW)	Billing Determinant
RESIDENTIAL	387,186	51,935	0.6213	Customer
GENERAL SERVICE < 50 KW	70,266	131,961,769	0.0005	kWh
GENERAL SERVICE > 50 TO 4,999 KW	276,027	1,775,257	0.1555	kW
UNMETERED SCATTERED LOAD	-	1,481,614	-	kWh
SENTINEL LIGHTING	-	653	-	kW
STREET LIGHTING	95,385	12,545	7.6037	kW
Total	828,864			

#### Account 1557 Meter Cost Deferral Account (MIST Meters)

As explained in Exhibit 9.2.1, NPEI is requesting disposition of its Account 1557 balance of \$291,795.

In allocating the balance proposed for disposition to the rate classes, NPEI utilized the proportion of meters converted for each applicable rate class. This resulted in an allocation of 26.6% to the GS<50 kW class and 73.4% to the GS>50 kW class.

NPEI proposes to dispose of its Account 1557 balance over the default period of one year.

The resulting proposed Account 1557 rate riders are shown in Table 9.2.4.2-5 below.

# Table 9.2.4.2-5 - MIST Meter Rate Riders

Rate Class	Allocated Deferral / Variance Balance	Metered kWh / Metered kW	Proposed Rate Rider (kWh or kW)	Billing Determinant
RESIDENTIAL	-			
GENERAL SERVICE < 50 KW	77,706	131,961,769	0.0006	kWh
GENERAL SERVICE > 50 TO 4,999 KW	214,089	1,775,257	0.1206	kW
UNMETERED SCATTERED LOAD	-			
SENTINEL LIGHTING	-			
STREET LIGHTING	-			
Total	291,795			

# **COMMODITY ACCOUNTS 1588 AND 1589**

## 9.2.5 Commodity Accounts 1588 and 1589

4 9.2.5.1 Account 1589 RSVA - Global Adjustment

- 5 NPEI is requesting the disposition of Account 1589 RSVA Global Adjustment in the
- 6 amount of (\$1,394) based on the account balance as at December 31, 2019 (adjusted
- 7 for disposition in 2020). NPEI's Account 1589 balance was last disposed in NPEI's 2020
- 8 IRM Rate Application (EB-2019-0054), which was based on audited balances as at
- 9 December 31, 2018.
- 11 NPEI bills all of its Non-RPP Class B customers using the actual GA rate. This was
- 12 accomplished by moving all of NPEI's non-RPP customers to billing cycles that can
- 13 accommodate Actual GA rate billing (i.e. all non-RPP customers are billed after the 10<sup>th</sup>
- 14 business day of the following month, once the actual GA rate is available from the
- 15 IESO).

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- 9.2.5.2 GA Analysis Workform
- 18 Section 2.9.3.1. of the Filing Requirements states:
- 19 "All distributors are required to complete the GA Analysis Workform for each year that
- 20 has not been previously approved by the OEB for disposition (on an interim or final
- 21 basis), irrespective of whether they are seeking disposition of Group 1 deferral and
- variance account balances a per of their application."
- NPEI has completed the OEB's GA Analysis Workform for its 2019, which is included as
- 25 Appendix 2 to this Exhibit.

#### 9.2.5.3 Class B and A Customers

2 Section 2.9.3.1 of the Filing Requirements states: "Most customers pay the GA charge 3 based on the amount of electricity they consume in a month (kWh). These customers 4 are referred to as Class B. Customers who participate in the Industrial Conservation Initiative (ICI), referred to as Class A, pay GA based on their percentage contribution to the top five peak Ontario demand hours (i.e. peak demand factor) over a year-long 7 period. Distributors that settle GA costs with Class A customers on the basis of actual GA process, shall allocate no GA variance balance to these customers for the period that customers were designated Class A."

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> "The DVA Continuity Schedule will also allocate the portion of Account 1589 GA to customers who transitioned between Class A and Class B based on customer specific consumption levels. All transition customers will only be responsible for the customer specific amount allocated to them. They will not be charged/refunded the general GA rate rider. Customers should be charged in a consistent manner for the entire rate rider period until the sunset date, regardless of whether customers transitioned between Class A and Class B during the disposition period."

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At July 1, 2019, NPEI had 15 GS > 50 kW customers that transitioned between Class B and Class A: 11 customers that moved from Class B to Class A, and 4 customers that moved from Class A to Class B. On Sheet 6. Class A Consumption Data in the 2021 DVA Continuity Schedule Model, NPEI has entered the individual non-loss adjusted kWh and kW for the 15 transition customers, for the period where they were Class B and the period where they were Class A.

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As a result, on Sheet 6.1a GA Allocation, the DVA Continuity Schedule Model has allocated a portion of the Account 1589 RSVA - GA balance to these transition customers based on customer specific consumption levels for the period where they were Class B customers.

# Table 9.2.5.3-1 – GA Allocation to Transition Customers

		2019
Non-RPP Consumption Less WMP Consumption	Α	667,197,794
Less Class A Consumption for Partial Year Class A		
Customers	В	19,319,291
Less Consumption for Full Year Class A Customers	С	159,963,774
Total Class B Consumption for Years During Balance		
Accumulation	D = A-B-C	487,914,729
All Class B Consumption for Transition Customers	Е	23,341,487
Transition Customers' Portion of Total Consumption	F = E/D	4.78%
Allocation of Total GA Balance \$		
Total GA Balance	G	-\$ 1,394
Transition Customers Portion of GA Balance	H=F*G	-\$ 67
GA Balance to be disposed to Current Class B Customers		
through Rate Rider	I=G-H	-\$ 1,327

The resulting GA amounts for each transition customer is shown in Table 9.2.5.3-2 below.

1 Table 9.2.5.3-2 – Transition Customer GA Amounts

Transition Customer	Metered Consumption (kWh) for Transition Customers During the Period When They Were Class B Customers in 2019	% of kWh	Customer Specific GA Allocation for the Period When They Were a Class B customer	Monthly Equal Payments
Customer 1	1,062,682	4.55%	(3.04)	(0.25)
Customer 2	966,370	4.14%	(2.76)	(0.23)
Customer 3	720,097	3.09%	(2.06)	(0.17)
Customer 4	169,826	0.73%	(0.49)	(0.04)
Customer 5	288,155	1.23%	(0.82)	(0.07)
Customer 6	1,453,771	6.23%	(4.15)	(0.35)
Customer 7	81,507	0.35%	(0.23)	(0.02)
Customer 8	759,936	3.26%	(2.17)	(0.18)
Customer 9	7,851,921	33.64%	(22.43)	(1.87)
Customer 10	210,826	0.90%	(0.60)	(0.05)
Customer 11	385,686	1.65%	(1.10)	(0.09)
Customer 12	1,794,854	7.69%	(5.13)	(0.43)
Customer 13	3,121,268	13.37%	(8.92)	(0.74)
Customer 14	1,428,064	6.12%	(4.08)	(0.34)
Customer 15	3,046,525	13.05%	(8.70)	(0.73)
Total	23,341,487	100.00%	(66.69)	

As shown in Table 9.2.5.3-1 above, the GA balance to be disposed to current Class B customers is (\$1,327). The GA rate riders are calculated on Sheet 7. Rate Rider Calculations in the 2021 DVA Continuity Schedule Model, based on the default period of one year, which are shown in Table 9.2.5.3-3 below:

#### Table 9.2.5.3-3 - GA Rate Riders

5	Class B Non-RPP	Allocated GA	Proposed Rate
Rate Class	kWh	Balance	Rider (perkWh)
RESIDENTIAL	16,398,472	(43)	(0.0000)
GENERAL SERVICE < 50 KW	23,505,891	(61)	(0.0000)
GENERAL SERVICE > 50 TO 4,999 KW	464,573,240	(1,212)	(0.0000)
UNMETERED SCATTERED LOAD		-	
SENTINEL LIGHTING		-	
STREET LIGHTING	4,469,101	(12)	(0.0000)
Total	508,946,704	(1,327)	

NPEI notes that all of the proposed GA rate riders in Table 9.2.5.3-3 above round to zero in the fourth decimal place.

Section 2.9.3 of the Filing Requirements states: "Rate riders where the volumetric rate rider is \$0.0000 for one or more rate classes must not be included on the tariff for those classes. The entire OEB-approved amount for recovery or refund will typically be recorded in a USoA account to be determined by the OEB for disposition in a future rate setting."

Since the rate riders shown in 9.2.5.3-3 above round to zero in the fourth decimal place, NPEI requests to record the entire balance of (\$1,327) in a USoA account to be determined by the OEB for disposition in a future rate setting.

#### 9.2.5.4 Accounting Guidance

On February 21, 2019, the OEB issued its letter entitled *Accounting Guidance related to Accounts 1588 Power and 1589 RSVA Global Adjustment* as well as the related accounting guidance. The accounting guidance was effective January 1, 2019 and was to be implemented by August 31, 2019. The OEB expects that all transactions recorded to these accounts during 2019 will have been accounting for in accordance with this guidance.

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- 1 NPEI confirms that the OEB's accounting guidance of February 21, 2019 was
- 2 implemented in recording transactions to accounts 1588 and 1589 during 2019.

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### 9.2.5.5 Account 1588 RSVA – Power

- 5 NPEI is requesting the disposition of Account 1588 RSVA Power in the amount of
- 6 (\$1,732,219) based on the account balance as at December 31, 2019 (adjusted for
- 7 disposition in 2020), plus forecast carrying charges to December 31, 2020. NPEI's
- 8 Account 1588 balance was last disposed in NPEI's 2020 IRM Rate Application (EB-
- 9 2019-0054), which was based on audited balances as at December 31, 2018.

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11 Table 9.2.5.5-1 below shows the total Account 1588 RSVA - Power balance proposed

12 for disposition:

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Table 9.2.5.5-1 – Account 1588 RSVA - Power

	1588 RSVA - Power (including carrying
ltem	charges)
Balance as at December 31, 2019, per RRR Trial Balance	(1,309,174)
2020 OEB-approved disposition	(385,677)
Projected Carrying Charges January 1, 2020 to December 31, 2020	(37,367)
Total Proposed for Disposition	(1,732,219)

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The credit balance that accumulated in Account 1588 RSVA – Power during 2019 in largely due to the following factors:

- 1. The difference between NPEI's OEB-approved loss factor and NPEI's actual loss factor.
- 2. Significant billing corrections relating to prior years' consumption.

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As shown in Table 9.2.5.5-2 below, NPEI has calculated that the 2 items listed above contributed a total of (\$1,442,256) to the total change in Account 1588 RSVA – Power principal balance during 2019. The remaining unexplained variance of (\$1,714,103) –

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1 (\$1,442,256) = (\$271,847) represents 0.22% of NPEI's total power sales revenue in 2 2019.

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**Table 9.2.5.5-2 – Power Variance** 

Item		Amount
2019 Metered kWh	1,210,020,079	
OEB Approved TLF	1.0479	
2019 Calculated TLF	1.0397	
Loss kWh Difference	(9,977,653)	
2019 Average WAP	0.0187	
Variance due to Loss Factor Difference		(186,178)
2019 Metered kWh (Excluding Class A)	1,007,395,526	
OEB Approved TLF	1.0479	
2019 Calculated TLF	1.0397	
Loss kWh Difference	(8,306,840)	
2019 Average GA	0.1084	
Variance due to Loss Factor Difference		(900,474)
Significant Billing Corrections Relating to Prior Years		
Consumption		(355,605)
Total Variance Explained		(1,442,256)
2019 Change in Principal Balance		(1,714,103)
Variance Not Explained		(271,847)
2019 Total Power Revenue		(126,268,088)
Unexplained Variance as a Percentage of Power Revenue		0.22%

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As explained in Exhibit 9.2.4, the Account 1588 RSVA – Power balance requested for disposition of (\$1,732,219) has been allocated to NPEI's rate classes on Sheet 5. Allocation of the Balances in the OEB's 2021 DVA Continuity Schedule Model, and incorporated into the rate rider calculations on Sheet 7. Rate Riders.

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# ESTABLISHMENT OF NEW DEFERRAL AND VARIANCE ACCOUNTS

### 9.2.6 Establishment of New Deferral and Variance Accounts

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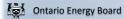
NPEI is not requesting the establishment of any new deferral or variance accounts in the current application.

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# Appendix 9-1 DVA Continuity Schedule Model

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### 2021 Deferral/Variance Account Workform

### Summary of Changes from the Prior Year

- 2019 DVA balances from the RRR are not populated in the continuity schedules in tab 2a and 2b as they are not yet available.
- 2 Questions been revised on tab 1.

