

2024 Cost of Service

EXHIBIT 9: DEFERRAL AND VARIANCE ACCOUNTS



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1 **2.9 Exhibit 9: Deferral and Variance Accounts**

2
3 Wasaga Distribution Inc. (WDI) has included in this Cost of Service (COS) application, a request for
4 approval of the Group 1 and Group 2 Deferral and Variance Account (DVA) balances as of December
5 31, 2022. Included as part of the request for disposition is the forecast interest through to April 30,
6 2024.

7
8 The Exhibit also describes the methodology proposed to allocate account balances to customer
9 classes, describes the rationale supporting the proposed disposition period and quantifies the
10 proposed rate riders for disposition of the recorded balances.

11
12 WDI has provided the DVA Continuity Schedule in Appendix 9 (A) of this Exhibit.

13
14 Group 1 and Group 2 balances are proposed to be disposed of over a one-year period. WDI has
15 followed the Ontario Energy Board's (OEB) guidance as provided by the OEB's Electricity Distributor's
16 Disposition of Variance Accounts Reporting Requirements Report.

17
18 WDI applies the accrual method in calculating carrying charges, which is in accordance with the OEB's
19 directive. The forecasted interest on December 31, 2022, principal balances of the DVA's is calculated
20 using the OEB's prescribed rates.

21 22 **Summary of Group 1 and Group 2 Account Balances**

23 Table 9.1 below is a summary of the principal, carrying charges, and disposition amounts for all active
24 Group 1 and Group 2 accounts, including the reason for not claiming disposition. Additional details,
25 including explanations for variances to Section 2.1.7 of the RRR Filing, are provided in subsequent
26 sections of Exhibit 9.

27
28 WDI has not made any adjustments to DVA balances that were not previously approved by the OEB
29 on a final basis either in a COS or Incentive Rate Mechanism (IRM) proceeding.

1 **Table 9.1: Summary of Group 1 and Group 2 Account Balances**

Account Description	USoA	Principal Dec 31, 2022	Interest to Dec 31, 2022	Total Dec 31, 2022	Balance per 2.1.7 Dec 31, 2022	Variance to 2.1.7
Group 1 Accounts						
LV Variance Account	1550	801,384	15,600	816,984	816,984	-
Smart Metering Entity Charge Variance Account	1551	(51,276)	(669)	(51,945)	(51,945)	-
RSVA – Wholesale Market Service Charge	1580	450,667	7,151	457,818	420,385	(37,433)
Variance WMS – Sub-account CBR Class B	1580	(36,675)	(758)	(37,433)	(37,433)	-
RSVA – Retail Transmission Network Charge	1584	206,156	4,181	210,337	210,337	-
RSVA – Retail Transmission Connection Charge	1586	104,535	1,761	106,296	106,296	-
RSVA – Power (excluding Global Adjustment)	1588	(86,551)	(1,775)	(88,326)	(88,326)	-
RSVA – Global Adjustment	1589	(83,210)	(1,552)	(84,762)	(84,762)	-
Disposition and Recovery/Refund of Regulatory Balances (2018)	1595	-	8	8	8	-
Disposition and Recovery/Refund of Regulatory Balances (2019)	1595	(9,176)	(157)	(9,333)	(9,332)	-
Disposition and Recovery/Refund of Regulatory Balances (2020)	1595	-	-	-	(5,572)	(5,572)
Disposition and Recovery/Refund of Regulatory Balances (2021)	1595	(49,890)	5,970	(43,920)	(43,920)	-
Disposition and Recovery/Refund of Regulatory Balances (2022)	1595	214,371	14,279	228,650	228,651	-
Group 1 Total (Including Account 1589)		1,460,335	44,039	1,504,374	1,461,372	(43,005)
Group 1 Total (Excluding Account 1589)		1,543,545	45,591	1,589,136	1,546,134	(43,005)
Group 2 Accounts						
Other Regulatory Assets, Energy East	1508	1,030	106	1,136	-	(1,136)
Other Regulatory Assets, OEB Cost Assessment	1508	215,309	10,829	226,138	-	(226,138)
Pole Attachment Variance	1508	(475,934)	(11,368)	(487,302)	-	487,302
Customer Choice Initiative	1508	14,741	380	15,121	-	(15,121)
Covid-19 Revenues from Postponing Rates	1509	(1,856)	139	(1,717)	(1,719)	-
Group 2 Total		(246,710)	86	(246,624)	(1,719)	244,907
Group 1 & 2 Total		1,213,625	44,125	1,257,750	1,459,653	201,902

