



Ontario
Energy
Board | Commission
de l'énergie
de l'Ontario

BY EMAIL AND WEB POSTING

November 1, 2021

**To: All Licensed Electricity Distributors
All Rate Regulated Natural Gas Distributors
All Other Interested Stakeholders**

**Re: Accounting Order (003-2021) for the Establishment of a Deferral Account to Record Impacts Arising from Implementing the Green Button Initiative
Ontario Energy Board File No. EB-2021-0183**

As noted in a [letter](#) issued by OEB staff on October 12, 2021, the Ontario Energy Board (OEB) has approved the establishment of a generic deferral account for rate regulated distributors to record the incremental costs directly attributable to the implementation of the Green Button initiative, in a manner that accords with the requirements set out in the Green Button Regulation.

This accounting order is being issued by delegated authority under section 6 of the *Ontario Energy Board Act, 1998*, to give effect to the OEB's approval of the deferral account.

Accounting Order:

Electricity distributors may establish two new accounts, effective November 1, 2021:

1. Account 1508 - Other Regulatory Assets, Sub-account Green Button Initiative Costs
2. Account 1508 - Other Regulatory Assets, Sub-account Green Button Initiative Costs, Carrying Charges

Natural gas distributors may establish similar sub-accounts under Account 179.

In Account 1508 Other Regulatory Assets, Sub-account Green Button Initiative Costs, distributors may record incremental costs directly attributable to the implementation of Green Button, in a manner that accords with the requirements set out in the Green Button Regulation. Carrying charges will apply at the OEB's prescribed rate.

Distributors are expected to track costs at a sufficiently detailed level or category to assist in a prudence review of the costs incurred. The OEB will assess any claimed costs recorded in the sub-account at the time the sub-account is requested for disposition, subject to the causation, materiality and prudence criteria.^{1 2}

Sample Journal Entries:

To record incremental costs directly attributable to the Green Button Initiative:

Dr. 1508 Other Regulatory Assets, Sub-account Green Button Initiative Costs
Cr. XXXX Account(s) associated with incremental costs, as applicable

To record incremental costs directly attributable to the implementation of the Green Button initiative.

Dr. 1508 Other Regulatory Assets, Sub-account Green Button Initiative Costs Carrying Charges
Cr. 6035 Other Interest Expense

To record the carrying charges on the monthly opening balance in Account 1508 Other Regulatory Assets, Sub-account Green Button Initiative Costs.

Yours truly,

Original Signed By

Theodore Antonopoulos
Vice President Applications

¹ Ontario Energy Board, Filing Requirements for Electricity Distribution Rate Applications - 2021 Edition for 2022 Rate Applications - Chapter 2 – Cost of Service - 2.9.2 Establishment of New Deferral and Variance Accounts

² Ontario Energy Board, Filing Requirements for Natural Gas Rate Applications – February 16, 2017 - Chapter 2 – Cost of Service - 2.9.2 Establishment of New Deferral and Variance Accounts