

EXHIBIT 9 – DEFERRAL AND VARIANCE ACCOUNTS

2027 Cost of Service

Rideau St-Lawrence Distribution Inc.
EB-2026-0069

CONTENTS

9.1. Overview	3
9.1.1 Certification of Evidence	4
9.2. Disposition of Deferral and Variance Accounts	5
9.2.1 DVA Balances Sought for Disposition	5
9.2.2 Group 1 Accounts	6
9.2.3 Group 2 Accounts	7
ACM Riders	12
9.2.4 Group 2 Account Proposed to be Discontinued and Request for New Variance Account Going Forward	15
9.2.5 Accounting Orders for Previous Applications and Departure from Board Approved Balances	15
9.2.6 Interest Rates	16
9.2.7 Disposition and Rate Riders	16
9.3. Global Adjustment	21
1589 – Power Variance Account and Class A Customers	21
1588 – Global Adjustment Account	21
9.4. LRAMVA	22

TABLE OF TABLES

Table 1 – Balances Sought for Disposition	5
Table 2 – Disposition Status of Account 1595	6
Table 3 – Disposition of Group 2 Accounts	7
Table 4 – Breakdown of Cloud Computing Costs	9
Table 5 – ACM Account Disposition at Rebasing	13
Table 6 – Interest Rates	16
Table 7 – Balances Sought for Disposition (DVA)	17
Table 8 – Rate Rider Calculation for Group 1 Deferral / Variance Accounts Balances (excluding Global Adj.)	18
Table 9 – Rate Rider Calculation for RSVA Global Adjustment	19
Table 10 – Rate Rider Calculation for Group 2 Accounts	19
Table 11 – Rate Riders RSVA – Power Global Adjustment	20

9.1. OVERVIEW

The purpose of this exhibit is to identify the deferral and variance accounts used by RSL, present the principal balances recorded in each account, and calculate the associated carrying charges up to and including December 31, 2026. The exhibit also outlines the methodology used to allocate account balances to customer classes, explains the rationale supporting the proposed disposition period, and sets out the proposed charge parameters and rate riders that will dispose of the recorded balances.

All accounts have been maintained in accordance with the OEB's Accounting Procedures Handbook. The account balances as at December 31, 2025, reconcile to the trial balance reported through the Electricity Reporting and Record-keeping Requirements and to RSL's audited financial statements. RSL has completed the OEB's DVA Continuity Schedule for both Group 1 and Group 2 accounts, and the completed model has been filed in support of the information presented in this exhibit.

RSL notes that there have been no substantive changes to the OEB's requirements for deferral and variance accounts since its last rebasing application. RSL continues to maintain and report its DVA balances in accordance with the Accounting Procedures Handbook, the February 21, 2019 Global Adjustment Guidance Letter, and all subsequent OEB updates. RSL proposes to dispose of:

- Group 1 total including 1589I: A credit of (279,789.80)
- RSVA - Global Adjustment (1589): A credit (\$57,524.56)
- Group 2 total: \$203,860.11

All of the described disposals include carrying charges up to and including December 31, 2026, are sought to be disposed on a final basis.

Group 1 and Group 2 DVA balances are proposed to be disposed of over one year. RSL has followed the OEB's guidance as provided by the OEB's Electricity Distributor's Disposition of Variance Accounts Reporting Requirements Report.

RSL notes that since the inputs for 2025 balances have been audited, the model shows variances between the RRR, and the balances proposed for disposition in all accounts. RSL commits to updating the model as part of the interrogatory process.

9.1.1 Certification of Evidence

I, Malcolm MaCallum, confirm that, to the best of my understanding or unless otherwise stated, the evidence submitted in RSLs exhibit is comprehensive and prepared in accordance with the stipulations outlined in the Chapter 2 Filing Requirements for Electricity Distribution Rate Applications issued in December, 2026, as well as other applicable OEB policies.