2

Account Description	USoA	2023 Principal Disposition	2023 Interest Disposition	Projected Interest	Projected Balance Apr 30, 2024	Total Claim	Reason for \$0 Claim
Group 1 Accounts							
LV Variance Account	1550	514,060	17,607	19,754	305,071	305,071	
Smart Metering Entity Charge Variance Account	1551	(10,436)	(382)	(2,808)	(43,935)	(43,935)	
RSVA – Wholesale Market Service Charge	1580	118,097	4,163	22,864	358,422	358,422	
Variance WMS – Sub-account CBR Class B	1580	(18,251)	(634)	(1,267)	(19,815)	(19,815)	
RSVA – Retail Transmission Network Charge	1584	72,107	2,308	9,216	145,138	145,138	
RSVA – Retail Transmission Connection Charge	1586	14,173	375	6,212	97,960	97,960	
RSVA – Power (excluding Global Adjustment)	1588	(66,241)	(2,481)	(1,396)	(21,000)	(21,000)	
RSVA – Global Adjustment	1589	(55,632)	(1,985)	(1,896)	(29,041)	(29,041)	
Disposition and Recovery/Refund of Regulatory Balances (2018)	1595	-	-	-	8	-	Disposed in previous IRM
Disposition and Recovery/Refund of Regulatory Balances (2019)	1595	(9,176)	(157)	-	(1)	-	Disposed in previous IRM
Disposition and Recovery/Refund of Regulatory Balances (2020)	1595	-	-	-	-	-	Zero balance
Disposition and Recovery/Refund of Regulatory Balances (2021)	1595	-	-	-	(43,920)	-	Rate rider expiry period not met
Disposition and Recovery/Refund of Regulatory Balances (2022)	1595	-	-	-	228,650	-	Rate rider expiry period not met
Group 1 Total (Including Account 1589)		558,701	18,814	50,679	977,538	792,800	
Group 1 Total (Excluding Account 1589)		614,333	20,799	52,575	1,006,579	821,841	
Group 2 Accounts							
Other Regulatory Assets, Energy East	1508	-	-	71	1,207	1,207	
Other Regulatory Assets, OEB Cost Assessment	1508	-	-	14,802	240,940	240,940	
Pole Attachment Variance	1508	-	-	(32,720)	(520,022)	(520,022)	
Customer Choice Initiative	1508	-	-	1,013	16,134	16,134	
Covid-19 Revenues from Postponing Rates	1509	-	-	(128)	(1,845)	(1,845)	
Group 2 Total		-	-	(16,961)	(263,585)	(263,585)	
Group 1 & 2 Total		558,701	18,814	33,718	713,952	529,215	

1 **Compliance with the Accounting Procedure Handbook**

2 WDI confirms all accounts in Group 1 and Group 2 are accounted for in accordance with the
3 Accounting Procedure Handbook (APH).

4

5 **Compliance with OEB 1588 and 1589 Account Guidance**

6 WDI confirms it has complied with the OEB's February 21, 2019, guidelines on the accounting for
7 Accounts 1588 – RSVA Power and 1589 – RSVA Global Adjustment.

8

9 **Departure from Board Approved Balances**

10 WDI confirms it has not made any adjustments to DVA balances that were previously approved by the
11 Board on a final basis, either in a COS or IRM proceeding.

1 **2.9.1 Disposition of Deferral and Variance Accounts**

2

3 **Disposition of Group 1 Accounts**

4 **1550 – LV Variance Account**

5 For account 1550, WDI is requesting disposition of the December 31, 2022, audited balance (adjusted
6 for approved dispositions in 2023), plus forecasted interest through April 30, 2024. The balance
7 requested for disposal, including carrying charges is a debit of \$305,071.

8

9 **1551 – Smart Metering Entity Charge Variance Account**

10 For account 1551, WDI is requesting disposition of the December 31, 2022, audited balance (adjusted
11 for approved dispositions in 2023), plus forecasted interest through April 30, 2024. The balance
12 requested for disposal, including carrying charges is a credit of \$43,934.