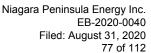
  The continuity schedule in tab 2a will open starting from the year balances were last approved for disposition, unless the last approved dipsosition was on an interim basis and there are changes to those balances. If that is the case tab 2a will open from the year of last approved disposition on a final basis. A distributor must also provide an explanation for the change in the previously approved balance.
- 3 Footnote #4 in tab 2a has been revised to clarify that the amount in the "Transactions" column in the DVA Continuity Schedule are to equal the transactions in the General Ledger (excluding any amounts approved for disposition, which is shown separately in the "OEB Approved Disposition" columns). Any true-ups/adjustments/reversals needed to derive the claim amount must be shown separately in the "Principal Adjustments" columns of this DVA Continuity Schedule.
- In tab 2b, added Account 1508 PILs and Tax Variance for 2006 and Subsequent Years- Sub-account CCA Changes

### Instructions

Tab	Tab Details	Step	Instructions
		1	Complete the information sheet.
1 - Information Sheet	This tab shows some information pertaining to the utility and the application.		Questions 1 to 4 Responses to these questions will open the DVA continuity schedule in tabs 2a and 2b to the appropriate year that DVA balances should first be inputted. The continuity schedule in tab 2a will open starting from the year balances were last approved for disposition, unless the last approved disposition was on an interim basis and there are changes to those balances. If that is the case, tab 2a will open from the year of last approved disposition on a final basis. A distributor must also provide an explanation for the change in the previously approved balance.  Questions 5 to 6 If the response to question 5 (GA) or 6 (CBR Class B) is yes, tab 6 relating to Class A customers' consumption will be generated. If the response to question 6 is yes, then tab 6.2 will also be generated. Tab 6.2 calculates the billing determinants for the Account 1580, sub-account CBR Class B rate rider, if applicable, using information inputted in tabs 4 and 6.  If the response to question 6 is no, then the balance in the Account 1580, sub-account CBR Class B will be allocated and disposed with Account 1580 WMS, as part of the
		2	general DVA rate rider  Complete the DVA continuity schedule.
		_	
		2a	a) For all Group 1 accounts, except Account 1595; The continuity schedule generally will open from the year the GL balance was last disposed. Start inputting the approved ending balances in the Adjustments column of that year. For example, if in the 2020 rate application, DVA balances as at December 13, 2018 were approved for disposition, the continuity schedule will commence from 2018. Start by inputting the approved closing 2018 balances in the Adjustments column under 2018.
			b) For all Account 1595 sub-accounts:  Complete the DVA continuity schedule for each Account 1595 vintage year that has a GL balance as at December 31, 2019, regardless of whether the account is eligible for disposition in the current application.
2a and 2b -	These tabs are the continuity schedules that show all the accounts and the accumulation of		The continuity schedule will open in the year of the earliest Account 1595 wintage year that has a balance. 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 (2015) would accumulate a balance starting in 2015, when the relevant balances approved for disposition were first transferred into Account 1596 (2015). Input the amount approved for disposition in the OEB Approved Disposition column.
Continuity Schedule	the balances a utility has. Tab 2a is for Group 1 DVAs. Tab 2b is for Group 2 DVAs.		Note that the DVA continuity schedule can currently start from 2014. If a utility has residual balance in an Account 1595 with a vintage year prior to 2014, include residual balances for years up to 2014 in the row for Account 1595 (2014) and provide a separate schedule with amounts broken down by vintage year.
			For Accounts 1588, 1589 and 1595, indicate whether disposition is requested in column BU.
		2b	c) For all Group 2 accounts:  The continuity schedule will open from the year the GL balance was last disposed. Start inputting approved ending balances in the Adjustment columns of that year.  For example, if in the 2016 rebasing rate application, DVA balances as at December 13, 2014 were approved for disposition, the continuity schedule will commence from 2014. Start by inputting the approved closing 2013 balances in the Adjustments column under 2014.
			Enter the number of utility-specific 1508 sub-accounts that are approved for the utility in the textbox in cell B71. The DVA continuity schedule will generate the number of utility-specific 1508 sub-accounts. Input the name and the balances of the sub-account(s).
			Indicate whether disposition is requested for various accounts in column BU
			Review any balance variance between the DVA continuity schedule and the RRR in column BW. Provide an explanation in tab 3, if necessary.
3. Appendix A	This tab shows the year end balance variances between the continuity schedule and that reported in the RRR.	3	Provide an explanation for the variances identified.
4 - Billing Determinant	This tab shows the billing determinants that will be used to allocate account balances and calculate rate riders.	4	Complete the billing determinants table based on the load forecast. Note that columns O and P are generated when a utility indicates they have Class A customers in tab 1. Information in these columns are populated based on data from tab 6.
5 - Allocating Def-Var Balances	This tab allocates the DVA balances	5	Review the allocated balances to ensure the allocation is appropriate. Note that the allocations for Accounts 1589 and 1580 CBR Class B will be determined after tabs 6 to 6.2a have been completed.
		6	This tab is generated when the utility selects yes to questions 5 or 6 in tab 1, indicating they had Class A customers during the period that the GA or CBR balance accumulated.
		7	Under #2a, indicate whether the utility had any customers that transitioned between Class A and B during the period the Account 1589 GA balance accumulated. If yes, tab 6.1a will be generated.
			Under #2b, indicate whether the utility had any customers that transitioned between Class A and B during the period the Account 1580, sub-account CBR Class B balance accumulated. If yes, tab 6.2a will be generated.
	This tab is to be completed if there were any Class A customers during the period the GA balance CBR Class B balance accumulated.	8	Under #3a, enter the number of transition customers the utility had during the period the Account 1589 GA or Account 1580 CBR Class B balances accumulated. A table will be generated based on the number of customers.
6 - Class A Data Consumption	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		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.
	specific GA and CBR Class B charges for transition customers (if applicable).		Note that 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.
			Also note that the transition customers identified for the GA may be different than those for CBR Class B. This would depend on the period in which the GA and CBR Class B balances accumulated.

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		9	Under #3b, enter the number of rate classes in which there were full year Class A customers during the period the Account 1589 GA balance or Account 1580 CBR Class B balance accumulated. A table will be generated based on the number of rate classes.  Complete the table accordingly for each rate class identified (i.e. the total Class A consumption in the rate class for each year; and a forecast of total Class A and B consumption for transition and full year Class A customers in the test year). This data will be used in the calculation of billing determinants for GA and CBR Class B, as
6.1a GA Allocation	This tab 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 (ie. 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 and former Class Castomers and former Class Castomers who are now Class B customers contributing to the GA balance).	10	This tab is generated when the utility indicates that they had transition customers in tab 6, #2a during the period the GA balance accumulated.  In row 20, enter the Non-RPP consumption less WMP consumption.  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.
6.2 - CBR	This tab calculates the billing determinants for the CBR Class B rate rider, if applicable.	11	This tab is generated when the response to question 6 in tab 1 is "yes", indicating that they had Class A customers during the period that Account 1580, sub-account CBR Class B balance accumulated.  No input is required. 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 7.
6.2a - CBR_B Allocation	This tab 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	This tab is generated when the utility indicates that they had transition customers in tab 6, #2b during the period where the CBR Class B balance accumulated.  In row 20, enter the total Class B consumption less WMP consumption.  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.  Any transition customer who is allocated a specific CBR Class B amount is not to be charged the general CBR Class B rate rider as calculated in tab 7.
7 - Calculation of Def- Var RR	This tab calculates all the applicable DVA rate riders.	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.  If there are Class A customers, but a CBR Class B rate rider is not produced, the entire Account 1580 CBR Class B balance, including the amount allocated to transition customers will be transferred to Account 1580 WMS, to be disposed through the general Group 1 DVA rate rider.





Utility Name	Niagara Peninsula Energy Inc.	
Service Territory		
Assigned EB Number	EB-2020-0040	
Name of Contact and Title	Suzanne Wilson, Senior VP Finance	
Phone Number	905-353-6004	
Email Address	Suzanne.Wilson@npei.ca	

### Questions

To determine the first year the continuity schedules in tabs 2a and 2b will be generated for input, answer the following questions:

### Question 1

For Accounts 1588 and 1589,

Please indicate the year the accounts were last disposed on a final basis

2018

2018

- a) If the accounts were last approved on a final basis, select the year that the balance was last approved on a final basis.
- b) If the accounts were last approved on an interim basis, and
  - i) there are no changes to the previously approved interim balances, select the year that the balances were last approved for diposition on an interim basis.
  - ii) there are changes to the previously approved interim balaces, select the year that the balances were last approved for disposition on a final basis.

(e.g. If 2017 balances reviewed in the 2019 rate application were to be selected, select 2017)

#### Question 2

For the remaining Group 1 DVAs,

Please indicate the year the accounts were last disposed on a final basis

2018

- a) If the accounts were last approved on a final basis, select the year that the balance was last approved on a final basis.
- b) If the accounts were last approved on an interim basis, and
  - i) there are no changes to the previously approved interim balances, select the year that the balances were last approved for diposition on an interim basis.

2018

approved for disposition on a final basis. **Question 3** Select the earliest vintage year in which there is a balance in Account 1595 2017 (e.g. If 2016 is the earliest vintage year in which there is a balance in a 1595 sub-account, select 2016) Question 4 Select the earlier of i) the year in which Group 2 DVAs were last disposed and ii) the earliest year in which Group 2 DVAs started to accumulate 2014 To determine whether tabs 6 and 6.2 will be generated, answer the following questions Question 5 Did you have any Class A customers at any point during the period that the Account 1589 balance accumulated (i.e. from the year the balance selected in #1 above to the year requested for disposition) or the test year? Yes Question 6 Did you have any Class A customers at any point during the period where the balance in Account 1580, Sub-account CBR Class B accumulated (i.e. from the year selected in #2 above to the year requested for disposition) or the test year? Yes

ii) there are changes to the previously approved interim balaces, select the year that the balances were last

<u>General Notes</u>
<u>Notes</u>
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.
Pale grey cell represent auto-populated RRR data

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Please see instructions tab for detailed instructions on how to complete the DVA Continuity Schedule. Column BV has been pre-populated from the most recent RRR filling

						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(1) during 2017	Closing Principal Balance as of Dec-31-17	Opening Interest Amounts as of Jan-1-17
Group 1 Accounts							
LV Variance Account	1550	\$0				\$0	\$0
Smart Metering Entity Charge Variance Account	1551	\$0				\$0	\$0
RSVA - Wholesale Market Service Charge⁵	1580	\$0				\$0	\$0
Variance WMS – Sub-account CBR Class A <sup>5</sup>	1580	\$0				\$0	\$0
Variance WMS – Sub-account CBR Class B <sup>5</sup>	1580	\$0				\$0	\$0
RSVA - Retail Transmission Network Charge	1584	\$0				\$0	\$0
RSVA - Retail Transmission Connection Charge	1586	\$0				\$0	\$0
RSVA - Power (excluding Global Adjustment) <sup>4</sup>	1588	\$0				\$0	\$0
RSVA - Global Adjustment <sup>4</sup>	1589	\$0				\$0	\$0
Disposition and Recovery/Refund of Regulatory Balances (2014) <sup>3</sup>	1595	\$0				\$0	\$0
Disposition and Recovery/Refund of Regulatory Balances (2015) <sup>3</sup>	1595	\$0				\$0	\$0
Disposition and Recovery/Refund of Regulatory Balances (2016) <sup>3</sup>	1595	\$0				\$0	\$0
Disposition and Recovery/Refund of Regulatory Balances (2017) <sup>3</sup>	1595	\$0	\$190,440			\$190,440	\$0
Disposition and Recovery/Refund of Regulatory Balances (2018) <sup>3</sup>	1595	\$0				\$0	\$0
Disposition and Recovery/Refund of Regulatory Balances (2019) <sup>3</sup>	1595	\$0				\$0	\$0
Refer to the Filing Requirements for disposition eligibility.							
Group 1 Sub-Total (including Account 1589 - Global Adjustment)		\$0		\$0	\$0	\$190,440	\$0
Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)		\$0		\$0	\$0	\$190,440	\$0
RSVA - Global Adjustment 4	1589	\$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)

- Please provide explanations for the nature of the adjustments. If the adjustment relates to previously OEB-Approved disposed balances, please provide amounts for adjustments and include supporting documentation.
- 2 1) If the LDC's rate year begins on January 1, 2021, the projected interest is recorded from January 1, 2020 to December 31, 2020 on the December 31, 2019 balances adjusted to remove balances approved for disposition in the 2020 rate decision.
- The Zuzo had becision.
  2) If the LDC's rate year begins on May 1, 2021, the projected interest is recorded from January 1, 2020 to April 30, 2021 on the December 31, 2019 balances adjusted to remove balances approved for disposition in the 2020 rate decision.
- 3 The individual sub-accounts as well as the total for all Account 1595 sub-accounts is to agree to the RRR data. Differences need to be explained. For each Account 1595 sub-account, the transfer of the balance approved for disposition into Account 1595 is to be recorded in 'OEB Approved Disposition' column. The recovery/found is to be recorded in the "Transaction" column. Any vintage year of Account 1595 is only to be disposed once on a final basis. No further dispositions of these accounts are generally expected thereafter, unless justified by the distributor.

Refer to Filing Requirements for disposition eligibility of the sub-accounts. Select "yes" column BU if the sub-account is requested for disposition. Note that Accounts 1595 (2018) and (2019) will not be eligible for disposition in the 2021 rate application.

- <sup>4</sup> New accounting guidance effective January 1, 2019 for Accounts 1588 and 1589 was issued Feb. 21, 2019 titled Accounting Procedures Handbook Update Accounting Guidance Related to Commodity Pass-Through Accounts 1588 & 1589. The amount in the "Transactions" column in this DVA Continuity Schedule are to equal the transactions in the General Ledger (excluding any amounts approved for disposition, which is shown separately in the "OEB Approved Disposition" columns). Any true-ups/adjustments/eversals needed to derive the claim amount must be shown separately in the "Principal Adjustments" columns of this DVA Continuity Schedule.
- 5 Account 1580 RSVA WMS balance inputted into this schedule is to exclude any amounts relating to CBR. CBR amounts are to be inputted into Account 1580, sub-accounts CBR Class A and Class B separately. There is no disposition of Account 1580, sub-account CBR Class A, accounting guidance for this sub-account is to be followed. If a balance exists for Account 1580, sub-account CBR Class A as at Dec. 31, 2018, the balance must be explained.
- 6 RRR balance for Account 1580 RSVA Wholesale Market Service Charge should equal to the control account as reported in the RRR. This would include the balance for Account 1580, Variance WMS – Sub-account CBR Class B.

### Deferral/Variance Account Workform

Please see instructions tab for detailed instructions on how to complete the DVA Continuity Schedule. Column BV has been pre-populated from the most recent RRR filling

					·			
Account Descriptions	Account Number	Interest Jan-1 to Dec-31-17	OEB-Approved Disposition during 2017	Interest Adjustments(1) during 2017	Closing Interest Amounts as of Dec-31-17	Opening Principal Amounts as of Jan-1-18	Transactions(1) Debit/(Credit) during 2018	OEB-Approved Disposition during 2018
Group 1 Accounts								
LV Variance Account	1550				\$0	\$0		
Smart Metering Entity Charge Variance Account	1551				\$0	\$0		
RSVA - Wholesale Market Service Charge <sup>5</sup>	1580				\$0	\$0		
Variance WMS – Sub-account CBR Class A⁵	1580				\$0	\$0		
Variance WMS – Sub-account CBR Class B <sup>5</sup>	1580				\$0	\$0		
RSVA - Retail Transmission Network Charge	1584				\$0	\$0		
RSVA - Retail Transmission Connection Charge	1586				\$0	\$0		
RSVA - Power (excluding Global Adjustment) <sup>4</sup>	1588				\$0	\$0		
RSVA - Global Adjustment <sup>4</sup>	1589				\$0	\$0		
Disposition and Recovery/Refund of Regulatory Balances (2014) <sup>3</sup>	1595				\$0	\$0		
Disposition and Recovery/Refund of Regulatory Balances (2015) <sup>3</sup>	1595				\$0	\$0		
Disposition and Recovery/Refund of Regulatory Balances (2016) <sup>3</sup>	1595				\$0	\$0		
Disposition and Recovery/Refund of Regulatory Balances (2017) <sup>3</sup>	1595	\$22,806			\$22,806	\$190,440	-\$207,545	
Disposition and Recovery/Refund of Regulatory Balances (2018) <sup>3</sup>	1595				\$0	\$0	-\$3,272,992	
Disposition and Recovery/Refund of Regulatory Balances (2019) <sup>3</sup>	1595				\$0	\$0		
Refer to the Filing Requirements for disposition eligibility.								
Group 1 Sub-Total (including Account 1589 - Global Adjustment)		\$22,806	\$0	\$0	\$22,806	\$190,440	-\$3,480,537	\$0
Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)		\$22,806	\$0	\$0	\$22,806	\$190,440	-\$3,480,537	\$0
RSVA - Global Adjustment 4	1589	\$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)

Please provide explanations for the nature of the adjustments. If the adjustment relates to previously OEB-Approved disposed balances, please provide amounts for adjustments and include supporting documentations.

