

# Exhibit 9:

# Deferral and Variance

# Accounts

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1 **LIST OF ATTACHMENTS**

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- 2 9-A. EB-2015-0061 Approved Accounting Order for Account 1508 Subaccount OPEB Forecast Cash  
3 versus Forecast Accrual Differential Deferral Account

## 9.1 OVERVIEW

Entegrus Powerlines Inc. (“EPI”) has included in this Application, a request for disposition of Group 1 and Group 2 Deferral and Variance Account (“DVA”) balances as of December 31, 2024, with forecast Group 2 deferral balances for 2025 and January to April 2026 where applicable, and forecasted interest through April 30, 2026.

EPI has followed the OEB’s guidance in the *Accounting Procedures Handbook and Frequently Asked Questions* (“APH”) for recording amounts in the deferral and variance accounts. In addition, EPI has also utilized the guidance of the Report of the Board on *Electricity Distributor’s Deferral and Variance Account Review Initiative* (“EDDVAR”) issued July 31, 2009 (EB-2008-0046), and the OEB’s Filing Requirements.

EPI utilized the OEB’s Deferral and Variance Account Continuity Schedule Workform (“DVA Continuity Schedule”), as well as its own Continuity Schedule for Group 2 accounts, as the OEB’s model only allows input of Group 2 account balances and transactions from 2019 onward. As EPI last disposed of its Group 2 accounts in its 2016 COS (EB-2015-0061), it has filed a Continuity Schedule for Group 2 accounts that reflects transactions since this date. The opening 2019 balances in the DVA Continuity Schedule represent the closing 2018 balances in EPI’s Continuity Schedule.

EPI is requesting one new account in this Application as described in Section 9.6.1.

EPI has not made any adjustments to balances previously approved by the OEB on a final basis.

As referenced in this section and discussed previously, EPI currently maintains the following two rate zones:, with rate harmonization proposed for 2026 as detailed in Exhibit 8.

- Entegrus-Main Rate Zone representing the territory of Legacy EPI;
- Entegrus-St. Thomas (“STT”) Rate Zone representing the former territory of St. Thomas Energy Inc. (“STEI”)

## 9.2 ACCOUNT BALANCES

The DVA balances for EPI as of December 31, 2024 are summarized in Table 9-1 below.

1 **TABLE 9-1: DVA BALANCES AS OF DECEMBER 31, 2024**

Line No.	USoA	Description	Principle Balance	Interest Balance	Total	Proposed Disposition	Explanation if No	Proposed Closing Account	Explanation
1	<b>GROUP 1</b>								
2	1550	Low Voltage	\$ 1,030,479	\$ 103,576	\$ 1,134,055	YES	-	NO	Remain for future deferrals
3	1551	Smart Metering Entity Charge	\$ (173,584)	\$ (10,807)	\$ (184,391)	YES	-	NO	Remain for future deferrals
4	1580	RSVA Wholesale Market	\$ (1,685,069)	\$ (65,005)	\$ (1,750,074)	YES	-	NO	Remain for future deferrals
5	1580	Variance WMS – Sub-account CBR Class B	\$ 613,262	\$ 2,632	\$ 615,894	YES	-	NO	Remain for future deferrals
6	1584	RSVA Network	\$ 1,872,334	\$ 146,254	\$ 2,018,588	YES	-	NO	Remain for future deferrals
7	1586	RSVA Connection	\$ 1,244,430	\$ 79,115	\$ 1,323,545	YES	-	NO	Remain for future deferrals
8	1588	RSVA Power	\$ 390,846	\$ 37,607	\$ 428,452	YES	-	NO	Remain for future deferrals
9	1589	RSVA Global Adjustment	\$ 950,470	\$ 94,873	\$ 1,045,343	YES	-	NO	Remain for future deferrals
10	1595	Disposition and Recovery of Regulatory Assets (2020 MAIN)	\$ 81,902	\$ 19,699	\$ 101,601	NO	Cleared in EB-2024-0018	YES	Account not required after final disposition
11	1595	Disposition and Recovery of Regulatory Assets (2021 STT)	\$ 15,236	\$ 1,462	\$ 16,698	NO	Cleared in EB-2024-0018	YES	Account not required after final disposition
12	1595	Disposition and Recovery of Regulatory Assets (2021 MAIN)	\$ (16,636)	\$ (1,033)	\$ (17,670)	YES	-	YES	Account not required after final disposition
13	1595	Disposition and Recovery of Regulatory Assets (2022 Combined)	\$ 7,575	\$ 6,672	\$ 14,247	NO	Not eligible	NO	Remain for future disposition
14	1595	Disposition and Recovery of Regulatory Assets (2023 Combined)	\$ (113,021)	\$ 116,855	\$ 3,834	NO	Not eligible	NO	Remain for future disposition
15	1595	Disposition and Recovery of Regulatory Assets (2024 Combined)	\$ 1,876,892	\$ 119,187	\$ 1,996,079	NO	Not eligible	NO	Remain for future disposition
16		<b>Subtotal</b>	<b>\$ 6,095,117</b>	<b>\$ 651,086</b>	<b>\$ 6,746,202</b>				
17	<b>GROUP 2</b>								
18	1508	Other Regulatory Assets - Deferred IFRS Transition Costs	\$ 81,831	\$ 20,930	\$ 102,761	YES	-	YES	Account not required after final disposition
19	1508	Other Regulatory Assets - Pole Attachment Revenue Variance	\$ (1,633,444)	\$ (148,165)	\$ (1,781,609)	YES	-	YES	Account not required after final disposition
20	1508	Other Regulatory Assets - OEB Cost Assessment	\$ 1,084,459	\$ 107,686	\$ 1,192,144	YES	-	YES	Account not required after final disposition
21	1508	Other Regulatory Assets - Green Button Initiative	\$ -	\$ -	\$ -	NO	-	YES	Account not required after final disposition
22	1508	Other Regulatory Assets - Designated Broadband Project Impacts	\$ -	\$ -	\$ -	NO	-	YES	Account not required after final disposition
23	1508	Other Regulatory Assets - Getting Ontario Connected	\$ 861,680	\$ 13,263	\$ 874,943	YES	-	YES	Account not required after final disposition
24	1508	Other Regulatory Assets - LEAP EFA	\$ 421,942	\$ 3,450	\$ 425,392	YES	-	YES	Account not required after final disposition
25	1508	Other Regulatory Assets - OPEB	\$ (303,036)	\$ -	\$ (303,036)	YES	-	YES	Account not required after final disposition
26	1511	Incremental Cloud Computing Costs	\$ 295,866	\$ 5,558	\$ 301,424	YES	-	NO	Remain for future deferrals
27	1518	RCVA Retail	\$ 162,464	\$ 12,393	\$ 174,857	YES	-	YES	Account not required after final disposition
28	1548	RCVA STR	\$ 125,091	\$ 14,631	\$ 139,722	YES	-	YES	Account not required after final disposition
29	1555	Smart Meter Capital and Recovery Offset	\$ (9,205)	\$ -	\$ (9,205)	YES	-	YES	Account not required after final disposition
30	1576	CGAAP Accounting Changes	\$ (95,665)	\$ -	\$ (95,665)	YES	-	YES	Account not required after final disposition
31	1592	PILs & Tax Variance - CCA	\$ (2,399,020)	\$ (246,516)	\$ (2,645,536)	YES	-	NO	Remain for future deferrals
32		<b>Subtotal</b>	<b>\$ (1,407,036)</b>	<b>\$ (216,771)</b>	<b>\$ (1,623,808)</b>				
33		<b>GRAND TOTAL</b>	<b>\$ 4,688,080</b>	<b>\$ 434,314</b>	<b>\$ 5,122,394</b>				

As identified in Table 9-1, the following accounts are not being proposed for disposition:

- 1595 - Disposition and Recovery of Regulatory Assets (2020 Main and 2021 STT). These balances were previously requested for disposal in EB-2024-0018.
- 1595 – Disposition and Recovery of Regulatory Assets (2022), (2023), (2024). These balances have not yet reached the two-year time frame after completion of the rate riders and associated audit.
- 1508 Sub Account Green Button Initiative and Sub Account Designated Broadband Project Impacts. These accounts have a nil balance, so disposition is not required.

As identified in Table 9-1, the following accounts are being proposed for discontinuation:

- 1508 – Other Regulatory Assets – Deferred IFRS Transition Costs. This account will have no further activity after its disposal in this application.
- 1508 – Other Regulatory Assets – Pole Attachment Revenue Variance. Consistent with the OEB's *Accounting Guidance on Wireline Pole Attachment Charges* letter dated July 20, 2018, EPI



has incorporated the 2026 pole attachment charge in its proposed 2026 cost-based rates and accordingly no longer requires this variance account.

- 1508 – Other Regulatory Assets – OEB Cost Assessment. As this account was originally established to address a change in the OEB’s assessment methodology, this account will have no further activity after its disposal in this application.
- 1508 – Other Regulatory Assets – Green Button Initiative. This account will have no further activity after its disposal in this application.
- 1508 – Other Regulatory Assets – Designated Broadband Project Impacts. This account will have no further activity after its disposal in this application.
- 1508 – Other Regulatory Assets – Getting Ontario Connected Act. This account will have no further activity after its disposal in this application.
- 1508 – Other Regulatory Assets – LEAP EFA. This account will have no further activity after its disposal in this application.
- 1508 – Other Regulatory Assets – OPEB. This account will have no further activity after its disposal in this application.
- 1518 – RCVA Retail. This account will have no further activity after its disposal in this application.
- 1548 – RCVA STR. This account will have no further activity after its disposal in this application.
- 1555 - Smart Meter Capital and Recovery Offset. This account will have no further activity after its disposal in this application.
- 1576 - CGAAP Accounting Changes. This account will have no further activity after its disposal in this application.

## **9.2.1 RECONCILIATION OF ACCOUNTS**

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EPI confirms the balances in Table 9-1 above reconcile to the 2024 Audited Financial Statements (“AFS”) and to the 2024 year-end balances for Reporting and Record Keeping Requirements (“RRR”) filing 2.1.7 Trial Balance as filed April 22, 2025 through the OEB’s RESS. The Table 9-2 below summarizes these details.

**TABLE 9-2: DVA 2024 BALANCE RECONCILIATION**

USoA	Description	Balance Dec 31/24	Per RRR 2.1.7 & Audited Financial Statements	Variance
1508	Other Regulatory Assets	\$ 125,679	\$ 125,681	\$ 2
1511	Incremental Cloud Computing Costs	\$ 321,674	\$ 321,674	\$ 0
1518	RCVA Retail	\$ 137,263	\$ 137,263	\$ -
1548	RCVA STR	\$ 124,478	\$ 124,478	\$ -
1550	Low Voltage	\$ 1,134,055	\$ 1,134,055	\$ 0
1551	Smart Metering Entity Charge	\$ (184,391)	\$ (184,391)	\$ 0
1555	Smart Meter Capital and Recovery Offset	\$ (9,205)	\$ (9,205)	\$ 0
1576	CGAAP Accounting Changes	\$ (95,665)	\$ (95,665)	\$ 0
1580	RSVA Wholesale Market	\$ (1,750,074)	\$ (1,134,180)	\$ 615,894
1580	Variance WMS – Sub-account CBR Class B	\$ 615,894	\$ 615,894	\$ (0)
1584	RSVA Network	\$ 2,018,588	\$ 2,018,589	\$ 2
1586	RSVA Connection	\$ 1,323,545	\$ 1,323,545	\$ (0)
1588	RSVA Power	\$ 428,452	\$ 437,823	\$ 9,371
1589	RSVA Global Adjustment	\$ 1,045,343	\$ 1,055,138	\$ 9,795
1592	PILs & Tax Variance	\$ (4,128,039)	\$ (4,301,667)	\$ (173,628)
1595	Disposition and Recovery of Regulatory Assets	\$ 2,114,789	\$ 2,114,790	\$ 0
	<b>GRAND TOTAL</b>	<b>\$ 3,222,387</b>	<b>\$ 3,683,823</b>	<b>\$ 461,436</b>

Variance explanations of the Group 1 and Group 2 balances to the 2024 RRRs are provided in “Tab 3. Appendix A” of the DVA Continuity Schedule. In order to incorporate principal activity beyond December 31, 2024, EPI entered the forecast activity in column BF “Principal Adjustments during 2024” of the DVA Continuity Schedule. These adjustments are explained in “Tab.3 Appendix A” of the DVA Continuity Schedule and highlighted in Table 9-4.