9.2. DISPOSITION OF DEFERRAL AND VARIANCE ACCOUNTS

9.2.1 DVA Balances Sought for Disposition

Table 1 – Balances Sought for Disposition

	Year End Balance	Account	Balance sought for disposition	Balance sought for disposal
LV Variance Account	2025	1550	(104,294)	kWh
Smart Metering Entity Charge Variance Account	2025	1551	(2,432)	# of Customers
RSVA - Wholesale Market Service Charge	2025	1580	(184,676)	kWh
Variance WMS – Sub-account CBR Class B	2025	1580B	\$47,530.02	kWh
RSVA - Retail Transmission Network Charge	2025	1584	12,594	kWh
RSVA - Retail Transmission Connection Charge	2025	1586	(26,087)	kWh
RSVA - Power (excluding Global Adjustment)	2025	1588	(13,016)	kWh
RSVA - Global Adjustment	2025	1589	(57,524)	Non-RPP kWh

All accounts in Groups 1 and 2 listed above comply with the Accounting Procedure Handbook. For definitions of each account listed below, please refer to the Accounting Procedure Handbook using the following link:

http://www.ontarioenergyboard.ca/oeb/_Documents/Regulatory/Accounting_Procedures_Handbook_Elec_Distributors.pdf

RSL last disposed of its 1588/1589 DVA balances in its 2026 IRM.

RSL confirms that the 2025 balances are as of December 31, 2025, and have been audited.

9.2.2 Group 1 Accounts

RSL is seeking the following account balances for disposition.

1550 – LV Variance Account \$(104,294).
1551 - Smart Metering Entity Charge Variance Account \$(2,432).
1580 - RSVA - Wholesale Market Service Charge \$(184,676).
1580 – RSVA – WMS Sub account CBR Class B \$47,530.02
1584 - RSVA - Retail Transmission Network Charge \$12,594.
1586 - RSVA - Retail Transmission Connection Charge \$(26,087).
1588 - RSVA - Power (excluding Global Adjustment) \$(13,016).
1589 - RSVA - Global Adjustment \$(35,883).
1595 - Recovery/Refund of Regulatory Balances (2022) \$192
1595 - Recovery/Refund of Regulatory Balances (2023) \$(9,602).

RSL calculates its CBR balances and tracks in its subaccount. Out of the remaining amount of - \$184,676. in account 1580, a sum of \$47,530 is assigned to CBR Class B. The breakdown is displayed in the DVA Model Tab 2a continuity schedule.

1595 - Disposition of Residual Balances. (N/A)

RSL is requesting disposition of the residual balances recorded in Account 1595 for the 2021 and 2022 rate years. Both balances have satisfied the OEB's eligibility criteria for disposition, including the sunset date, audit period, and "audit year plus two years" requirements, as summarized in Table 2 below.

Table 2 – Disposition Status of Account 1595

Rate Year	Fisc Yr	Disposition Period	Sunset Reached	Audit Year	Plus 2 years	Rate Year Eligible
2021	2020	1 yr.	Y	Y	Y	2027
2022	2021	1 yr.	Y	Y	Y	2027

RSL confirms that it has followed the Accounting Procedures Handbook with respect to all Group 1 accounts, including Account 1595. RSL further confirms that the 2021 and 2022 residual balances have not previously been disposed of and are being requested for disposition for the first and only time in this application.

As the 2021 and 2022 residual balances meet the OEB's criteria for disposition, RSL is not filing separate Account 1595 Worksheets for these balances.

9.2.3 Group 2 Accounts

Table 3 – Disposition of Group 2 Accounts

	Year End Balance	Account	Dispo	Alloc.	Discontinued
Customer Choice Initiative Costs	2025	1508	7,056	kWh	Yes
Green Button Initiative Costs	2025	1508	9,144	kWh	Yes
ULO Implementation Cost ¹⁴	2025	1508	2,420	kWh	Yes
LEAP EFA Funding Deferral Account ¹⁷	2025	1508	34,046	kWh	No
Other Regulatory Assets - Sub-Account - Lost Revenue – Collection of Account Charges	2025	1508	55,533	kWh	Yes
Cloud computing costs	2025	1511	170,998	kWh	No
Retail Cost Variance Account - Retail	2025	1518	(1,566)	# of Customers	Yes
OEB Assessment	2025	1508	6,427	kWh	Yes
Pension & OPEB Forecast Accrual versus Actual Cash Payment Differential Carrying Charges	2025	1522	(535)	kWh	No
Misc. Deferred Debits	2025	1525	(83,045)	kWh	
Retail Cost Variance Account - STR	2025	1548	223	# of Customers	Yes
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account)	2025	1592	(6,153)	kWh	No
PILs and Tax Variance for 2006 and Subsequent Years- Sub-account CCA Changes	2025	1592	9,311	kWh	No

RSL notes that costs related to Green Energy Button and the implementation of ULO are included in the utility's OM&A.

