



EXHIBIT 9

DEFERRAL AND VARIANCE ACCOUNTS

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Exhibit 9: Deferral And Variance Accounts

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

OVERVIEW

9.1.1 Overview of Deferral and Variance Accounts

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

- The OEB's *Accounting Procedures Handbook for Electricity Distributors and Accounting Procedures Handbook Frequently Asked Questions*.
- The *Report of the Board on Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR)* (EB-2008-0046) issued July 31, 2009.
- The *Report of the Ontario Energy Board Regulatory Treatment of Pension and Other Post-Employment Benefits (OPEBs) Costs* (EB-2015-0040) issued September 14, 2017.
- The Board's *Letter to All Licensed Electricity Distributors – Updated Guidance on Smart Metering Entity Charge* issued March 23, 2018.
- The Board's *Letter to All Licensed Electricity Distributors – Accounting Guidance on Wireline Pole Attachment Charges* issued July 20, 2018.
- The OEB's *Decision and Order in the Matter of Energy Retailer Service Charges Effective May 1, 2019* (EB-2015-0304) issued February 14, 2019.
- The Board's *Letter to All Licensed Electricity Distributors – Guidance on the Disposition of Accounts 1588 and 1589* issued May 23, 2017.
- The Board's *Letter to All Licensed Electricity Distributors – Accounting Direction Regarding Bill c-97 and Other Changes in Regulatory or Legislated Tax Rules for Capital Cost Allowance* issued July 25, 2019.
- The Board's *Letter to All Licensed Electricity Distributors – Accounting Guidance related to Accounts 1588 RSVA Power and 1589 RSVA Global Adjustment*, issued February 21, 2019.

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

- 4
5 1. NPEI is not requesting disposition of Account 1595 – Disposition and Recovery
6 Refund of Regulatory Balances (2019) or Account 1595 – Disposition and
7 Recovery Refund of Regulatory Balances (2020), as these sub-accounts are still
8 active.
9
- 10 2. NPEI is not requesting disposition of Account 1595 – Disposition and Recovery
11 Refund of Regulatory Balances (2018), as NPEI has been advised by Board Staff
12 that eligibility for final disposition of the Account 1595 sub-accounts residual
13 balance has changed effective for 2021 rate applications. Board Staff advised
14 NPEI that the Account 1595 – Disposition and Recovery Refund of Regulatory
15 Balances (2018) residual balance can be proposed for disposition in NPEI's 2022
16 Rate Application.
17
- 18 3. For Account 1522 Pension & OPEB Forecast Accrual versus Actual Cash
19 Payment Differential, NPEI is requesting approval for the disposition of the
20 carrying charges only, in accordance with the *Report of the Ontario Energy*
21 *Board Regulatory Treatment of Pension and Other Post-Employment Benefits*
22 *(OPEBs) Costs*, issued September 14, 2017, which states: "*The variance*
23 *account will act as a tracking account and only carrying charges applied to the*
24 *account will be subject to disposition.*"
25
26
- 27 4. NPEI is requesting disposition of the following deferral and variance accounts
28 based on forecast balances to December 31, 2020:
 - 29 • Account 1508 Other Regulatory Assets – Sub-account OEB Cost
30 Assessment Variance.
 - 31 • Account 1508 Other Regulatory Assets – Sub-account Pole Attachment
32 Revenue Variance.

- 1 • Account 1518 Retail Cost Variance Account Retail.
- 2 • Account 1548 Retail Cost Variance Account Service Transaction
- 3 Requests.
- 4 • Account 1557 Meter Cost Deferral Account (MIST Meters).
- 5 • Account 1592 PILs and Tax Variance for 2006 and Subsequent Years –
- 6 Sub-Account CCA Changes

7
8
9 The accounts listed above are all either Group 2 accounts or Other accounts that NPEI
10 expects to utilize during 2020, but proposes to discontinue with the implementation of its
11 OEB-approved COS Rates, effective January 1, 2021. Rather than request disposition of
12 the December 2019 balances in the current application, and then wait until NPEI's next
13 COS application to dispose of the 2020 balances, NPEI proposes to dispose of accounts
14 listed above based on forecast balances to December 31, 2020.

15
16 Further details on NPEI's deferral and variance account balances are included in Exhibit
17 9.1.2 below.

18
19 **CERTIFICATION**

20 I certify that Niagara Peninsula Energy Inc. has robust processes and internal controls in
21 place for the preparation, review, verification and oversight of the account balances
22 being disposed of, consistent with the certification requirement of Chapter 1 Filing
23 Requirements.

24
25
26 *Suzanne Wilson*

27 _____

28 Suzanne Wilson, CPA, CA

29 Senior Vice-President, Finance

30

DEFERRAL AND VARIANCE ACCOUNTS USED

9.1.2 Deferral and Variance Accounts Used

This section includes the descriptions of the deferral and variance account utilized by NPEI and the account balances proposed for disposition.

Table 9.1.2-1 below provides a summary of the deferral and variance account balances.

1

Table 9.1.2-1 – Deferral and Variance Account Balances

2

Account Description	Account Number	Principal Balance as at Dec. 31/19	Carrying Charges as at Dec. 31/19	Disposition Approved in 2020	2020 Projected Incremental Principal for Accounts to be Discontinued	2020 Projected Carrying Charges	Total Proposed for Disposition
Group 1 Accounts							
LV Variance Account	1550	1,915,647	45,612	(822,777)		24,555	1,163,038
Smart Metering Entity Charge Variance Account	1551	(30,873)	(1,396)	22,568		(210)	(9,911)
RSVA - Wholesale Market Service Charge	1580	(612,859)	(36,676)	239,201		(8,724)	(419,059)
Variance WMS – Sub-account CBR Class A	1580	-	-	-		-	-
Variance WMS – Sub-account CBR Class B	1580	(127,219)	33	27,107		(2,166)	(102,246)
RSVA - Retail Transmission Network Charge	1584	349,721	10,233	(257,865)		2,275	104,363
RSVA - Retail Transmission Connection Charge	1586	85,332	1,865	(271,103)		(3,879)	(187,786)
RSVA - Power	1588	(1,355,511)	46,337	(385,677)		(37,367)	(1,732,219)
RSVA - Global Adjustment	1589	(178)	7,892	(9,108)		(0)	(1,394)
Disposition and Recovery/Refund of Regulatory Balances (2017)	1595	(18,287)	22,911			(399)	4,225
Total Group 1		205,773	96,811	(1,457,656)	-	(25,917)	(1,180,988)
Group 2 Accounts							
Other Regulatory Assets - Sub-Account Pole Attachment Revenue Variance	1508	(346,646)	(3,146)		(331,298)	(11,168)	(692,258)
Other Regulatory Assets - Sub-Account - OEB Cost Assessment Variance	1508	233,758	9,007		52,912	5,673	301,350
Other Regulatory Assets - Sub-Account - Lead/Lag Study	1508	7,199	713			157	8,069
Other Regulatory Assets - Sub-Account - Hydro One Incremental Capital Charges	1508	4,293	368			94	4,755
Other Regulatory Assets - Sub-Account - OPEB Deferral Account	1508	(398,479)	-				(398,479)
Other Regulatory Assets - Sub-Account - LTLT Rate Mitigation	1508	4,273	92			93	4,458
Retail Cost Variance Account - Retail	1518	109,953	-		16,723		126,676
Retail Cost Variance Account - STR	1548	374,473	-		59,177		433,650
Other Accounts							
PIs and Tax Variance for 2006 and Subsequent Years- Sub-account CCA Changes	1592	(54,579)	(614)		(54,579)	(595)	(110,366)
LRAM Variance Account	1568	778,151	33,749			16,964	828,864
Pension & OPEB Forecast Accrual versus Actual Cash Payment Differential	1522	37,652	(75)				37,577
Pension & OPEB Forecast Accrual versus Actual Cash Payment Differential Contra Account	1522	(37,652)	-				(37,652)
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs	1555	(24,683)	-				(24,683)
Meter Cost Deferral Account (MIST Meters)	1557	86,344	(3,161)		204,500	4,111	291,795
Accounting Changes Under CGAAP Balance + Return Component	1576	(160,882)	-				(160,882)
Total Group 2 and Other		613,178	36,934	-	(52,565)	15,328	612,875
Total for Disposition		818,951	133,744	(1,457,656)	(52,565)	(10,588)	(568,113)

3

4

5

6

7

8

1 **Group 1 Accounts**

2

3 1550 LV Variance Account

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

6

7 The balance in Account 1550 as at December 31, 2019, including carrying charges, is
8 \$1,961,260. In the Decision and Order in NPEI's 2020 IRM Rate Application (EB-2019-
9 0054) issued December 12, 2019, the Board approved the disposition of NPEI's Account
10 1550 balance in the amount of \$822,777. In this current application, NPEI is seeking
11 approval for the disposition of $\$1,961,260 - \$822,777 = \$1,138,483$, plus forecast
12 carrying charges to December 31, 2020.