## 9.2.2 CARRYING CHARGES

EPI has used the OEB’s prescribed interest rates when calculating carrying charges on the DVA balances. Interest is calculated based on the opening monthly principal balances.

In accordance with the Filing Requirements, the most recent posted interest rate (2.91% for Q3 of 2025) has been used to forecast carrying charges to April 30, 2026.

1 **TABLE 9-3: OEB PRESCRIBED INTEREST RATES**

Year	Quarter	Prescribed Interest Rate	Year	Quarter	Prescribed Interest Rate
2016	Q1	1.10%	2021	Q1	0.57%
	Q2	1.10%		Q2	0.57%
	Q3	1.10%		Q3	0.57%
	Q4	1.10%		Q4	0.57%
2017	Q1	1.10%	2022	Q1	0.57%
	Q2	1.10%		Q2	1.02%
	Q3	1.10%		Q3	2.20%
	Q4	1.50%		Q4	3.87%
2018	Q1	1.50%	2023	Q1	4.73%
	Q2	1.89%		Q2	4.98%
	Q3	1.89%		Q3	4.98%
	Q4	2.17%		Q4	5.49%
2019	Q1	2.45%	2024	Q1	5.49%
	Q2	2.18%		Q2	5.49%
	Q3	2.18%		Q3	5.49%
	Q4	2.18%		Q4	4.40%
2020	Q1	2.18%	2025	Q1	3.64%
	Q2	2.18%		Q2	3.16%
	Q3	0.57%		Q3	2.91%
	Q4	0.57%		Q4	

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## 9.3 PROPOSED DISPOSITION

EPI is requesting a net disposition of \$426,796 as a collection from customers, based on the 2024 year end balances less the amounts approved through the 2025 IRM process (EB-2024-0018), timing adjustments, and forecast activity for certain Group 2 accounts. EPI confirms that all of the Group 2 variances are driven by forecasted activity up to April 30, 2026 as it is proposing to dispose of balances for some accounts up to and including April 30, 2026 activity. The rationale for these proposals is provided in Section 9.5. Details of each account disposition request, including adjustments, are discussed in detail in Sections 9.4 and Section 9.5 below.

**TABLE 9-4: BALANCES FOR DISPOSITION**

Line No.	USoA	Description	Balance at Dec 31/24	2025 Disposition	Adjustments	Interest to Apr30/26	Balance for Disposition
<b>GROUP 1</b>							
1	1550	Low Voltage	\$ 1,134,055	\$ 695,216	\$ -	\$ 17,455	\$ 456,295
2	1551	Smart Metering Entity Charge	\$ (184,391)	\$ (129,377)	\$ -	\$ (2,155)	\$ (57,169)
3	1580	RSVA Wholesale Market	\$ (1,750,074)	\$ (1,409,114)	\$ -	\$ (16,637)	\$ (357,596)
4	1580	Variance WMS – Sub-account CBR Class B	\$ 615,894	\$ 170,208	\$ -	\$ 18,521	\$ 464,208
5	1584	RSVA Network	\$ 2,018,588	\$ 1,209,894	\$ -	\$ 31,663	\$ 840,356
6	1586	RSVA Connection	\$ 1,323,545	\$ 1,004,973	\$ -	\$ 12,793	\$ 331,365
7	1588	RSVA Power	\$ 428,452	\$ 221,547	\$ -	\$ 8,101	\$ 215,007
8	1589	RSVA Global Adjustment	\$ 1,045,343	\$ 838,706	\$ -	\$ 9,134	\$ 215,771
9	1595	Disposition and Recovery of Regulatory Assets	\$ (17,670)	\$ -	\$ -	\$ (686)	\$ (18,356)
10		<b>Subtotal</b>	<b>\$ 4,613,743</b>	<b>\$ 2,602,052</b>	<b>\$ -</b>	<b>\$ 78,190</b>	<b>\$ 2,089,881</b>
<b>GROUP 2</b>							
11	1508	Other Regulatory Assets	\$ 125,679	\$ -	\$ 384,916	\$ 37,796	\$ 548,391
12	1511	Incremental Cloud Computing Costs	\$ 321,674	\$ -	\$ (20,250)	\$ 12,204	\$ 313,628
13	1518	RCVA Retail	\$ 137,263	\$ -	\$ 37,594	\$ 5,151	\$ 180,008
14	1548	RCVA STR	\$ 124,478	\$ -	\$ 15,244	\$ 4,531	\$ 144,253
15	1555	Smart Meter Capital and Recovery Offset	\$ (9,205)	\$ -	\$ -	\$ -	\$ (9,205)
16	1576	CGAAP Accounting Changes	\$ (95,665)	\$ -	\$ -	\$ -	\$ (95,665)
17	1592	PILs & Tax Variance	\$ (4,128,039)	\$ -	\$ 1,482,503	\$ (98,960)	\$ (2,744,496)
18		<b>Subtotal</b>	<b>\$ (3,523,815)</b>	<b>\$ -</b>	<b>\$ 1,900,007</b>	<b>\$ (39,277)</b>	<b>\$ (1,663,085)</b>
19		<b>GRAND TOTAL</b>	<b>\$ 1,089,928</b>	<b>\$ 2,602,052</b>	<b>\$ 1,900,007</b>	<b>\$ 38,913</b>	<b>\$ 426,796</b>

As noted in Section 9.1 above, EPI currently maintains two rate zones. In this Application, EPI seeks to harmonize these two rate zones into a single tariff sheet, so that all EPI customers will be subject to a single Schedule of Rate and Charges. As part of this harmonization, and consistent with the methodology approved in EPI's 2016 COS (EB-2015-0061), EPI also seeks to dispose of all Group 1 and Group 2 deferral variances on a harmonized basis, effective May 1, 2026. EPI believes the harmonized go forward DVA disposition is the best approach for the following reasons:

- 1       • The OEB’s guidance in the MAADs Handbook<sup>1</sup>, is for utilities to consolidate Group 1 accounts as  
2       soon as is practicable;
- 3       • As of March 1, 2025, EPI consolidated into a single monthly settlement with the IESO.  
4       Accordingly, Group 1 DVAs are no longer maintained separately at the rate zone level;
- 5       • Harmonization reduces administrative time spent on the DVA process; and,
- 6       • Harmonization creates more rate stability and less volumetric volatility.
- 7       Accordingly, effective January 1, 2025, EPI proposes that future dispositions of all DVA accounts be  
8       accounted for and completed on a consolidated basis. This methodology would ensure consistency  
9       among the dispositions proposed in this Application and future balances.

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<sup>1</sup> Handbook to Electricity Distributor and Transmitter Consolidations - Rate-making Considerations and Filing Requirements for Consolidation Applications, Revised July 11, 2024 Originally issued June 18, 2024.

## 9.4 GROUP 1 ACCOUNT ANALYSIS

EPI last disposed of Group 1 account balances for all rate zones in its 2025 IRM Rate Application (EB-2024-0018), which incorporated the AFS balances as at December 31, 2023. The OEB's Filing Requirements specify that the continuity schedule should show the balance details from the last disposition. Accordingly, EPI has entered the 2024 Continuity data into Tab "2a. Continuity Schedule" of the DVA Continuity Schedule. This tab also contains the details reconciling the December 31, 2024 balances with the requested disposition amounts discussed below.

The following sections provide details of the Group 1 accounts utilized by EPI and the respective disposition requests.

### 9.4.1 ACCOUNT 1550: LOW VOLTAGE VARIANCE ACCOUNT

EPI requests disposition of Account 1550 for the amount of \$456,295 as a collection from customers, including interest to April 30, 2026.

**TABLE 9-5: ACCOUNT 1550 DISPOSITION CALCULATION**

Line No.	Description	Principal	Interest	Total
1	December 31, 2024 Balance	\$ 1,030,479	\$ 103,576	\$ 1,134,055
2	Less: 2025 IRM Disposition (EB-2024-0018)	\$ 607,318	\$ 87,897	\$ 695,216
3	Adjustments	\$ -	\$ -	\$ -
4	<b>Balance for Disposition</b>	<b>\$ 423,161</b>	<b>\$ 15,679</b>	<b>\$ 438,840</b>
5	Interest January to December 2025		\$ 13,351	\$ 13,351
6	Interest January to April 2026		\$ 4,105	\$ 4,105
7	<b>Total Claim</b>	<b>\$ 423,161</b>	<b>\$ 33,134</b>	<b>\$ 456,295</b>

This account is used to record the differences between the charges from Hydro One Networks Inc. ("HONI") for Low Voltage services recorded in Account 4750 and the amounts billed to EPI customers based on the approved Low Voltage rates recorded in Account 4075. EPI has consistently maintained the accrual approach for this account.

## 9.4.2 ACCOUNT 1551: SMART METERING ENTITY (“SME”) CHARGE VARIANCE ACCOUNT

EPI requests disposition of Account 1551 for the amount of \$57,169 as a refund to customers, including interest to April 30, 2026.

**TABLE 9-6: ACCOUNT 1551 DISPOSITION CALCULATION**

Line No.	Description	Principal	Interest	Total
1	December 31, 2024 Balance	\$ (173,584)	\$ (10,807)	\$ (184,391)
2	Less: 2025 IRM Disposition (EB-2024-0018)	\$ (121,350)	\$ (8,027)	\$ (129,377)
3	Adjustments	\$ -	\$ -	\$ -
4	<b>Balance for Disposition</b>	<b>\$ (52,235)</b>	<b>\$ (2,779)</b>	<b>\$ (55,014)</b>
5	Interest January to December 2025		\$ (1,648)	\$ (1,648)
6	Interest January to April 2026		\$ (507)	\$ (507)
7	<b>Total Claim</b>	<b>\$ (52,235)</b>	<b>\$ (4,934)</b>	<b>\$ (57,169)</b>

This account is used to record the difference between the Smart Meter Entity amounts billed to EPI customers and the charges paid to the IESO.

## 9.4.3 ACCOUNT 1580: RSVA – WHOLESALE MARKET SERVICES

EPI requests disposition of Account 1580 for the amount of \$357,596 as a refund to customers, excluding Wholesale Market Participants (“WMP”), including interest to April 30, 2026.

**TABLE 9-7: ACCOUNT 1580 DISPOSITION CALCULATION**

Line No.	Description	Principal	Interest	Total
1	December 31, 2024 Balance	\$ (1,685,069)	\$ (65,005)	\$ (1,750,074)
2	Less: 2025 IRM Disposition (EB-2024-0018)	\$ (1,281,747)	\$ (127,368)	\$ (1,409,114)
3	Adjustments			\$ -
4	<b>Balance for Disposition</b>	<b>\$ (403,322)</b>	<b>\$ 62,363</b>	<b>\$ (340,959)</b>
5	Interest January to December 2025		\$ (12,725)	\$ (12,725)
6	Interest January to April 2026		\$ (3,912)	\$ (3,912)
7	<b>Total Claim</b>	<b>\$ (403,322)</b>	<b>\$ 45,726</b>	<b>\$ (357,596)</b>

This RSVA is used to record the differences between the amounts charged by the IESO for wholesale market services and the amount billed to EPI customers using the OEB Approved rates. EPI has consistently maintained the accrual approach for this account.

#### 9.4.4 ACCOUNT 1580: SUB ACCOUNT CBR CLASS B VARIANCE

EPI requests disposition of Account 1580 – Sub-account CBR Class B variance for the amount of \$464,208 as a collection from customers, including interest to April 30, 2026.