1508 – Customer Choice Initiative Costs \$7,056

RSL incurred incremental costs to implement the Customer Choice Initiative in accordance with OEB direction. The balance includes applicable carrying charges.

1508 – Green Button Initiative Costs \$9,144

RSL incurred incremental costs to implement the Green Button initiative. Ongoing costs are included in OM&A. The balance includes applicable carrying charges.

1508 – ULO \$2,420

RSL incurred incremental costs related to implementation of Ultra-Low Overnight pricing. Ongoing costs are included in OM&A. The balance includes applicable carrying charges.

1508 – LEAP EFA Funding \$34,046

RSL is required to administer the LEAP Emergency Financial Assistance program and apply bill credits to eligible customers.

Amounts provided to customers are tracked in Account 1508 and recovered through disposition to ensure the utility remains financially neutral.

The balance reflects timing differences between program funding and amounts applied to customer bills, rather than incremental costs borne by the utility.

1508 – Lost Revenue - Collection of Account Charges \$55,533

RSL is requesting final disposition and closure of Account 1508 – Lost Revenue – Collection of Account Charges.

As established in the EB-2021-0056 Settlement Proposal, the Parties agreed that certain Group 2 accounts, including Account 1508, would remain open due to the misalignment between the originally proposed effective date and the treatment of forecast balances.

The Settlement Proposal explicitly contemplated that these accounts would continue to record amounts beyond the test year and be brought forward for disposition in the next rebasing application. Specifically:

“RSL will keep these accounts open and continue to record 2022 amounts until the effective date of new rates. RSL will then seek disposition and closing of the accounts in the next COS.”

This application represents that next rebasing opportunity. RSL has therefore brought forward the full accumulated balance in Account 1508 for disposition.

The amounts recorded reflect lost revenues associated with the suspension of collection-related charges, consistent with OEB direction, and have been recorded in accordance with applicable accounting guidance.

Given that the continued use of the account and the timing of disposition were explicitly contemplated in the Settlement Proposal, RSL submits that final disposition and closure of the account is appropriate at this time.:

- the account has remained open solely to capture post-test year activity as contemplated in the Settlement Proposal, and
- the balance now reflects the complete accumulation of amounts up to the effective date of new rates,

RSL submits that final disposition and closure of the account is appropriate at this time..

1511 – Cloud Computing Costs \$170,998

RSL incurred incremental cloud computing implementation and transition costs in accordance with OEB guidance. The balance includes applicable carrying charges.

The amounts recorded in Account 1511 relate to a single project, being the implementation of Acumatica, a cloud-hosted (SaaS) enterprise resource planning (ERP) system. The system

replaces legacy platforms with an integrated, cloud-based solution to improve data integrity, streamline processes, and support ongoing operations.

In addition to SaaS licensing, the account includes incremental, non-recurring costs required to configure and deploy the system, including data migration, testing, training, and go-live activities. These costs are directly attributable to the transition to a cloud-based solution and would not have been incurred otherwise.

During the transition period, RSL operated both the legacy system and the new cloud-based system concurrently to maintain access to historical data and support regulatory requirements, including RRR filings and the Cost-of-Service application. As a result, two years of SaaS licensing costs (2025 and 2026) were incurred prior to the full transition.

These licensing costs are considered incremental, as they were incurred in addition to, and not in place of, existing system costs during the transition period. Consistent with OEB guidance:

“If the utility can demonstrate that licensing costs or access fees directly related to a cloud computing arrangement are incremental, they can be recorded in the Cloud Computing Deferral Account during the IRM period.”

RSL is of the view that this criterion has been met.

With a total cost of approximately \$170K, the project is considered material. Notably, no costs were incurred for system customizations, reflecting reliance on standard system functionality.

Table 4 – Breakdown of Cloud Computing Costs

Cost Category	Amount (\$)	Nature
SaaS Licensing (2025–2026)	~85,400	Incremental (overlap period)
Implementation & Deployment	~85,600	Non-recurring
Total	170,998	

Implementation and deployment costs include system configuration, data migration, testing, training, conference room pilot, go-live activities, and project management.

The amounts recorded are supported by detailed vendor invoices and have been grouped into the categories presented above. Supporting documentation can be provided upon request.