13

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

15

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

20

21 Another factor contributing to the Account 1550 balance is that, in 2016, the OEB
22 approved an Embedded Distributor rate class for Grimsby Power Inc. ("GPI") which
23 applies to NPEI. Prior to 2015, NPEI was a customer of Niagara West Transformation
24 Corporation ("NWTC"), a licensed transmitter. NWTC had a Board-approved
25 Transformation Connection Transmission rate of \$1.77/kW. NPEI recorded the charges
26 from NWTC in Account 4716 – Charges Connection. In the EB-2014-0344 Decision and
27 Order, issued March 26, 2015, the Board approved the amalgamation of GPI and
28 NWTC, and deemed the NWTC transmission assets to be GPI distribution assets. The
29 Board also approved GPI to continue to charge NPEI the NWTC transmission rate of
30 \$1.77/kW until GPI's next rebasing.

31

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

8
9 1551 Smart Metering Entity Charge Variance Account

10 This account is used monthly to record the variances arising from the difference between
11 the Smart Metering Entity charges paid to the Smart Metering Entity and the amounts
12 charged to customers.

13
14 The balance in Account 1551 as at December 31, 2019, including carrying charges, is
15 (\$32,269). In the Decision and Order in NPEI's 2020 IRM Rate Application (EB-2019-
16 0054) issued December 12, 2019, the Board approved the disposition of NPEI's Account
17 1551 balance in the amount of (\$22,568). In this current application, NPEI is seeking
18 approval for the disposition of $(\$32,269) - (\$22,568) = (\$9,701)$, plus forecast carrying
19 charges to December 31, 2020.

20
21
22 1580 Retail Settlement Variance Account ("RSVA") – Wholesale Market Services

23 This account is used monthly to record the net of the amount charged by the IESO, and
24 host distributors if applicable, for the operation of the IESO administered market and the
25 operation of the IESO controlled grid, and the amount billed to customers using the
26 Board-approved Wholesale Market Service Rate.

27
28 The balance in Account 1580 as at December 31, 2019, including carrying charges, is
29 (\$649,535). In the Decision and Order in NPEI's 2020 IRM Rate Application (EB-2019-
30 0054) issued December 12, 2019, the Board approved the disposition of NPEI's Account
31 1580 balance in the amount of (\$239,201). In this current application, NPEI is seeking

1 approval for the disposition of $(\$649,535) - (\$239,201) = (\$410,344)$, plus forecast
2 carrying charges to December 31, 2020.

3
4 1580 RSVA – Wholesale Market Services Sub-Account CBR Class A

5 This account is used monthly to record the difference between the charges from the
6 IESO for Class A Capacity Based Recovery (“CBR”) and the amounts billed to Class A
7 customers for CBR.

8
9 Class A Customers are billed their proportionate share of the monthly Class A CBR
10 charges based on their Peak Demand Factor (“PDF”).

11
12 NPEI does not have a balance in Account 1580 Sub-account CBR Class A as at
13 December 31, 2019.

14
15 1580 RSVA – Wholesale Market Services Sub-Account CBR Class B

16 This account is used monthly to record the difference between the charges from the
17 IESO, and host distributors if applicable, for Class B Capacity Based Recovery (“CBR”) and the amounts billed to Class B customers for CBR.

18
19
20 The balance in Account 1580 Sub-account CBR Class B as at December 31, 2019,
21 including carrying charges, is $(\$127,186)$. In the Decision and Order in NPEI’s 2020 IRM
22 Rate Application (EB-2019-0054) issued December 12, 2019, the Board approved the
23 disposition of NPEI’s Account 1580 Sub-account CBR Class A balance in the amount of
24 $(\$27,107)$. In this current application, NPEI is seeking approval for the disposition of
25 $(\$127,186) - (\$27,107) = (\$100,079)$, plus forecast carrying charges to December 31,
26 2020.

27
28 1584 RSVA – Network

29 This account is used monthly to record the net of the amount charged by the IESO, and
30 host distributors if applicable, for transmission network services, and the amount billed to
31 customers using the Board-approved Retail Transmission Service Rate (“RTSR”) for
32 network.

1 The balance in Account 1584 as at December 31, 2019, including carrying charges, is
2 \$359,954. In the Decision and Order in NPEI's 2020 IRM Rate Application (EB-2019-
3 0054) issued December 12, 2019, the Board approved the disposition of NPEI's Account
4 1584 balance in the amount of \$257,865. In this current application, NPEI is seeking
5 approval for the disposition of $\$359,954 - \$257,865 = \$102,089$ plus forecast carrying
6 charges to December 31, 2020.

7

8

9 1586 RSV A – Connection

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

14

15 The balance in Account 1586 as at December 31, 2019, including carrying charges, is
16 \$87,196. In the Decision and Order in NPEI's 2020 IRM Rate Application (EB-2019-0054)
17 issued December 12, 2019, the Board approved the disposition of NPEI's Account 1586
18 balance in the amount of \$271,103. In this current application, NPEI is seeking approval
19 for the disposition of $\$87,196 - \$271,103 = (\$183,907)$, plus forecast carrying charges to
20 December 31, 2020.

21

22

23 1588 RSV A – Power

24 This account is used monthly to record the net difference between the energy amount
25 billed to customers and the energy charged to NPEI by the IESO, host distributor or
26 embedded generator.

27

28 The balance in Account 1588 as at December 31, 2019, including carrying charges, is
29 (\$1,309,174). In the Decision and Order in NPEI's 2020 IRM Rate Application (EB-2019-
30 0054) issued December 12, 2019, the Board approved the disposition of NPEI's Account
31 1588 balance in the amount of \$385,677. In this current application, NPEI is seeking

1 approval for the disposition of $(\$1,309,174) - \$385,677 = (\$1,694,851)$, plus forecast
2 carrying charges to December 31, 2020.

3 Further details on Account 1588 RSVA Power are provided in Exhibit 9.1.6 and Exhibit
4 9.1.7.

5

6 1589 RSVA – Global Adjustment

7 This account is used monthly to record the net difference between the Global
8 Adjustment (“GA”) amount billed to non-RPP customers and the GA charged to NPEI by
9 the IESO or host distributor.

10 The balance in Account 1589 as at December 31, 2019, including carrying charges, is
11 \$7,714. In the Decision and Order in NPEI’s 2020 IRM Rate Application (EB-2019-0054)
12 issued December 12, 2019, the Board approved the disposition of NPEI’s Account 1589
13 balance in the amount of \$9,108. In this current application, NPEI is seeking approval for
14 the disposition of $\$7,714 - \$9,108 = (\$1,394)$, plus forecast carrying charges to
15 December 31, 2020.

16

17 Further details on Account 1589 RSVA GA are provided in Exhibit 9.1.6 and Exhibit
18 9.1.7.

19

20

21 1595 Disposition and Recovery/Refund of Regulatory Balances (2017)

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

25

26 In the Decision and Order in NPEI’s 2017 IRM Rate Application (EB-2016-0094), issued
27 May 4, 2017, the OEB approved the disposition of NPEI’s Account 1568 LRAMVA
28 balance of \$496,934. The disposition was implemented by way of rate riders in effect
29 from May 1, 2017 to April 30, 2018.

30

1 In this current application, NPEI is requesting approval for the final disposition of the
2 Account 1595 (2017) residual balance, including carrying charges, of \$6,219 as at
3 December 31, 2019.

4
5 Table 9.1.2-2 below shows the details of the Account 1595 (2017) balance as at
6 December 31, 2019:

7
8
9
10 **Table 9.1.2-2 – Account 1595 (2017) Balance**

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

11
12
13 NPEI has completed the OEB's Account 1595 Analysis Workform, which is included as
14 Appendix 3 to this Exhibit.

15
16 As shown in Table 9.1.2-2 above, the residual balance proposed for disposition
17 represents 0.93% of the original amount approved for disposition. Since the residual
18 balance does not exceed +/- 10% of the original amount, the residual balance is not
19 considered material.

20
21 1595 Disposition and Recovery/Refund of Regulatory Balances (2018)

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

25

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

5
6 Table 9.1.2-3 below shows the details of the Account 1595 (2018) balance as at
7 December 31, 2019:

8
9
10
11 **Table 9.1.2-3 – Account 1595 (2018) Balance**

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

12
13
14 NPEI has completed the OEB's Account 1595 Analysis Workform, which is included as
15 Appendix 3 to this Exhibit.

16
17 As shown in Table 9.1.2-3 above, the residual balance proposed for disposition
18 represents 2.24% of the original amount approved for disposition. Since the residual
19 balance does not exceed +/- 10% of the original amount, the residual balance is not
20 considered material.

21
22 As discussed in Exhibit 9.1.1, NPEI plans to request disposition of the Account 1595
23 (2018) residual balance in its 2022 Rate Application.

24
25
26

1 1595 Disposition and Recovery/Refund of Regulatory Balances (2019)

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

5

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

10

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

14

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

17

18 **Group 2 Accounts**

19

20 1508 Other Regulatory Assets

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

24

25 1508 Other Regulatory Assets – Sub-account Pole Attachment Variance

26 On March 22, 2018, the OEB issued the *Report on Wireline Pole Attachment Charges*,
27 which set the province-wide wireline pole attachment charge at \$28.09 per pole per year
28 effective September 1, 2018 to December 31, 2018, increasing to \$43.63 per pole per
29 year effective January 1, 2019. The pole attachment charge will be adjusted annually
30 based on the OEB's inflation factor commencing on January 1, 2020.