**TABLE 9-8: ACCOUNT 1580: CBR DISPOSITION CALCULATION**

Line No.	Description	Principal	Interest	Total
1	December 31, 2024 Balance	\$ 613,262	\$ 2,632	\$ 615,894
2	Less: 2025 IRM Disposition (EB-2024-0018)	\$ 164,261	\$ 5,946	\$ 170,208
3	Adjustments			\$ -
4	<b>Balance for Disposition</b>	<b>\$ 449,001</b>	<b>\$ (3,314)</b>	<b>\$ 445,687</b>
5	Interest January to December 2025		\$ 14,166	\$ 14,166
6	Interest January to April 2026		\$ 4,355	\$ 4,355
7	<b>Total Claim</b>	<b>\$ 449,001</b>	<b>\$ 15,207</b>	<b>\$ 464,208</b>

This RSVA account is used to record the differences in the Class B CBDR-related wholesale market service charge paid to the IESO and the amount billed to EPI Class B customers for CBDR costs. EPI has consistently maintained an accrual approach for this account.

#### 9.4.5 ACCOUNT 1584: RSVA – RETAIL TRANSMISSION NETWORK

EPI requests disposition of Account 1584 for the amount of \$840,356 as a collection from customers, including interest to April 30, 2026.

**TABLE 9-9: ACCOUNT 1584 DISPOSITION CALCULATION**

Line No.	Description	Principal	Interest	Total
1	December 31, 2024 Balance	\$ 1,872,334	\$ 146,254	\$ 2,018,588
2	Less: 2025 IRM Disposition (EB-2024-0018)	\$ 1,104,750	\$ 105,144	\$ 1,209,894
3	Adjustments			\$ -
4	<b>Balance for Disposition</b>	<b>\$ 767,584</b>	<b>\$ 41,110</b>	<b>\$ 808,694</b>
5	Interest January to December 2025		\$ 24,217	\$ 24,217
6	Interest January to April 2026		\$ 7,446	\$ 7,446
7	<b>Total Claim</b>	<b>\$ 767,584</b>	<b>\$ 72,773</b>	<b>\$ 840,356</b>



This RSVA account is used to record the differences in retail transmission network charges paid to the IESO and HONI and the amount billed to EPI customers for retail transmission network costs. EPI has consistently maintained an accrual approach for this account.

#### 9.4.6 ACCOUNT 1586: RSVA – RETAIL TRANSMISSION CONNECTION

EPI requests disposition of Account 1586 for the amount of \$331,365 as a collection from customers, including interest to April 30, 2026.

**TABLE 9-10: ACCOUNT 1586 DISPOSITION CALCULATION**

Line No.	Description	Principal	Interest	Total
1	December 31, 2024 Balance	\$ 1,244,430	\$ 79,115	\$ 1,323,545
2	Less: 2025 IRM Disposition (EB-2024-0018)	\$ 934,295	\$ 70,678	\$ 1,004,973
3	Adjustments			\$ -
4	<b>Balance for Disposition</b>	<b>\$ 310,135</b>	<b>\$ 8,437</b>	<b>\$ 318,572</b>
5	Interest January to December 2025		\$ 9,785	\$ 9,785
6	Interest January to April 2026		\$ 3,008	\$ 3,008
7	<b>Total Claim</b>	<b>\$ 310,135</b>	<b>\$ 21,230</b>	<b>\$ 331,365</b>

This RSVA account is used to record the difference between retail transmission connection charges paid to the IESO and HONI and the amount billed to EPI customers for retail transmission connection charges. EPI has consistently maintained an accrual approach for this account.

#### 9.4.7 ACCOUNT 1588: RSVA – POWER

The balance in Account 1588 was last approved for disposition on a final basis in the 2025 IRM Application (EB-2024-0018). EPI has included a timing adjustment in the DVA Continuity Schedule, “Tab 2.a Continuity Schedule”, Cell BF31. The adjustments are summarized in the Commodity Accounts Analysis Workform “Principal Adjustments” tab. EPI requests disposition of Account 1588 for the amount of \$215,007 as a collection from customers, including interest to April 30, 2026.

**TABLE 9-11: ACCOUNT 1588 DISPOSITION CALCULATION**

Line No.	Description	Principal	Interest	Total
1	December 31, 2024 Balance	\$ 390,846	\$ 37,607	\$ 428,452
2	Less: 2025 IRM Disposition (EB-2024-0018)	\$ 194,448	\$ 27,099	\$ 221,547
3	Adjustments			\$ -
4	<b>Balance for Disposition</b>	<b>\$ 196,398</b>	<b>\$ 10,507</b>	<b>\$ 206,905</b>
5	Interest January to December 2025		\$ 6,196	\$ 6,196
6	Interest January to April 2026		\$ 1,905	\$ 1,905
7	<b>Total Claim</b>	<b>\$ 196,398</b>	<b>\$ 18,609</b>	<b>\$ 215,007</b>

The RSVA Power account is used to record the difference between the amount paid to the IESO and HONI for electricity and the amount billed to EPI customers for electricity. The variance primarily consists of timing differences, price and quantity differences and the difference between actual and OEB Approved line losses. EPI has consistently maintained an accrual approach for this account.

EPI confirms that the Account 1588 reasonability test has been completed and the resulting variance is within the +/- 1% threshold. Please refer to the live excel file (EPI\_2026\_Commodity\_Accounts\_Analysis\_Workform\_1.0\_20250829) included with this Application for the completed Commodity Accounts Analysis Workform.

#### **9.4.8 ACCOUNT 1589: RSVA – GLOBAL ADJUSTMENT**

The balance in Account 1589 was last approved for disposition on a final basis in the 2025 IRM Application (EB-2024-0018). EPI has included a timing adjustment in the DVA Continuity Schedule, “Tab 2.a Continuity Schedule”, Cell BF32. The adjustments are summarized in the Commodity Accounts Analysis Workform “Principal Adjustments” tab. The completed Workform, “GA 2024” tab results in an unresolved difference of 0.3%, which is within the OEB’s +/- 1% threshold.

EPI requests disposition of Account 1589 for the amount of \$215,771 as a collection from Non-RPP customers, excluding Class A customers and WMP, including interest to April 30, 2026.

**TABLE 9-12: ACCOUNT 1589 DISPOSITION CALCULATION**

Line No.	Description	Principal	Interest	Total
1	December 31, 2024 Balance	\$ 950,470	\$ 94,873	\$ 1,045,343
2	Less: 2025 IRM Disposition (EB-2024-0018)	\$ 729,046	\$ 109,659	\$ 838,706
3	Adjustments			\$ -
4	<b>Balance for Disposition</b>	<b>\$ 221,424</b>	<b>\$ (14,787)</b>	<b>\$ 206,637</b>
5	Interest January to December 2025		\$ 6,986	\$ 6,986
6	Interest January to April 2026		\$ 2,148	\$ 2,148
7	<b>Total Claim</b>	<b>\$ 221,424</b>	<b>\$ (5,653)</b>	<b>\$ 215,771</b>

This RSVA account records the net difference between the amounts billed to Non-RPP customers and the Global Adjustment ("GA") charged on the settlement invoice from the IESO for Non-RPP customers. EPI has consistently maintained an accrual approach for this account.

#### **CLASS A CONSUMPTION AND GA ALLOCATION**

During 2024, EPI had four GS > 50 kW customers, who were previously Class A, elect to opt-out as of July 1. Conversely, five GS > 50 kW customers, who were previously Class B, elected to opt into Class A as of July 1. In addition, 32 GS > 50 kW customers and three Large Use customers maintained their Class A status for the entire 2024 period.

EPI has populated Tab "6. Class A Consumption Data" with the necessary customer-specific consumption details.

As discussed further below, EPI bills GS > 50 kW, Large Use, and Street Light customers on the actual GA rate, thus these customer classes do not contribute to the balance in Account 1589. Given that the transition customers are in the GS > 50 kW rate class, EPI has not allocated any Account 1589 balance to these customers. To reflect this in the DVA Continuity Schedule, on Tab "6.a GA Allocation" EPI has input an amount in cell D19 to generate a 0.0% allocation in cell C24.

#### **CAPACITY BASED RECOVERY**

In accordance with the APH, EPI has continued to record Capacity Based Recovery ("CBR") charges and revenues separately for Class A and Class B customers in their respective Account 1580 subaccounts. EPI previously disposed of Account 1580, Subaccount Class B in its 2025 IRM (for activity up to December

31, 2023). Accordingly, the request for disposition herein relates to 2024 activity. As noted above, EPI had nine transitional customers in 2024.

EPI has completed Tab “6.2a CBR B Allocation” to calculate the necessary CBR bill credit for the transitional customers.

EPI has reviewed the CBR amounts allocated to the nine customers who transitioned during 2024 as per the 2026 DVA Continuity Schedule CoS\_1.0, Tab “6.2a. CBR B Allocation”. The annual amount of the CBR B disposition applied to the transitional customers ranges from a debit of \$8 to a debit of \$184. Given the dollar amounts in relation to the customers’ typical monthly bill, EPI proposes to dispose of these amounts as a one-time bill charge.

#### **9.4.9 ACCOUNT 1595: DISPOSITION OF REGULATORY BALANCES**

EPI requests disposition of Account 1595 for the amount of \$18,365 as a refund to customers.

**TABLE 9-13: ACCOUNT 1595 DISPOSITION CALCULATION**

Line No.	Description	Principal	Interest	Total
1	December 31, 2024 Balance	\$ (16,636)	\$ (1,033)	\$ (17,670)
2	Less: 2025 IRM Disposition (EB-2024-0018)	\$ -	\$ -	\$ -
3	Adjustments	\$ -	\$ -	\$ -
4	<b>Balance for Disposition</b>	<b>\$ (16,636)</b>	<b>\$ (1,033)</b>	<b>\$ (17,670)</b>
5	Interest January to December 2025		\$ (525)	\$ (525)
6	Interest January to April 2026		\$ (161)	\$ (161)
7	<b>Total Claim</b>	<b>\$ (16,636)</b>	<b>\$ (1,720)</b>	<b>\$ (18,356)</b>

This account is used to record the disposition of DVA balances approved for recovery or refund. EPI utilizes subaccounts to track the various OEB Approved principal and interest balances upon disposition. EPI currently maintains subaccounts for each disposition and type of disposition.

The following table provides details of the residual balance that EPI is requesting for disposition. EPI notes that the residual balance from Table 9-14 below relates to volumetric variances.

1 **TABLE 9-14: ACCOUNT 1595 RESIDUAL BALANCES FOR DISPOSITION**

Line No.	Description	EB Number	Rate Rider Ending	Original Disposition	Residual Balance	Accrued Interest	Total Claim
1	2021 IRM Group One & LRAMVA Disposition	EB-2020-0015	April 30, 2022	\$ 1,394,573	\$ (16,636)	\$ (1,720)	\$ (18,356)
2	<b>Grand Total</b>				<b>\$ (16,636)</b>		<b>\$ (18,356)</b>

3

## 9.5 GROUP 2 ACCOUNT ANALYSIS

As noted above, EPI currently maintains two separate rate zones based on legacy service territories of its predecessor companies. The following is a brief history of the last Group 2 Account dispositions for each rate zone.

- The former Entegrus-Main last disposed of its Group 2 balances in its 2016 Cost of Service Application (EB-2015-0061), which included AFS balances as at December 31, 2014.
- The former STEI last disposed of its Group 2 balances in its 2015 Cost of Service Application (EB-2014-0113), which included AFS balances as at December 31, 2013.

The Filing Requirements specify that the continuity schedule should show the balance details from the last disposition. As such, EPI has shown 2014 ending balances to 2018 ending balances in the EPI Continuity Schedule, and 2019 opening balances and onwards in the OEB's DVA Continuity Schedule.

The following sections provide details of each Group 2 account and the amounts requested for disposition. As previously described, EPI is proposing rate harmonization in this Application. As part of this harmonization, EPI also seeks to dispose of all Group 1 and Group 2 DVA balances on a harmonized basis.