Incremental Nature of Costs

All amounts recorded in Account 1511 represent incremental costs required to implement the cloud-based solution.

No offsetting savings have been recorded. The project was undertaken to modernize systems, improve reliability, and reduce long-term risk. Any efficiencies are expected to be realized over time and are not reflected in the account.

Materiality and Completion

The system is fully implemented and in service. The Distributor does not expect any material further entries to Account 1511.

Ongoing costs relate to SaaS licensing and routine support and are recorded in OM&A.

Disposition

RSL proposes to dispose of the balance in Account 1511 over a one-year period, consistent with standard deferral and variance account treatment.

The account captures non-recurring transition costs associated with implementing a cloud-based system. Ongoing SaaS costs are treated separately through OM&A.

A one-year disposition ensures timely recovery of prudently incurred costs and aligns with the purpose of the account.

Interest

The Distributor has applied the prescribed interest rates for deferral and variance accounts to the balance in Account 1511.

Materiality

The amounts relate to a single project, being the implementation of the Acumatica cloud-based ERP system.

The business purpose of the project was to replace legacy systems with an integrated, cloud-based platform to improve data integrity, streamline processes, and support ongoing operations.

With a total cost of approximately \$170K, the project is considered material.

The system is fully implemented and in service. The Distributor does not expect any material further entries to Account 1511. Ongoing costs relate to SaaS licensing and routine support and are recorded in OM&A.

Disposition

RSL proposes to dispose of the balance in Account 1511 over a one-year period, consistent with standard deferral and variance account treatment.

The account captures non-recurring transition costs associated with implementing a cloud-based system. Ongoing SaaS costs are treated separately through OM&A.

A one-year disposition ensures timely recovery of prudently incurred costs and aligns with the purpose of the account

1518 – Retail Cost Variance Account – Retail -\$1,566

This account was historically used to record the variance between actual retail service costs and amounts recovered through OEB-approved retail service charges. Consistent with OEB policy, this account has been discontinued, and the related costs are now embedded in OM&A. No further amounts are being recorded, and the balance represents historical activity only.

1522 – Pension and OPEB Forecast Accrual vs Actual Chas Payment Differential Carrying Charges -\$535

RSL used Account 1525 to record offsetting entries associated with ACM-related carrying charges in accordance with the OEB's Accounting Procedures Handbook. The account supports the underlying ACM accounting and does not represent standalone deferral activity. The balance will be cleared upon rebasing.

1548 – Retail Cost Variance Account – STR \$233

This account was historically used to record variances associated with smart metering-related costs and amounts recovered through approved charges. Consistent with OEB policy, this account has been discontinued, and the related costs are now embedded in OM&A. No further amounts are being recorded, and the balance reflects historical activity only.

ACM Riders

In its 2022 Decision and Order, the OEB approved the ACM for the Morrisburg Station project, including a maximum eligible incremental capital amount for rate rider recovery. RSL subsequently placed the project in service and recorded actual capital expenditures of \$849,682. Consistent with the Accounting Procedures Handbook, the Account 1508 balances reflect actual in-service capital and related amounts. The ACM rate rider was based on the approved eligible amount, and no additional recovery is sought for the difference between actual and approved capital.

1508 – ACM Rate Rider

RSL recorded revenues totaling \$129,537 collected through the OEB-approved ACM rate rider associated with the Morrisburg Station project, as approved in the 2022 Decision and Order. These amounts reflect recovery of the approved annual revenue requirement based on the eligible incremental capital amount of \$571,857 and were collected through application of the approved rate riders to actual billing determinants over the recovery period.

RSL has reviewed the total ACM rate rider revenues collected and confirms that it is not proposing any true-up. The ACM mechanism is designed to provide interim recovery of forecast revenue requirement prior to rebasing, and upon rebasing the underlying asset is incorporated into rate base. RSL has not reconstructed the detailed billing determinants underlying the rider and has therefore not recalculated the precise revenue requirement on an actual basis. Notwithstanding, RSL confirms that no recovery is sought beyond the OEB-approved eligible incremental capital amount and any difference between forecast and actual recovery is not material.

Upon rebasing, RSL transfers these amounts to distribution revenue (Account 4080) and does not propose them for separate disposition.