13

14 **1580 – RSVA – Wholesale Market Service Charge**

15 For account 1580, WDI is requesting disposition of the December 31, 2022, audited balance (adjusted
16 for approved dispositions in 2023), plus forecasted interest through April 30, 2024. The balance
17 requested for disposal, including carrying charges is a debit of \$358,423.

18

19 **1580 – Wholesale Market Service Charge – Sub-Account CBR Class B**

20 For account 1580 – Sub-Account CBR Class B, WDI is requesting disposition of the December 31,
21 2022, audited balance (adjusted for approved dispositions in 2023), plus forecasted interest through
22 April 30, 2024. The balance requested for disposal, including carrying charges is a credit of \$19,815.

23

24 **1584 – RSVA – Retail Transmission Network Charge**

25 For account 1584, WDI is requesting disposition of the December 31, 2022, audited balance (adjusted
26 for approved dispositions in 2023), plus forecasted interest through April 30, 2024. The balance
27 requested for disposal, including carrying charges is a debit of \$145,138.

1 **1586 – RSVA – Retail Transmission Connection Charge**

2 For account 1586, WDI is requesting disposition of the December 31, 2022, audited balance (adjusted
3 for approved dispositions in 2023), plus forecasted interest through April 30, 2024. The balance
4 requested for disposal, including carrying charges is a debit of \$97,960.

5

6 **1588 – RSVA – Power (Excluding Global Adjustment)**

7 For account 1588, WDI is requesting disposition of the December 31, 2022, audited balance (adjusted
8 for approved dispositions in 2023), plus forecasted interest through April 30, 2024. The balance
9 requested for disposal, including carrying charges is a credit of \$21,000.

10

11 **1589 – RSVA – Disposition of Global Adjustment Variance**

12 For account 1589, WDI is requesting disposition of the December 31, 2022, audited balance (adjusted
13 for approved dispositions in 2023), plus forecasted interest through April 30, 2024. The balance
14 requested for disposal, including carrying charges is a credit of \$29,041.

15

16 All distributors are required to complete and submit a Global Adjustment (GA) Analysis Workform for
17 each year that has not been previously approved by the OEB for disposition. The GA Analysis
18 Workform helps the OEB to assess if the total annual variance that is recorded to Account 1589 is
19 reasonable. The Workform compares the actual general ledger transactions recorded during the year
20 to an expected balance that is calculated based on monthly GA volumes, revenues, and costs.

21 WDI confirms it has completed the GA Analysis Workform for 2022 and the variance calculated is
22 below the 1% materiality threshold. The Workform is included in Appendix 9 (B) of this Exhibit.

23

24 **Disposition of Group 2 Accounts**

25 **1508 – Other Regulatory Assets – Energy East**

26 This account records the costs allocated to WDI for the Energy East consultation completed by the
27 OEB.

28

29 For account 1508 – Other Regulatory Assets – Energy East, WDI is requesting disposition of the
30 December 31, 2022, audited balance (adjusted for approved dispositions in 2023), plus forecasted

1 interest through April 30, 2024. The balance requested for disposal, including carrying charges is a
2 debit of \$1,207.

3

4 **1508 – Other Regulatory Assets – OEB Cost Assessment**

5 As per a Board letter dated February 9, 2016, the Board established this account for electricity
6 distributors to record material differences between the OEB cost assessments currently built into
7 rates, and the cost assessments that will result from the application of the new cost assessment model
8 effective April 1, 2016.

9

10 Table 9.2 shows the breakdown of the amounts recorded in this account.

11

12

Table 9.2: OEB Cost Assessment Variances

Year	Total Invoice Amount	Total Approved in OEB Rates	Total Variance Amount
2016	51,501	26,238	25,263
2017	59,517	26,238	33,279
2018	56,046	26,238	29,808
2019	57,040	26,238	30,802
2020	57,419	26,238	31,181
2021	54,908	26,238	28,670
2022	62,544	26,238	36,306
Total Principal as of December 31, 2022			215,309
Total Interest through April 30, 2024			25,631
Total Disposition Request			240,940

13

14 For account 1508 – Other Regulatory Assets – OEB Cost Assessment, WDI is requesting disposition
15 of the December 31, 2022, audited balance (adjusted for approved dispositions in 2023), plus
16 forecasted interest through April 30, 2024. The balance requested for disposal, including carrying
17 charges is a debit of \$240,940.