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Account 1580 RSVA WMS balance inputted into this schedule is to exclude any amounts relating to CBR. CBR amounts are to be inputted into Account 1580, sub-account CBR Class A and Class B separately. There is no disposition of Account 1580, sub-account GBR Class A, accounting guidance for this sub-account is to be followed. If a balance exists for Account 1580, sub-account CBR Class A as at Dec. 31, 2018, the balance must be explained.

### Deferral/Variance Account Workform

Please see instructions tab for detailed instructions on how to complete the DVA Continuity Schedule. Column BV has been pre-populated from the most recent RRR filling

			2018						
Account Descriptions	Account Number	Principal Adjustments(1) during 2018	Closing Principal Balance as of Dec-31-18	Opening Interest Amounts as of Jan-1-18	Interest Jan-1 to Dec-31-18	OEB-Approved Disposition during 2018	Interest Adjustments(1) during 2018	Closing Interest Amounts as of Dec-31-18	Opening Principal Amounts as of Jan-1-19
Group 1 Accounts									
LV Variance Account	1550	\$1,625,444	\$1,625,444	\$0			\$30,249	\$30,249	\$1,625,444
Smart Metering Entity Charge Variance Account	1551	-\$38,095	-\$38,095	\$0			-\$1,020	-\$1,020	-\$38,095
RSVA - Wholesale Market Service Charge <sup>5</sup>	1580	-\$1,540,546	-\$1,540,546	\$0			-\$40,639	-\$40,639	-\$1,540,546
Variance WMS – Sub-account CBR Class A <sup>5</sup>	1580	\$0	\$0	\$0			\$0	\$0	\$0
Variance WMS – Sub-account CBR Class B⁵	1580	-\$34,894	-\$34,894	\$0			\$36	\$36	-\$34,894
RSVA - Retail Transmission Network Charge	1584	\$190,071	\$190,071	\$0			\$1,150	\$1,150	
RSVA - Retail Transmission Connection Charge	1586	\$133,193	\$133,193	\$0			-\$1,577	-\$1,577	\$133,193
RSVA - Power (excluding Global Adjustment) <sup>4</sup>	1588	\$418,642	\$418,642	\$0			\$43,377	\$43,377	\$418,642
RSVA - Global Adjustment 4	1589	-\$144,263	-\$144,263	\$0			-\$965	-\$965	-\$144,263
Disposition and Recovery/Refund of Regulatory Balances (2014) <sup>3</sup>	1595		\$0	\$0				\$0	\$0
Disposition and Recovery/Refund of Regulatory Balances (2015) <sup>3</sup>	1595		\$0	\$0				\$0	\$0
Disposition and Recovery/Refund of Regulatory Balances (2016) <sup>3</sup>	1595		\$0	\$0				\$0	\$0
Disposition and Recovery/Refund of Regulatory Balances (2017) <sup>3</sup>	1595		-\$17,105	\$22,806	\$498			\$23,304	-\$17,105
Disposition and Recovery/Refund of Regulatory Balances (2018) <sup>3</sup>	1595		-\$3,272,992	\$0	\$1,085,357			\$1,085,357	-\$3,272,992
Disposition and Recovery/Refund of Regulatory Balances (2019) <sup>3</sup>	1595		\$0	\$0				\$0	\$0
Refer to the Filing Requirements for disposition eligibility.									
Group 1 Sub-Total (including Account 1589 - Global Adjustment)		\$609,552	-\$2,680,545	\$22,806	\$1,085,855	\$0	\$30,611	\$1,139,272	-\$2,680,545
Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)		\$753,816	-\$2,536,281	\$22,806	\$1,085,855	\$0	\$31,576	\$1,140,237	-\$2,536,281
RSVA - Global Adjustment 4	1589	-\$144,263	-\$144,263	\$0	\$0	\$0	-\$965	-\$965	-\$144,263

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### Deferral/Variance Account Workform

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2019 Closing Principal Balance as of Interest Jan-1 to Dec-31-19 OEB-Approved Disposition during 2019 Transactions Debit / OEB-Approved (Credit) during 2019 Cisposition during 2019 Principal Adjustments(1) during 2019 Account Descriptions during 2019 Dec-31-19 Jan-1-19 **Group 1 Accounts** 1550 \$1,126,375 \$836,172 \$1,915,647 \$30,249 \$35,582 \$20,219 LV Variance Account Smart Metering Entity Charge Variance Account 1551 -\$16.871 -\$30.873 -\$1 020 RSVA - Wholesale Market Service Charge -\$400.198 1580 -\$1,327,886 -\$612.859 -\$40,639 -\$16,461 -\$20,423 Variance WMS - Sub-account CBR Class A5 \$0 \$0 1580 Variance WMS – Sub-account CBR Class B<sup>5</sup> -\$127,219 1580 \$36 -\$55,307 -\$130,089 RSVA - Retail Transmission Network Charge 1584 \$104 343 \$349 721 \$1 150 \$5,044 -\$4.039 RSVA - Retail Transmission Connection Charge \$85,332 -\$177,951 \$1,875 RSVA - Power (excluding Global Adjustment)<sup>4</sup> 1588 -\$2.525.878 \$60,050 -\$1,355,511 \$43,377 \$29,917 \$26,957 RSVA - Global Adjustment 4 1589 \$0 -\$144,085 -\$178 -\$1,399 -\$10.256 Disposition and Recovery/Refund of Regulatory Balances (2014)3 1595 \$0 \$0 Disposition and Recovery/Refund of Regulatory Balances (2015) 1595 \$0 \$0 Disposition and Recovery/Refund of Regulatory Balances (2016) 1595 \$0 \$0 Disposition and Recovery/Refund of Regulatory Balances (2017)3 1595 -\$18.287 \$23,304 -\$393 Disposition and Recovery/Refund of Regulatory Balances (2018)<sup>3</sup> 1595 \$2,106,043 -\$1,166,949 \$1,085,357 -\$38.739 Disposition and Recovery/Refund of Regulatory Balances (2019)<sup>3</sup> 1595 -\$280,630 \$1,078 efer to the Filina Requirements for disposition eligibility Group 1 Sub-Total (including Account 1589 - Global Adjustment) \$811.775 -\$1,241,805 \$1,139,272 \$14,281 \$0 -\$158.096 -\$785.060 \$9.046 Group 1 Sub-Total (excluding Account 1589 - Global Adjustment) -\$158,096 \$811,775 \$1,140,237 \$15,680 \$19,303 RSVA - Global Adjustment 4 1589 \$0 -\$144,085 \$0 -\$178 -\$965 -\$1,399 -\$10,256 \$0

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### **Energy Board**

### Deferral/Variance Account Workform

Please see instructions tab for detailed instructions on how to complete the DVA Continuity Schedule. Column BV has been pre-populated from the most recent RRR filling

				2	2020		Projec
Account Descriptions	Account Number	Closing Interest Amounts as of Dec-31-19	Principal Disposition during 2020 - instructed by OEB	Interest Disposition during 2020 - instructed by OEB	Closing Principal Balances as of Dec 31-19 Adjusted for Dispositions during 2020	Closing Interest Balances as of Dec 31-19 Adjusted for Dispositions during 2020	Projected Interest from Jan 1, 2020 to December 31, 2020 on Dec 31 -19 balance adjusted for disposition during 2020 (2)
Group 1 Accounts							
LV Variance Account	1550	\$45,612	\$789,272	\$33,505		\$12,107	\$24,555
Smart Metering Entity Charge Variance Account	1551	-\$1,396	-\$21,224	-\$1,345	-\$9,650	-\$51	-\$210
RSVA - Wholesale Market Service Charge <sup>5</sup>	1580	-\$36,676	-\$212,660	-\$26,540	-\$400,198	-\$10,136	-\$8,724
Variance WMS – Sub-account CBR Class A <sup>5</sup>	1580	\$0			\$0	\$0	
Variance WMS – Sub-account CBR Class B⁵	1580	\$33	-\$27,851	\$744	-\$99,369	-\$711	-\$2,166
RSVA - Retail Transmission Network Charge	1584	\$10,233	\$245,378	\$12,487	\$104,343	-\$2,254	\$2,275
RSVA - Retail Transmission Connection Charge	1586	\$1,865	\$263,283	\$7,820	-\$177,951	-\$5,956	
RSVA - Power (excluding Global Adjustment) <sup>4</sup>	1588	\$46,337	\$358,593	\$27,085		\$19,252	
RSVA - Global Adjustment <sup>4</sup>	1589	\$7,892	-\$178	\$9,286	-\$0	-\$1,394	-\$0
Disposition and Recovery/Refund of Regulatory Balances (2014) <sup>3</sup>	1595	\$0			\$0	\$0	
Disposition and Recovery/Refund of Regulatory Balances (2015) <sup>3</sup>	1595	\$0			\$0	\$0	
Disposition and Recovery/Refund of Regulatory Balances (2016) <sup>3</sup>	1595	\$0			\$0	\$0	
Disposition and Recovery/Refund of Regulatory Balances (2017) <sup>3</sup>	1595	\$22,911			-\$18,287	\$22,911	-\$399
Disposition and Recovery/Refund of Regulatory Balances (2018) <sup>3</sup>	1595	\$1,046,618			-\$1,166,949	\$1,046,618	
Disposition and Recovery/Refund of Regulatory Balances (2019) <sup>3</sup>	1595	\$1,078			-\$280,630	\$1,078	
Refer to the Filing Requirements for disposition eligibility.							
Group 1 Sub-Total (including Account 1589 - Global Adjustment)		\$1,144,507	\$1,394,613	\$63,043	-\$2,636,418	\$1,081,464	-\$25,917
Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)		\$1,136,615	\$1,394,791	\$53,757	-\$2,636,418	\$1,082,858	-\$25,917
RSVA - Global Adjustment 4	1589	\$7,892	-\$178	\$9,286	-\$0	-\$1,394	-\$0

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### Deferral/Variance Account Workform

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	ted Interest on Dec-31-19 Balances					
Account Descriptions	Account Number	Projected Interest from January 1, 2021 to April 30, 2021 on Dec 31 -19 balance adjusted for disposition during 2020 (2)	Total Interest	Total Claim	Accounts To Dispose Yes/No	As of Dec 31-19
Group 1 Accounts						
LV Variance Account	1550		\$36,662	\$1,163,037.69		\$1,961,260
Smart Metering Entity Charge Variance Account	1551		-\$262	-\$9,911.38		-\$32,269
RSVA - Wholesale Market Service Charge <sup>5</sup>	1580		-\$18,860	-\$419,058.70		-\$776,721
Variance WMS – Sub-account CBR Class A <sup>5</sup>	1580		\$0	\$0.00		
Variance WMS – Sub-account CBR Class B <sup>5</sup>	1580		-\$2,877	-\$102,245.60		
RSVA - Retail Transmission Network Charge	1584		\$20	\$104,363.26		\$359,954
RSVA - Retail Transmission Connection Charge	1586		-\$9,835	-\$187,785.80	.,	\$87,196
RSVA - Power (excluding Global Adjustment) <sup>4</sup>	1588		-\$18,116	-\$1,732,218.77	Yes	-\$1,309,174
RSVA - Global Adjustment <sup>4</sup>	1589		-\$1,394	-\$1,394.10	Yes	\$7,714
Disposition and Recovery/Refund of Regulatory Balances (2014) <sup>3</sup>	1595		\$0	\$0.00		
Disposition and Recovery/Refund of Regulatory Balances (2015) <sup>3</sup>	1595		\$0	\$0.00		
Disposition and Recovery/Refund of Regulatory Balances (2016) <sup>3</sup>	1595		\$0	\$0.00		
Disposition and Recovery/Refund of Regulatory Balances (2017) <sup>3</sup>	1595		\$22,512	\$4,224.95	Yes	\$4,623
Disposition and Recovery/Refund of Regulatory Balances (2018) <sup>3</sup>	1595		\$1,046,618	\$0.00	No	-\$120,331
Disposition and Recovery/Refund of Regulatory Balances (2019) <sup>3</sup>	1595		\$1,078	\$0.00	No	-\$279,551
Refer to the Filing Requirements for disposition eligibility.						
Group 1 Sub-Total (including Account 1589 - Global Adjustment)		\$0	\$1,055,547	-\$1,180,988.45		
Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)		\$0	\$1,056,941	-\$1,179,594.35		
RSVA - Global Adjustment 4	1589	\$0	-\$1,394	-\$1,394.10		

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### **Energy Board**

### Deferral/Variance Account Workform

Please see instructions tab for detailed instructions on how to complete the DVA Continuity Schedule. Column BV has been pre-populated from the most recent RRR filling

Account Descriptions	Account Number	Variance RRR vs. 2019 Balance (Principal + Interest)
Group 1 Accounts		
LV Variance Account	1550	\$0
Smart Metering Entity Charge Variance Account	1551	\$0
RSVA - Wholesale Market Service Charge <sup>5</sup>	1580	-\$127,186
Variance WMS – Sub-account CBR Class A <sup>5</sup>	1580	\$0
Variance WMS – Sub-account CBR Class B <sup>5</sup>	1580	\$127,186
RSVA - Retail Transmission Network Charge	1584	\$0
RSVA - Retail Transmission Connection Charge	1586	-\$0
RSVA - Power (excluding Global Adjustment) <sup>4</sup>	1588	-\$0
RSVA - Global Adjustment <sup>4</sup>	1589	\$0
Disposition and Recovery/Refund of Regulatory Balances (2014) <sup>3</sup>	1595	\$0
Disposition and Recovery/Refund of Regulatory Balances (2015) <sup>3</sup>	1595	\$0
Disposition and Recovery/Refund of Regulatory Balances (2016) <sup>3</sup>	1595	\$0
Disposition and Recovery/Refund of Regulatory Balances (2017) <sup>3</sup>	1595	-\$0
Disposition and Recovery/Refund of Regulatory Balances (2018) <sup>3</sup>	1595	\$0
Disposition and Recovery/Refund of Regulatory Balances (2019) <sup>3</sup>	1595	\$0
Refer to the Filing Requirements for disposition eligibility.		
Group 1 Sub-Total (including Account 1589 - Global Adjustment)		\$97,298
Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)		\$105,012
RSVA - Global Adjustment 4	1589	-\$7,714

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The individual sub-accounts as well as the total for all Account 1595 sub-accounts is to agree to the RRR data. Differences need to be explained. For each Account 1595 sub-account, the transfer of the balance approved for disposition into Account 1595 is to be recorded in 'OEB Approved Disposition' column. The recovery/ferlund is to be recorded in the "Transaction" column. Any vintage year of Account 1595 is only to be disposed once on a final basis. No further dispositions of these accounts are generally expected thereafter, unless justified by the distributor.