### 9.5.1 ACCOUNT 1508: OTHER REGULATORY ASSETS

This account includes the amount of regulatory-created assets, not included in other accounts, resulting from the regulatory activities of the OEB. EPI is requesting disposition of \$548,391, as a collection from customers. This balance represents six subaccounts maintained by EPI as follows.

#### SUBACCOUNT ONE-TIME IFRS TRANSITION COSTS

In accordance with the OEB's APH, EPI has utilized this subaccount to record one-time incremental IFRS transition costs for STEI, which are not already approved and included for recovery in distribution rates. STEI had not previously applied to the OEB for approval to include any IFRS transition costs in

distribution rates. STEI did not request disposition of one-time IFRS transition costs in EB-2014-0113 in recognition that additional material costs were yet to be incurred, as shown below.

EPI has detailed STEI's One-Time Incremental IFRS Transition Costs in Table 9-15, which is consistent with Appendix 2-U. STEI substantially completed its conversion to IFRS as of January 1, 2015; therefore, no additional costs are projected in 2025 and 2026. Further details on the major cost types have been provided below.

**TABLE 9-15: ONE-TIME INCREMENTAL IFRS TRANSITION COSTS**

Line No.	Nature of One-Time Incremental IFRS Transition Costs	Audited Actual Costs Incurred 2010	Audited Actual Costs Incurred 2011	Audited Actual Costs Incurred 2015	Audited Actual Costs Incurred 2016	Audited Actual Costs Incurred 2017	Total
1	Professional accounting fees	\$ 45,645	\$ 15,561	\$ 7,500	\$ 12,750	\$ 375	\$ 81,831
2	<b>Total</b>	<b>\$ 45,645</b>	<b>\$ 15,561</b>	<b>\$ 7,500</b>	<b>\$ 12,750</b>	<b>\$ 375</b>	<b>\$ 81,831</b>

STEI engaged an external accounting firm to assist with the transition to IFRS financial statements, including the development of IFRS-compliant accounting policies, procedures, systems, and processes. STEI incurred additional costs in 2015-2017 relating to financial reporting changes that were necessitated by the transition to IFRS.

EPI has not embedded any one-time administrative incremental IFRS transition costs in its 2026 Revenue Requirement calculation.

EPI confirms that no capital costs, ongoing IFRS compliance costs or impacts arising from adopting accounting policy changes are recorded in this subaccount.

EPI respectfully requests disposition of \$106,136 as a collection from customers, inclusive of interest to April 30, 2026.

**TABLE 9-16: ACCOUNT 1508, SUBACCOUNT ONE-TIME IFRS TRANSITION DISPOSITION CALCULATION**

Line No.	Description	Principal	Interest	Total
1	December 31, 2024 Balance	\$ 81,831	\$ 20,930	\$ 102,761
2	Less: 2025 IRM Disposition (EB-2024-0018)	\$ -	\$ -	\$ -
3	Adjustments	\$ -	\$ -	\$ -
4	<b>Balance for Disposition</b>	<b>\$ 81,831</b>	<b>\$ 20,930</b>	<b>\$ 102,761</b>
5	Interest January to December 2025		\$ 2,582	\$ 2,582
6	Interest January to April 2026		\$ 794	\$ 794
7	<b>Total Claim</b>	<b>\$ 81,831</b>	<b>\$ 24,305</b>	<b>\$ 106,136</b>

### SUBACCOUNT POLE ATTACHMENT REVENUE VARIANCE

In its July 20, 2018 letter, *Accounting Guidance on Wireline Pole Attachment Charges*, the OEB created a new variance account, Account 1508 – Sub-Account – Pole Attachment Revenue Variance to be used for recording the incremental revenue arising from the changes to the pole attachment charge, as of September 1, 2018.

EPI's pole attachment rate underpinning its rates was set in its 2016 COS Application (EB-2015-0061) at \$22.35 per pole per year. STEI's pole attachment rate underpinning its rates was set in its 2015 COS Application (EB-2014-0113) at \$22.35 per pole per year. Table 9-17 below provides the calculations used in the determination of incremental revenue by year since September 1, 2018.

**TABLE 9-17: ACCOUNT 1508, SUBACCOUNT POLE ATTACHMENT REVENUE DISPOSITION CALCULATION**

Year	COS Rate	OEB Approved Rate	Variance	No. of Attachments Billed	Incremental Revenue
2018	\$ 22.35	\$ 28.09	\$ (5.74)	9,526	\$ (18,226)
2019	\$ 22.35	\$ 43.63	\$ (21.28)	9,799	\$ (208,532)
2020	\$ 22.35	\$ 44.50	\$ (22.15)	11,851	\$ (262,496)
2021	\$ 22.35	\$ 44.50	\$ (22.15)	14,372	\$ (318,340)
2022	\$ 22.35	\$ 34.76	\$ (12.41)	14,520	\$ (180,199)
2023	\$ 22.35	\$ 36.05	\$ (13.70)	14,508	\$ (198,765)
2024	\$ 22.35	\$ 37.78	\$ (15.43)	13,772	\$ (212,496)
2025	\$ 22.35	\$ 39.14	\$ (16.79)	13,960	\$ (234,388)
<b>Total</b>					<b>\$ (1,633,443)</b>



EPI respectfully requests disposition of \$1,848,989 as a refund to customers, inclusive of interest to April 30, 2026.

**TABLE 9-18: ACCOUNT 1508, SUBACCOUNT POLE ATTACHMENT REVENUE DISPOSITION CALCULATION**

Line No.	Description	Principal	Interest	Total
1	December 31, 2024 Balance	\$ (1,399,055)	\$ (148,165)	\$ (1,547,221)
2	Less: 2025 IRM Disposition (EB-2024-0018)	\$ -	\$ -	\$ -
3	Adjustment to Project Balance to Dec 31, 2025	\$ (234,388)		\$ (234,388)
4	<b>Balance for Disposition</b>	<b>\$ (1,633,444)</b>	<b>\$ (148,165)</b>	<b>\$ (1,781,609)</b>
5	Interest January to December 2025		\$ (51,535)	\$ (51,535)
6	Interest January to April 2026		\$ (15,844)	\$ (15,844)
7	<b>Total Claim</b>	<b>\$ (1,633,444)</b>	<b>\$ (215,545)</b>	<b>\$ (1,848,989)</b>

#### **SUBACCOUNT OEB COST ASSESSMENT**

The OEB issued guidance on February 9, 2016, and April 1, 2016, permitting the use of Account 1508 Other Regulatory Assessments - Sub-Account OEB Cost Assessment Variance to record any material differences between OEB cost assessments currently built into rates and cost assessments that will result from the application of the new Cost Assessment Model ("CAM").

This subaccount includes amounts paid for OEB Cost Assessments for the period April 1, 2016 to December 31, 2024 in excess of amounts previously included in rates (2016 COS EB-2015-0061 for legacy EPI and 2015 COS EB-2015-0113 for STEI). The COS amounts have been escalated each year by the IRM inflation rate less stretch factor to calculate the annual variance. EPI has included a forecast to December 31, 2025 based on the expected 2025/26 OEB Cost Assessment per the OEB's *Cost Assessment – Fiscal Year 2025-2026* letter dated June 30, 2025.

EPI respectfully requests disposition of \$1,241,641 as a collection from customers, inclusive of interest to April 30, 2026.

**TABLE 9-19: ACCOUNT 1508, SUBACCOUNT OEB COST ASSESSMENT DISPOSITION CALCULATION**

Line No.	Description	Principal	Interest	Total
1	December 31, 2024 Balance	\$ 884,036	\$ 107,686	\$ 991,721
2	Less: 2025 IRM Disposition (EB-2024-0018)	\$ -	\$ -	\$ -
3	Adjustment to Project Balance to Dec 31, 2025	\$ 200,423		
4	<b>Balance for Disposition</b>	<b>\$ 1,084,459</b>	<b>\$ 107,686</b>	<b>\$ 991,721</b>
5	Interest January to December 2025		\$ 37,858	\$ 37,858
6	Interest January to April 2026		\$ 11,639	\$ 11,639
7	<b>Total Claim</b>	<b>\$ 1,084,459</b>	<b>\$ 157,183</b>	<b>\$ 1,241,641</b>

### **SUBACCOUNT GETTING ONTARIO CONNECTED**

On October 31, 2023, the OEB issued its Decision and Order Getting Ontario Connected Act (“GOCA”) Variance Account (EB-2023-0143) to establish a generic, sector-wide variance account to record the incremental costs of locates arising from the implementation of provincial legislation Bill 93 (the *Getting Ontario Connected Act, 2022*) with an effective date of April 1, 2023.

EPI has followed the accounting entries as outlined in “Schedule A Electricity Accounting Order” of the above Decision and Order resulting in the recording of incremental costs of locates for the period of April 1, 2023 to December 31, 2024. In addition, EPI has forecast the incremental costs of locates for the period of January 1, 2025 to December 31, 2025 by prorating the year-to-date actuals as of the end of May 2025. While the 2025 forecast amount has not been audited, it can be determined with reasonable accuracy and EPI submits it is reasonable to dispose of this balance in this Application. EPI confirms it has reflected the GOCA impact in the locate costs of the 2026 Test Year’s revenue requirement.

Table 9-20 below provides the revenue requirement related to locate costs approved in base rates escalated by the annual IRM inflation rate less stretch factor, 2023-2024 actual locate costs, a forecast of locate costs for the 2025 calendar year, and the resulting balances recorded in the Account 1508 GOCA Variance Account.

**TABLE 9-20: GOCA VARIANCE ACCOUNT BALANCE CALCULATION**

**Locate Costs Approved in Base Rates**

Revenue Requirement	2016 OEB-approved	2017 IRM	2018 IRM	2019 IRM	2020 IRM	2021 IRM	2022 IRM	2023 IRM	2024 IRM	2025 IRM
IRM Inflation Factor		1.71%	1.10%	1.35%	1.85%	2.05%	3.15%	3.70%	4.80%	3.60%
Locate Costs	\$ 218,947	\$ 222,686	\$ 224,931	\$ 227,967	\$ 232,185	\$ 236,944	\$ 244,408	\$ 253,451	\$ 265,617	\$ 275,179

Note: in 2017 and 2018 Legacy EPI and STEI had different stretch factors. The IRM inflation factor reflects this difference.

**Locate Balances in USoA Accounts**

Locate Costs	2023 Actuals	2024 Actuals	2025 Forecast
OM&A - Locates Cost	\$ 447,972	\$ 680,682	\$ 463,910
Locates Cost Approved in Base Rates	\$ 190,088	\$ 265,617	\$ 275,179
<b>1508 - GOCA Variance Account (Principal)</b>	<b>\$ 257,884</b>	<b>\$ 415,066</b>	<b>\$ 188,731</b>

Note: 2023 Locates Cost Approved in Base Rates for purposes of the deferral calculation is 9/12 to reflect April 1, 2023 effective date of deferral account.

EPI respectfully requests disposition of \$910,487 as a collection from customers, inclusive of interest to April 30, 2026.

**TABLE 9-21: ACCOUNT 1508, SUBACCOUNT GOCA DISPOSITION CALCULATION**

Line No.	Description	Principal	Interest	Total
1	December 31, 2024 Balance	\$ 672,949	\$ 13,263	\$ 686,212
2	Less: 2025 IRM Disposition (EB-2024-0018)	\$ -	\$ -	\$ -
3	Adjustment to Project Balance to Dec 31, 2025	\$ 188,731		
4	<b>Balance for Disposition</b>	<b>\$ 861,680</b>	<b>\$ 13,263</b>	<b>\$ 686,212</b>
5	Interest January to December 2025		\$ 27,186	\$ 27,186
6	Interest January to April 2026		\$ 8,358	\$ 8,358
7	<b>Total Claim</b>	<b>\$ 861,680</b>	<b>\$ 48,807</b>	<b>\$ 910,487</b>

**SUBACCOUNT LEAP EFA**

On February 12, 2024, the OEB issued a Decision and Rate Order (EB-2023-0135). The Decision announced changes to the Low-income Energy Assistance Program Emergency Financial Assistance ("LEAP EFA"). The changes help ensure that LEAP EFA continues to provide an appropriate level of assistance to vulnerable consumers in a timely and effective manner. The Decision stated that no eligible LEAP EFA applicant should be denied the emergency grant due to lack of funding. The OEB also issued a Rate Order that established a deferral account to record prudently incurred LEAP EFA contributions that exceed the funding amounts embedded in rates. The deferral account is effective as of March 1, 2024.