18 **1508 – Pole Attachment Variance**

1 On March 22, 2018, the OEB issued the Report of Ontario Energy Board: Wireline Pole Attachment
2 Charges. The report established a province-wide charge to be applied to all licenced electricity
3 distributors for wireline telecom attachments.

4

5 Table 9.3 shows the breakdown of the amounts recorded in this account.

6

7

Table 9.3: Pole Attachment Revenue Variance

Date	Number of Poles	Total Invoice Amount	Total Approved in OEB Rates	Total Variance Amount
Sept – Dec 2018	6,511	56,663	45,085	(11,579)
Jan – Dec 2019	6,601	259,219	132,790	(126,429)
Jan – Dec 2020	6,601	263,934	132,790	(131,144)
Jan – Dec 2021	6,601	264,479	132,790	(131,689)
Jan – Dec 2022	6,601	207,885	132,790	(75,095)
Total Principal as of December 31, 2022				(475,934)
Total Interest through April 30, 2024				(44,088)
Total Disposition Request				(520,022)

8

9 For account 1508 – Pole Variance, WDI is requesting disposition of the December 31, 2022, audited
10 balance (adjusted for approved dispositions in 2023), plus forecasted interest through April 30, 2024.
11 The balance requested for disposal, including carrying charges is a credit of \$520,022.

12

13 **1508 – Customer Choice**

14 On September 8, 2020, the OEB adopted final amendments to the Standard Supply Service Code
15 (SSSC), to come into force on October 13, 2020, which enabled electricity consumers on the
16 Regulated Price Plan (RPP) to opt out of time-of-use prices and elect instead to be charged on the
17 basis of tiered pricing. This account records incremental costs directly attributable to WDI as a result
18 of this initiative.

1 For account 1508 – Customer Choice, WDI is requesting disposition of the December 31, 2022,
2 audited balance (adjusted for approved dispositions in 2023), plus forecasted interest through April
3 30, 2024. The balance requested for disposal, including carrying charges is a debit of \$16,134. This
4 variance can be attributed to software implementation costs to accommodate the Customer Choice
5 Initiative.

6

7 **1509 – COVID-19 Revenues from Postponing Rates**

8 On March 25, 2020, the OEB released an accounting order to establish deferral accounts to record
9 impacts arising from the COVID-19 emergency.

10

11 For account 1509, WDI is requesting disposition of the December 31, 2022, audited balance (adjusted
12 for approved dispositions in 2023), plus forecasted interest through April 30, 2024. The balance
13 requested for disposal, including carrying charges is a credit of \$1,845.

14

15 **Accounts Not Requested for Disposition**

16 The OEB's policy states that at the time of rebasing, all account balances should be disposed of
17 unless otherwise justified by the distributor or as required by a specific OEB decision or guideline. In
18 accordance with this policy, WDI proposes to dispose of all of its DVA balances except for the
19 following:

20

- 21 • **Disposition and Recovery/Refund of Regulatory Balances 2018** – this was approved by
22 the OEB on a final basis in WDI's 2022 IRM proceeding (EB-2021-0061).
- 23 • **Disposition and Recovery/Refund of Regulatory Balances 2019** – this was approved by
24 the OEB on a final basis in WDI's 2023 IRM proceeding (EB-2022-0066).
- 25 • **Disposition and Recovery/Refund of Regulatory Balances 2020** – this was approved by
26 the OEB on a final basis in WDI's 2023 IRM proceeding (EB-2022-0066).
- 27 • **Disposition and Recovery/Refund of Regulatory Balances 2021** – this has time periods
28 that have not expired per the applicable OEB decision.
- 29 • **Disposition and Recovery/Refund of Regulatory Balances 2022** – this has time periods
30 that have not expired per the applicable OEB decision.

1 **Forecasted Carrying Charges**

2 The forecasted interest on the December 31, 2022, principal balances of the DVA's is calculated using
 3 the OEB's prescribed rate of 4.73% for the period January 1, 2023 to March 31, 2023, 4.98% for the
 4 period April 1, 2023 to September 30, 2023, and 5.49% for the period October 1, 2023 to April 30,
 5 2024.