1508 – ACM Morrisburg Station Expenditure

RSL incurred actual capital expenditures associated with the OEB-approved ACM project for the Morrisburg Station in the amount of \$849,682. The balance reflects actual in-service capital costs. Upon rebasing, RSL transfers these amounts to property, plant and equipment and includes them on rate base; they are not disposed of through the DVA rate rider model.

1508 – ACM Amortization

RSL recorded amortization associated with the ACM capital asset for the Morrisburg Station following the in-service date approved in the 2022 Decision and Order. The balance of \$46,216 reflects cumulative amortization recorded prior to being in service. Upon rebasing, RSL transfers this amount to the appropriate depreciation expense accounts.

1508 – ACM Accumulated Amortization

RSL recorded accumulated amortization associated with the ACM capital asset for the Morrisburg Station. Upon rebasing, RSL transfers this balance of (46,216) to accumulated depreciation within property, plant and equipment, where it is reflected in rate base calculations.

1525 – Misc. Deferred Debits -\$83,045

The balance in Account 1525 relates to offsetting entries recorded in accordance with the OEB's Accounting Procedures Handbook, primarily associated with ACM carrying charges and timing differences. This account does not represent standalone amounts owing to or from customers. Consistent with the treatment of ACM balances upon rebasing, this amount is cleared through accounting reclassification entries and is not proposed for disposition through the DVA rate rider model.

Table 5 – ACM Account Disposition at Rebasing

Description	Amount (\$)	Treatment at Rebasing
ACM Rate Rider Revenues	(129,537)	Transferred to Distribution Revenue (Account 4080)
ACM Capital Expenditures	849,682	Transferred to PP&E and included in rate base
ACM Amortization	46,216	Transferred to depreciation expense
ACM Accumulated Amortization	(46,216)	Transferred to accumulated depreciation
Misc. Deferred Debits	(83,045)	Transferred to Distribution Revenue (Account 4080)
Net Amount for DVA Disposition	0	No rate rider requested

1592 - Accelerated CCA \$9,311

As part of the 2020 Settlement Agreement, RSL's rates reflected the impacts of accelerated Capital Cost Allowance (AIIIP) in accordance with the OEB's July 25, 2019 accounting guidance. Account 1592 was established to track the impacts of changes in CCA policy, including the phase-out of accelerated CCA.

As explained in Exhibit 6, RSL did not elect to take AIIIP in 2022, 2023, or 2024 in its PILs filing, as RSL's PILs was reduced to zero in each of those years without the need to apply for AIIIP related CCA credits. Accordingly, RSL did not experience an increase in revenue requirement as a result of the partial phase out of AIIIP in 2024. Accordingly, RSL did not need to record any variance in the account to be collected from ratepayers. Similarly, RSL does not intend to elect to take AIIIP in 2025 or 2026, obviating the need to track any variances in those years either, and is forecasting its PILs liability in the 2027 Test Year without AIIIP, which should avoid the need to track the phase out of the newly reintroduced AIIIP starting in 2025.

As noted in Exhibit 6, this is similar to the treatment of AIIIP in EB-2024-0012, wherein Centre Wellington Hydro Ltd., as a result of actual PILs liability of zero without the application of AIIIP, was not required to record a variance related to AIIIP as long as it filed its PILs on an actual basis without electing to take AIIIP.¹

¹ See the Settlement Proposal in EB-2024-0012, filed September 24, 2024, page 35.

9.2.4 Group 2 Account Proposed to be Discontinued and Request for New Variance Account Going Forward.

RSL confirms that it is not requesting any new deferral or variance accounts. RSL is proposing to discontinue the use of the following accounts.

1508-Customer Choice Initiative Costs

1508-Green Button Initiative Costs

1508- ULO Implementation Costs

1508 - Lost Revenue - Collection of Account Charges

1518 – Retail Cost Variance

1548 – Retail Cost Variance

9.2.5 Accounting Orders for Previous Applications and Departure from Board Approved Balances

RSL confirms it was not instructed to apply for any specific accounting orders in its previous application. RSL has not made any adjustments to deferral and variance account balances that the Board previously approved on a final basis in either cost of service or IRM proceedings.

9.2.6 Interest Rates

The table below provides the interest rates by quarter applied to calculate actual and forecast carrying charges for each regulatory and variance account.