31

1 The province-wide pole attachment charge is applicable to all LDCs that have not
2 received OEB approved for a distributor-specific pole attachment charge. As NPEI does
3 not have an OEB-approved distributor-specific pole attachment charge, the new
4 province-wide pole attachment charge is applicable to NPEI.

5
6 On July 20, 2018, the OEB issued its *Accounting Guidance on Wireline Pole Attachment*
7 *Charges*. The Guidance states: “*Because the increase in the pole attachment charge will*
8 *result in LDCs earning revenue above what is reflected in their current distribution rates,*
9 *the excess incremental revenue will need to be recorded in a new variance account*
10 *related to pole attachment charges, with the accumulated balance ultimately being*
11 *refunded to ratepayers in the LDCs next cost-based rate application.*”

12 “*Once an LDC has had the new pole attachment charge incorporated into a cost based*
13 *rate application, the variance account will no longer be required and must be closed after*
14 *disposition of the last amounts have been tracked.*”

15
16 Commencing September 1, 2018, NPEI has recorded its incremental pole attachment
17 revenue in Account 1508 – Sub Account Pole Attachment Revenue Variance.

18
19 Beginning in 2021, in accordance with the Accounting Guidance, NPEI will no longer
20 record any portion of its pole attachment revenue in Account 1508.

21
22 The balance in Account 1508 Sub-account Pole Attachment Revenue Variance as at
23 December 31, 2019, including carrying charges, is (\$349,792).

24
25 Table 9.1.2-4 below shows the details of the Account 1508 – Sub-account Pole
26 Attachment Revenue Variance balance as at December 31, 2019:

27
28
29
30
31
32

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

Transaction	Year	# of Poles	OEB- Approved Pole Attachment Rate	Rate Effective in Last COS	Incremental Portion of Current Rate	Recorded in Account 1508
LDCs on NPEI Poles	Sept-Dec 2018	37	28.09	22.35	5.74	(71)
Telecommunications carriers on NPEI poles	Sept-Dec 2018	14,786	28.09	22.35	5.74	(28,291)
LDCs on NPEI Poles	2019	40	43.63	22.35	21.28	(851)
Telecommunications carriers on NPEI poles	2019	14,917	43.63	22.35	21.28	(317,434)
Carrying Charges						(3,146)
Balance as at December 31, 2019						(349,793)

2
3

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

10 Accordingly, NPEI will continue to record the incremental revenue in Account 1508 Sub-
 11 account Pole Attachment Revenue Variance during 2020, and cease to use the variance
 12 account when its cost of service rates become effective.

13

14 Table 9.1.2-5 below presents the estimated amount to be recorded in Account 1508
 15 Sub-account Pole Attachment Revenue Variance during 2020, based on the Board-
 16 approved 2020 Pole Attachment Rate of \$44.50 per pole per year.

17

18

19 **Table 9.1.2-5 – Account 1508 Sub-account Pole Attachment Revenue Variance**

20 **2020**

21

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

22

1 As indicated in Exhibit 9.1.1 above, rather than request disposition of the December
2 2019 balance in the current application, and then wait until NPEI's next COS application
3 to dispose of the 2020 balance, NPEI proposes to dispose of Account 1508 Sub-account
4 Pole Attachment Revenue Variance based on the estimated balance as at December
5 31, 2020, as follows:

6 (\$349,793) as at December 31, 2019 + (\$331,298) estimated for 2020 = (\$681,091) plus
7 forecast carrying charges to December 31, 2020.

8
9 1508 Other Regulatory Assets – Sub-account OEB Cost Assessment Variance

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

16
17 The amount of regulatory expense related to the OEB's cost assessment invoices that
18 was incorporated into NPEI's 2015 COS Rate Application (EB-2014-0096), OEB
19 Appendix 2-M Regulatory Costs is \$172,000 annually, or \$43,000 per quarter. Based on
20 the level of increase in NPEI's cost assessment invoices from the OEB under the new
21 cost assessment model, NPEI estimated that the incremental cost until its next rebasing
22 would be material and therefore began recording quarterly entries in Account 1508 Sub-
23 account OEB Cost Assessment Variance to record the quarterly invoiced amounts in
24 excess of \$43,000.

25
26 The balance in Account 1508 Sub-account OEB Cost Assessment Variance as at
27 December 31, 2019, including carrying charges, is \$242,765.

28
29 Table 9.1.2-6 below shows the details of the Account 1508 – Sub-account OEB Cost
30 Assessment Variance balance as at December 31, 2019:

31
32

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

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

2
3

4 The February 9, 2016 letter states: *“Regulated entities are expected to seek disposition*
 5 *of the variance account balances when their rates, payment amounts or fees, as*
 6 *applicable, are next rebased/reset, and the accounts will be closed to any further entries*
 7 *at that time.”* Accordingly, NPEI will continue to record the incremental OEB assessment
 8 cost in Account 1508 Sub-account OEB Cost Assessment Variance during 2020, and
 9 cease to use the variance account when its cost of service rates become effective.

10

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

12

13 As indicated in Exhibit 9.1.1 above, rather than request disposition of the December
 14 2019 balance in the current application, and then wait until NPEI’s next COS application
 15 to dispose of the 2020 balance, NPEI proposes to dispose of Account 1508 Sub-account
 16 OEB Cost Assessment Variance based on the estimated balance as at December 31,
 17 2020, as follows:

18 \$242,765 as at December 31, 2019 + \$52,912 estimated for 2020 = \$295,677 plus
 19 forecast carrying charges to December 31, 2020.

20

21 1508 Other Regulatory Assets – Sub-account Lead/Lag Study

22 In NPEI’s 2015 COS Rate Application (EB-2015-0094), the OEB approved NPEI’s 2015
 23 distribution rates on an interim basis, based on a placeholder Working Capital Allowance
 24 (“WCA”) percentage of 13%. The Board ordered NPEI to complete a lead-lag study to be
 25 filed with NPEI’s 2016 IRM Rate Application, and also directed NPEI *“to establish a new*

1 *deferral account to capture all incremental costs associated with the study, both internal*
2 *and external costs to ensure NPEI is not financially affected by the Board's directive."*

3
4 NPEI completed the lead/lag study and filed it with the 2016 IRM Rate Application (EB-
5 2015-0090). In the EB-2015-0090 Decision and Procedural Order No. 2, issued April 21,
6 2016, the Board ordered:

7
8 *"NPEI's 2015 rates were approved on an interim basis pending completion of the*
9 *lead/lag study. The 2015 rates were implemented and effective June 1, 2015 and were*
10 *based on a 13% WCA. As a result, NPEI has over-collected revenue from its customers.*
11 *NPEI shall calculate the amount of the over-collection from June 1, 2015 to April 30,*
12 *2016, net of the incremental lead/lag study costs, and shall propose rate riders to return*
13 *the funds to its customers over a one-year period starting May 1, 2016."*

14
15 *"The OEB approves the disposition of the \$34,077 balance in account 1508 for the*
16 *incremental costs associated with the completion of the lead/lag study. The OEB*
17 *approves NPEI's proposal to deduct the \$34,077 cost of the study from the refund to*
18 *customers. The OEB finds that it is appropriate to dispose of these costs over the same*
19 *time frame as the rate refund."*

20
21 At the time of the EB-2015-0090 Decision and Procedural Order No. 2, all of the costs
22 associated with the preparation of NPEI's lead/lag study were not known, including
23 intervenor costs which would not be filed until after the completion of NPEI's 2016 rate
24 proceeding. In the EB-2015-0090 Decisional and Rate Order, issued May 12, 2016, the
25 Board approved NPEI's request to keep the 1508 Sub-account Lead Lag Study open to
26 record further incremental costs:

27
28 *"This proceeding resulted from an OEB policy change. The OEB revised the working*
29 *capital allowance default value after NPEI filed its 2015 cost of service application and*
30 *evidence. The OEB established the new deferral account to capture all incremental*
31 *costs, internal and external, associated with the lead-lag study. The OEB finds it*
32 *appropriate for the account to remain open as yet unfiled intervenor costs, for example,*

1 are an external cost to NPEI related to the lead-lag study and this proceeding.
2 Disposition of any future account balance requires OEB approval. As account 1508 is a
3 Group 2 deferral account, the OEB would expect NPEI to request disposition in its next
4 cost of service application”

5
6 Table 9.1.2-7 below shows the details of the Account 1508 – Sub-account Lead Lag
7 Study balance as at December 31, 2019 of \$7,912, which consists of costs relating to
8 the preparation of the lead/lag study that were received subsequent to disposition of
9 \$34,077 approved in EB-2015-0090.

10
11
12
13 **Table 9.1.2-7 – Account 1508 Sub-account Lead Lag Study**

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

14
15
16 1508 Other Regulatory Assets – Sub-account Hydro One Incremental Capital Charges

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

21
22 NPEI received Board approval for the disposition of its Account 1508 Sub-account
23 Incremental Capital Charges balance as at December 31, 2013 in its 2015 COS Rate
24 Application (EB-2014-0090).