EPI has historically depleted LEAP funds mid-year. In 2024, EPI recorded \$191,792 in principal and \$3,450 in interest for a total of \$195,242 in the LEAP EFA deferral account. EPI has forecasted the amount that will be included in the deferral account in 2025 based on 2025 year to date actuals. EPI has

calculated this forecast based on a demonstrated historical need for this funding. The LEAP EFA deferral balance calculation is presented in Table 9-22 below.

**TABLE 9-22: LEAP EFA DEFERRAL BALANCE CALCULATION**

LEAP EFA Contributions	2024 Actuals	2025 Forecast
LEAP Funds Disbursed	\$ 231,663	\$ 262,160
Unused Funds from Previous Year	\$ 7,861	\$ -
LEAP Contributions in Rates	\$ 32,010	\$ 32,010
<b>LEAP Contributions to Deferral Account</b>	<b>\$ 191,792</b>	<b>\$ 230,150</b>

EPI respectfully requests disposition of \$442,151 as a collection from customers, inclusive of interest to April 30, 2026. Going forward, EPI has increased the amount built into the 2026 test year for LEAP to \$308,190. Please see Exhibit 4, Section 4.8.

**TABLE 9-23: ACCOUNT 1508, SUBACCOUNT LEAP EFA DISPOSITION CALCULATION**

Line No.	Description	Principal	Interest	Total
1	December 31, 2024 Balance	\$ 191,792	\$ 3,450	\$ 195,242
2	Less: 2025 IRM Disposition (EB-2024-0018)	\$ -	\$ -	\$ -
3	Adjustment to Project Balance to Dec 31, 2025	\$ 230,150		
4	<b>Balance for Disposition</b>	<b>\$ 421,942</b>	<b>\$ 3,450</b>	<b>\$ 195,242</b>
5	Interest January to December 2025		\$ 13,312	\$ 13,312
6	Interest January to April 2026		\$ 3,446	\$ 3,446
7	<b>Total Claim</b>	<b>\$ 421,942</b>	<b>\$ 20,209</b>	<b>\$ 442,151</b>

## SUBACCOUNT OPEB

In EB-2015-0061, EPI established Account 1508 – Sub-Account – OPEB Forecast Cash versus Forecast Accrual Differential Deferral Account. The purpose of this account is to record the difference in revenue requirement each year, effective May 1, 2016, between both the capitalized and OM&A components of OPEBs accounted for using a forecasted cash basis (as reflected in rates) and the capitalized and OM&A components of OPEBs accounted for using a forecasted accrual basis. Carrying charges do not apply to this deferral account. The Accounting Order approved in EB-2015-0061 is included in this Exhibit as Attachment 9-A.

On September 14, 2017, the OEB issued its final report, *Regulatory Treatment of Pension and Other Post-Employment Benefits (OPEBs) Costs (EB-2015-0040)*. In this report, the OEB established: (1) the use

of the accrual accounting method as the default method on which to set rates for OPEB amounts in cost-based applications; and (2) the use of new Account 1522 – Pension and OPEB Forecast Accrual versus Actual Cash Payment Differential variance account – to track the differences between the forecast accrual amounts recovered in rates and the actual cash payments made for both pension and OPEBs. The report also stated the following, which applies to EPI:

For some utilities, the OEB approved the recovery of their OPEB costs on a cash basis as an interim measure pending the outcome of this consultation and directed them to establish a variance account to capture the difference between the cash and accrual methods in order to keep the period open for final adjustments once the outcome of the consultation is known. These utilities are required to continue to record amounts into this account until the effective date of the utility’s next cost-based rate order. Utilities will be expected to dispose of this account at their next cost-based rate application through a separate rate rider, provided that the OEB approves rates using the accrual method.

EPI respectfully requests disposition of \$303,036 as a refund to customers. EPI also requests that it transition to the generic Account 1522 for balances beginning May 1, 2026, as outlined in Section 9.6.1. OPEBs are discussed in more detail in Exhibit 4, Section 4.5.2.

**TABLE 9-24: ACCOUNT 1508, SUBACCOUNT OPEB DISPOSITION CALCULATION**

Line No.	Description	Principal	Interest	Total
1	December 31, 2024 Balance	\$ (303,036)	\$ -	\$ (303,036)
2	Less: 2025 IRM Disposition (EB-2024-0018)	\$ -	\$ -	\$ -
3	Adjustments	\$ -	\$ -	\$ -
4	<b>Balance for Disposition</b>	<b>\$ (303,036)</b>	<b>\$ -</b>	<b>\$ (303,036)</b>
5	Interest January to December 2025		\$ -	\$ -
6	Interest January to April 2026		\$ -	\$ -
7	<b>Total Claim</b>	<b>\$ (303,036)</b>	<b>\$ -</b>	<b>\$ (303,036)</b>

## 9.5.2 ACCOUNT 1511: INCREMENTAL CLOUD COMPUTING

On November 2, 2023, the OEB issued Accounting Order (003-2023) for the establishment of a deferral account to record incremental cloud computing arrangement implementation costs. Under IFRS accounting standards, costs for cloud computing solutions typically are expensed as incurred, while

costs for on-premise solutions are typically capitalized in accordance with the utility's capitalization policy. The previous regulatory accounting treatment would result in the capitalized costs for on-premise solutions being included in a utility's rate base and attract a return at the utility's weighted average cost of capital. Cloud computing solution costs would typically be expensed. If a utility incurred costs to implement cloud computing solutions during the incentive-rate setting period, there would be no opportunity to recover these costs. The OEB established Account 1511 to remove the perceived regulatory barrier to adopting cloud solutions and encourage technological advancement in the industry. Account 1511 was effective December 1, 2023 and tracks incremental cloud computing implementation costs incurred by utilities and any related offsetting savings, if applicable.

#### **CLOUD-BASED SYSTEM IMPLEMENTATION**

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In 2024, EPI launched a cloud-based Enterprise Resource Planning ("ERP") system to modernize its core business applications. This initiative replaced the existing financial system and introduced an integrated, cloud-based Human Resources Information System ("HRIS") and payroll module to support evolving operational and technological needs.

The project's planning and discovery phases took place between September and December 2023. To ensure the successful completion of year-end financial and regulatory reporting, EPI implemented a four-month project blackout period before resuming the design, testing, and deployment phases of the project, which were carried out from April to October 2024. The ERP and HRIS officially went live on November 1, 2024.

Beyond HRIS and payroll functionality, the ERP system integrates with EPI's estimating system, Customer Information System, and a newly implemented inventory barcoding solution, enhancing operational efficiency across multiple business functions.

EPI has detailed its Incremental Cloud-Based Computing Implementation costs in Table 9-25. The ERP/HRIS system implementation successfully went live on November 1, 2024; therefore, no additional costs are projected in 2025 and 2026. Further details on the major cost types have been provided below.

**TABLE 9-25: ACCOUNT 1511 INCREMENTAL CLOUD-BASED COMPUTING IMPLEMENTATION COSTS**

Line No.	Nature of Incremental Cloud-Based Computing Implementation Costs	Cost
<b>ERP/HRIS implementation:</b>		
1	Consulting - design	\$ 97,750
2	Consulting - testing	\$ 92,115
3	Consulting - deployment	\$ 34,500
4	System integration - estimating system	\$ 16,800
5	System integration - CIS	\$ 13,948
6	System integration - inventory scanning system	\$ 22,623
7	ERP licensing during implementation	\$ 15,322
8	Other	\$ 2,808
9	<b>Total</b>	<b>\$ 295,866</b>

EPI respectfully requests disposition of \$313,628 as a collection from customers, inclusive of interest to April 30, 2026.

**TABLE 9-26: ACCOUNT 1511 DISPOSITION CALCULATION**

Line No.	Description	Principal	Interest	Total
1	December 31, 2024 Balance	\$ 316,116	\$ 5,558	\$ 321,674
2	Less: 2025 IRM Disposition (EB-2024-0018)	\$ -	\$ -	\$ -
3	Adjustments	\$ (20,250)	\$ -	\$ (20,250)
4	<b>Balance for Disposition</b>	<b>\$ 295,866</b>	<b>\$ 5,558</b>	<b>\$ 301,424</b>
5	Interest January to December 2025		\$ 9,335	\$ 9,335
6	Interest January to April 2026		\$ 2,870	\$ 2,870
7	<b>Total Claim</b>	<b>\$ 295,866</b>	<b>\$ 17,762</b>	<b>\$ 313,628</b>

## REQUEST FOR CONTINUATION OF ACCOUNT 1511

EPI's strategic plan for digital transformation includes the potential migration of additional on-premise software and applications to cloud-based solutions. As part of this plan, EPI is considering the migration of its Customer Information System from an on-premise platform to a cloud-based solution prior to 2029. As such, EPI is seeking approval to maintain Account 1511 to capture any eligible costs that may arise during the 2026–2030 period.

## 9.5.3 ACCOUNT 1518: RCVA RETAIL ACCOUNT

EPI respectfully requests disposition of \$180,008 as a collection from customers, inclusive of interest to April 30, 2026.

**TABLE 9-27: ACCOUNT 1518 DISPOSITION CALCULATION**

Line No.	Description	Principal	Interest	Total
1	December 31, 2024 Balance	\$ 124,870	\$ 12,393	\$ 137,263
2	Less: 2025 IRM Disposition (EB-2024-0018)	\$ -	\$ -	\$ -
3	Adjustment to Project Balance to Dec 31, 2025	\$ 37,594	\$ -	\$ 37,594
4	<b>Balance for Disposition</b>	<b>\$ 162,464</b>	<b>\$ 12,393</b>	<b>\$ 174,857</b>
5	Interest January to December 2025		\$ 3,940	\$ 3,940
6	Interest January to April 2026		\$ 1,211	\$ 1,211
7	<b>Total Claim</b>	<b>\$ 162,464</b>	<b>\$ 17,544</b>	<b>\$ 180,008</b>

This account is used to record the net of:

i. Revenues derived, including accruals, from the following services:

a. Establishing Service Agreements;

b. Distributor-Consolidated Billing;

c. Retailer-Consolidated Billing; and

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

As such, Entegrus confirms that all costs incorporated into the variances in this account are incremental costs of providing retail services. Entegrus has followed Article 490 of the APH when determining these costs. EPI has forecasted the amount that will be included in the deferral account in 2025. While the 2025 forecast amount has not been audited, EPI has forecast the incremental balance for the period of January 1, 2025 to December 31, 2025 by prorating the year-to-date actuals as of the end of May 2025.

The table below provides a breakdown of the drivers for the balance in Account 1518 from 2016 to the 2025 forecast.