Table 6 – Interest Rates

Period	Interest Rate
Q1 2022 (Actual)	0.57%
Q2 2022 (Actual)	1.02%
Q3 2022 (Actual)	2.20%
Q4 2022 (Actual)	3.87%
Q1 2023 (Actual)	4.73%
Q2 2023 (Actual)	4.98%
Q3 2023 (Actual)	4.98%
Q4 2023 (Actual)	5.49%
Q1 2024 (Actual)	5.49%
Q2 2024 (Actual)	5.49%
Q3 2024 (Actual)	5.20%
Q4 2024 (Actual)	4.40%
Q1 2025 (Actual)	3.64%
Q2 2025 (Actual)	3.16%
Q3 2025 (Actual)	2.91%
Q4 2025 (Actual)	2.91%
Q1 2026 (Actual)	2.55%
Q2 2026 (Actual)	2.55%

RSL has used the latest OEB prescribed interest rates as published on the website at: <https://www.oeb.ca/regulatory-rules-and-documents/rules-codes-and-requirements/prescribed-interest-rates>

9.2.7 Disposition and Rate Riders

Board policy states that at the time of rebasing, all account balances should be disposed of unless otherwise justified by the distributor or as required by a specific Board decision or guideline. Per the above statement, RSL proposes to dispose of all its balances listed in the table below. The only account that is not sought for disposition is account 1595, which does not meet the OEB's criteria for disposition.

The 2027_DVA_Continuity_Schedule detailing each account is being filed in conjunction with RSLs application.

**Table 7 – Balances Sought for Disposition (DVA
(Model - Tab 5 Allocation of Balances)**

Group	Account	Description	Amount (\$)	Allocator	Disposition
Group 1	1550	LV Variance Account	(104,294)	kWh	Yes
	1551	Smart Metering Entity Charge Variance Account	(2,432)	# of Customers	Yes
	1580	RSVA - Wholesale Market Service Charge	(137,146)	kWh	Yes
	1584	RSVA - Retail Transmission Network Charge	12,594	kWh	Yes
	1586	RSVA - Retail Transmission Connection Charge	(26,087)	kWh	Yes
	1588	RSVA - Power (excluding Global Adjustment)	(13,016)	kWh	Yes
	1589	RSVA - Global Adjustment	(57,524)	Non-RPP kWh	Yes
	1595	DVA (2023–2026)	(9,409)	%	Yes
	Subtotal – Group 1 (excl. 1589)			(279,789)	
Total – Group 1			(337,314)		
Group 2	1508	Customer Choice Initiative Costs	7,056	kWh	Yes
	1508	Green Button Initiative Costs	9,144	kWh	Yes
	1508	ULO Implementation Costs	2,420	kWh	Yes
	1508	LEAP EFA	34,046	kWh	Yes
	1508	Lost Revenue – Collection of Charges	55,533	kWh	Yes
	1508	OEB Assessment	6427	kWh	Yes
	1511	Cloud Computing Costs	170,998	kWh	Yes
	1518	Retail Cost Variance – Retail	(1,566)	Customers	Yes
	1522	Pension & OPEB Differential	(535)	kWh	Yes
	1525	Misc. Deferred Debits	(83,045)	kWh	Yes
	1548	Retail Cost Variance – STR	223	Customers	Yes
	1592	PILs Tax Variance	(6,153)	kWh	Yes
	1592	PILs CCA Sub-account	9,311	kWh	Yes
Total – Group 2			203,860		

RSL confirms the following statements:

- RSL has not made any adjustments to DVA balances previously approved by the Board on a final basis in the previous Cost of Service or IRM proceedings.
- The utility has no balances for disposition for renewable generation and smart grid development.
- RSL does not have any Market Participants. As such, it does not need to establish separate rate riders to recover balances in the RSVA's from Market Participants who must not be allocated the RSVA balances related to charges for which the MP's settle directly with the IESO.
- RSL is proposing to dispose of balances where the values for accounts 1588/1589 are entered in 2022 to 2025 and interest until December 31, 2026.
- RSL confirms that its balances proposed for disposition are consistent with the financial statements.

The determination of the rate riders is shown in the tables below. Following OEB policy, RSL is seeking a one-year disposition period. RSL has used the approved allocators.