Refer to Filing Requirements for disposition eligibility of the sub-accounts. Select "yes" column BU if the sub-account is requested for disposition. Note that Accounts 1595 (2018) and (2019) will not be eligible for disposition in the 2021 rate application.

New accounting guidance effective January 1, 2019 for Accounts 1588 and 1589 was issued Feb. 21, 2019 titled Accounting Procedures Handbook Update - Accounting Guidance Related to Commodity Pass-Through Accounts 1588 a 1589. The amount in the "Transactions" column in this DVA Continuity Schedule are to equal the transactions in the General Ledger (excluding any amounts approved for disposition, which is shown separately in the "OEB Approved Disposition" columns). Any true-ups/adjustments/eversals needed to derive the tolar amount must be shown separately in the "Principal Adjustments" columns of this DVA Continuity Schedule.

Account 1580 RSVA WMS balance inputted into this schedule is to exclude any amounts relating to CBR. CBR amounts are to be inputted into Account 1580, sub-account CBR Class A and Class B separately. There is no disposition of Account 1580, sub-account CBR Class A, accounting guidance for this sub-account is to be followed. If a balance exists for Account 1580, sub-account CBR Class A as at Dec. 31, 2018, the balance must be explained.

RRR balance for Account 1580 RSVA - Wholesale Market Service Charge should equal to the control account as reported in the RRR. This would include the balance for Account 1580, Variance WMS – Sub-account CBR Class B.

'ariance does not agree to RRR CBR balance in BV28. Please provide an explanation of the variance in tab 3 - Appendix A 
'lease provide an explanation of the variance in the tab 3 - Appendix A

Please see instructions tab for detailed instructions on how to complete the DVA Continuity Schedule. Column BV has been pre-populated from the most recent RRR filling

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.



						2014										2015					
Account Descriptions	Account Number	Opening Principal Amounts as of Jan- 1-14	Transactions Debit / (Credit) during 2014	OEB-Approved Disposition during 2014	Principal Adjustments(1) 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(1) during 2014	Closing Interest Amounts as of Dec-31-14	Opening Principal Amounts as of Jan- 1-15	Transactions Debit / (Credit) during 2015	OEB-Approved Disposition during 2015	Principal Adjustments(1) 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(1) during 2015	Closing Interest Amounts as of Dec-31-15
Group 2 Accounts																					
Other Resulatory Assets - Sub-Account - Deferred FRS Transition Costs  POR Attachment Revenue Variance*  Real all Service Charge Internerial Revenue?  Real Service Charge Internerial Revenue?  Real Service Charge Internerial Revenue?  Other Resulatory Assets - Sub-Account - Other December Variance  Other Resulatory Assets - Sub-Account - Other December Assets  Other Resulatory Assets - Sub-Account - Other December Assets  Other Resulatory Assets - Sub-Account - LTLT Rate Mitigation  Real Cost Variance Account - Real Period - Province Assets - Sub-Account - Control Resulatory Assets - Sub-Account - LTLT Rate Mitigation  Real Cost Variance Account - Real Period - Province Account - Real Period - Province Account - Real Real Cost Variance Account - Real Real Real Real Real Real Real Real	1508 1508 1508 1508 1508 1508 1508 1508	\$16.187 \$6,552 \$138.753	\$3.992 -\$1.570.62 \$20.472 \$51.914			\$16,187 \$0 \$0 \$0 \$10,544 -\$1,570,621 \$0 \$159,225 \$0 \$230,883	\$487	\$238 \$122			\$725 \$0 \$0 \$0 \$0 \$311 \$0 \$0 \$0 \$0	\$16.187 \$0 \$0 \$0 \$10,544 -\$1.570.621 \$0 \$159.225 \$0 \$0 \$230.883	\$32.032 \$301 \$15.662	\$6,552		\$0 \$0 \$0 \$32,032 \$4,293 -\$1,570,621 \$0 \$36,134 \$0 \$103,751	\$0 \$0 \$0 \$311 \$0 \$0 \$0 \$0 \$0	\$80 \$131 \$99	\$317		-\$0 \$0 \$0 \$131 \$93 \$0 \$0 \$0 \$0
Testin Coulomb Businer Coulomb	1572 1574 1582 2425	\$340,459	-\$1,494,240		\$0	\$0 \$0 \$0 \$0	\$676	\$360	\$0	\$0	\$0 \$0 \$0 \$0 \$0	\$230,863 \$0 \$0 \$0 \$0 \$0	\$99,831	\$340,459	\$0	\$0 \$0 \$0 \$0	\$0	\$309	\$1,122	\$0	\$0 \$0 \$0 \$0 \$0 \$0
PiLs and Tax Variance for 2:006 and Subsequent Years  (excludes sub-cocourt and contral account below)  PILs and Tax Variance for 2:006 and Subsequent Years-Sub-account CCA Changes	1592 1592	-\$61,838				-\$61,838 \$0					\$0 \$0	-\$61,838 \$0	-\$1,212	-\$63,050		\$0 \$0					\$0 \$0
LRAM Variance Account <sup>4</sup>	1568					\$0					\$0	\$0	\$467,812			\$467,812	\$0	\$13,285			\$13,285
Total including Account 1568		\$278,622	-\$1,494,240	\$0	\$0	-\$1,215,619	\$676	\$360	\$0	\$0	\$1,037	-\$1,215,619	\$566,431	\$277,410	\$0	-\$926,597	\$1,037	\$13,594	\$1,122	\$0	\$13,509
Persion à OPEB Fonceat Accusal vessus Actual Cash Payment Differental Persion à OPEB Fonceat Accusal vessus Actual Cash Payment Differental Contra Account Renewabile Generation Connection Clapital Deferral Account Renewabile Generation Connection Chapter Account Renewabile Generation Connection Chapter Account Renewabile Generation Connection Fundina Addre Deferral Account Smart Grid Cabilla Deferral Account Smart Grid Cabilla Deferral Account Smart Grid Fundina Addre Deferral Account Smart Meter Capital and Recovery Office Variance - Sub-Account - Stranded Meter Costs Meter Costs Deferral Account (MIST Meters) <sup>2</sup>	1522 1522 1531 1532 1533 1534 1535 1536 1555	\$18,721 \$1,283,704				\$0 \$0 \$0 \$0 \$0 \$0 \$0 \$18,721 \$0 \$1,283,704					\$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0	\$0 \$0 \$0 \$0 \$0 \$0 \$18,721 \$0 \$1,283,704	-\$403,353 -\$43,760	\$18,721		\$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$880,351	\$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0	\$367 -\$161	\$367		\$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0
IFRS-CGAAP Transition PP&E Amounts Balance + Return Component Accounting Changes Under CGAAP Balance + Return Component	1575 1576	-\$6,910,688				\$0 -\$6,910,688						\$0 -\$6,910,688	\$2,087,654			\$0 -\$4,823,034					

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.

- <sup>1</sup> Please provide explanations for the nature of the adjustments. If the adjustment relates to previously OEB-Approved disposed balances, please provide amounts for adjustments and include supporting documentations.
- 2 1) If the LDC's rate year begins on January 1, 2020, the projected interest is recorded from January 1, 2019 to December 31, 2019 on the December 31, 2018 balances adjusted to remove balances approved for disposition in the 2019 rate decision.

  2) if the LDC's rate year begins on May 1, 2020, the projected interest is recorded from January 1, 2019 to April 30, 2020 on the December 31, 2018 balances adjusted to remove balances approved for disposition in the 2019 rate decision.

- on the December 31, 2018 balances adjuncted to remove balances approved for disposition in the 2019 that decides of Account 150° for the reviewed an enterme time to the Stimm Heave course. Describtions before designation of the MST most deployment. A prudence review and disposition of ball but the 40 MSC central of the 40 MSC ce

Please see instructions tab for detailed instructions on how to complete the DVA Continuity Schedule. Column BV has been pre-populated from the most recent RRR filling

						2016										2017							
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(1) 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(1) during 2016	Closing Interest Amounts as of Dec-31-16	Opening Principal Amounts as of Jan- 1-17	Fransactions(1) Debit (Credit) during 2017	OEB-Approved Disposition during 2017	Principal Adjustments(1) 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(1) during 2017	Closing Interest Amounts as of Dec-31-17		Transactions Debit/ (Credit) during 2018
Group 2 Accounts																							
Other Resulation Assets - Sub-Account - Deferred IFRS Transition Costs Pole Attachment Revenue Variance' Retail Service Charge Incremental Revenue Other Resulation Vassets - Sub-Account - OEB Cost Assessment Variance Other Resulation Vassets - Sub-Account - Horde One Incremental Capital Charges Other Resulation Vassets - Sub-Account - Horde One Incremental Capital Charges Other Resulation Vassets - Sub-Account - OFEB Deferral Account Other Resulation Vassets - Sub-Account - UTLT Rate Millegation Retail Cost Variance Account - Retail Persiston & OPEB Procestal Accounts - UTLT Rate Millegation Retail Cost Variance Account - Straft Retail Cost Variance Account - Straft Setal Cost Variance Account - STraft Retail Cost Variance Account - STraft Deferred Date Impact Amounts SRVA - One-time Other Deferred Credits Group 2 Sub-Total PLs and Tax Variance for 2008 and Subsequent Years - Sub-account CCA Changes Flast and Tax Variance for 2008 and Subsequent Years - Sub-account CCA Changes	1508 1508 1508 1508 1508 1508 1508 1508	\$0 \$0 \$0 \$2,032 \$4,293 \$1,570,621 \$36,134 \$103,751 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0	\$58,786 \$9,244 \$17,967 \$65,513 \$151,509	\$34.077	\$0	\$0 \$0 \$58,785 \$7,199 \$4,293 \$1,570,621 \$0 \$54,101 \$169,265 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0	\$0 \$0 \$0	\$304 \$199 \$47		\$0	-\$0 \$0 \$304 \$3340 \$140 \$0 \$0 \$0 \$0 \$0 \$774	\$0 \$0 \$5.0 \$58.785 \$7.199 \$4.293 \$1.570.821 \$0 \$0 \$54.101 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0	\$66,209 \$713,200 \$157 \$19,089 \$69,716	So	\$0	\$0 \$0 \$124,994 \$7,199 \$4,293 -\$857,421 \$73,199 \$0 \$0 \$239,981 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0	\$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$	\$1.167 \$86 \$52 \$0 \$1,306		\$0	\$0 \$0 \$1,471 \$4177 \$192 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0	\$0 \$0 \$124,994 \$7,199 \$4,293 -8867,421 \$157 \$73,190 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0	\$27,923 \$51,637 \$2,018 \$19,101 \$72,992
LRAM Variance Account <sup>4</sup>	1568	\$467,812	\$9,301			\$477,114	\$13,285	\$4,797			\$18,081	\$477,114		\$477,114		\$0	\$18,081	\$2,171	\$20,253		\$0	\$0	
Total including Account 1568 Persion A OPEB Forecast Account versus Achial Cash Phymeric Differential Persion & OPEB Forecast Account versus Achial Cash Phymeric Differential Contra Account Renewable Generation Convention Closistal Deferral Account Renewable Generation Convention Closistal Deferral Account Renewable Generation Convention Closistal Deferral Account Renewable Generation Convention Closistal Physics of Contract Renewable Generation Convention Funding Adder Deferral Account Smart Grif Grant Abertar Account Smart Grif Funding Adder Deferral Account General Account (MST Meetrs) Smart Grif Funding Adder Deferral Account (MST Meetrs)  FIRS-CGAP Transition OPEB Announts Balance + Return Component Accounting Changes Under GGAP Balance + Return Component	1522 1522 1531 1532 1533 1534 1535 1536 1555 1557	-\$926,597 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0	\$160,810 -\$676,465 -\$39,199 \$3,553,062		\$0	-\$799,864 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0	\$13,509 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0		\$0	\$0	\$18,855 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0	-\$799,864  \$0   \$0   \$0   \$0   \$0   \$0   \$0   \$0	\$868,371 -\$228,569 -\$3,029 \$1,094,861	\$477,114	\$0	-\$408,607 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0	\$0 \$0		\$20,253	\$0	\$2,080 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0	-\$408,607  50  50  50  50  50  50  50  50  50	\$117,819 \$676 -\$676 \$50,831 \$6,730

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1) If the LDC's rate year begins on January 1, 2000, the projected interest is recorded from January 1, 2019 to December 31, 2019 on the December 31, 2019 on the December 31, 2019 and 2019 are decision.