1 **TABLE 9-28: ACCOUNT 1518 SCHEDULE OF REVENUE AND EXPENSES**

USoA	Description	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 Forecast
<b>REVENUES</b>											
4082	Retailer Charges - Service Agreement	\$ -	\$ 100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4082	Retailer Charges - Fixed	\$ 8,940	\$ 8,700	\$ 7,680	\$ 13,040	\$ 9,120	\$ 9,324	\$ 9,758	\$ 10,111	\$ 8,858	\$ 8,669
4082	Retailer Charges - Variable	\$ 25,688	\$ 21,586	\$ 17,635	\$ 27,774	\$ 30,963	\$ 27,631	\$ 25,115	\$ 25,238	\$ 24,833	\$ 24,808
4082	LDC Bill Ready Charges	\$ 15,372	\$ 12,906	\$ 10,478	\$ 11,032	\$ 18,530	\$ 16,426	\$ 14,913	\$ 14,918	\$ 14,702	\$ 14,658
	<b>Subtotal</b>	<b>\$ 50,000</b>	<b>\$ 43,192</b>	<b>\$ 35,793</b>	<b>\$ 51,846</b>	<b>\$ 58,613</b>	<b>\$ 53,380</b>	<b>\$ 49,786</b>	<b>\$ 50,267</b>	<b>\$ 48,392</b>	<b>\$ 48,135</b>
<b>EXPENSES</b>											
5315	Billing - Retailer Contracts	\$ 56,046	\$ 53,138	\$ 50,778	\$ 52,829	\$ 48,017	\$ 81,505	\$ 70,065	\$ 72,459	\$ 81,633	\$ 85,729
	<b>Subtotal</b>	<b>\$ 56,046</b>	<b>\$ 53,138</b>	<b>\$ 50,778</b>	<b>\$ 52,829</b>	<b>\$ 48,017</b>	<b>\$ 81,505</b>	<b>\$ 70,065</b>	<b>\$ 72,459</b>	<b>\$ 81,633</b>	<b>\$ 85,729</b>
	<b>Grand Total</b>	<b>\$ (6,047)</b>	<b>\$ (9,947)</b>	<b>\$ (14,985)</b>	<b>\$ (983)</b>	<b>\$ 10,596</b>	<b>\$ (28,125)</b>	<b>\$ (20,279)</b>	<b>\$ (22,192)</b>	<b>\$ (33,241)</b>	<b>\$ (37,594)</b>

### 3 9.5.4 ACCOUNT 1548: RCVA SERVICE

4 EPI respectfully requests disposition of \$144,253 as a collection from customers, inclusive of interest to  
5 April 30, 2026.

6 **TABLE 9-29: ACCOUNT 1548 DISPOSITION CALCULATION**

Line No.	Description	Principal	Interest	Total
1	December 31, 2024 Balance	\$ 109,847	\$ 14,631	\$ 124,478
2	Less: 2025 IRM Disposition (EB-2024-0018)	\$ -	\$ -	\$ -
3	Adjustment to Project Balance to Dec 31, 2025	\$ 15,244	\$ -	\$ 15,244
4	<b>Balance for Disposition</b>	<b>\$ 125,091</b>	<b>\$ 14,631</b>	<b>\$ 139,722</b>
5	Interest January to December 2025		\$ 3,466	\$ 3,466
6	Interest January to April 2026		\$ 1,066	\$ 1,066
7	<b>7 Total Claim</b>	<b>\$ 125,091</b>	<b>\$ 19,162</b>	<b>\$ 144,253</b>

8 This account is used to record the net of:

9 i. Revenues derived, including accruals, from the Service Transaction Request services and  
10 charged by the distributor as prescribed, in the form of a:

- 11 a. Request fee,
- 12 b. Processing fee,
- 13 c. Information Request fee,
- 14 d. Default fee, and
- 15 e. Other Associated Costs fees.

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

As such, Entegrus confirms that all costs incorporated into the variances in this account are incremental costs of providing retail services. Entegrus has followed Article 490 of the APH when determining these costs. EPI has forecasted the amount that will be included in the deferral account in 2025. While the 2025 forecast amount has not been audited, EPI has forecast the incremental balance for the period of January 1, 2025 to December 31, 2025 by prorating the year-to-date actuals as of the end of May 2025.

The table below provides a breakdown of the drivers for the balance in Account 1548 from 2016 to 2024.

**TABLE 9-30: ACCOUNT 1548 SCHEDULE OF REVENUES AND EXPENSES**

USoA	Description	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 Forecast
<b>REVENUES</b>											
4084	Request Fee	\$ 358	\$ 225	\$ 193	\$ 245	\$ 278	\$ 178	\$ 147	\$ 190	\$ 160	\$ 86
4084	Process Fee	\$ 735	\$ 487	\$ 403	\$ 505	\$ 567	\$ 361	\$ 294	\$ 378	\$ 310	\$ 170
4084	Switch Letter	\$ -	\$ -	\$ -	\$ 12	\$ 14	\$ 44	\$ 81	\$ 33	\$ 98	\$ 87
	<b>Subtotal</b>	<b>\$ 1,092</b>	<b>\$ 712</b>	<b>\$ 596</b>	<b>\$ 762</b>	<b>\$ 859</b>	<b>\$ 583</b>	<b>\$ 523</b>	<b>\$ 602</b>	<b>\$ 568</b>	<b>\$ 343</b>
<b>EXPENSES</b>											
5315	Billing - Retailer Contracts	\$ 9,939	\$ 10,826	\$ 11,299	\$ 10,499	\$ 10,177	\$ 10,090	\$ 12,741	\$ 13,174	\$ 14,842	\$ 15,587
	<b>Subtotal</b>	<b>\$ 9,939</b>	<b>\$ 10,826</b>	<b>\$ 11,299</b>	<b>\$ 10,499</b>	<b>\$ 10,177</b>	<b>\$ 10,090</b>	<b>\$ 12,741</b>	<b>\$ 13,174</b>	<b>\$ 14,842</b>	<b>\$ 15,587</b>
	<b>Grand Total</b>	<b>\$ (8,847)</b>	<b>\$ (10,115)</b>	<b>\$ (10,703)</b>	<b>\$ (9,737)</b>	<b>\$ (9,319)</b>	<b>\$ (9,507)</b>	<b>\$ (12,219)</b>	<b>\$ (12,573)</b>	<b>\$ (14,274)</b>	<b>\$ (15,244)</b>

## 9.5.5 ACCOUNT 1555: SMART METER CAPITAL

In the OEB's Decision and Order of STEI's 2015 COS (EB-2014-0113), the Net Book Value ("NBV") of stranded assets was moved to Account 1555 and collected as separate rate riders for Residential (\$0.37/customer) and GS < 50 kW (\$0.79/customer) rate classes over a five-year period. Upon expiry of the rate riders December 31, 2019, the principal balance was slightly over-collected, and EPI respectfully requests disposition of \$9,205 as a refund to customers.

**TABLE 9-31: ACCOUNT 1555 DISPOSITION CALCULATION**

Line No.	Description	Principal	Interest	Total
1	December 31, 2024 Balance	\$ (9,205)	\$ -	\$ (9,205)
2	Less: 2025 IRM Disposition (EB-2024-0018)	\$ -	\$ -	\$ -
3	Adjustments	\$ -	\$ -	\$ -
4	<b>Balance for Disposition</b>	<b>\$ (9,205)</b>	<b>\$ -</b>	<b>\$ (9,205)</b>
5	Interest January to December 2025		\$ -	\$ -
6	Interest January to April 2026		\$ -	\$ -
7	<b>Total Claim</b>	<b>\$ (9,205)</b>	<b>\$ -</b>	<b>\$ (9,205)</b>

### 9.5.6 ACCOUNT 1592: PILS AND TAX VARIANCES

#### SUBACCOUNT CCA CHANGES

On July 25, 2019, the OEB released a letter titled *Accounting Direction Regarding Bill C-97 and Other Charges in Regulatory or Legislated Tax Rules for Capital Cost Allowance*. This letter discusses the government's Accelerated Investment Incentive Program ("AIIP"). This program allowed taxpayers to claim up to three times the normal CCA on asset purchases in the year of acquisition. In addition, on April 19, 2021, the government announced new rules allowing for immediate expensing of up to \$1.5 million of capital asset purchases per year. This new tax provision was available for property included in classes other than property included in CCA classes 1 to 6, 14.1, 17,47,49, and 51, which are generally long-lived assets.

EPI has taken full advantage of the credits available under these two programs between 2019 and projected into 2026. A subaccount of 1592 has been included for disposition in this application for the expected PILs savings to April 30, 2026.

The annual calculation of the principal balance in the CCA Changes account is presented in Table 9-32 below. Note that these calculations reflect an adjustment recorded in 2025 to correct the balance as at December 31, 2024. This adjustment was necessary because the original calculations were performed on an annual basis rather than a cumulative basis (i.e., cumulative adjustments recognized in opening Undepreciated Capital Cost).

1 **TABLE 9-32: ACCOUNT 1592 SUB-ACCOUNT ACCELERATED CCA SAVINGS – CALCULATION BY YEAR**

2

2018								
Class	AIIP Additions	CCA Rate	Accelerated CCA	CCA (No AIIP)	CR = CCA Taken Exceeds No AIIP CCA	Tax Rate	Tax Impact	Grossed Up Tax Impact = Account 1592 Addition for Year
47	\$ 1,084,749	8%	\$ 3,535,570	\$ 3,470,188	\$ (65,382)			
Total	\$ 1,084,749		\$ 3,535,570	\$ 3,470,188	\$ (65,382)	26.5%	\$ (17,326)	\$ (23,573)

3

2019								
Class	AIIP Additions	CCA Rate	Accelerated CCA	CCA (No AIIP)	CR = CCA Taken Exceeds No AIIP CCA	Tax Rate	Tax Impact	Grossed Up Tax Impact = Account 1592 Addition for Year
1	\$ 325,366	6%	\$ 165,124	\$ 145,602	\$ (19,522)			
8	\$ 164,490	20%	\$ 253,063	\$ 220,635	\$ (32,428)			
10	\$ 560,115	30%	\$ 672,178	\$ 517,389	\$ (154,789)			
12	\$ 916,828	100%	\$ 1,296,998	\$ 830,989	\$ (466,009)			
46	\$ 329,003	30%	\$ 316,831	\$ 218,128	\$ (98,703)			
47	\$ 8,128,329	8%	\$ 5,611,676	\$ 5,012,617	\$ (599,059)			
50	\$ 261,450	55%	\$ 650,622	\$ 506,825	\$ (143,797)			
Total	\$ 10,685,581		\$ 8,966,492	\$ 7,452,185	\$ (1,514,307)	26.5%	\$ (401,291)	\$ (545,975)

4

2020								
Class	AIIP Additions	CCA Rate	Accelerated CCA	CCA (No AIIP)	CR = CCA Taken Exceeds No AIIP CCA	Tax Rate	Tax Impact	Grossed Up Tax Impact = Account 1592 Addition for Year
1	\$ 712,198	6%	\$ 209,553	\$ 167,993	\$ (41,560)			
8	\$ 180,473	20%	\$ 240,378	\$ 210,769	\$ (29,609)			
10	\$ 52,427	30%	\$ 411,300	\$ 445,623	\$ 34,323			
12	\$ 681,336	100%	\$ 681,336	\$ 799,083	\$ 117,747			
46	\$ 398,159	30%	\$ 351,603	\$ 261,765	\$ (89,838)			
47	\$ 10,501,608	8%	\$ 6,097,517	\$ 5,356,289	\$ (741,228)			
50	\$ 322,048	55%	\$ 486,571	\$ 388,533	\$ (98,038)			
Total	\$ 12,848,249		\$ 8,478,258	\$ 7,630,055	\$ (848,203)	26.5%	\$ (224,774)	\$ (305,815)

5

2021								
Class	AIIP Additions	CCA Rate	Accelerated CCA	CCA (No AIIP)	CR = CCA Taken Exceeds No AIIP CCA	Tax Rate	Tax Impact	Grossed Up Tax Impact = Account 1592 Addition for Year
1	\$ 211,405	6%	\$ 189,507	\$ 183,910	\$ (5,597)			
8	\$ 117,267	20%	\$ 209,435	\$ 198,389	\$ (11,046)			
10	\$ 859,453	30%	\$ 644,159	\$ 438,761	\$ (205,398)			
12	\$ 566,345	100%	\$ 566,345	\$ 623,842	\$ 57,497			
46	\$ 104,557	30%	\$ 233,449	\$ 258,643	\$ 25,194			
47	\$ 11,751,440	8%	\$ 6,599,791	\$ 5,817,630	\$ (782,161)			
50	\$ 283,955	55%	\$ 364,657	\$ 341,491	\$ (23,166)			
Total	\$ 13,894,422		\$ 8,807,343	\$ 7,862,666	\$ (944,677)	26.5%	\$ (250,339)	\$ (340,598)