**Table 8 – Rate Rider Calculation for Group 1 Deferral / Variance Accounts Balances
(excluding Global Adj.)**

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	kWh	50,042,036	-\$118,975.88	- 0.0024
GENERAL SERVICE < 50 KW	kWh	22,686,577	-\$53,320.80	- 0.0024
GENERAL SERVICE > 50 TO 4999 KW	kW	121,844	-\$104,159.57	- 0.8549
UNMETERED SCATTERED LOAD	kWh	638,257	-\$1,486.72	- 0.0023
SENTINEL	kW	152	-\$319.54	- 2.0968
STREETLIGHTS	kW	1,621	-\$1,527.28	- 0.9423

Table 9 – Rate Rider Calculation for RSVA Global Adjustment

Rate Class (Enter Rate Classes in cells below)	Units	kWh	Allocated Global Adjustment Balance	Rate Rider for RSVA - Power - Global Adjustment
RESIDENTIAL	kWh	308,348	-\$576.40	- 0.0019
GENERAL SERVICE < 50 KW	kWh	3,617,289	-\$6,761.90	- 0.0019
GENERAL SERVICE > 50 TO 4999 KW	kWh	26,003,434	-\$48,608.95	- 0.0019
UNMETERED SCATTERED LOAD	kWh	59,146	-\$110.56	- 0.0019
SENTINEL	kWh	-	\$0.00	-
STREETLIGHTS	kWh	645,549	-\$1,206.74	- 0.0019

Table 10 – 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	# of Customers	5,376	\$85,302.07	\$1.32
GENERAL SERVICE < 50 KW	kWh	22,686,577	\$39,031.96	\$0.0017
GENERAL SERVICE > 50 TO 4999 KW	kW	121,844	\$77,095.48	\$0.6327
UNMETERED SCATTERED LOAD	kWh	638,257	\$1,089.70	\$0.0017
SENTINEL	kW	152	\$222.92	\$1.4628
STREETLIGHTS	kW	1,621	\$1,117.98	\$0.6898

Table 11 – Rate Riders RSVA – Power Global Adjustment

The year Account 1589 GA was last disposed

The year Account 1580 CBR Class B was last disposed Note that the sub-account was established in 2015.

Did you have any customers who transitioned between Class A and Class B (transition customers) during the period the Account 1589 GA balance accumulated (i.e. from the year after the balance was last disposed (regardless of if the disposition was interim or final) to the current year requested for disposition)? (e.g. If you received approval to dispose of the GA variance account balance as at December 31, 2019, the period the GA variance accumulated would be 2020 to 2021.)

Did you have any customers who transitioned between Class A and Class B (transition customers) during the period the Account 1580, sub-account CBR Class B balance accumulated (i.e. from the year after the balance was last disposed (regardless of if the disposition was interim or final) to the current year requested for disposition)? (e.g. If you received approval to dispose of the CBR Class B balance as at December 31, 2020, the period the CBR Class B variance accumulated would be 2021.)

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

Transition Customers - Non-loss Adjusted Billing Determinants by Customer		2025		2024	
Customer	Rate Class	July to December	January to June	July to December	January to June
Customer 1	GENERAL SERVICE > 50 TO 4999 KW	KWh 523,924	462,658		
		KW 3,388	3,430		
	Class A/B	A	B	B	B

Enter the number of rate classes in which there were customers who were Class A for the full year during the period the Account 1589 GA or Account 1580 CBR B balance accumulated (i.e. from the year after the balance was last disposed (regardless of if the disposition was interim or final) to the current year requested for disposition)

i) the total Class A consumption for full year Class A customers in each rate class for each year, including any transition customer's consumption identified in table 3a above that were Class A customers for the full year before/after the transition year (E.g. if a customer transitioned from Class B to A in 2019, exclude this customer's consumption for 2019 but include this customer's consumption in 2020 as the customer was a Class A customer for the full year); and
ii) the total forecast Class A and Class B consumption for transition customers and full year Class A customers in each rate class for the test year.

Rate Classes with Class A Customers - Billing Determinants by Rate Class		Transition Customers (Total Class A and B Consumption)		Class A Customer for Full Year (Total Class A Consumption)	
Rate Class		Test Year Forecast	Test Year Forecast	2025	2024
GENERAL SERVICE > 50 TO 4999 KW	KWh	1,000,000	14,474,661	12,382,410	
	KW	7,000	33,580	33,247	

This tab allocates the GA balance to transition customers (i.e. Class A customers who were former Class B customers and Class B customers who were former Class A customers) who contributed to the current GA balance. The tables below calculate specific amounts for each customer who made the change. The general GA rate rider to non-RPP customers is not to be charged to the transition customers that are allocated amounts in the table below. Consistent with prior decisions, distributors are generally expected to settle the amount through 12 equal adjustments to bills.