25

1 The balance in Account 1508 Sub-account Incremental Capital Charges as at December
2 31, 2019, including carrying charges, is \$4,662. This balance relates to incremental
3 capital charges from Hydro One during 2014.

4
5 NPEI notes that subsequent accounting guidance, in the *Accounting Procedures*
6 *Handbook Frequently Asked Questions*, issued March 2015, Question 16, indicates that
7 all rate riders charged by Hydro One to distributors should be recorded in Account 4750
8 LV Charges. Accordingly, since 2015, NPEI has recorded all rate rider charges from
9 Hydro One in Account 4750 LV charges, which ultimately flow into Account 1550 RSVA
10 LV.

11
12
13 1508 Other Regulatory Assets – Sub-account OPEB Deferral Account

14 The Board-approved Settlement Agreement in NPEI's 2015 COS Rate Application (EB-
15 2014-0090) includes a draft accounting order for Account 1508 Sub-account Other Post-
16 Employment Benefits Deferral Account.

17
18 The draft account order states:

19 *“NPEI shall establish the Other Post-Employment Benefits (“OPEB”) Deferral Account to*
20 *record the cumulative actuarial gains or losses with respect to NPEI’s post-retirement*
21 *benefits in Account 1508, Other Regulatory Assets, Sub-account OPEB Deferral*
22 *Account.*

23
24 *Upon rebasing on a MIFRS basis, effective from 2015 to the next time NPEI’s rates are*
25 *rebased, the deferral account shall be adjusted as required to record changes in the*
26 *cumulative actuarial gains or losses in NPEI’s post-employment benefits as supported*
27 *by updated actuarial valuations prepared for NPEI.*

28
29 *The adjustments that will be recorded in this account shall be supported by actuarial*
30 *valuations when disposition of the deferral account is sought by NPEI.”*

31

1 The balance in Account 1508 Sub-account OPEB Deferral Account as at December 31,
2 2019, is (\$398,479).

3
4 Table 9.1.2-8 below shows the details of the Account 1508 – Sub-account OPEB
5 Deferral Account balance as at December 31, 2019.

6
7 **Table 9.1.2-8 – Account 1508 Sub-account OPEB Deferral Account**

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

8
9
10 Each transaction in Table 9.1.2-8 above was recorded based on an actuarial valuation
11 prepared for NPEI.

12
13
14 1508 Other Regulatory Assets – Sub-account LTLT Rate Mitigation

15 On December 21, 2015, the OEB issued a Notice of Amendments to a Code –
16 Amendments to the Distribution System Code (EB-2015-0006), related to the Elimination
17 of Load Transfer Arrangements between electricity distributors.

18
19 On March 30, 2016, the OEB issued its Load Transfer Elimination Package to All
20 Licenced Electricity Distributors, which stated: *“The OEB has set the objective of*
21 *elimination of the remaining Load Transfer Arrangements by June 21, 2017. In order to*
22 *achieve this objective, the OEB has developed an expedited service area amendment*
23 *(SAA) and asset transfer approach during a consultation process.”*

24
25 NPEI had long-term load transfer arrangements with six neighbouring distributors.
26 During 2017, NPEI was able to eliminate long-term load transfers with five of these
27 neighbouring distributors, by filing joint SAA and asset transfer applications with the OEB

1 based on the expedited approach outlined in the OEB's Load Transfer Elimination
2 Package. The Decisions and Orders for these joint applications are listed below:

- 3
- 4 1. NPEI and Welland Hydro–Electric System Corp. (EB-2017-0138) – Decision and
5 Order issued May 18, 2017.
- 6 2. NPEI and Alectra Utilities Corporation (EB-2017-0105) – Decision and Order
7 issued May 25, 2017.
- 8 3. NPEI and Niagara-on-the-Lake Hydro Inc. (EB-2017-0197) – Decision and Order
9 issued June 29, 2017.
- 10 4. NPEI and Canadian Niagara Power Inc. (EB-2017-0217) – Decision and Order
11 issued June 29, 2017.
- 12 5. NPEI and Grimsby Power Inc. (EB-2017-0217) – Decision and Order issued
13 October 19, 2017.
- 14

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

18

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

27

28 The balance in Account 1508 Sub-account LTLT Rate Impact Mitigation as at December
29 31, 2019, including carrying charges, is \$4,365.

30

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

1

2

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

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

3

4

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

10

11 1518 Retail Cost Variance Account - Retail

12 This account is used monthly to record the net of revenues derived from:

- 13 a) Establishing Service Agreements
- 14 b) Distributor-Consolidated Billing
- 15 c) Retailer-Consolidated Billing

16 and the costs of entering into service agreements, and related contract administration,
17 monitoring and other expenses necessary to maintain the contract, as well as the
18 incremental costs incurred to provide the services in b) above.

19

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

22

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

25

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

1

2

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

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

3

4

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

9

10 The Decision and Order states:

11 *“Electricity Distributors that currently record the revenues and costs associated with the*
12 *RCVAs are expected to do so until their next rebasing application. At rebasing, the*
13 *balances will be disposed of and the RCVAs will be eliminated.”*

14

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

17

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

20

21

22

23

24

25

26

1

2

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

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

3

4

5 As indicated in Exhibit 9.1.1 above, rather than request disposition of the December
6 2019 balance in the current application, and then wait until NPEI's next COS application
7 to dispose of the 2020 balance, NPEI proposes to dispose of Account 1518 RCVA Retail
8 based on the estimated balance as at December 31, 2020, as follows:

9 \$109,953 as at December 31, 2019 + \$16,723 estimated for 2020 = \$126,676.

10

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

14

15 1548 Retail Cost Variance Account - Retail

16 This account is used monthly to record the net of revenues derived from:

- 17 a) Request fee
- 18 b) Processing fee
- 19 c) Information Request fee
- 20 d) Default fee
- 21 e) Other Associated Costs fee

22

and the incremental costs related to the provision of the services associated with the
23 above items.

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

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

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

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

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

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

The Decision and Order states:

“Electricity Distributors that currently record the revenues and costs associated with the RCVAs are expected to do so until their next rebasing application. At rebasing, the balances will be disposed of and the RCVAs will be eliminated.”

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

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

3
4
5
6 **Table 9.1.2-13 – Account 1548 RCVA Retail – Estimated 2020**

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

7
8
9 As indicated in Exhibit 9.1.1 above, rather than request disposition of the December
10 2019 balance in the current application, and then wait until NPEI's next COS application
11 to dispose of the 2020 balance, NPEI proposes to dispose of Account 1548 RCVA STR
12 based on the estimated balance as at December 31, 2020, as follows:

13 $\$374,473$ as at December 31, 2019 + $\$59,177$ estimated for 2020 = $\$433,650$.

14
15 NPEI confirms that all expenses that are incorporated into the variances reported in
16 Account 1518 are incremental costs of providing retail services, and the variances have
17 been calculated in accordance with Article 490 of the Accounting Procedures Handbook.

18
19
20
21
22
23

1 **Other Accounts**

2

3 1592 PILs and Tax Variance for 2006 and Subsequent Years Sub-account CCA
4 Changes

5

6 On June 21, 2019, Bill C-97, the Budget Implementation Act, 2019, No. 1, was given
7 Royal Assent. Included in Bill C-97 are various changes to the federal income tax
8 regime.

9 One of the changes introduced by Bill C-97 is the Accelerated Investment Incentive (AII)
10 program, which provides for a first-year increase in capital cost allowance (CCA)
11 deductions on eligible capital assets acquired after November 20, 2018.

12

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

18

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

23

24 In order to calculate the impact of the CCA rule change, NPEI compared the CCA
25 amount, taxable income and grossed up income tax amount from the Board-approved
26 PILs Model in NPEI's last COS Rate Application (EB-2014-0096) for the 2015 Test Year
27 to what these amounts would have been using the accelerated CCA rules.

28

29 Table 9.1.2-14 below compares the 2015 Test Year Board-Approved amounts to what
30 the amounts would be using accelerated CCA.

31

32

1

Table 9.1.2-14 – Impact of CCA Changes for 2019

Description	2015 Board- Approved Amounts	Recalculated Using Accelerated CCA	Difference
Capital Additions During the Year	10,871,580	10,871,580	-
CCA for the Year	9,700,584	11,027,393	1,326,809
Regulatory Taxable Income	608,429	(718,380)	(1,326,809)
Income Tax Amount (Grossed Up)	109,157	-	(109,157)

2

3

4 As shown in Table 9.1.2-14 above, using the accelerated CCA rules, the income tax
 5 amount changes from \$109,157 to \$Nil.

6

7 The OEB's letter indicates that the full revenue requirement impact in any changes in
 8 CCA rules that are not reflected in base rates should be recorded in Account 1592 PILs
 9 and Tax Variance for 2006 - Sub-account CCA Changes. Accordingly, NPEI will record a
 10 credit of (\$109,157) in Account 1592 to reflect the impact of the CCA changes for 2019.

11

12 As indicated in Exhibit 9.1.1 above, rather than request disposition of the 2019 balance
 13 in the current application, and then wait until NPEI's next COS application to dispose of
 14 the 2020 balance, NPEI proposes to dispose of the 2020 amount in the current
 15 application.