6
 7 **Group 2 Accounts to be Continued or Discontinued on a Go-Forward Basis**

8 Table 9.4 below lists all Group 2 Accounts which WDI proposes to continue or discontinue on a go-
 9 forward basis.

10
 11 **Table 9.4: Group 2 Continuance/Discontinuance**

Description	USoA	Continue/ Discontinue	Explanation
Energy East	1508	Discontinue	No activity
OEB Cost Assessment	1508	Continue	Ongoing until December 31, 2023. For 2024, WDI has proposed that the current cost of Cost Assessments are built into the Revenue Requirement and proposes to continue tracking variances in 2024 and beyond.
Pole Attachment Variance	1508	Continue	Same as above
Customer Choice	1508	Discontinue	No activity
COVID-19 Revenues from Postponing Rates	1509	Discontinue	No activity

12
 13 **DVA Continuity Schedule Model**

14 WDI has filed the 2024 DVA Continuity Schedule Workform in this COS application, which includes
 15 the continuity schedules for all DVA accounts.

16
 17 WDI confirms that all Group 1 and Group 2 balances reconcile to the balances reported in Section
 18 2.1.7 of WDI's 2022 RRR proceeding. WDI acknowledges that the variances reported in Tab 2a and



1 Tab 2b of the continuity schedule model are due only to classification issues and are explained in Tab
2 3 of the model.

3
4 WDI confirms that the customer counts and metered kWh and kW in Tab 4. Billing Determinants of
5 the DVA Continuity Schedule Model are consistent with Load Forecast data in Exhibit 3 and Cost of
6 Power Data in Exhibit 2.

7
8 **Energy Sales & Cost of Power Balances**

9 In Table 9.5, WDI provides a breakdown of energy sales and cost of power (COP) expenses, as
10 reported in both the 2022 Audited Financial Statements and Section 2.1.7 of WDI's 2022 RRR
11 proceeding.

1 **Table 9.5: Energy Sales and Cost of Power Expenses Reconciled**

USoA	Description	Audited Financial Statement Balance	2022 RRR Filing Balance
4006	Residential Energy Sales	11,282,582	11,282,582
4025	Street Lighting Energy Sales	74,664	74,664
4035	General Energy Sales	3,627,186	3,627,186
4055	Energy Sales - Retailer	437,384	437,384
4062	Billed - WMS	584,077	584,077
4066	Billed - NW	1,278,071	1,278,071
4068	Billed - CN	736,816	736,816
4075	Billed Low Voltage	335,638	335,638
4076	Billed Smart Metering	42,220	42,220
Total		18,398,642	18,398,642
4705	Power Purchased	14,296,845	14,296,845
4707	Global Adj.	1,124,971	1,124,971
4708	Charges WMS	584,077	584,077
4714	Charges NW	1,278,071	1,278,071
4716	Charges CN	736,816	736,816
4750	Charges Low Voltage	335,638	335,638
4751	Smart Metering Charge	42,220	42,220
Total		18,398,642	18,398,642

2

3 **2.9.1.1 Accounts 1588 & 1589**

4 WDI confirms that it prorates the Independent Electricity System Operator (IESO) Global Adjustment

5 Charge into the RPP and Non-RPP portions and that the Global Adjustment Charge is only being

6 applied to customers that are Non-RPP.

7

8 On February 21, 2019, the OEB issued a letter entitled Accounting Guidance to Accounts 1588 Power,

9 and 1589 RSVA Global Adjustment. The guidance was effective January 1, 2019, and was to be

10 implemented by August 31, 2019. WDI confirms that is has complied with this guidance and that the

11 transactions recorded in the general ledger reflect the changed process.

1 **2.9.1.2 Disposition of Account 1580, Sub-account CBR Class B Variance**

2 As discussed previously in this Exhibit, WDI is requesting disposition of the December 31, 2022,
3 audited balance (adjusted for approved dispositions in 2023), plus forecasted interest through April
4 30, 2024. The balance requested for disposal, including carrying charges is a credit of \$19,815.