2) If the LDC's rate year begins on May 1, 2000, the projected interest is recorded from January 1, 2019 to April 30, 2020 on the December 31, 2019 failures adjusted to remove balances approved for disposition in the 2019 rate decision.

on the December 31, 2018 balances adjusted to smove balances approved for disposition in the 2019 rate decision, Account 150's its is received in a manner sent on the Sent Market security. Because the design of Account 150's its is received in a manner sent on the Sent Market security and disposition of the Old Sent Market security and the Sent Sent Market security and the Sent Sent Market security design of the Sent Market security and the Sent Market security and the Sent Sent Market security and the Sent Market security and sent security and the Sent Market security and sent security and the Sent Market security and sent security and the Sent Market security and sent security and the Sent Market se

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		-		2018										2019						- 2	2020		
Account Descriptions	Account Number	OEB-Approved Disposition during 2018	Principal Adjustments(1) during 2018	Closing Principal Balance as of Dec-31-18	Opening Interest Amounts as of Jan-1-18	Interest Jan-1 to Dec-31-18	OEB-Approved Disposition during 2018	Interest Adjustments(1) during 2018	Closing Interest Amounts as of Dec-31-18	Opening Principal T Amounts as of Jan- (	Transactions Debit / (Credit) during 2019	OEB-Approved Disposition during 2019	Principal Adjustments(1) during 2019	Closing Principal Balance as of Dec-31-19	Opening Interest Amounts as of Jan-1-19	Interest Jan-1 to Dec-31-19 Dispo during	sition Adjustments		Principal Disposition during 2020 - instructed by OEB	during 2020 -	Closing Principal Balances as of Dec 31-19 Adjusted for Dispositions during 2020	Balances as of Dec	Projected Interest from Jan 1, 2020 to December 31, 2020 on Dec 31 -19 balance adjusted for disposition during 2020 (2)
Group 2 Accounts																							
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs Pole Attachment Revenue Variance <sup>5</sup>	1508 1508			\$0 -\$27.929	-\$0 \$0	-\$196			-\$0 -\$196	\$0 -\$27.929	-\$318.717			\$0 -\$346.646	-\$0 -\$196	-\$2.950		-\$ -\$3.14	0 8 \$331,298		\$0 -\$677,944	-\$0 -\$3,146	-\$11,168
Retail Service Charge Incremental Revenue <sup>6</sup>	1508			\$0	\$0				\$0	\$0				\$0	\$0			s			\$0	\$0	
Other Regulatory Assets - Sub-Account - OEB Cost Assessment Variance	1508			\$176.631	\$1,471	\$2,925			\$4,396	\$176,631	\$57,127			\$233,758	\$4,396	\$4.611		\$9,00	-\$52,912		\$286,670	\$9,007	\$5,673
Other Regulatory Assets - Sub-Account - Lead/Lag Study	1508			\$7,199	\$417	\$134			\$551	\$7,199				\$7,199	\$551	\$162		\$71			\$7,199	\$713	\$157
Other Regulatory Assets - Sub-Account - Hydro One Incremental Capital Charges	1508			\$4,293	\$192	\$80			\$272	\$4,293				\$4,293	\$272	\$96		\$36			\$4,293	\$368	\$94
Other Regulatory Assets - Sub-Account - OPEB Deferral Account	1508			-\$857,421	\$0				\$0	-\$857,421	\$458.942			-\$398,479	\$0						-\$398,479	\$0	
Other Regulatory Assets - Sub-Account - LTLT Rate Mitigation	1508			\$2,175	\$0	\$21			\$21	\$2,175	\$2.098			\$4,273	\$21	\$70		\$9	5		\$4,273	\$92	\$93
Retail Cost Variance Account - Retail <sup>6</sup>	1518			\$92,291	\$0	-				\$92.291	\$17.663			\$109.953	\$0						\$126,676	\$0	
Pension & OPEB Forecast Accrual versus Actual Cash Payment Differential Carrying Charges	1522			\$02,291	\$0	-\$75			-\$75	\$0	217.003			\$105,553	-\$75			-\$7			\$120.070	-\$75	
Misc. Deferred Debits	1525			\$0	\$0	4,5			\$0	\$0				\$0	\$0						\$0	\$0	
Retail Cost Variance Account - STR <sup>6</sup>	1548			\$311.973	\$0				\$0	\$311,973	\$62,500			\$374.473	\$0			Š	-\$59.177		\$433.650	\$n	
Extra-Ordinary Event Costs	1572			\$311,973	şu sn				\$0	\$311,573	902,000			\$374,473	\$0			· ·	-\$05,177		\$0.000	\$0	
Deferred Rate Impact Amounts	1574			\$0	\$n				\$n	sn sn				\$0	\$0			Š	n n		\$0	\$0	
RSVA - One-time	1582			\$0	\$0				\$0	\$0				\$0	\$0			Š	ň		\$0	\$0	
Other Deferred Credits	2425			\$0	\$n				\$n	sn sn				\$0	\$0				n		\$0	\$n	
One Deleted Ordina	2420			40					***	40					40				1		40	40	
Group 2 Sub-Total		\$0	\$0	-\$290,788	\$2,080	\$2,890	\$0	\$0	\$4,969	-\$290,788	\$279,613	\$0	\$0	-\$11,175	\$4,969	\$1,990	\$0	\$0 \$6,95	9 \$202,486	\$0	-\$213,661	\$6,959	-\$5,152
PILs and Tax Variance for 2006 and Subsequent Years	1592																						
(excludes sub-account and contra account below)				\$0	\$0				\$0	\$0				\$0	\$0			\$			\$0	\$0	
PILs and Tax Variance for 2006 and Subsequent Years- Sub-account CCA Changes	1592			\$0	\$0				\$0	\$0				\$0	\$0			\$	D		\$0	\$0	
LRAM Variance Account <sup>4</sup>	1568			\$0	\$0				\$0	\$0			\$778,151	\$778,151	\$0	\$0	\$33,7	749 \$33,74	9		\$778,151	\$33,749	\$16,964
Total including Account 1568		\$0	\$0	-\$290,788	\$2,080	\$2,890	\$0	\$0	\$4,969	-\$290,788	\$279,613	\$0	\$778,151	\$766,977	\$4,969	\$1,990	\$0 \$33,7	749 \$40,70	8 \$202,486	\$0	\$564,491	\$40,708	\$11,812
Pension & OPEB Forecast Accrual versus Actual Cash Payment Differential	1522	ı		\$676	\$0				\$0	\$676	\$36.975			\$37.652	\$0			s	0		\$37.652	\$0	
Pension & OPEB Forecast Accrual versus Actual Cash Payment Differential Contra Account	1522			-\$676	\$0				\$0	-\$676	-\$36,975			-\$37,652	\$0			s	D		-\$37,652	\$0	
Renewable Generation Connection Capital Deferral Account	1531			\$0	\$0				\$0	\$0				\$0	\$0			s	0		\$0	\$0	
Renewable Generation Connection OM&A Deferral Account	1532			\$0	\$0				\$0	SO				\$0	\$0			s	0		\$0	\$0	
Renewable Generation Connection Funding Adder Deferral Account	1533			\$0	\$0				\$0	\$0				\$0	\$0			s	D		\$0	\$0	
Smart Grid Capital Deferral Account	1534			\$0	\$0				\$0	\$0				\$0	\$0			\$	0		\$0	\$0	
Smart Grid OM&A Deferral Account	1535			\$0	\$0				\$0	\$0				\$0	\$0			\$	0		\$0	\$0	
Smart Grid Funding Adder Deferral Account	1536			\$0	\$0				\$0	\$0				\$0	\$0			\$	D		\$0	\$0	
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs	1555			-\$24,683	\$0				\$0	-\$24,683				-\$24,683	\$0			\$	0		-\$24,683	\$0	
Meter Cost Deferral Account (MIST Meters) <sup>3</sup>	1557			-\$35,157	-\$1,809	-\$1,208			-\$3,016	-\$35,157	\$121,501			\$86,344	-\$3,016	-\$144		-\$3,16	-\$204,500		\$290,844	-\$3,161	\$4,111
IFRS-CGAAP Transition PP&E Amounts Balance + Return Component	1575	•		\$0						\$0				\$0							\$0		
Accounting Changes Under CGAAP Balance + Return Component	1576			-\$168,381						-\$168,381	\$7,498			-\$160,882	i						-\$160,882		

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Please provide explanations for the nature of the adjustments. If the adjustment relates to previously OEB-Approved disposed balances, please provide amounts for adjustments and include supporting documentations.

1) If the LDC's rate year begins on January 1, 2000, the projected interest is recorded from January 1, 2019 to December 31, 2019 on the December 31, 2019 on the December 31, 2019 and 2019 are decision.

2) If the LDC's rate year begins on May 1, 2000, the projected interest is recorded from January 1, 2019 to April 30, 2020 on the December 31, 2019 failures adjusted to remove balances approved for disposition in the 2019 rate decision.

on the December 31, 2018 balances adjusted to smove balances approved for disposition in the 2019 rate decision, Account 150's its is received in a manner sent on the Sent Market security. Because the design of Account 150's its is received in a manner sent on the Sent Market security and disposition of the Old Sent Market security and the Sent Sent Market security and the Sent Sent Market security design of the Sent Market security and the Sent Market security and the Sent Sent Market security and the Sent Market security and sent security and the Sent Market security and sent security and the Sent Market security and sent security and the Sent Market security and sent security and the Sent Market se

Please see instructions tab for detailed instructions on how to complete the DVA Continuity Schedule. Column BV has been pre-populated from the most recent RRR filing

		Projected Inter-	est on Dec-31-19 B	alances		2.1.7 RRR		
Account Descriptions	Account Number	Projected Interest from January 1, 2021 to April 30, 2021 on Dec 31 -19 balance adjusted for disposition during 2020 (2)	Total Interest	Total Claim	Accounts to Dispose Yes/No	As of Dec 31-19	Variance RRR vs. 2019 Balance (Principal + Interest)	For Accounts 1508, 1522 and 1592, only show the total control account that is reported in the RRR in the first row for that account in this tab
Group 2 Accounts								
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508		-\$0	-\$0.01			\$0	
Pole Attachment Revenue Variance <sup>5</sup>	1508		-\$14,314	-\$692,257.85		-\$349,792	\$0	
Retail Service Charge Incremental Revenue <sup>6</sup>	1508		\$0	\$0.00			\$0	
Other Regulatory Assets - Sub-Account - OEB Cost Assessment Variance	1508		\$14,680	\$301,349.95	Yes	\$242,765	\$0	
Other Regulatory Assets - Sub-Account - Lead/Lag Study	1508		\$870	\$8,068.73	Yes	\$7.912	\$0	
Other Regulatory Assets - Sub-Account - Hydro One Incremental Capital Charges	1508		\$462	\$4,755.32	Yes	\$4,662	-\$0	
Other Regulatory Assets - Sub-Account - OPEB Deferral Account	1508		\$0	-\$398.479.00	Yes	-\$398,479	\$0	
Other Regulatory Assets - Sub-Account - LTLT Rate Mitigation	1508		\$185	\$4,458.27	Yes	\$4,365	\$0	
Retail Cost Variance Account - Retail <sup>6</sup>	1518		SO	\$126.676.45		\$109.953	\$0	
Pension & OPEB Forecast Accrual versus Actual Cash Payment Differential Carrying Charges	1522		-\$75	-\$74.60		-\$75	\$0	
Misc. Deferred Debits	1525		\$0	\$0.00			\$0	
Retail Cost Variance Account - STR <sup>6</sup>	1548		SO	\$433.649.58		\$374,473	\$0	
Extra-Ordinary Event Costs	1572		\$0	\$0.00			\$0	
Deferred Rate Impact Amounts	1574		\$0	\$0.00		ĺ	\$0	
RSVA - One-time	1582		\$0	\$0.00			\$0	
Other Deferred Credits	2425		\$0	\$0.00			\$0	
		I				i		
Group 2 Sub-Total		\$0	\$1,807	-\$211,853.17		-\$4,216	\$0	
PILs and Tax Variance for 2006 and Subsequent Years	1592							
(excludes sub-account and contra account below)			\$0	\$0.00		Į.	-\$0	
PILs and Tax Variance for 2006 and Subsequent Years- Sub-account CCA Changes	1592		\$0	\$0.00			\$0	
LRAM Variance Account <sup>4</sup>	1568		\$50,713	\$828,864.16			-\$811,900	Please provide an explanation of the variance in the tab 3 - Appendix A
Total including Account 1568		\$0	\$52,520	\$617,010.99		-\$4,215.51	-\$811,900	
Pension & OPEB Forecast Accrual versus Actual Cash Payment Differential	1522		\$0	\$37.651.65		\$37.652	\$0	
Pension & OPEB Forecast Accrual versus Actual Cash Payment Differential Contra Account	1522		\$0	-\$37,651.65		-\$37,652	\$0	
Renewable Generation Connection Capital Deferral Account	1531		\$0	\$0.00			\$0	
Renewable Generation Connection OM&A Deferral Account	1532		\$0	\$0.00			\$0	
Renewable Generation Connection Funding Adder Deferral Account	1533		\$0	\$0.00		ĺ	\$0	
Smart Grid Capital Deferral Account	1534		\$0	\$0.00			\$0	
Smart Grid OM&A Deferral Account	1535		\$0	\$0.00		)	\$0	
Smart Grid Funding Adder Deferral Account	1536		\$0	\$0.00		ļ	\$0	
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs	1555		\$0	-\$24,682.61	Yes	-\$24,683	-\$0	
Meter Cost Deferral Account (MIST Meters) <sup>3</sup>	1557		\$951	\$291,794.80		\$83,183	\$0	
IFRS-CGAAP Transition PP&E Amounts Balance + Return Component	1575			\$0.00	No		\$o	
Accounting Changes Under CGAAP Balance + Return Component	1576			-\$160,882.11	Yes	-\$160,882	\$0	
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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.

Please provide explanations for the nature of the adjustments. If the adjustment relates to previously OEB-Approved disposed balances, please provide amounts for adjustments and include supporting documentations.

1) If the LDC's rate year begins on January 1, 2000, the projected interest is recorded from January 1, 2019 to December 31, 2019 on the December 31, 2019 on the December 31, 2019 and 2019 are decision.

2) If the LDC's rate year begins on May 1, 2000, the projected interest is recorded from January 1, 2019 to April 30, 2020 on the December 31, 2019 failures adjusted to remove balances approved for disposition in the 2019 rate decision.

on the December 31. 2011 balances adjusted to remove balances approved for disposition in the 2019 raile decision, Account 150 is to a recovered an ammer share that the 6 from Matthews accoss. Distribution state for equation of special properties of the ARCT matter deplayment. A produce reminer and disposition of the 0.00 for the 2019 control of the 2019 control



Accounts that produced a variance on the continuity schedule are listed below. Please provide a detailed explanation for each variance below.

13

Account Descriptions	Account Number	Variance RRR vs. 2019 Balance (Principal + Interest)	Explanation
LV Variance Account	1550	\$ 0.39	
Smart Metering Entity Charge Variance Account	1551	\$ 0.00	
RSVA - Wholesale Market Service Charge5	1580	\$ (127,186.04)	
Variance WMS – Sub-account CBR Class B5	1580	\$ 127,185.91	
RSVA - Retail Transmission Network Charge	1584	\$ 0.02	
RSVA - Retail Transmission Connection Charge	1586	\$ (0.47)	
RSVA - Power (excluding Global Adjustment)4	1588	\$ (0.24)	
RSVA - Global Adjustment 4	1589	\$ 0.15	
Disposition and Recovery/Refund of Regulatory Balances (2017)3	1595	\$ (0.20)	
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	\$ 0.01	
Other Regulatory Assets - Sub-Account - Hydro One Incremental Capital Charges	1508	\$ (0.01)	
LRAM Variance Account4	1568	\$ (811,900.46)	
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs	1555	\$ (0.25)	

In the green shaded cells, enter the data related to the **proposed** load forecast. Do not enter data for the MicroFit class.

			P	1	В			(	
Rate Class (Enter Rate Classes in cells below as they appear on your current tariff of rates and charges)	Units	# of Customers	Total Metered <mark>kWh</mark>	Total Metered <mark>kW</mark>	Metered kWh for Non-RPP Customers <sup>4</sup>	Metered kW for Non-RPP Customers <sup>4</sup>	Distribution Revenue	Metered <mark>kWh</mark> for Wholesale Market Participants (WMP)	Metered <mark>kW</mark> for Wholesale Market Participants (WMP)
RESIDENTIAL	kWh	51,935	454,614,210		16,398,472		22,529,403		
GENERAL SERVICE < 50 KW	kWh	4,541	131,961,769		23,505,891		4,420,950		
GENERAL SERVICE > 50 TO 4,999 KW	kW	810	697,166,267	1,775,257	670,267,963	1,706,460	8,041,645	3,070,169	5,800
UNMETERED SCATTERED LOAD	kWh	325	1,481,614				104,345		
SENTINEL LIGHTING	kW	283	218,613	653			81,629		
STREET LIGHTING	kW	13,634	4,469,101	12,545	4,469,101	12,545	157,231		
		<b>-</b> 4	4 000 044 == :	4 =00 :	=44.644.455	4 = 40 65=	A	A ATC 100	<b>F</b>
Total		71,529	1,289,911,574	1,788,455	714,641,426	1,719,005	\$ 35,335,203	3,070,169	5,800

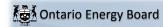
<sup>&</sup>lt;sup>1</sup> Account 1595 sub-accounts are to be allocated to rate classes in proportion to the recovery share as established when rate riders were implemented.