16

17

Table 9.1.2-15 – Impact of CCA Changes for 2020

Description	2015 Board- Approved Amounts	Recalculated Using Accelerated CCA	Difference
Capital Additions During the Year	10,871,580	10,871,580	-
CCA for the Year	9,700,584	10,640,358	939,774
Regulatory Taxable Income	608,429	(331,345)	(939,774)
Income Tax Amount (Grossed Up)	109,157	-	(109,157)

18

19

1 As shown in Table 9.1.2-15 above, NPEI will also record a credit of (\$109,157) in
 2 Account 1592 to reflect the impact of the CCA changes for 2020.

3
 4 NPEI is not able to calculate the impact on PILs resulting from the CCA rule changes for
 5 the period of November 21, 2018 to December 31, 2018, and therefore has not recorded
 6 any balance in Account 1592 for this period.

7
 8 The OEB's letter of July 25, 2019 states: *"For natural gas utilities and electricity
 9 distributors and transmitters, the OEB's long-standing practice with respect to the impact
 10 of changes in taxes due to regulatory or legislated tax changes during an incentive rate-
 11 setting period has been to share the impacts between Utility shareholders and rate
 12 payers on a 50/50 basis. However, Utilities should not expect that this practice will
 13 necessarily apply in respect of CCA rule changes, and determinations as to the
 14 appropriate disposition methodology will be made at the time of each Utility's cost-based
 15 application."*

16
 17 In accordance with the OEB's long-standing practice to share the impacts of tax changes
 18 between utility shareholders and ratepayers on a 50/50 basis, NPEI proposes to dispose
 19 of 50% of the Account 1592 PILs and Tax Variance for 2006 - Sub-account CCA
 20 Changes balance, as shown in Table 9.1.2-16 below.

21
 22 **Table 9.1.2-16 – Account 1592 Balance Proposed for Disposition**

Description	Amount
Impact of CCA Change for 2019	(109,157)
Impact of CCA Change for 2020	(109,157)
Total Principal	(218,314)
50% of Principal	(109,157)
Carrying Charges	(1,209)
Total Proposed for Disposition	(110,366)

23
 24
 25 NPEI has included the following as Appendices to this Exhibit:

- 26
 27
- Appendix 9-4 - Calculation of Accelerated CCA

- 1 • Appendix 9-5 – Original 2015 PILs Workform
- 2 • Appendix 9-6 – 2015 PILs Workform Accelerated CCA 2019
- 3 • Appendix 9-7 - 2015 PILs Workform Accelerated CCA 2020
- 4 • Appendix 9-8 – Copy of Schedule 8 from NPEI's 2015 Tax Return

5

6 NPEI notes that the 2015 PILs Workforms have been filed for the purpose of
7 demonstrating the impact that the accelerated CCA amount has on the taxable income
8 and resulting income tax grossed up amount (See sheets O. Schedule 8 CCA Test Year,
9 S. Taxable Income Test Year and T. PILs Tax Provision).

10

11 1568 Lost Revenue Adjustment Mechanism Variance Account (“LRAMVA”)

12 On March 31, 2010, the Minister of Energy and Infrastructure issued a directive (the
13 “Directive”) to the OEB regarding electricity CDM targets to be met by licensed electricity
14 distributors. The Directive required that the OEB amend the licenses of distributors to
15 add, as a condition of license, the requirement for distributors to achieve reductions in
16 electricity demand through the delivery of CDM programs over a four-year period
17 beginning January 1, 2011.

18

19 Section 12 of the Directive required that the OEB have regard to the objective that lost
20 revenues that result from CDM programs should not act as a disincentive to a distributor.

21 On April 26, 2012, the OEB issued *Guidelines for Electricity Distributor Conservation and*
22 *Demand Management* (2012 CDM Guidelines). In keeping with the Directive, the OEB
23 adopted a mechanism to capture the difference between the results of actual, verified
24 impacts of authorized CDM activities undertaken by distributors between 2011 and 2014,
25 and the level of activities embedded into rates through the distributors load forecast in an
26 LRAM Variance Account.

27

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

1

2 Resulting from the LTEP, the Board received a Directive on March 31, 2014 from the
3 Minister of Energy pursuant to sections 27.1 and 27.2 of the Act (altogether, the
4 "Conservation Directive") requiring the Board to take steps to promote CDM including
5 amendments to the licences of electricity distributors and the establishment of CDM
6 Requirement guidelines.

7

8 On December 19, 2014, the OEB issued its *Conservation and Demand Management*
9 *Requirement Guidelines for Electricity Distributors* ("2015 CDM Guidelines"), which
10 continued the LRAM mechanism for CDM activities undertaken by distributors between
11 2015 and 2020.

12

13 On November 16, 2015, NPEI filed an application with the OEB (EB-2015-0328)
14 requesting approval for the disposition of its LRAMVA account balance of \$482,804,
15 relating to conservation program results for the period 2011-2014, based on a report
16 prepared for NPEI by IndEco Strategic Consulting Inc. ("IndEco"). In a letter issued on
17 November 27, 2015, the OEB decided it would hold a combined hearing for NPEI's
18 LRAMVA Application and NPEI's 2016 IRM Rate Application (EB-2015-0090).

19

20 In the EB-2015-0328/EB-2015-0090 Decision and Order, issued March 17, 2016, the
21 OEB did not approve disposition of NPEI's LRAMVA balance due to a generic issue that
22 the IESO had identified, related to quantifying savings from demand response programs.
23 The OEB intended to issue further guidance on LRAMVA following a stakeholder
24 meeting to be held on March 31, 2016.

25

26 On May 19, 2016, the Board issued its *Report of the Ontario Energy Board – Updated*
27 *Policy for the Lost Revenue Adjustment Mechanism Calculation: Lost Revenues and*
28 *Peak Demand Savings from Conservation and Demand Management Programs*, in
29 which the OEB determined that peak demand savings from demand response programs
30 should not be included in LRAMVA results.

31

1 NPEI engaged IndEco to update its 2011-2014 LRAMVA report to exclude demand
2 response results, as well as incorporate an additional year of LRAMVA results for 2015,
3 as the 2015 final verified CDM results had become available.

4 The updated 2011-2015 report identified additional LRAM revenue for 2015 of \$27,307,
5 and a reduction to 2011-2014 LRAM revenue of \$18,006 for the removal of demand
6 response savings.

7
8 NPEI requested disposition of its 2011-2015 LRAMVA balance of \$496,934 in its 2017
9 IRM Rate Application (EB-2016-0094). In the EB-2016-0094 Decision and Order, issued
10 May 4, 2017, the OEB approved the disposition of NPEI's LRAMVA balance of
11 \$496,934, to be collected through rate riders in effect from May 1, 2017 to April 30,
12 2018.

13
14 On March 20, 2019, the Minister of Energy, Northern Development and Mines issued a
15 directive to the IESO that concluded the Conservation First Framework. All electricity
16 CDM activity for the balance of 2019 and for 2020 will be centralized and administered
17 by the IESO.

18
19 NPEI again engaged IndEco to prepare an LRAMVA report for 2016-2018, and complete
20 the OEB's LRAMVA Workform. The IndEco report is included in Appendix 4-10 of Exhibit
21 4. The OEB LRAMVA Workform is included as Appendix 4-11 of Exhibit 4.

22
23 As explained in the LRAMVA report, in calculating NPEI's 2016-2018 LRAM amounts,
24 IndEco has incorporated the following:

- 25 • The IESO's 2011-2014 Final Results Report (for persistence savings).
- 26 • The IESO's Final 2015 Annual Verified Results Report – Annual Persistence (for
27 persistence savings)
- 28 • The IESO's Final Verified 2016 Annual LDC CDM Program Results Report
- 29 • The IESO's Final Verified 2017 Annual LDC CDM Program Results Report
- 30 • The IESO's latest Participation and Cost Report, issued in April 2019

- 1 • The Streetlighting upgrade projects were undertaken as part of the Retrofit
2 program, and energy savings were reported within the results of that program.
3 Accordingly, the calculated kWh of savings has been manually removed from the
4 Retrofit program results each year.

5 The IESO results files listed above are included as Appendix 4-4 of Exhibit 4.

6
7 In this current Application, NPEI is requesting approval for the disposition of its 2016-
8 2018 LRAMVA total amount of \$828,864, which consists of a principal amount of
9 \$778,151 plus carrying charges of \$50,713 (including projected carrying charges to
10 December 31, 2020).

11
12 Table 9.1.2-17 provides a summary of NPEI's 2016-2018 proposed LRAMVA by rate
13 class.

14
15
16
17 **Table 9.1.2-17 – Summary of Proposed LRAMVA Claim**

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

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20
21 1522 Pension & OPEB Forecast Accrual versus Actual Cash Payment Differential
22 1522 Pension & OPEB Forecast Accrual versus Actual Cash Payment Differential –
23 Contra Account

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

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

6

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

13

14 The Report states: *“Utilities who are members of OMERS do not need to post pension*
 15 *entries to the account.”* NPEI is an OMERS member, and therefore has not recorded
 16 any entries related to pension costs in Account 1522.