5
6 **2.9.1.3 Disposition of Account 1595**

7 WDI is not requesting disposition of any 1595 account balances. As indicated in the OEB Chapter 2
8 Filing Guidelines dated December 15, 2022, distributors are eligible to seek disposition of the residual
9 balances two years after the expiry of the rate rider. Provided below is a summary of WDI's 1595
10 accounts:

- 11
- 12 • **Disposition and Recovery/Refund of Regulatory Balances 2018** – this was approved by
13 the OEB on a final basis in WDI's 2022 IRM proceeding (EB-2021-0061).
 - 14 • **Disposition and Recovery/Refund of Regulatory Balances 2019** – this was approved by
15 the OEB on a final basis in WDI's 2023 IRM proceeding (EB-2022-0066).
 - 16 • **Disposition and Recovery/Refund of Regulatory Balances 2020** – this was approved by
17 the OEB on a final basis in WDI's 2023 IRM proceeding (EB-2022-0066).
 - 18 • **Disposition and Recovery/Refund of Regulatory Balances 2021** – this has time periods
19 that have not expired per the applicable OEB decision.
 - 20 • **Disposition and Recovery/Refund of Regulatory Balances 2022** – this has time periods
21 that have not expired per the applicable OEB decision.
- 22

23 **2.9.1.4 Disposition of Retail Service Charges Related Accounts**

24 WDI confirms that it does not have balances in Accounts 1518 – Retail Cost Variance Account – Retail
25 and 1548 – Retail Cost Variance Account – STR and is therefore not seeking disposition of either of
26 these accounts.

27
28 **2.9.1.5 Disposition of Account 1592, PILs and Tax Variance**

29 On July 25, 2018, the OEB issued a letter providing accounting guidance with respect to changes in
30 capital cost allowance (CCA) rules. The guidance provides that impacts from changes in CCA rules

1 will not be assessed in IRM proceedings, and that any request for disposition of amounts related to
2 CCA changes is to be deferred to the distributors next COS proceeding.

3
4 In WDI's 2023 IRM proceeding (EB-2022-0066), WDI noted that the shared tax amounts approved in
5 its 2019, 2020, 2021 and 2022 IRM proceedings plus carrying charges totaled a credit amount of
6 \$4,910 has been recorded in Account 1595 (2020). WDI proposed that this credit amount and the
7 shared tax credit amount of \$7,140 calculated for 2023 be transferred to the Account 1595 (Tax
8 Sharing) sub-account and held in this sub-account until its next rate application.

9
10 In its submission in EB-2022-0066, OEB staff agreed with WDI's calculated 2023 tax decrease as well
11 as its proposal to share \$7,140 with ratepayers. However, OEB staff did not agree with WDI's proposal
12 to transfer the 2019 to 2022 approved shared tax amounts to an Account 1595 (Tax Sharing) sub-
13 account. OEB staff noted that was no such generic sub-account and that in its decision and rate order
14 for WDI's 2019, 2020, and 2022 IRMs applications, the OEB directed WDI to transfer the shared tax
15 amounts to the Account 1595 sub-account for that rate year as the tax sharing amounts in each of
16 those years did not produce a rate rider to the fourth decimal place in one or more rate classes.

17
18 OEB staff submitted that the 2019 to 2022 approved shared amounts along with the 2023 shared tax
19 amount should be transferred to Account 1595 (2023) for regulatory efficiency and ease of accounting
20 administration.

21
22 In addition, OEB staff calculated the 2019 to 2022 approved shared tax amount to be a credit amount
23 of \$5,341 plus carrying charges and submitted that WDI should review and transfer the correct 2019
24 to 2022 shared tax amounts plus carrying charges to Account 1595 (2023).

25
26 In its reply to submission, WDI confirmed that the shared tax amounts for 2019 to 2022 was a credit
27 amount of \$5,341 plus carrying charges of \$231, for a total credit of \$5,572. WDI stated that this
28 amount, and the 2023 amount of \$7,140 would be moved to Account 1595 (2023), totalling \$12,712.
29 WDI requested that the OEB approve the Shared Tax Adjustment of a credit of \$12,712.

30

1 The OEB approved the 2023 tax sharing refund of \$7,140. The OEB also directed WDI to transfer the
2 total shared tax amount for 2019 to 2023 for a credit amount of \$12,712 to Account 1595 (2023).
3 WDI confirms that the total credit amount of \$12,712 has been transferred to Account 1595 (2023).
4 WDI also confirms that future amounts relating to PILs, and tax variances will be recorded in Account
5 1592 – PILs and Tax Variance.

6
7 **2.9.1.6 Disposition of Account 1509 Impacts Arising from the COVID-19 Emergency**

8 As outlined in the Board letter dated March 25, 2020, the OEB approved several sub-accounts for
9 distributors to record the incremental costs associated with the COVID-19 Pandemic.