<sup>&</sup>lt;sup>2</sup> The proportion of customers for the Residential and GS<50 Classes will be used to allocate Account 1551.

D=	A-C	I		F =B-C-E (deduct E if applicable)			
Total Metered kWh <u>less</u> WMP  consumption  (if applicable)	Total Metered kW less WMP consumption (if applicable)	Forecast Total Metered Test Year kWh for Full Year Class A Customers	Forecast Total Metered Test Year kWh for Transition Customers	Non-RPP Metered Consumption for Current Class B Customers (Non-RPP Consumption excluding WMP, Class A and Transition Customers' Consumption	1595 Recovery Share Proportion (2017) <sup>1</sup>	1568 LRAM Variance Account Class Allocation <sup>3</sup> (\$ amounts)	Number of Customers for Residential and GS<50 classes <sup>2</sup>
454,614,210	-	-	-	16,398,472	17%	387,186	51,935
131,961,769	-	-	_	23,505,891	30%	70,266	4,541
694,096,099	1,769,457	159,963,774	42,660,779	464,573,240	53%	276,027	70.11
1,481,614	-	-	-	-		-,-	
218,613	653	-	-	-			
4,469,101	12,545	-	-	4,469,101		95,385	
-	-	-	-	-			
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1,286,841,405	1,782,655	159,963,774	42,660,779	508,946,704	100%	\$ 828,864	

\$ \$ 828,864

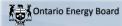
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		Amounts from Sheet 2	Allocator	RESIDENTIAL	GENERAL SERVICE < 50 KW	GENERAL SERVICE > 50 TO 4,999 KW	UNMETERED SCATTERED LOAD	SENTINEL LIGHTING
LV Variance Account	1550	1.163.038	kWh	409.899	118.982	628.594	1.336	197
Smart Metering Entity Charge Variance Account	1551	(9.911)	# of Customers	(9.114)	(797)	0	0	0
RSVA - Wholesale Market Service Charge	1580	(521,304)	kWh	(184.166)	(53.458)	(281,181)	(600)	(89)
RSVA - Retail Transmission Network Charge	1584	104,363	kWh	36,782	10.677	56.406	120	18
RSVA - Retail Transmission Connection Charge	1586	(187,786)	kWh	(66.183)	(19.211)	(101.494)	(216)	(32)
RSVA - Power (excluding Global Adjustment)	1588	(1.732.219)	kWh	(611.957)	(177.634)	(934,324)	(1.994)	(294)
RSVA - Global Adjustment	1589	(1,327)	Non-RPP kWh	(43)	(61)	(1,212)	0	0
Disposition and Recovery/Refund of Regulatory Balances (2014)	1595	0	%	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2015)	1595	0	%	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2016)	1595	0	%	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2017)	1595	4,225	%	712	1,282	2,231	0	0
Disposition and Recovery/Refund of Regulatory Balances (2018)	1595	0	%	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2019)	1595	0	%	0	0	0	0	0
Total of Group 1 Accounts (excluding 1589)		(1,179,594)		(424,027)	(120,159)	(629,767)	(1,355)	(200)
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	(0)	kWh	(0)	(0)	(0)	(0)	(0)
Pole Attachment Revenue Variance	1508	(692,258)	kWh	(243.978)	(70.820)	(374.149)	(795)	(117)
Retail Service Charge Incremental Revenue	1508	0	kWh	0	0	0	0	0
Other Regulatory Assets - Sub-Account - OEB Cost Assessment Variance	1508	301.350	kWh	106,207	30.829	162.872	346	51
Other Regulatory Assets - Sub-Account - Lead/Lag Study	1508	8.069	kWh	2.844	825	4.361	9	1
Other Regulatory Assets - Sub-Account - Hydro One Incremental Capital Charges	1508	4.755	kWh	1.676	486	2,570	5	1
Other Regulatory Assets - Sub-Account - OPEB Deferral Account	1508	(398,479)	kWh	(140.439)	(40.766)	(215.368)	(458)	(68)
Other Regulatory Assets - Sub-Account - LTLT Rate Mitigation	1508	4,458	kWh	1.571	456	2.410	5	1
Retail Cost Variance Account - Retail	1518	126.676	kWh	44.646	12.959	68,466	146	21
Pension & OPEB Forecast Accrual versus Actual Cash Payment Differential Carrying Charges	1522	(75)	kWh	(26)	(8)	(40)	(0)	(0)
Misc. Deferred Debits	1525	0	kWh	0	0	0	0	0
Retail Cost Variance Account - STR	1548	433.650	kWh	152.835	44.364	234.377	498	73
Extra-Ordinary Event Costs	1572	0	kWh	0	0	0	0	0
Deferred Rate Impact Amounts	1574	0	kWh	0	0	0	0	0
RSVA - One-time	1582	0	kWh	0	0	0	0	0
Other Deferred Credits	2425	0	kWh	0	0	0	0	0
Total of Group 2 Accounts		(211,853)		(74,665)	(21,673)	(114,502)	(243)	(36)
				` ' '	````		` '	
PILs and Tax Variance for 2006 and Subsequent Years	1592	0	kWh	0	0	0	0	0
(excludes sub-account and contra account)		-		<u> </u>		-	<u> </u>	· ·
PILs and Tax Variance for 2006 and Subsequent Years- Sub-account CCA Changes	1592	0	kWh	0	0	0	0	0
Total of Account 1592		0		0	0	0	0	0
LRAM Variance Account (Enter dollar amount for each class)	1568	828,864		387,186	70,266	276,027	0	0
Renewable Generation Connection OM&A Deferral Account	1532	0	kWh	0	0	0	0	0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs	1555	(24,683)	kWh	(8,699)	(2,525)	(13,340)	(28)	(4)
Total of Group 1 Accounts (1550, 1551, 1584, 1586 and 1595)		4 072 020		372.095	440.022	585.737	1 210	400
Total of Account 1580 and 1588 (not allocated to WMPs)		1,073,929 (2,253,523)		(796,123)	110,933 (231,092)	(1,215,505)	1,240 (2,595)	183 (383)
Account 1589 (allocated to Non-WMPs)		(1.327)		(43)	(61)	(1,215,505)	(2,595) 0	(383)
Account 1999 (anocated to Noti-MMF5)		(1,321)		(43)	(01)	(1,212)	U	U
Group 2 Accounts (including 1592, 1532, 1555)		(236.536)		(83,364)	(24.198)	(127.842)	(272)	(40)
Group 2 Accounts (Including 1992, 1992, 1999)		(230,330)		(03,304)	(24,130)	(121,042)	(212)	(40)
IFRS-CGAAP Transition PP&E Amounts Balance + Return Component	1575	0	kWh	0	0	0	0	0
Accounting Changes Under CGAAP Balance + Return Component	1576	(160,882)	kWh	(56,701)	(16,459)	(86,953)	(185)	(27)
Total of Accounts 1575 and 1576		(160,882)		(56,701)	(16,459)	(86,953)	(185)	(27)
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STREET LIGHTING								
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(6,016)	0	0	0	0	0	0	0	0
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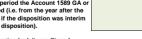


1a	The year Account 1589 GA was last disposed	2018	I
1b	The year Account 1580 CBR Class B was last disposed	2018	Note that the sub-account was established in 2015.
2a	Did you have any customers who transitioned between Class A and Class B (transition customers) during the period the Account 1589 GA balance accumulated (i.e. from the year after the balance was last disposed (regardless of if the disposition was interim or final) to the current year requested for disposition)?		(e.g. If you received approval to dispose of the GA variance account balance as at December 31, 2015, the period the GA variance accumulated would be 2016 to 2018.)
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 bladnce accumulated (i.e. from the year after the balance was last disposed (regardless of if the disposition was interim or final) to the current year requested for disposition)?		(e.g. If you received approval to dispose of the CBR Class B balance as at December 31, 2016, the period the CBR Class B variance accumulated would be 2017 to 2018.)

Enter the number of transition customer you had during the period the Account 1589 GA or Account 1580 CBR B balance accumulated

			20	19
Customer	Rate Class		January to June	July to December
Customer 1	GENERAL SERVICE > 50 TO 4,999 KW	kWh	910,995	1,062,682
		kW	3,836	3,948
		Class A/B	A	В
Customer 2	GENERAL SERVICE > 50 TO 4,999 KW	kWh	1,169,764	966,370
		kW	2,746	2,713
		Class A/B	A	В
Customer 3	GENERAL SERVICE > 50 TO 4,999 KW	kWh	636,111	720,097
		kW	3,479	4,745
		Class A/B	A	В
Customer 4	GENERAL SERVICE > 50 TO 4,999 KW	kWh	169,826	251,962
		kW	643	1,199
		Class A/B	В	A
Customer 5	GENERAL SERVICE > 50 TO 4,999 KW	kWh	288,155	353,359
		kW	957	980
		Class A/B	В	A
Customer 6	GENERAL SERVICE > 50 TO 4,999 KW	kWh	1,453,771	1,622,836
		kW	3,543	3,940
		Class A/B	В	A
Customer 7	GENERAL SERVICE > 50 TO 4,999 KW	kWh	81,507	223,301
		kW	1,032	2,890
		Class A/B	В	A
Customer 8	GENERAL SERVICE > 50 TO 4,999 KW	kWh	759,936	571,787
		kW	2,362	1,990
		Class A/B	В	A
Customer 9	GENERAL SERVICE > 50 TO 4,999 KW	kWh	7,851,921	4,740,120
		kW	22,969	16,288
		Class A/B	В	A
Customer 10	GENERAL SERVICE > 50 TO 4,999 KW	kWh	210,826	284,996
		kW	728	1,544
		Class A/B	В	A
Customer 11	GENERAL SERVICE > 50 TO 4,999 KW	kWh	385,686	258,654
		kW	1,077	816
		Class A/B	В	A
Customer 12	GENERAL SERVICE > 50 TO 4,999 KW	kWh	1,794,854	1,040,263
		kW	3,943	2,474
		Class A/B	В	A
Customer 13	GENERAL SERVICE > 50 TO 4,999 KW	kWh	2,919,994	3,121,268
	·	kW	5,890	6,242
		Class A/B	A	В
Customer 14	GENERAL SERVICE > 50 TO 4,999 KW	kWh	1,428,064	1,171,066
		kW	2,517	2,057
		Class A/B	В	A
Customer 15	GENERAL SERVICE > 50 TO 4,999 KW	kWh	3,046,525	3,164,084
		kW	5.830	6,016
		Class A/B	В	Α

Enter the number of rate classes in which there were customers who were Class A for the full year during the period the Account 1580 GA or Account 1580 GRB balance accumulated (i.e. from the year after the balance was last disposed (regardless of if the disposition was interim or final) to the current year requested for disposition).



In the table, enter i) the total Class A consumption for full year Class A customers in each rate class for each year (including any transition customers identified in table 3a above); and ii) the total forecast Class A and Class B consumption for transition customers and full year Class A customers in each rate class for the test year.

Rate Classes with Class A Customers - Billing Determinants by Rate Class		Transition Customers (Total Class A and B Consumption)	Class A Customer for	Full Year (Total Class A Consumption)
Rate Class		Test Year Forecast	Test Year Forecast	2019
GENERAL SERVICE > 50 TO 4,999 KW	kWh	42,660,779	159,963,774	159,963,774
	kW	119,393	352,419	352,419

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### 2021 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 calculate specific amounts for each customer who made the change. 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 prior decisions, distributors are generally expected to settle the amount through 12 equal adjustments to bills.

Year Account 1589 GA Balance Last Disposed

2018

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

		Total	2019
Non-RPP Consumption Less WMP Consumption	Α	667,197,794	667,197,794
Less Class A Consumption for Partial Year Class A Customers	В	19,319,291	19,319,291
Less Consumption for Full Year Class A Customers	С	159,963,774	159,963,774
Total Class B Consumption for Years During Balance			487.914.729
Accumulation	D = A-B-C	487,914,729	467,914,729
All Class B Consumption for Transition Customers	E	23,341,487	23,341,487
Transition Customers' Portion of Total Consumption	F = E/D	4.78%	·

### Allocation of Total GA Balance \$

Total GA Balance	G	-\$ 1,39
Transition Customers Portion of GA Balance	H=F*G	-\$ 6
GA Balance to be disposed to Current Class B Customers through Rate Rider	I=G-H	-\$ 1,32

Allocation of GA Balances to Class A/B Transition Customers

# of Class A/B Transition Customers	15				
Customer	Total Metered Consumption (kWh) for Transition Customers During the Period When They Were Class B Customers	Metered Consumption (kWh) for Transition Customers During the Period When They Were Class B Customers in 2019		Customer Specific GA Allocation for the Period When They Were a Class B customer	Monthly Equal Payments
Customer 1	1,062,682	1,062,682	4.55%	-\$ 3	-\$ 0
Customer 2	966,370	966,370	4.14%	-\$ 3	-\$ 0
Customer 3	720,097	720,097	3.09%	-\$ 2	-\$ 0
Customer 4	169,826	169,826	0.73%	-\$ 0	-\$ 0
Customer 5	288,155	288,155	1.23%	-\$ 1	-\$ 0
Customer 6	1,453,771	1,453,771	6.23%	-\$ 4	-\$ 0
Customer 7	81,507	81,507	0.35%	-\$ 0	-\$ 0
Customer 8	759,936	759,936	3.26%	-\$ 2	-\$ 0
Customer 9	7,851,921	7,851,921	33.64%	-\$ 22	-\$ 2
Customer 10	210,826	210,826	0.90%	-\$ 1	-\$ 0
Customer 11	385,686	385,686	1.65%	-\$ 1	-\$ 0
Customer 12	1,794,854	1,794,854	7.69%	-\$ 5	-\$ 0
Customer 13	3,121,268	3,121,268	13.37%	-\$ 9	-\$ 1
Customer 14	1,428,064	1,428,064	6.12%	-\$ 4	-\$ 0
Customer 15	3,046,525	3,046,525	13.05%	-\$ 9	-\$ 1
Total	23,341,487	23,341,487	100.00%	-\$ 67	