2022								
Class	AIIP/Immediate Expense Additions	CCA Rate	Accelerated CCA	CCA (No AIIP)	CR = CCA Taken Exceeds No AIIP CCA	Tax Rate	Tax Impact	Grossed Up Tax Impact = Account 1592 Addition for Year
1	\$ 411,875	6%	\$ 210,574	\$ 189,862	\$ (20,712)			
8	\$ 142,973	20%	\$ 298,795	\$ 184,736	\$ (114,059)			
10	\$ 855,796	30%	\$ 1,180,821	\$ 553,712	\$ (627,109)			
12	\$ 639,246	100%	\$ 639,246	\$ 602,796	\$ (36,450)			
43.2	\$ 3,358	50%	\$ 4,989	\$ 2,470	\$ (2,519)			
46	\$ 104,557	30%	\$ 333,583	\$ 224,612	\$ (108,971)			
47	\$ 11,307,047	8%	\$ 6,958,640	\$ 6,274,470	\$ (684,170)			
50	\$ 241,875	55%	\$ 327,883	\$ 298,274	\$ (29,609)			
<b>Total</b>	<b>\$ 13,706,727</b>		<b>\$ 9,954,531</b>	<b>\$ 8,330,932</b>	<b>\$ (1,623,599)</b>	<b>26.5%</b>	<b>\$ (430,254)</b>	<b>\$ (585,379)</b>

1

2023								
Class	AIIP/Immediate Expense Additions	CCA Rate	Accelerated CCA	CCA (No AIIP)	CR = CCA Taken Exceeds No AIIP CCA	Tax Rate	Tax Impact	Grossed Up Tax Impact = Account 1592 Addition for Year
1	\$ 145,993	6%	\$ 198,723	\$ 195,207	\$ (3,516)			
8	\$ 182,751	20%	\$ 179,483	\$ 180,361	\$ 878			
10	\$ 1,332,119	30%	\$ 1,557,837	\$ 712,327	\$ (845,510)			
12	\$ 189,203	100%	\$ 189,203	\$ 414,226	\$ 225,023			
43.2	\$ 66,479	50%	\$ 67,294	\$ 18,694	\$ (48,600)			
46	\$ 730,116	30%	\$ 431,964	\$ 294,623	\$ (137,341)			
47	\$ 11,570,030	8%	\$ 7,338,082	\$ 6,687,584	\$ (650,498)			
50	\$ 220,913	55%	\$ 220,957	\$ 261,490	\$ 40,533			
<b>Total</b>	<b>\$ 14,437,604</b>		<b>\$ 10,183,543</b>	<b>\$ 8,764,512</b>	<b>\$ (1,419,031)</b>	<b>26.5%</b>	<b>\$ (376,043)</b>	<b>\$ (511,623)</b>

2

2024								
Class	AIIP Additions	CCA Rate	Accelerated CCA	CCA (No AIIP)	CR = CCA Taken Exceeds No AIIP CCA	Tax Rate	Tax Impact	Grossed Up Tax Impact = Account 1592 Addition for Year
1	\$ 421,042	6%	\$ 207,682	\$ 200,505	\$ (7,177)			
8	\$ 202,127	20%	\$ 165,736	\$ 182,776	\$ 17,040			
10	\$ 1,092,849	30%	\$ 443,903	\$ 840,497	\$ 396,594			
12	\$ 288,094	100%	\$ 288,094	\$ 144,048	\$ (144,046)			
43.2	\$ -	50%	\$ 408	\$ 25,967	\$ 25,559			
46	\$ 451,084	30%	\$ 328,182	\$ 383,416	\$ 55,234			
47	\$ 14,520,521	8%	\$ 7,407,074	\$ 7,196,200	\$ (210,874)			
50	\$ 334,230	55%	\$ 222,506	\$ 270,335	\$ 47,829			
<b>Total</b>	<b>\$ 17,309,947</b>		<b>\$ 9,063,585</b>	<b>\$ 9,243,744</b>	<b>\$ 180,159</b>	<b>26.5%</b>	<b>\$ 47,742</b>	<b>\$ 64,955</b>

3

2025								
Class	AIIP Additions	CCA Rate	Accelerated CCA	CCA (No AIIP)	CR = CCA Taken Exceeds No AIIP CCA	Tax Rate	Tax Impact	Grossed Up Tax Impact = Account 1592 Addition for Year
1	\$ 989,524	6%	\$ 254,593	\$ 230,792	\$ (23,801)			
8	\$ 98,941	20%	\$ 152,377	\$ 176,328	\$ 23,951			
10	\$ 1,447,853	30%	\$ 745,088	\$ 948,476	\$ 203,388			
12	\$ 1,043,489	100%	\$ 1,043,489	\$ 665,793	\$ (377,696)			
43.2	\$ -	50%	\$ 204	\$ 12,983	\$ 12,779			
46	\$ 389,954	30%	\$ 346,714	\$ 394,547	\$ 47,833			
47	\$ 18,633,709	8%	\$ 8,270,059	\$ 7,931,075	\$ (338,984)			
50	\$ 290,000	55%	\$ 259,628	\$ 293,314	\$ 33,686			
<b>Total</b>	<b>\$ 22,893,470</b>		<b>\$ 11,072,152</b>	<b>\$ 10,653,308</b>	<b>\$ (418,844)</b>	<b>26.5%</b>	<b>\$ (110,994)</b>	<b>\$ (151,012)</b>

The principal balance in the CCA Changes account at December 31, 2024 (summarized by year) is presented in Table 9-33 below.

**TABLE 9-33: ACCOUNT 1592 SUB-ACCOUNT ACCELERATED CCA SAVINGS – PRINCIPAL BALANCE**

Year	1592 Additions
2018	\$ (23,573)
2019	\$ (545,975)
2020	\$ (305,815)
2021	\$ (340,598)
2022	\$ (585,379)
2023	\$ (511,623)
2024	\$ 64,955
2025	\$ (151,012)
<b>Total</b>	<b>\$ (2,399,019)</b>

EPI respectfully requests a disposition of \$2,744,495 as a refund to customers, inclusive of interest to April 30, 2026.

1 **TABLE 9-34: ACCOUNT 1592, SUBACCOUNT PILS**

Line No.	Description	Principal	Interest	Total
1	December 31, 2024 Balance	\$ (3,938,103)	\$ (363,563)	\$ (4,301,667)
2	Less: 2025 IRM Disposition (EB-2024-0018)	\$ -	\$ -	\$ -
3	Adjustment to Correct Balance to Dec 31, 2024	\$ 1,690,096	\$ 117,047	\$ 1,807,144
4	Adjustment to Project Balance to Dec 31, 2025	\$ (151,012)	\$ -	\$ (151,012)
5	<b>Balance for Disposition</b>	<b>\$ (2,399,019)</b>	<b>\$ (246,516)</b>	<b>\$ (2,645,535)</b>
6	Interest January to December 2025		\$ (75,689)	\$ (75,689)
7	Interest January to April 2026		\$ (23,270)	\$ (23,270)
2 8	<b>Total Claim</b>	<b>\$ (2,399,019)</b>	<b>\$ (345,476)</b>	<b>\$ (2,744,495)</b>

## 9.6 ACCOUNT STATUS

### 9.6.1 NEW ACCOUNTS

#### ACCOUNT 1522: PENSION & OPEB FORECAST ACCRUAL VERSUS ACTUAL CASH PAYMENT DIFFERENTIAL CARRYING CHARGES

As noted in Section 9.5.1 above, since 2016, EPI has used Account 1508 – Sub-Account – OPEB Forecast Cash versus Forecast Accrual Differential Deferral Account to record the annual difference in revenue requirement arising from the capitalized and OM&A components of OPEBs, calculated on a forecasted cash basis (as reflected in rates) versus a forecasted accrual basis.

On September 14, 2017, the OEB issued its final report on the *Regulatory Treatment of Pension and Other Post-Employment Benefits (OPEBs) Costs (EB-2015-0040)*. In that report, the OEB established: (1) the use of the accrual accounting method as the default approach for setting OPEB-related rates in cost-based applications; and (2) the creation of Account 1522 – Pension and OPEB Forecast Accrual versus Actual Cash Payment Differential – to capture variances between the forecast accrual amounts built into rates and the actual cash payments made for both pension and OPEB costs. To the extent that the accrual amount built into rates exceeds the actual cash payment, carrying charges will be calculated at the OEB's prescribed Construction Work in Progress rate and refunded to ratepayers.

In accordance with EB-2015-0040, EPI is requesting to use the OEB's generic Account 1522 effective May 1, 2026.



## 9.7 LOST REVENUE ADJUSTMENT MECHANISM VARIANCE ACCOUNT

The OEB has historically used a Lost Revenue Adjustment Mechanism Variance Account (“LRAMVA”) to capture implications to a distributor’s revenues which arise from differences between actual and forecast conservation and demand management (“CDM”) savings included in its last OEB-approved load forecast. The OEB established Account 1568 as the LRAMVA to capture these differences at the customer rate class level. Treatment of the LRAMVA is documented in several versions of the CDM Guidelines (2012, 2015, 2021) and the 2024 Non-Wire Solutions (“NWS”) Guidelines. In 2024, the OEB replaced the CDM Guidelines with the NWS Guidelines. Distributors may request the use of an LRAMVA for distribution rate-funded NWS activities or Local Initiatives Program (“LIP”) activities, with need to be determined on a case-by-case basis.

### 9.7.1 DISPOSITION OF THE LRAMVA

In accordance with the Chapter 3 Filing Requirements, distributors filing an application for 2024 rates were required to seek disposition of all outstanding LRAMVA balances related to program savings related to CFF programs or other conservation programs they delivered, unless they did not have complete information on eligible program savings.<sup>2</sup>

In its 2024 IRM Rate application (EB-2023-0016) EPI requested, and was approved, to dispose of all outstanding LRAMVA balances related to program savings resulting from CDM programs it delivered. EPI was also approved for LRAM-eligible amounts on a prospective basis, arising from persisting savings from completed CDM programs.

EPI confirms it has a zero balance in the LRAMVA and is not requesting any disposition in this Application.

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<sup>2</sup> Chapter 3 Filing Requirements, Section 3.2.7.1

1    **9.7.2 CONTINUING USE OF THE LRAMVA FOR NEW NWS ACTIVITIES**

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- 2    As indicated in the NWS Guidelines, distributors may request the use of an LRAMVA for distribution
- 3    rate-funded NWS activities or LIP activities, with need to be determined on a case-by-case basis.
- 4    EPI does not expect to participate in either of the above activities, however it proposes to continue
- 5    Account 1568 in the event it decides to participate in an eligible program in the future.

## 9.8 CALCULATION OF RATE RIDERS

As previously noted under Section 9.1, EPI currently maintains two rate zones as a result of amalgamation with legacy STEI, and seeks to harmonize the rates for these two rate zones into a single Schedule of Rates and Charges. As part of this harmonization, EPI also seeks to dispose of all Group 1 and Group 2 DVA balances on a harmonized basis and further proposes that future dispositions of all DVA accounts be accounted for and completed on a consolidated basis. This methodology would ensure consistency from the dispositions proposed in this Application and future balances. EPI confirms that it is allocating all DVA accounts using an approved allocator, as detailed in the DVA Continuity Schedule.

### 9.8.1 BILLING DETERMINANTS UTILIZED

For the calculation of proposed rate riders, EPI has utilized the billing determinants arising from the 2026 Test Year Load Forecast. For more details regarding the 2026 Load Forecast and billing determinants please see Exhibit 3.