17 Table 9.1.2-18 below shows NPEI's Account 1522 balance as at December 31, 2019.

18

19

20 **Table 9.1.2-18 – 1522 Pension & OPEB Forecast Accrual versus Actual Cash**
 21 **Payment Differential**

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

22

23

24

25 1555 Smart Meter Capital and Recovery Offset Variance - Sub-Account – Stranded
 26 Meter Costs

27 The Board's Decision and Order in NPEI's Smart Meter Application (EB-2013-0359)
 28 granted approval for the disposition of NPEI's Smart Meter variance account balances,

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

4
5 In NPEI's 2015 COS Rate Application (EB-2014-0096), the OEB approved the
6 disposition of NPEI's stranded meter costs in the amount of \$1,283,704 and the
7 corresponding rate riders which were effective from June 1, 2015 to April 30, 2017.

8
9 Table 9.1.2-19 below shows the balance in NPEI's 1555 Smart Meter Capital and
10 Recovery Offset Variance - Sub-Account – Stranded Meter Costs as at December 31,
11 2019.

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13
14 **Table 9.1.2-19 – 1555 Smart Meter Capital and Recovery Offset Variance - Sub-**
15 **Account – Stranded Meter Costs**

16

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

17
18

19 1557 Meter Cost Deferral Account (MIST Meters)

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

1 NPEI's Deferral and Variance account for incremental meter reading costs related to
 2 MIST meters was based on an annual MIST meter reading expense of \$43,760. Any
 3 MIST meter reading expenses above or below \$43,760 was recorded to the Deferral and
 4 Variance Account for MIST meter reading. At the end of December 2019, the principal
 5 balance of the Deferral and Variance Account for MIST meter reading is \$86,344, as
 6 shown in Table 9.1.2-20 below.

7

8

9

Table 9.1.2-20 – 1557 MIST Meter Variance Account

10

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

11

12

13 NPEI estimates that the additional variance to be recorded in Account 1557 during 2020
 14 is \$204,500, as shown in Table 9.1.2-21 below.

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Table 9.1.2-21 – 1557 MIST Meter Variance – Estimated 2020

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

19

20

21 As indicated in Exhibit 9.1.1 above, rather than request disposition of the December
 22 2019 balance in the current application, and then wait until NPEI's next COS application
 23 to dispose of the 2020 balance, NPEI proposes to dispose of Account 1557 MIST Meter
 24 Variance based on the estimated balance as at December 31, 2020, as follows:
 25 \$86,344 as at December 31, 2019 + \$204,500 estimated for 2020 + \$951 carrying
 26 charges = \$291,795.

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1576 Accounting Changes Under CGAAP and Return Component

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

Table 9.1.2-22 below shows the balance in NPEI's Account 1576 Accounting Changes Under CGAAP and Return Component as at December 31, 2019.

Table 9.1.2-22 – 1576 Accounting Changes Under CGAAP and Return Component

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

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

INTEREST RATES APPLIED

9.1.3 Interest Rates Applied

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

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

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

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

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

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

5

6

Table 9.1.3-2 – Prescribed Interest Rates for CWIP

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

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RECONCILIATION TO RRR FILING

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9.1.4 Reconciliation to RRR Filing

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

1

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

2

Account Description	Account Number	Balance as at Dec. 31/19 per Continuity Schedule	Balance as at Dec. 31/19 per RRR Filing and 2019 AFS	Variance
Group 1 Accounts				
LV Variance Account	1550	1,961,260	1,961,260	(0)
Smart Metering Entity Charge Variance Account	1551	(32,269)	(32,269)	(0)
RSVA - Wholesale Market Service Charge	1580	(649,535)	(776,721)	127,186
Variance WMS – Sub-account CBR Class A	1580	-		-
Variance WMS – Sub-account CBR Class B	1580	(127,186)		(127,186)
RSVA - Retail Transmission Network Charge	1584	359,954	359,954	(0)
RSVA - Retail Transmission Connection Charge	1586	87,196	87,196	0
RSVA - Power	1588	(1,309,174)	(1,309,174)	0
RSVA - Global Adjustment	1589	7,714	7,714	(0)
Disposition and Recovery/Refund of Regulatory Balances (2017)	1595	4,624	4,623	0
Disposition and Recovery/Refund of Regulatory Balances (2018)	1595	(120,331)	(120,331)	(0)
Disposition and Recovery/Refund of Regulatory Balances (2019)	1595	(279,551)	(279,551)	-
				-
Group 2 Accounts				
Other Regulatory Assets - Sub-Account Pole Attachment Revenue Variance	1508	(349,792)	(349,792)	-
Other Regulatory Assets - Sub-Account - OEB Cost Assessment Variance	1508	242,765	242,765	-
Other Regulatory Assets - Sub-Account - Lead/Lag Study	1508	7,912	7,912	-
Other Regulatory Assets - Sub-Account - Hydro One Incremental Capital Charges	1508	4,662	4,662	0
Other Regulatory Assets - Sub-Account - OPEB Deferral Account	1508	(398,479)	(398,479)	-
Other Regulatory Assets - Sub-Account - LTLT Rate Mitigation	1508	4,365	4,365	-
Retail Cost Variance Account - Retail	1518	109,953	109,953	-
Retail Cost Variance Account - STR	1548	374,473	374,473	-
				-
Other Accounts				
PILs and Tax Variance for 2006 and Subsequent Years- Sub-account CCA Changes	1592	(55,193)	-	(55,193)
LRAM Variance Account	1568	811,900	-	811,900
Pension & OPEB Forecast Accrual versus Actual Cash Payment Differential	1522	37,577	37,577	-
Pension & OPEB Forecast Accrual versus Actual Cash Payment Differential Contra Account	1522	(37,652)	(37,652)	-
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs	1555	(24,683)	(24,683)	0
Meter Cost Defferal Account (MIST Meters)	1557	83,183	83,183	-
Accounting Changes Under CGAAP Balance + Return Component	1576	(160,882)	(160,882)	-

3

4

5

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

- 4
- 5 • There are offsetting differences of \$127,186 and (\$127,186) between the
6 Account 1580 RSVA – WMS control account and Account 1580 – RSVA WMS –
7 Sub Account CBR Class B. These offsetting differences occur because in the
8 RRR filing, the CBR Class B Sub-Account is included in the main Account 1580
9 balance, whereas in the continuity schedule the CBR Class B Sub-Account is
10 shown separately.
 - 11 • There is a difference of \$828,864 relating to Account 1568 LRAMVA. As
12 discussed in Exhibit 9.1.2, NPEI is requesting approval for the disposition of
13 LRAMVA in the amount of \$828,864, relating to CDM activity for 2016-2018.
14 NPEI has not recorded the requested LRAMVA in its general ledger. NPEI
15 proposes to record its LRAMVA balance subsequent to receiving Board approval
16 for the disposition.
 - 17 • There is a difference of (\$55,193) relating to Account 1592 PILs and Tax
18 Variance for 2006 and Subsequent Years - Sub-account CCA Changes. As
19 discussed in Exhibit 9.1.2, is requesting approval for the disposition of Account
20 1592 in the amount of (\$110,366), relating to the impact of CCA changes for
21 2019 and 2020. The difference of (\$55,193) represents the amount relating to
22 2019 which NPEI did not record in its general ledger in 2019. NPEI will record
23 both the 2019 and 2020 amounts for Account 1592 in its general ledger in 2020.

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1 **ADJUSTMENTS TO BOARD APPROVED DEFERRAL**
2 **AND VARIANCE ACCOUNTS**

3 **9.1.5 Adjustments to Board Approved Deferral and Variance Accounts**

4 NPEI has not made any adjustments to deferral and variance account balances that
5 were previously approved by the OEB on a final basis.

6

BREAKDOWN OF ENERGY SALES AND COST OF POWER

9.1.6 Breakdown of Energy Sales and Cost of Power

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

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

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

1

IESO GLOBAL ADJUSTMENT PRO-RATION

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9.1.7 IESO Global Adjustment Pro-ration

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NPEI confirms that it pro-rates the IESO Class B Global Adjustment (“GA”) Charge into

4

RPP and non-RPP portions. Further details on NPEI’s Account 1588 RSVA – Power and

5

Account 1589 RSVA – GA balances, as well as NPEI’s IESO settlement process are

6

provided in Exhibit 9.2.5.

7

Exhibit 9: Deferral And Variance Accounts

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

1 **ACCOUNT 1576-ACCOUNTING CHANGES UNDER**
2 **CGAAP**

3 **9.2.1 Account 1576-Accounting Changes Under CGAAP**

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

7
8 In this current application, NPEI is requesting approval for disposition of the Account
9 1576 residual balance of (\$160,882).