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 customer who made the change. 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 prior decisions, distributors are generally expected to settle the amount through 12 equal adjustments to bills.

ear Account 1580 CBR Class B was Last Disposed	2018	
------------------------------------------------	------	--

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

		Total	2019
Total Consumption Less WMP Consumption	A	1,286,841,405	1,286,841,405
Less Class A Consumption for Partial Year Class A Customers	В	19,319,291	19,319,291
Less Consumption for Full Year Class A Customers	С	159,963,774	159,963,774
Total Class B Consumption for Years During Balance Accumulation	D = A-B-C	1,107,558,340	1,107,558,340
All Class B Consumption for Transition Customers	E	23,341,487	23,341,487
Transition Customers' Portion of Total Consumption	F = E/D	2.11%	

#### Allocation of Total CBR Class B Balance \$

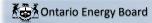
Total CBR Class B Balance	G	-\$ 1	102,246
Transition Customers Portion of CBR Class B Balance	H=F*G	-\$	2,155
CBR Class B Balance to be disposed to Current Class B Customers			
through Rate Rider	I=G-H	-\$ 1	100,091

### Allocation of CBR Class B Balances to Transition Customers

# of Class A/B Transition Customers	15					
Customer	Consumption (kWh) for Transition Customers During the Period When They were Class B	Metered Class B Consumption (kWh) for Transition Customers During the Period When They were Class B Customers in 2019		Customer Specific CBR Class B Allocation for the Period When They Were a Class B Customer	Monthly Equal	Revised Monthly Payment
Customer 1	1,062,682	1,062,682	4.55%	-\$ 98	-\$ 8	\$ -
Customer 2	966,370	966,370	4.14%	-\$ 89	-\$ 7	\$ -
Customer 3	720,097	720,097	3.09%	-\$ 66	-\$ 6	\$ -
Customer 4	169,826	169,826	0.73%	-\$ 16	-\$ 1	\$ -
Customer 5	288,155	288,155	1.23%	-\$ 27	-\$ 2	\$ -
Customer 6	1,453,771	1,453,771	6.23%	-\$ 134	-\$ 11	\$ -
Customer 7	81,507	81,507	0.35%	-\$ 8	-\$ 1	\$ -
Customer 8	759,936	759,936	3.26%	-\$ 70	-\$ 6	\$ -
Customer 9	7,851,921	7,851,921	33.64%	-\$ 725	-\$ 60	\$ -
Customer 10	210,826	210,826	0.90%			\$ -
Customer 11	385,686	385,686	1.65%			\$ -
Customer 12	1,794,854	1,794,854	7.69%	-\$ 166	-\$ 14	\$ -
Customer 13	3,121,268	3,121,268	13.37%	-\$ 288	-\$ 24	\$ -
Customer 14	1,428,064	1,428,064	6.12%	-\$ 132	-\$ 11	\$ -
Customer 15	3,046,525	3,046,525	13.05%	-\$ 281	-\$ 23	\$ -
Total	23,341,487	23,341,487	100.00%	-\$ 2,155	-\$ 180	\$ -

If the CBR Class B rate rider calculated in tab 7 rounds to zero at the fourth decimal place for one or more rate classes, the entire balance in Account 1580 CBR Class B, including the amount allocated to transition customers will be transferred to Account 1580 WMS and disposed through the general purpose Group 1 rate riders

Metered Consumption for Current Class B



### 2021 Deferral/Variance Account Workform

No Input Required in this tab. The purpose of this tab is to calculate the billing determinants for CBR rate riders for all current Class B customers who did not transition between Class A and B in the period since the Account 1580, sub-account CBR Class B balance accumulated.

The Year the Account 1580 CBR Class B was Last Disposed.

2018

RESIDENTIAL
GENERAL SERVICE < 50 KW
GENERAL SERVICE > 50 TO 4,999 KW
UNMETERED SCATTERED LOAD
SENTINEL LIGHTING
STREET LIGHTING

	Total Metered Forecast Consumption Minus WMP		Forecast Total Metered Te for Full Year Class A C		Forecast Total Metered Test Year kWh for Transition Customers		Class A and Transition Cu Consumption)	% of total kWh	
	kWh	kW	kWh	kW	kWh	kW	kWh	kW	_
	454,614,210	-	0	0	0	0	454,614,210	-	42%
	131,961,769	-	0	0	0	0	131,961,769	-	12%
	694,096,099	1,769,457	159,963,774	352,419	42,660,779	119,393	491,471,545	1,297,645	45%
	1,481,614	-	0	0	0	0	1,481,614	-	0%
	218,613	653	0	0	0	0	218,613	653	0%
	4,469,101	12,545	0	0	0	0	4,469,101	12,545	0%
	-	-	0	0	0	0	-	-	0%
	-	-	0	0	0	0	-	-	0%
	-	-	0	0	0	0	-	-	0%
	-	-	0	0	0	0	-	-	0%
	-	-	0	0	0	0	-	-	0%
	-	-	0	0	0	0	-	-	0%
	-	-	0	0	0	0	-	-	0%
	-	-	0	0	0	0	-	-	0%
	-	-	0	0	0	0	-	-	0%
	-	-	0	0	0	0	-	-	0%
	-	-	0	0	0	0	-	-	0%
	-	-	0	0	0	0	-	-	0%
	-	-	0	0	0	0	-	-	0%
	-	-	0	0	0	0	-	-	0%
Total	1,286,841,405	1,782,655	159,963,774	352,419	42,660,779	119,393	1,084,216,852	1,310,842	100%

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### Ontario Energy Board

### 2021 Deferral/Variance Account Workform

Please indicate the Rate Rider Recovery Period (in months) 12

### Rate Rider Calculation for Group 1 Deferral / Variance Accounts Balances (excluding Global Adj.)

1550, 1551, 1584, 1586, 1595, 1580 and 1588 per instri	uctions	1		B . B:
Rate Class		kW / kWh / # of	Allocated Group 1	Rate Rider for
(Enter Rate Classes in cells below)	Units	Customers	Balance (excluding	Deferral/Variance
,,			1589)	Accounts
RESIDENTIAL	kWh	454,614,210	-\$ 424,027	- 0.0009
GENERAL SERVICE < 50 KW	kWh	131,961,769	-\$ 120,159	- 0.0009
GENERAL SERVICE > 50 TO 4,999 KW	kW	1,775,257	\$ 585,737	0.3299
UNMETERED SCATTERED LOAD	kWh	1,481,614	-\$ 1,355	- 0.0009
SENTINEL LIGHTING	kW	653	-\$ 200	- 0.3061
STREET LIGHTING	kW	12,545	-\$ 4,086	- 0.3257
		-	\$ -	
			\$ -	
		-	\$ -	
			\$ -	
		-	\$ -	
			\$ -	
			\$ -	
			\$ -	
		-	\$ -	
		-	\$ -	
		-	\$ -	
		-	\$ -	-
			\$ -	
_		-	\$ -	
Total			\$ 35,910	

### Rate Rider Calculation for Group 1 Deferral / Variance Accounts Balances (excluding Global Adj.) - NON-WMP

Rate Class (Enter Rate Classes in cells below)	Units	kW / kWh / # of Customers	Allocated Group 1 Balance - Non-WMP	Rate Rider for Deferral/Variance Accounts
RESIDENTIAL		-	\$ -	
GENERAL SERVICE < 50 KW		-	\$ -	-
GENERAL SERVICE > 50 TO 4,999 KW	kW	1,769,457	-\$ 1,215,505	- 0.6869
JNMETERED SCATTERED LOAD		-	\$ -	-
SENTINEL LIGHTING		-	\$ -	
STREET LIGHTING		-	\$ -	
		-	\$ -	-
		-	\$ -	-
		-	\$ -	
		-	\$ -	-
		-	\$ -	
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	
		-	\$ -	
		-	\$ -	-
		-	\$ -	
		-	\$ -	-
Total			-\$ 1,215,505	

Only for rate classes with WMP customers are the Deferral/Variance Account Rate Riders for Non-WMP calculated separately in the table above. For all rate classes without WMP customers, balances in Accounts 1580 and 1588 are included in Deferral/Variance Account Rate Riders calculated in the first table above and disposed through a combined Deferral/Variance Account Rate Rider.

### Rate Rider Calculation for Account 1580, sub-account CBR Class B

	1580,	Sub-account	CBR Class B
--	-------	-------------	-------------

Rate Class (Enter Rate Classes in cells below)	Units	kW / kWh / # of Customers	Allocated Sub- account 1580 CBR Class B Balance		Rate Rider for Sub-account 1580 CBR Class B	Revised Rate Rider to Deferral/Variance Accounts
RESIDENTIAL	kWh	454,614,210	-\$	41,968	- 0.0000	\$ -
GENERAL SERVICE < 50 KW	kWh	131,961,769	-\$	12,182	- 0.0000	\$ -
GENERAL SERVICE > 50 TO 4,999 KW	kW	1,297,645	-\$	45,371	- 0.0029	\$ -
UNMETERED SCATTERED LOAD	kWh	1,481,614	-\$	137	- 0.0000	\$ -
SENTINEL LIGHTING	kW	653	-\$	20	- 0.0026	\$ -
STREET LIGHTING	kW	12,545	-\$	413	- 0.0027	\$ -
		-	\$	-		\$ -
		-	\$	-		\$ -
		-	\$	-	-	\$ -
		-	\$	-		\$ -
		-	\$	-		\$ -
		-	\$	-	-	\$ -
		-	\$	-		\$ -
		-	\$	-		\$ -
		-	\$	-		\$ -
		-	\$	-	-	\$ -
		-	\$	-		\$ -
		-	\$	-		\$ -
		-	\$	-	-	\$ -
		-	\$	-		\$ -
Total			-\$	100,091		

If the rate rider calculated rounds to zero at the fourth decimal place in one or more rate classes (except for the Standby rate class), the entire balance in Account 1580, Subaccount CBR Class B will be added to the Account 1580 WMS and disposed through the applicable general DVA rate rider.

Rate rider calculated separately only if Class A customers exist during the period the balance accumulated

### Rate Rider Calculation for RSVA - Power - Global Adjustment

Balance of Account 1589 Allocated to Non-WMPs  Rate Class (Enter Rate Classes in cells below)	Units	kWh	Allocated Global Adjustment Balance	Rate Rider for RSVA - Power - Global
(Enter Rate Classes in cells below)			Adjustment Balance	Global Adjustment

RESIDENTIAL	kWh	16,398,472		43	-	0.0000
GENERAL SERVICE < 50 KW	kWh	23,505,891	-\$	61	-	0.0000
GENERAL SERVICE > 50 TO 4,999 KW	kWh	464,573,240	-\$	1,212	-	0.0000
UNMETERED SCATTERED LOAD	kWh	=	\$	-		-
SENTINEL LIGHTING	kWh	=	\$	-		-
STREET LIGHTING	kWh	4,469,101	-\$	12	-	0.0000
	kWh	=	\$	-		-
	kWh	=	\$	-		-
	kWh	=	\$	-		-
	kWh	-	\$	-		-
	kWh	=	\$	-		-
	kWh	-	\$	-		-
	kWh	=	\$	-		-
	kWh	=	\$	-		-
	kWh	-	\$	-		-
	kWh	=	\$	-		-
	kWh	-	\$	-		-
	kWh	-	\$	-		-
	kWh	-	\$	-		-
	kWh	-	\$	-		-
Total			-\$	1,327		

Rate Rider Calculation for Group 2 Accounts

Rate Class (Enter Rate Classes in cells below)	Units	# of Customers	Allocated Group 2 Balance	Rate Rider for Group 2 Accounts
RESIDENTIAL	# of Customers	51,935	-\$ 83,364	-\$ 0.13
GENERAL SERVICE < 50 KW	kWh	131,961,769	-\$ 24,198	-\$ 0.0002
GENERAL SERVICE > 50 TO 4,999 KW	kW	1,775,257	-\$ 127,842	-\$ 0.0720
UNMETERED SCATTERED LOAD	kWh	1,481,614	-\$ 272	-\$ 0.0002
SENTINEL LIGHTING	kW	653	-\$ 40	-\$ 0.0614
STREET LIGHTING	kW	12,545	-\$ 820	-\$ 0.0653
			\$ -	\$ -
		-	\$ -	\$ -
		-	\$ -	\$ -
		-	\$ -	\$ -
			\$ -	\$ -
		-	\$ -	\$ -
		-	\$ -	\$ -
			\$ -	\$ -
		-	\$ -	\$ -
		-	\$ -	\$ -
		-	\$ -	\$ -
		-	\$ -	\$ -
			\$ -	\$ -
		-	\$ -	\$ -
Total			-\$ 236,536	

### Rate Rider Calculation for Accounts 1575 and 1576

Please indicate the Rate Rider Recovery Period (in months)

Rate Class (Enter Rate Classes in cells below)	Units	# of Customers	Allocated Accounts 1575 and 1576 Balances		Rate Rider for Accounts 1575 and 1576	
RESIDENTIAL	# of Customers	51,935	-\$	56,701	-	0.0910
GENERAL SERVICE < 50 KW	kWh	131,961,769	-\$	16,459	-	0.0001
GENERAL SERVICE > 50 TO 4,999 KW	kW	1,775,257	-\$	86,953		0.0490
UNMETERED SCATTERED LOAD	kWh	1,481,614	-\$	185	-	0.0001
SENTINEL LIGHTING	kW	653	-\$	27		0.0418
STREET LIGHTING	kW	12,545	-\$	557	-	0.0444
		-	\$	-		
		-	\$	-		
		-	\$	-		
		-	\$	-		
		-	\$	-		
		-	\$	-		
		-	\$	-		
		-	\$	-		
		-	\$	-		
		-	\$	-		-
		-	\$	-		
		-	\$	-		
		-	\$	-		-
		-	\$	-		
Total			-\$	160,882		

### 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	# of Customers	51,935	\$ 387,186	0.6213
GENERAL SERVICE < 50 KW	kWh	131,961,769	\$ 70,266	0.0005
GENERAL SERVICE > 50 TO 4,999 KW	kW	1,775,257	\$ 276,027	0.1555
UNMETERED SCATTERED LOAD	kWh	1,481,614	\$ -	
SENTINEL LIGHTING	kW	653	\$ -	-
STREET LIGHTING	kW	12,545	\$ 95,385	7.6037
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	
		-	\$ -	-
		-	\$ -	-
		-	\$ -	
		-	\$ -	-
		-	\$ -	
			\$ -	
		-	\$ -	-
		-	\$ -	
Total			\$ 828.864	

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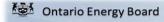
Rate riders for Global Adjustment is to be calculated on the basis of kWh for all classes.