**TABLE 9-35: 2026 TOTAL BILLING DETERMINANTS**

Line No.	Rate Class	Customers/ Connections	Total kWh	Total kW
1	Residential	58,297	448,377,107	-
2	General Service < 50 kW	5,973	162,071,320	-
3	General Service > 50 to 4999 kW	491	497,570,107	1,346,247
4	Large Use	4	108,051,127	249,434
5	Unmetered Scattered Load	220	1,209,325	-
6	Sentinel Lighting	270	317,687	798
7	Street Lighting	19,115	5,426,587	15,619
8	<b>Total</b>	<b>84,368</b>	<b>1,223,023,260</b>	<b>1,612,098</b>

### WHOLESALE MARKET PARTICIPANTS

As part of EPI's Load Forecast, EPI has calculated the estimated kWh and kW demand for the currently known Wholesale Market Participants ("WMP"). For more information on the calculation of these billing determinants please refer to Exhibit 3. The billing determinants are highlighted below and are included in the totals in Table 9-35 above.

**TABLE 9-36: 2026 WHOLESALE MARKET PARTICIPANT BILLING DETERMINANTS**

Line No.	Rate Class	Customers/Connections	Total kWh	Total kW
1	Residential			
2	General Service < 50 kW			
3	General Service > 50 to 4999 kW	2	507,971	11,970
4	Large Use			
5	Unmetered Scattered Load			
6	Sentinel Lighting			
7	Street Lighting			
8	<b>Total</b>	<b>2</b>	<b>507,971</b>	<b>11,970</b>

### CLASS A CUSTOMERS

As of December 31, 2024, EPI has Class A customers residing in the GS > 50 kW rate class and in the Large Use rate class. These customers are excluded from any GA variance account disposition. Table 9-37 summarizes the applicable Class A billing determinants below.

**TABLE 9-37: 2026 CLASS A BILLING DETERMINANTS**

Line No.	Rate Class	Customers/Connections	Total kWh	Total kW
1	Residential			
2	General Service < 50 kW			
3	General Service > 50 to 4999 kW	35	228,586,588	563,254
4	Large Use	3	97,897,360	229,344
5	Unmetered Scattered Load			
6	Sentinel Lighting			
7	Street Lighting			
8	<b>Total</b>	<b>38</b>	<b>326,483,949</b>	<b>792,598</b>

### NON-RPP BILLING DETERMINANTS

To develop the 2026 Non-RPP billing determinants to be applied to calculate the proposed GA rate riders, EPI first calculated the relationship by rate class of the 2024 Non-RPP results as a percentage of the 2024 total by rate class for the kWh consumption and the kW demand. EPI then applied the rate class specific percentage to the 2026 Load Forecast results presented in Table 9-36. The results are presented in Table 9-38 below.

**TABLE 9-38: 2026 NON-RPP BILLING DETERMINANTS**

Line No.	Rate Class	Percent of 2024 kWh	2026 Non-RPP kWh	Percent of 2024 kW	2026 Non-RPP kW
1	Residential	2.06%	9,245,348		-
2	General Service <50	14.90%	24,145,926		-
3	General Service > 50 to 4999 kW				
4	Large Use				
5	Unmetered Scattered Load	57.31%	693,122		-
6	Sentinel Lighting	26.97%	85,680	31.78%	254
7	Street Lighting				
8	<b>Total</b>		<b>34,170,076</b>		<b>254</b>

EPI uses the actual GA price to bill non-RPP Class B customers in its GS > 50 kW, Large Use, and Street Lighting rate classes. As such, these customers are excluded from the non-RPP billing determinants in Table 9-39 above as they do not contribute to the GA balance. EPI manually adjusted cell S41 of “Tab.4 Billing Determinants” of the DVA Continuity Schedule to reflect the correct sum of the non-RPP billing determinants to be used for the GA rate rider calculation.

## PROPOSED RATE RIDERS

EPI has used the OEB DVA Continuity Schedule to calculate rate riders, as found on “Tab. 7 Rate Rider Calculations” and summarized in Table 9-39 below. EPI has not made any edits or changes to the OEB’s model.

**TABLE 9-39: RATE RIDER CALCULATIONS**

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

1550, 1551, 1584, 1586, 1595, 1580 and 1588

Rate Class (Enter Rate Classes in cells below)	Units	kW / kWh / # of Customers	Allocated Group 1 Balance (excluding 1589)	Rate Rider for Deferral/Variance Accounts
RESIDENTIAL SERVICE CLASSIFICATION	kWh	448,377,107	\$ 486,827	0.0011
GENERAL SERVICE LESS THAN 50 KW	kWh	162,071,320	\$ 189,211	0.0012
GENERAL SERVICE 50 TO 4,999 KW SE	kW	1,346,247	\$ 653,085	0.4851
LARGE USE SERVICE CLASSIFICATION	kW	249,434	\$ 130,403	0.5228
UNMETERED SCATTERED LOAD SERVICE	kWh	1,209,325	\$ 1,450	0.0012
SENTINEL LIGHTING SERVICE CLASSIFICATION	kW	798	\$ 386	0.4832
STREET LIGHTING SERVICE CLASSIFICATION	kW	15,619	\$ 6,517	0.4173
<b>Total</b>			<b>\$ 1,467,879</b>	

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

1580 and 1588

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 SERVICE CLASSIFICATION	kWh	448,377,107	\$ -	-
GENERAL SERVICE LESS THAN 50 KW	kWh	162,071,320	\$ -	-
GENERAL SERVICE 50 TO 4,999 KW SE	kW	1,334,277	-\$ 57,975	- 0.0435
LARGE USE SERVICE CLASSIFICATION	kW	249,434	\$ -	-
UNMETERED SCATTERED LOAD SERVICE	kWh	1,209,325	\$ -	-
SENTINEL LIGHTING SERVICE CLASSIFICATION	kW	798	\$ -	-
STREET LIGHTING SERVICE CLASSIFICATION	kW	15,619	\$ -	-
<b>Total</b>			<b>-\$ 57,975</b>	

**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
RESIDENTIAL SERVICE CLASSIFICATION	kWh	448,377,107	\$ 256,036	0.0006
GENERAL SERVICE LESS THAN 50 KW	kWh	162,071,320	\$ 92,547	0.0006
GENERAL SERVICE 50 TO 4,999 KW SE	kW	505,546	\$ 95,739	0.1894
LARGE USE SERVICE CLASSIFICATION	kW	20,090	\$ 5,798	0.2886
UNMETERED SCATTERED LOAD SERVICE	kWh	1,209,325	\$ 691	0.0006
SENTINEL LIGHTING SERVICE CLASSIFICATION	kW	798	\$ 181	0.2272
STREET LIGHTING SERVICE CLASSIFICATION	kW	15,619	\$ 3,099	0.1984
<b>Total</b>			<b>\$ 454,091</b>	

**Rate Rider Calculation for RSVA 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 Adjustment
RESIDENTIAL SERVICE CLASSIFICATION	kWh	9,245,348	\$ 58,381	0.0063
GENERAL SERVICE LESS THAN 50 KW	kWh	24,145,926	\$ 152,472	0.0063
GENERAL SERVICE 50 TO 4,999 KW SE	kWh	-	\$ -	-
LARGE USE SERVICE CLASSIFICATION	kWh	-	\$ -	-
UNMETERED SCATTERED LOAD SERVICE	kWh	693,122	\$ 4,377	0.0063
SENTINEL LIGHTING SERVICE CLASSIFICATION	kWh	85,680	\$ 541	0.0063
STREET LIGHTING SERVICE CLASSIFICATION	kWh	-	\$ -	-
<b>Total</b>			<b>\$ 215,771</b>	

**Rate Rider Calculation for Group 2 Accounts**

Rate Class (Enter Rate Classes in cells below)	Units	kW / kWh / # of Customers	Allocated Group 2 Balance	Rate Rider for Group 2 Accounts
RESIDENTIAL SERVICE CLASSIFICATION	# of Customers	58,297	-\$ 970,995	-\$ 1.39
GENERAL SERVICE LESS THAN 50 KW	kWh	162,071,320	-\$ 246,317	-\$ 0.0015
GENERAL SERVICE 50 TO 4,999 KW SE	kW	1,346,247	-\$ 353,184	-\$ 0.2623
LARGE USE SERVICE CLASSIFICATION	kW	249,434	-\$ 49,936	-\$ 0.2002
UNMETERED SCATTERED LOAD SERVICE	kWh	1,209,325	-\$ 755	-\$ 0.0006
SENTINEL LIGHTING SERVICE CLASSIFICATION	kW	798	-\$ 498	-\$ 0.6235
STREET LIGHTING SERVICE CLASSIFICATION	kW	15,619	\$ 54,264	\$ 3.4743
<b>Total</b>			<b>-\$ 1,567,420</b>	

## Rate Rider Calculation for Accounts 1575 and 1576

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

Rate Class (Enter Rate Classes in cells below)	Units	kW / kWh / # of Customers	Allocated Accounts 1575 and 1576 Balances	Rate Rider for Accounts 1575 and 1576
RESIDENTIAL SERVICE CLASSIFICATION	# of Customers	58,297	-\$ 35,072	-\$ 0.05
GENERAL SERVICE LESS THAN 50 KW	kWh	162,071,320	-\$ 12,677	-\$ 0.0001
GENERAL SERVICE 50 TO 4,999 KW SE	kW	1,346,247	-\$ 38,920	-\$ 0.0289
LARGE USE SERVICE CLASSIFICATION	kW	249,434	-\$ 8,452	-\$ 0.0339
UNMETERED SCATTERED LOAD SERVICE	kWh	1,209,325	-\$ 95	-\$ 0.0001
SENTINEL LIGHTING SERVICE CLASSIFICATION	kW	798	-\$ 25	-\$ 0.0311
STREET LIGHTING SERVICE CLASSIFICATION	kW	15,619	-\$ 424	-\$ 0.0272
<b>Total</b>			-\$ 95,665	

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EPI proposes to dispose of all the above balances over 12 months beginning May 1, 2026.

## **ATTACHMENT 9-A**

EB-2015-0061 Approved Accounting  
Order for Account 1508 Subaccount  
OPEB Forecast Cash versus Forecast  
Accrual Differential Deferral Account



**Draft Accounting Order**  
**OPEB Forecast Cash versus Forecast Accrual Differential Deferral Account**

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EPI shall establish the following deferral account effective May 1, 2016.

Account 1508 Other Regulatory Assets, Subaccount – OPEB Forecast Cash versus Forecast Accrual Differential Deferral Account

EPI shall establish the OPEB Forecast Cash versus Forecast Accrual Differential Deferral Account for the purpose of recording the difference in revenue requirement each year between both the capitalized and OM&A components of OPEBs accounted for using a forecasted cash basis (as to be reflected in rates if this settlement is accepted by the Board) and the capitalized and OM&A components of OPEBs accounted for using a forecasted accrual basis.

If the Board determines that LDCs must include in rates OPEBs accounted for using a forecasted cash basis, EPI will seek to discontinue this account without seeking disposition of the amounts recorded in this account. If the Board determines that LDCs should recover OPEBs in rates using a forecasted accrual accounting methodology, EPI will seek disposition of this account to dispose of the amounts so recorded in its next cost of service rate application. In such case, EPI will propose a disposition period over which the account should be disposed depending on the quantum in the account and the potential rate impacts at the time.

Carrying charges will not apply to this account.

**Sample Journal Entry**

**Sample Assumptions:**

- *OPEB costs (accrual basis) = \$ 170k*
- *OPEB costs (cash basis) = \$ 250k*
- *OPEB costs split between operating and capital on a 60/40 ratio.*
- *Assume capital items depreciated over 40 years and half year rule applies in year of acquisition.*
- *Assume OPEB costs incurred evenly throughout the fiscal period.*
- *Carrying charges do not apply to this deferral account.*

**The sample accounting entries for the Deferral Account are provided below:**

A) To record the shortfall of OPEBs accounted for using a forecasted accrual basis versus OPEBs accounted for using a forecasted cash basis.

DR	Capital costs (various accounts)	\$32k	
DR	OM&A expenses (various accounts)	\$48k	
CR	1508 OPEB Subaccount		(\$80k)

B) To depreciate the capital recorded re: the capital portion of OPEB costs:

DR	Depreciation	\$0.4k	
CR	Accumulated Depreciation		(\$0.4k)