10 Specifically, the Board directed distributors to establish 1509 sub-accounts for:

11

- 12 • Sub-account: Costs associated with billing and system charges
- 13 • Sub-account: Lost revenues
- 14 • Sub-account: Other Costs
- 15 • Sub-account: Forgone revenues from postponing rate implementation
- 16 • Sub-account: Bad Debt

17

18 In March 2020, the Ontario government declared a state of emergency in response to the COVID-19
19 Pandemic. The COVID-19 Pandemic affected economies, business, and individuals locally, as well
20 as around the globe. As a result, distributors incurred additional costs to comply with health and safety
21 protocols, enable remote work for staff, and deal with changing customer circumstances.

22

23 Effective July 2020, WDI established sub-account 1509 – Forgone Revenues from Postponing Rate
24 Implementation. WDI is requesting disposition of a total credit amount of \$1,845 as this amount
25 creates a rate rider within four decimal places for all customer classes.

26

27 **2.9.1.7 Disposition of Account 1508 Sub-account Pole Attachment Revenue**
28 **Variance**

29 As outlined in the Board letter dated July 20, 2018, the OEB approved a variance account for
30 distributors that do not have an OEB-approved distributor-specific pole attachment charge.



1 Specifically, the Board directed distributors to establish a new sub-account of 1508 – Pole Attachment
2 Revenue Variance.

3
4 WDI is requesting disposition of a total credit amount of \$520,023 relating to account 1508 – Pole
5 Attachment Revenue Variance.

6
7 **2.9.1.8 Disposition of Distributor-Specific Accounts**
8 WDI confirms that it does not have balances in any distributor-specific accounts and is therefore not
9 seeking disposition of these accounts.



1 **2.9.2 Establishment of New Deferral and Variance Accounts**

2

3 WDI is requesting the following new deferral/variance accounts:

4

- 5 • **Account 1595 – Disposition and Recovery/Refund of Regulatory Balances 2024 –**
6 Effective until April 30, 2025. Upon approval of disposition, WDI is requesting Board approval
7 to establish Account 1595 – Disposition and Recovery/Refund of Regulatory Balances 2024
8 to track costs, revenues and interest for amounts disposed of in this COS proceeding.
- 9 • **Account 1595 – Recovery of GA Rider 2024 –** Effective until April 30, 2025. Upon approval
10 of disposition, WDI is requesting Board approval to establish Account 1595 – Recovery of GA
11 Rider 2024 to track costs, revenues and interest for amounts disposed of in this COS
12 proceeding.



1 **2.9.3 Lost Revenue Adjustment Mechanism Variance Account**

2

3 **2.9.3.1 Disposition of Lost Revenue Adjustment Mechanism Variance Account**

4 WDI is not requesting the disposition of any Lost Revenue Adjustment Mechanism Variance Account
5 (LRAMVA) amounts in this COS proceeding, as per the OEB’s findings in WDI’s 2023 IRM proceeding
6 (EB-2022-0066):

7

8 “The balance in Wasaga Distribution’s LRAMVA is now zero, and no further entries to the
9 LRAMVA are necessary. The OEB finds that the current LRAMVA balance of a credit of \$329
10 is immaterial and does not warrant disposition. The LRAMVA will not be discontinued, if
11 Wasaga Distribution requests the use of the LRAMVA for a CDM activity in a future application,
12 which the OEB will consider on a case-by-case basis.”

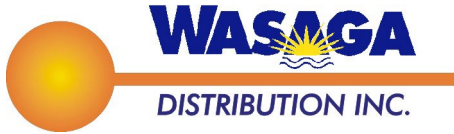


- 1 **2.9.4 Appendices**
- 2 Appendix 9 (A) DVA Continuity Schedule
- 3 Appendix 9 (B) 2022 GA Analysis Workform



1 **Appendix 9 (A) DVA Continuity Schedule**

- 2 WDI has filed the DVA Continuity Schedule separately in excel format as Exhibit 9, Appendix 9 (A):
- 3 2024 DVA Continuity Schedule, specifically tabs 2-A and 2-B.



- 1 **Appendix 9 (B) 2024 GA Analysis Workform**
- 2 WDI has filed the 2024 GA Analysis Workform separately in excel as Exhibit 9, Appendix 9 (B): 2024
- 3 OEB GA Analysis Workform.