As per the Board's letter issued July 16, 2015 or regarding the implementation of the transition distribution charges for residential customers, R for group 2 accounts are to be on a per custome choose "# of customers" for the Resident

As per the Board's letter issued July 16, 2015 regarding the implementation of the transit distribution charges for residential customers for group 2 accounts, including Accounts 1575 on a per customer basis. Please choose "# of c Residential class.

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Appendix 9-2
GA Analysis Workform



### **GA Analysis Workform**

Version 1.9

### Account 1589 Global Adjustment (GA) Analysis Workform

Input cells		
Drop down cells		
	Utility Name	NIAGARA PENINSULA ENERGY INC.

#### Note 1

For Account 1589,

a) If the account was last approved on a final basis, select the year that the balance was last approved on a final basis.

2018

- b) If the account was last approved on an interim basis, and
  - i) there are no changes to the previously approved interim balances, select the year that the balances were last approved for diposition on an interim basis. OR
  - ii) there are changes to the previously approved interim balances, select the year that the balances were last approved for disposition
  - on a final basis. An explanation should be provided to explain the reason for the change in the previously approved interim balances.

(e.g. If 2017 balances reviewed in the 2019 rate application were to be selected, select 2017)

#### Instructions

1) Determine which scenario above applies (a, bi or bii). Select the appropriate year to generate the GA Analysis Workform tabs and the Principal Adjustments tab.

#### For example:

- Scenario a -If 2018 balances were last approved on a final basis Select 2018 and a GA Analysis Workform for 2019 will be generated.
- Scenario bi If 2018 balances were last approved on an interim basis and there are no changes to 2018 balances Select 2018 and a GA Analysis Workform for 2019 will be generated.
- Scenario bii If 2018 balances were last approved on an interim basis, there are changes to 2018 balances, and 2017 balances were last approved for disposition - Select 2017 and GA Analysis Workforms for 2018 and 2019 will be generated.
- Complete the GA Analysis Workform for each year generated.
- 3) Complete the Principal Adjustments tab. Note that the number of years that require principal adjustment reconciliations are all shown in one Principal Adjustments tab, depending on the year selected on the Information Sheet.

See the separate document GA Analysis Workform Instructions for detailed instructions on how to complete the Workform and examples of reconciling items

		Net Change in Principal		Adjusted Net Change in Principal Balance in the		\$ Consumption at	Unresolved Difference as % of Expected GA Payments to
Year	Annual Net Change in Expected GA Balance from GA Analysis	Balance in the GL	Reconciling Items		Difference	Actual Rate Paid	IESO
2019	-	\$ -	\$ -	\$ -	\$ -	\$ 54,327,476	0.0%
Cumulative Balance	\$ -	\$	\$ -	\$ -	\$ -	\$ 54,327,476	N/A

Ontario Energy Board	
GA Analysis Workform	

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

Concamption Data Excitating for Ecoo Factor (Dat				
Year	2019			
Total Metered excluding WMP	C = A+B	1,206,949,911	kWh	100%
RPP	A	523,526,295	kWh	43.4%
Non RPP	B = D+E	683,423,616	kWh	56.6%
Non-RPP Class A	D	202,624,554	kWh	16.8%
Non-RPP Class B*	E	480,799,063	kWh	39.8%

\*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 Actual

Please confirm that the same GA rate is used to bill all customer classes. If not, please provide further details

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

#### Analysis of Expected GA Amount Note 4

Year	2019								
Calendar Month	Non-RPP Class B Including Loss Factor Billed Consumption (kWh)	Deduct Previous 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	Н	I = F-G+H	J	K = I*J	L	M = I*L	=M-K
January	45,334,104			45,334,104	0.08092	\$ 3,668,436	0.08092	\$ 3,668,436	\$ -
February	40,753,043			40,753,043	0.08812	\$ 3,591,158	0.08812	\$ 3,591,158	\$ -
March	43,229,543			43,229,543	0.08041	\$ 3,476,088	0.08041	\$ 3,476,088	\$ -
April	38,732,952			38,732,952	0.12333	\$ 4,776,935	0.12333	\$ 4,776,935	\$ -
May	38,689,292			38,689,292	0.12604	\$ 4,876,398	0.12604	\$ 4,876,398	\$ -
June	40,237,815			40,237,815	0.13728	\$ 5,523,847	0.13728	\$ 5,523,847	\$ -
July	47,512,096			47,512,096	0.09645	\$ 4,582,542	0.09645	\$ 4,582,542	\$ -
August	45,038,724			45,038,724	0.12607	\$ 5,678,032	0.12607	\$ 5,678,032	\$ -
September	39,789,108			39,789,108	0.12263	\$ 4,879,338	0.12263	\$ 4,879,338	\$ -
October	38,106,381			38,106,381	0.13680	\$ 5,212,953	0.13680	\$ 5,212,953	\$ -
November	40,036,027		435,999	40,472,026	0.09953	\$ 4,028,181	0.09953	\$ 4,028,181	\$ -
December			43,273,989	43,273,989	0.09321	\$ 4,033,569	0.09321	\$ 4,033,569	\$ -
Net Change in Expected GA Balance in the Year (i.e.									
Transactions in the Year)	457.459.085	-	43.709.988	501.169.074		\$ 54.327.476		\$ 54.327.476	\$ -

Calculated Loss Factor	1.0424			
Most Recent Approved Loss Factor for Secondary Metered				
Customer < 5,000kW	1.0479			
Difference	-0.0055			
b) Please provide an explanation in the textbox below if the difference in loss factor is greater than 1%				

a) Please provide an explanation in the textbox below if columns G and H are not used in the table above.
The kWh consumption data that NPEI used to complete the GA Analysis Workform was obtained from a query of NPEI's

Note 5	Reconcilina Items

Item		Amount	Explanation	F	Principal Adjustments
				Principal Adjustment	
Net Cl	hange in Principal Balance in the GL (i.e. Transactions in the			on DVA Continuity	If "no", please provide an explanation
	Year)	\$ -		Schedule	

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CT 148 True-up of GA Charges based on Actual Non-RPP 1a Volumes - prior year			100 01 112
CT 148 True-up of GA Charges based on Actual Non-RPP 1b Volumes - current year			
2a Remove prior year end unbilled to actual revenue differences			
2b Add current year end unbilled to actual revenue differences			
Remove difference between prior year accrual/unbilled to 3a actual from load transfers			
Add difference between current year accrual/unbilled to actual 3b from load transfers	I		
Significant prior period billing adjustments recorded in current 3 year			
4 Differences in actual system losses and billed TLFs			
5 CT 2148 for prior period corrections			
6 Others as justified by distributor			
7			
8			
9			
10			

Note 6	Adjusted Net Change in Principal Balance in the GL	\$	-
	Net Change in Expected GA Balance in the Year Per		
	Analysis	\$	-
	Unresolved Difference	\$	-
	Unresolved Difference as % of Expected GA Payments to	0	
	IESO		0.0%

**Ontario Energy Board** 

### **GA Analysis Workform** -Account 1588 and 1589 **Principal Adjustment Reconciliation**

### Breakdown of principal adjustments included in last approved balance:

Account 1589 - RSVA Global Adjustment						
	Adjustment Description	Amount	To be reversed in current application?	Explanation if not to be reversed in current application		
1						
2						
3						
4						
5						
6						
7						
8						
•	Total					
	Total principal adjustments included in last approved balance					
	Difference					

	Account 1588 - RSVA F	ower		
	Adjustment Description	Amount	To be Reversed in Current Application?	Explanation if not to be reversed in current application
1	Reversal of prior approved principal adjustment	1,627,844	No	Reversal of prior adjustmen
2	RPP claim relating to 2018 consumption recorded in the GL in 2019.	(862,531)	Yes	
3	RPP portion of the difference between posted final GA rates for 2018 and actual	571	Yes	
4				
5				
6				
7				
8				
	Total	765,884		
	Total principal adjustments included in last approved balance	765,884		
	Difference	0	Ī	

#### Note 8 Principal adjustment reconciliation in current application

- 1) The "Transaction" column in the DVA Continuity Schedule is to equal the transactions in the general ledger (excluding transactions relating to the removal of approved disposition amounts as that is shown in a separate column in the DVA Continuity Schedule) 2) Any principal adjustments needed to adjust the transactions in the general ledger to the amount that should be requested for disposition should be shown separately in the "Principal Adjustments" column of the DVA Continuity Schedule 3) The "Variance RR vs. 2019 Balance" column should equal principal adjustments made in the current disposition period. It should not be impacted by reversals from prior year approved principal adjustments.

Complete the table below for the current disposition period. Complete a table for each year included in the balance under review in this rate application. The number of tables to be completed is automatically generated based on data provided in the Information Sheet

	Account 1589 - RSVA Global Adjustment				
Year		Adjustment Description	Amount	Year Recorded in GL	
	Reversals	s of prior approved principal adjustments (auto-populated from table above	9)	•	
	1				
	2				
	3				
	4				
	5				
	6				
	7				
	8				
		Total Reversal Principal Adjustments			
		ear principal adjustments			
		CT 148 true-up of GA Charges based on actual Non-RPP volumes			
	2	Unbilled to actual revenue differences			
	3				
	4				
	5				
	6				
	7				
	8				
		Total Current Year Principal Adjustments	•		
	Total	Principal Adjustments to be Included on DVA Continuity Schedule			

	Account 1588 - RSVA Power		
Year	Adjustment Description	Amount	Year Recorded in GL
	Reversals of prior approved principal adjustments (auto-populated from table above)	· ·	
	1		
	2 RPP claim relating to 2018 consumption recorded in the GL in 2019.	862,530.77	2,019
	3 RPP portion of the difference between posted final GA rates for 2018 and actu	ial (570.89)	2,019
	4		
	5		
	6		
	7		
	8		
	Total Reversal Principal Adjustm	ents 861,960	
	Current year principal adjustments	· ·	
	1 CT 148 true-up of GA Charges based on actual RPP volumes		
	2 CT 1142 true-up based on actuals		
	3 Unbilled to actual revenue differences		
	4 Reversal of RPP portion of the difference between posted final GA rates for 20	17 (50,185)	2,019
	5		
	6		
	7		
	8		
	Total Current Year Principal Adjustm		1
	Total Principal Adjustments to be Included on DVA Continuity Sche	edule 811,775	

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# Appendix 9-3 Account 1595 Analysis Workform

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### **Instruction Sheet**

### Summary of Changes from the Prior Year

### Criteria for Disposition Eligibility

The criteria for disposition eligibility has been revised to the following: Distributors only become eligible to seek disposition of these residual balances two years after the expiry of the rate rider (i.e. in the fourth rate year after the expiry of the rate rider). For example:

- January 1 rate year If 2018 rate riders end on December 31, 2018, the balance of sub-account 1595 (2018) is eligible to be disposed once the December 31, 2020 account balance has been audited. Therefore, sub-account 1595 (2018) would be eligible for disposition in the 2022 rate year.
- May 1 rate year If 2018 rate riders end on April 30, 2019, the balance of sub-account 1595 (2018) is eligible to be disposed once the December 31, 2021 account balance has been audited. Therefore, sub-account 1595 (2018) would be eligible for disposition in the 2023 rate year.

Note that applicants are expected to request disposition of residual balances in Account 1595 Sub-accounts on a final basis, only once, for each vintage Sub-account.

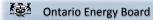
### **Account 1595 Workform Instructions**

In the Information Sheet.

- 1. Select "Yes" or "No" with respect to eligibility for disposition in Column D.
- Select "Yes" or "No" with respect to whether disposition is requested in Column E.
- If an applicant has any Account 1595 sub-accounts for years 2014 or before, indicate the number of 2014 and prior sub-accounts (including 2014). This should correspond to that included in the Account 1595 (2014 and pre-2014) row on the DVA Continuity Schedule/Tab 3 of the IRM Model.

For example, if the applicant has residual balances for years 2010 and 2012, select 2 under "# of years" column, and two 1595 worksheets will open up for the applicant to enter detailed rate rider information.

- a. In each worksheet generated for 2014 and prior years, indicate the year for which the worksheet relates to in cell C11. For example, enter 2010 and 2012 for the example above.
- b. Note that for DVA Continuity Schedule purposes, a separate schedule with amounts broken down by each vintage year 2014 and prior is to be provided, with the total reconciling to the amount in row for 1595 (2014 and pre-2014). The amounts in the 1595 worksheets for 2014 and pre-2014 years are expected to agree to the amounts on the separate schedule for 2014 and pre-2014 1595 vintage years provided to support the 1595 (2014 and pre-2014) balance in the DVA Continuity Schedule.



### 1595 Analysis Workform

### Account 1595 Analysis Workform

Input cells	
Drop down ce	lls

Utility Name Niagara Peninsula Energy Inc.
Utility name must be selected

Eligible for disposition? Disposition Requested?

2014 and pre-2014 Yes No

2015 Yes No
2016 Yes No
2017 Yes Yes
2018 No No
2019 No No

Note that vintage years 2018 and 2019 are not eligible for disposition in the current rate year application.

Version 1.0



## 1595 Analysis Workform

	Year in which this worksheet relates to	2017	
Step 1	Components of the 1595 Account Balances:		Principal Balance Approved for Disposition
	Total Group 1 and Group 2 Balances excluding Account 1589 - Global Adjustment		\$477,114
	Account 1589 - Global Adjustment		
	Total Group 1 and Group 2 Balances		\$477,114

Additional Notes and Comments					

<sup>\*</sup>Unresolved differences of +/- 10% require further analysis and explanation. Amounts originally approved for disposition based on forecasted con

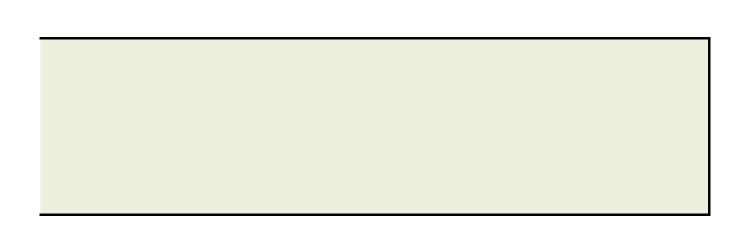


Carrying Charges Balance Approved for Disposition	Total Balances Approved for Disposition	Rate Rider Amounts Collected/(Returned)	Residual Balances Pertaining to Principal and Carrying Charges Approved for Disposition	Carrying Charges Recorded on Net Principal Account Balances
\$19,820	\$496,934	\$495,401	\$1,533	\$3,091
	\$0		\$0	
\$19,820	\$496,934	\$495,401	\$1,533	\$3,091

Total residual balance per continuity schedule:

Difference (any variance should be explained):

isumption or number of customers must be compared to actual figures.



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Total Residual Balances	Collections/Returns Variance (%)
\$4,623	0.3%
\$0	
\$4,623	0.3%
\$4,623	
\$0	