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1 **ACCOUNTS PROPOSED / NOT PROPOSED FOR**
2 **DISPOSITION**

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4 **9.2.2 Accounts Proposed / Not Proposed for Disposition**

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

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Table 9.2.2-1 – Accounts Proposed for Disposition

Account Description	Account Number	Disposition Requested	Date of Principal Balance Proposed for Disposition
Group 1 Accounts			
LV Variance Account	1550	YES	2019
Smart Metering Entity Charge Variance Account	1551	YES	2019
RSVA - Wholesale Market Service Charge	1580	YES	2019
Variance WMS – Sub-account CBR Class B	1580	YES	2019
RSVA - Retail Transmission Network Charge	1584	YES	2019
RSVA - Retail Transmission Connection Charge	1586	YES	2019
RSVA - Power	1588	YES	2019
RSVA - Global Adjustment	1589	YES	2019
Disposition and Recovery/Refund of Regulatory Balances (2017)	1595	YES	2019
Disposition and Recovery/Refund of Regulatory Balances (2018)	1595	NO	N/A
Disposition and Recovery/Refund of Regulatory Balances (2019)	1595	NO	N/A
Group 2 Accounts			
Other Regulatory Assets - Sub-Account Pole Attachment Revenue Variance	1508	YES	2020 Forecast
Other Regulatory Assets - Sub-Account - OEB Cost Assessment Variance	1508	YES	2020 Forecast
Other Regulatory Assets - Sub-Account - Lead/Lag Study	1508	YES	2019
Other Regulatory Assets - Sub-Account - Hydro One Incremental Capital Charges	1508	YES	2019
Other Regulatory Assets - Sub-Account - OPEB Deferral Account	1508	YES	2019
Other Regulatory Assets - Sub-Account - LTLT Rate Mitigation	1508	YES	2019
Retail Cost Variance Account - Retail	1518	YES	2020 Forecast
Retail Cost Variance Account - STR	1548	YES	2020 Forecast
Other Accounts			
PILs and Tax Variance for 2006 and Subsequent Years- Sub-account CCA Changes	1592	YES	2020 Forecast
LRAM Variance Account	1568	YES	2019
Pension & OPEB Forecast Accrual versus Actual Cash Payment Differential	1522	CARRYING CHARGES ONLY	N/A
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs	1555	YES	2019
Meter Cost Deferral Account (MIST Meters)	1557	YES	2020 Forecast
Accounting Changes Under CGAAP Balance + Return Component	1576	YES	2019

2

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

6
7 In accordance with the *Report of the Ontario Energy Board Regulatory Treatment of*
8 *Pension and Other Post-Employment Benefits (OPEBs) Costs*, issued September 14,
9 2017 In NPEI is requesting approval for the disposition of the carrying charges only for
10 Account 1522 Pension & OPEB Forecast Accrual versus Actual Cash Payment
11 Differential.

12
13 As indicated in Exhibit 9.1.1, there are six accounts, all either Group 2 accounts or Other
14 accounts, that NPEI expects to utilize during 2020, but proposes to discontinue with the
15 implementation of its OEB-approved COS Rates, effective January 1, 2021. Rather than
16 request disposition of the December 2019 balances in the current application, and then
17 wait until NPEI's next COS application to dispose of the 2020 balances, NPEI proposes
18 to dispose of the five accounts listed below based on forecast balances to December 31,
19 2020:

- 20
- 21 • Account 1508 Other Regulatory Assets – Sub-account OEB Cost
22 Assessment Variance.
 - 23 • Account 1508 Other Regulatory Assets – Sub-account Pole Attachment
24 Revenue Variance.
 - 25 • Account 1518 – Retail Cost Variance Account Retail.
 - 26 • Account 1548 – Retail Cost Variance Account Service Transaction
27 Requests.
 - 28 • Account 1557 – Meter Cost Deferral Account (MIST Meters).
 - 29 • Account 1592 PILs and Tax Variance for 2006 and Subsequent Years –
30 Sub-Account CCA Changes
- 31

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1 **GROUP 2 ACCOUNTS CONTINUE OR DISCONTINUE**

2 **9.2.3 Group 2 Accounts Continue or Discontinue**

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

7 **Table 9.2.3-1 – Group 2 and Other Accounts – Continue or Discontinue**

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

8

1 For each account in Table 9.2.3-1, the rationale to continue or discontinue is provided
2 below:

3
4 1508 Other Regulatory Assets – Sub-account Pole Attachment Variance - Discontinue

5 On March 22, 2018, the OEB issued the *Report on Wireline Pole Attachment Charges*,
6 which set the province-wide wireline pole attachment charge at \$28.09 per pole per year
7 effective September 1, 2018 to December 31, 2018, increasing to \$43.63 per pole per
8 year effective January 1, 2019. The pole attachment charge will be adjusted annually
9 based on the OEB's inflation factor commencing on January 1, 2020.

10
11 The province-wide pole attachment charge is applicable to all LDCs that have not
12 received OEB approved for a distributor-specific pole attachment charge. As NPEI does
13 not have an OEB-approved distributor-specific pole attachment charge, the new
14 province-wide pole attachment charge is applicable to NPEI.

15
16 On July 20, 2018, the OEB issued its *Accounting Guidance on Wireline Pole Attachment*
17 *Charges*. The Guidance states: "*Because the increase in the pole attachment charge will*
18 *result in LDCs earning revenue above what is reflected in their current distribution rates,*
19 *the excess incremental revenue will need to be recorded in a new variance account*
20 *related to pole attachment charges, with the accumulated balance ultimately being*
21 *refunded to ratepayers in the LDCs next cost-based rate application.*"

22
23 "*Once an LDC has had the new pole attachment charge incorporated into a cost based*
24 *rate application, the variance account will no longer be required and must be closed after*
25 *disposition of the last amounts have been tracked.*"

26
27 Commencing September 1, 2018, NPEI has recorded its incremental pole attachment
28 revenue in Account 1508 – Sub Account Pole Attachment Revenue Variance.

29
30 Beginning in 2021, in accordance with the Accounting Guidance, NPEI will no longer
31 record any portion of its pole attachment revenue in Account 1508, and this sub-account
32 will be discontinued.

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

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

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

15
16 1508 Other Regulatory Assets – Sub-account Lead/Lag Study - Discontinue

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

23
24 In NPEI's 2016 IRM Rate Application (EB-2015-0090), the OEB approved the disposition
25 of NPEI's 1508 Other Regulatory Assets – Sub-account Lead/Lag Study balance of
26 \$34,077. The EB-2019-0090 Decision and Rate Order states: "*The OEB finds it*
27 *appropriate for the account to remain open as yet unfiled intervenor costs, for example,*
28 *are an external cost to NPEI related to the lead-lag study and this proceeding.*
29 *Disposition of any future account balance requires OEB approval. As account 1508 is a*
30 *Group 2 deferral account, the OEB would expect NPEI to request disposition in its next*
31 *cost of service application*"

32

1 In this current application, NPEI is requesting approval for the disposition of the
2 remaining balance in 1508 Other Regulatory Assets – Sub-account Lead/Lag Study,
3 after which NPEI proposes that this sub-account be discontinued.

4
5 1508 Other Regulatory Assets – Sub-account Hydro One Incremental Capital Charges -
6 Discontinue

7 The *Accounting Procedures Handbook Frequently Asked Questions*, issued October
8 2009, Question 18, indicated that charges related to the new incremental capital rate
9 rider approved for Hydro One Networks Inc. should be recorded in Account 1508 Sub-
10 account Incremental Capital Charges.

11
12 NPEI received Board approval for the disposition of its Account 1508 Sub-account
13 Incremental Capital Charges balance as at December 31, 2013 in its 2015 COS Rate
14 Application (EB-2014-0090).

15
16 The balance principal balance in Account 1508 Sub-account Incremental Capital
17 Charges proposed or disposition in this current application relates to incremental capital
18 charges from Hydro One recorded during 2014.

19
20 NPEI notes that subsequent accounting guidance, in the *Accounting Procedures*
21 *Handbook Frequently Asked Questions*, issued March 2015, Question 16, indicates that
22 all rate riders charged by Hydro One to distributors should be recorded in Account 4750
23 LV Charges. Accordingly, since 2015, NPEI has recorded all rate rider charges from
24 Hydro One in Account 4750 LV charges, which ultimately flow into Account 1550 RSVA
25 LV.

26
27 Therefore, NPEI proposes that this sub-account be discontinued upon approval of
28 disposition of the current balance.

29
30
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32

1 1508 Other Regulatory Assets – Sub-account OPEB Deferral Account - Continue

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

5

6 The draft account order states:

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

11

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

16

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

19

20 The balance of Account 1508 Sub-account OPEB Deferral Account proposed for
21 disposition in this current application is (\$398,479).

22

23 NPEI proposes to continue use of this sub-account to record future changes in the
24 cumulative change in actuarial gains or losses with respect to NPEI's post-retirement
25 benefits.

26

27 1508 Other Regulatory Assets – Sub-account LTLT Rate Mitigation – Continue

28 On December 21, 2015, the OEB issued a Notice of Amendments to a Code –
29 Amendments to the Distribution System Code (EB-2015-0006), related to the Elimination
30 of Load Transfer Arrangements between electricity distributors.