Year Account 1589 GA Balance Last Disposed

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

		Total	2025
Non-RPP Consumption Less WMP Consumption	A	115,267,719	115,267,719
Less Class A Consumption for Partial Year Class A Customers	B	523,924	523,924
Less Consumption for Full Year Class A Customers	C	12,382,410	12,382,410
Total Class B Consumption for Years During Balance Accumulation	D = A-B-C	102,361,385	102,361,385
All Class B Consumption for Transition Customers	E	462,658	462,658
Transition Customers' Portion of Total Consumption	F = E/D	0.45%	

Allocation of Total GA Balance \$

Total GA Balance	G	-\$ 57,525
Transition Customers' Portion of GA Balance	H=F*G	260
GA Balance to be disposed to Current Class B Customers through Rate Rider	I=G-H	-\$ 57,265

Allocation of GA Balances to Class A/B Transition Customers

# of Class A/B Transition Customers	1					
Customer		Total Metered Consumption (kWh) for Transition Customers During the Period When They Were Class B Customers	Metered Consumption (kWh) for Transition Customers During the Period When They Were Class B Customers in 2025	% of kWh	Customer Specific GA Allocation for the Period When They Were a Class B customer	Monthly Equal Payments
Customer 1		462,658	462,658	100.00%	-\$ 260	-\$ 22
Total		462,658	462,658	100.00%	-\$ 260	

9.3. GLOBAL ADJUSTMENT

1589 – Power Variance Account and Class A Customers

RSL is requesting disposition of the December 31, 2025, audited balance recorded in Account 1589, inclusive of carrying charges forecasted to December 31, 2026, which corresponds to the end of the test year. The total balance requested for disposition is a credit of \$57,525.

RSL confirms that it continues to implement the OEB's February 21, 2019, accounting guidance for Accounts 1588 and 1589. Specifically:

- IESO Global Adjustment costs are prorated between RPP and non-RPP customers based on actual billed kWh.
- The non-RPP portion is recorded in Account 1589, while Account 1588 captures the energy-only commodity costs.
- This approach ensures proper segregation and cost causality between the two accounts.

RSL has completed the Commodity Account Analysis Workform for 2025 consistent with OEB requirements. The Workform compares general ledger activity to expected balances based on IESO settlement data. RSL confirms that no material or unexplained differences were identified, and no principal adjustments are proposed.

RSL has one customer that transitioned between Class A and Class B during the period over which the balance accumulated. In accordance with OEB guidance, the Commodity Account Analysis Workform allocates a portion of the Global Adjustment balance to this transition customer based on its contribution to total Class B consumption during the accumulation period.

The Workform determines that the transition customer represents approximately 0.45% of total Class B consumption during the accumulation period, resulting in a customer-specific allocation of \$260. The remaining balance will be allocated to current non-RPP customers through the Global Adjustment rate rider.

RSL is seeking final disposition of the 2025 Global Adjustment balance in this proceeding and confirms that the balance requested for disposition falls within the OEB's disposition eligibility requirements.

1588 – Global Adjustment Account

RSL is requesting disposition of the December 31, 2025, audited balance recorded in Account 1588, inclusive of carrying charges forecasted to December 31, 2026.

The balance in Account 1588 reflects the difference between commodity costs incurred and amounts recovered from customers for the energy portion of electricity service.

RSL confirms that Account 1588 has been reviewed in conjunction with Account 1589 as part of the Commodity Account Analysis Workform. The Workform compares actual balances to expected values based on IESO settlement data.

"RSL confirms that no material or unexplained differences were identified through completion of the Commodity Account Analysis Workform. Any adjustments reflected in the Workform relate solely to the allocation of balances in accordance with OEB guidance for Class A/Class B transition customers and do not represent adjustments to the underlying account balance."

RSL is seeking final disposition of the 2025 balance in Account 1588 as part of this proceeding.

9.4. LRAMVA

RSL confirms that it is not seeking disposal of loss revenues related to conservation savings in RSLs proceeding therefore none of the LRAMVA filing requirements apply in RSLs case.