31

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

4
5 Several of the LTLT elimination applications approved by the OEB involve customers
6 transferring to NPEI as the physical distributor from a geographic distributor that had
7 lower delivery charges (EB-2017-0105, EB-2017-0197 and EB-0217). In each of these
8 three case, the OEB’s Decision and Order includes the approval for NPEI to apply a
9 monthly bill credit to each affected customer, calculated using the most recent 12
10 months’ consumption data, to be fixed at this calculated level and remain in place as
11 long as the customer remains the account holder. The Decisions include approval for
12 NPEI to record these monthly bill credits in Account 1508 Sub-account LTLT Rate
13 Impact Mitigation.

14
15 Since the rate mitigation credit is to remain in place as long as the affected customer
16 remains the account holder, NPEI proposes to continue use of this sub-account.

17
18 1518 Retail Cost Variance Account – Retail - Discontinue

19 1548 Retail Cost Variance Account – Retail - Discontinue

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

24
25 The Decision and Order states:

26 *“Electricity Distributors that currently record the revenues and costs associated with the*
27 *RCVAs are expected to do so until their next rebasing application. At rebasing, the*
28 *balances will be disposed of and the RCVAs will be eliminated.”*

29
30 Accordingly, NPEI proposes that Accounts 1518 and 1548 be discontinued upon
31 approval of disposition of the 2020 balances.

32

1 1592 PILs and Tax Variances for 2006 and Subsequent Years Sub-Account CCA
2 Changes - Discontinue

3 On June 21, 2019, Bill C-97, the Budget Implementation Act, 2019, No. 1, was given
4 Royal Assent. Included in Bill C-97 are various changes to the federal income tax
5 regime.

6 One of the changes introduced by Bill C-97 is the Accelerated Investment Incentive (AII)
7 program, which provides for a first-year increase in capital cost allowance (CCA)
8 deductions on eligible capital assets acquired after November 20, 2018.

9
10 On July 25, 2019, the OEB issued a letter *Re: Accounting Direction Regarding Bill C-97*
11 *and Other Changes in Regulatory or Legislated Tax Rules for Capital Cost Allowance,*
12 *which states: "The Ontario Energy Board (OEB) anticipates that these Bill C-97 rule*
13 *changes may have a material impact on the taxes payable of electricity and natural gas*
14 *utilities and Ontario Power Generation."*

15 *"The OEB expects Utilities to record the impacts of CCA rule changes in the appropriate*
16 *account (Account 1592 – PILs and Tax Variances and similar accounts for natural gas*
17 *utilities and OPG) for the period November 21, 2018 until the effective date of the*
18 *Utility's next cost-based rate order."*

19
20 As detailed in Exhibit 9.1.2, NPEI is proposing to dispose of the Account 1592 balance
21 for 2019 and 2020 in this current application, and the accelerated CCA amounts have
22 been incorporated into the 2021 PILs Workform. Therefore, NPEI will not to record any
23 further impacts resulting from the accelerated CCA upon rebasing.

24
25 NPEI notes, however, that the accelerated CCA incentives established in Bill C-97 will
26 eventually be phased out. NPEI is requesting approval to establish a new sub-account of
27 Account 1592 in order to record the impact of the accelerated CCA incentive phase-out.

28
29 Further details are provided in Exhibit 9.2.6.

30
31
32

1 1568 Lost Revenue Adjustment Mechanism Variance Account (“LRAMVA”) - Continue

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

6
7 In this current Application, NPEI is requesting approval for the disposition of LRAMVA
8 amounts that relate to 2016-2018 CDM activity.

9
10 NPEI proposes that Account 1568 be continued in order for NPEI to record the approved
11 level of 2016-2018 LRAMVA requested in this application, as well as any future
12 LRAMVA balances, if any.

13
14 1522 Pension & OPEB Forecast Accrual versus Actual Cash Payment Differential -
15 Continue

16 1522 Pension & OPEB Forecast Accrual versus Actual Cash Payment Differential –
17 Contra Account - Continue

18 On September 14, 2017, the OEB issued its *Report of the Ontario Energy Board,*
19 *Regulatory Treatment of Pension and Other Post-Employment Benefits (“OPEB”) Costs*
20 *(EB-2015-0040).*

21
22 The Report provides for the establishment of the Pension and OPEB Forecast Accrual
23 versus Actual Cash Payment Differential variance account on a generic basis, effective
24 January 1 2018. This account will track the differences between the forecast accrual
25 amounts recovered in rates and the actual cash payments made for both pension and
26 OPEBs in one account, on a go-forward basis, from the date the account is established.

27
28 NPEI proposes to continue the use of these sub-accounts.

29
30
31

1 1555 Smart Meter Capital and Recovery Offset Variance - Sub-Account – Stranded
2 Meter Costs - Discontinue

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

6

7 In this current application NPEI is requesting approval for disposition of the Account
8 1555 Smart Meter Capital and Recovery Offset Variance - Sub-Account – Stranded
9 Meter Costs residual balance. Upon approval, NPEI proposes to discontinue use of this
10 sub-account.

11

12 1576 Accounting Changes Under CGAAP - Discontinue

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

16

17 In this current application is requesting approval for disposition of the Account 1576
18 residual balance. Upon approval, NPEI proposes to discontinue use of this account.

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PROPOSED RATE RIDERS FOR RECOVERY OF BALANCES

9.2.4 Proposed Rate Riders for Recovery of Balances

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

Table 9.2.4-1 – Billing Determinants

Rate Class	# of Customers/Connections	Total Metered kWh	Total Metered kW	Metered kWh for Non-RPP Customers	Metered kW for Non-RPP Customers	Distribution Revenue	Metered kWh for Wholesale Market Participants (WMP)	Metered kW for Wholesale Market Participants (WMP)
RESIDENTIAL	51,935	454,614,210	-	16,398,472	-	22,529,403	-	-
GENERAL SERVICE < 50 KW	4,541	131,961,769	-	23,505,891	-	4,420,950	-	-
GENERAL SERVICE > 50 TO 4,999 KW	810	697,166,267	1,775,257	670,267,963	1,706,460	8,041,757	3,070,169	5,800
UNMETERED SCATTERED LOAD	325	1,481,614	-	-	-	104,345	-	-
SENTINEL LIGHTING	283	218,613	653	-	-	81,629	-	-
STREET LIGHTING	13,634	4,469,101	12,545	4,469,101	12,545	155,816	-	-
Total	71,529	1,289,911,574	1,788,455	714,641,426	1,719,005	35,333,899	3,070,169	5,800

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

1 **9.2.4.1 Group 1 Accounts**

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

4
5 **Table 9.2.4.1-1 – Allocation of Group 1 Accounts**

6

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

7

8

9 Section 2.9.3 of the filing requirements states: *“In the DVA Continuity Schedule,*
10 *applicants must indicate whether they serve any Class A customers during the period*
11 *where the Account 1580 CBR Class B sub-account balance accumulated. If yes, a*
12 *separate rate rider will be calculated in Tab CBR B of the DVA Continuity Schedule.*
13 *However, in the event that the allocated CBR B amount results in a volumetric rate rider*
14 *that rounds to zero at the fourth decimal place in one or more rate classes, the entire*
15 *balance in the Account 1580 CBR Class B sub-account will be added to the Account*
16 *1580 – WMS control account to be disposed through the general purpose group 1 DVA*
17 *rate riders.”*

18

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

24

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

1 1580 RSVA – Wholesale Market Service Charge, Account 1580 Variance WMS – Sub-
 2 Account CBR Class B, Account 1588 – RSVA Power or Account 1589 RSVA – Global
 3 Adjustment have been allocated to the WMP customer.

4
 5 NPEI proposes to dispose of its Group 1 balances over the default period of one year.

6
 7 The resulting proposed Group 1 rate riders, excluding Account 1589 RSVA – Global
 8 Adjustment, are shown in Table 9.2.4.1-2 below.

9
 10
 11 **Table 9.2.4.1-2 – Group 1 Rate Riders**

Rate Class	Allocated Deferral / Variance Balance to All Classes	Deferral / Variance Balance to Non-WMP Classes Only if Applicable	Total Allocated	Metered kWh / kW	Metered kWh / kW (Not including WMP)	Proposed Rate Rider (per kWh or kW)	Proposed Rate Rider (per kWh or kW) Applicable to Non-WMP Only	Billing Determinant
RESIDENTIAL	(424,027)		(424,027)	454,614,210		(0.0009)		kWh
GENERAL SERVICE < 50 KW	(120,159)		(120,159)	131,961,769		(0.0009)		kWh
GENERAL SERVICE > 50 TO 4,999 KW	585,737	(1,215,505)	(629,767)	1,775,257	1,769,457	0.3299	(0.6869)	kW
UNMETERED SCATTERED LOAD	(1,355)		(1,355)	1,481,614		(0.0009)		kWh
SENTINEL LIGHTING	(200)		(200)	653		(0.3061)		kW
STREET LIGHTING	(4,086)		(4,086)	12,545		(0.3257)		kW
Total	35,910	(1,215,505)	(1,179,594)					

12
 13
 14 **9.2.4.2 Group 2 Accounts**

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

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Table 9.2.4.2-1 – Allocation of Group 2 Accounts

Account Description	Account Number	Amount	Allocator	RESIDENTIAL	GENERAL SERVICE < 50 KW	GENERAL SERVICE > 50 TO 4,999 KW	UNMETERED SCATTERED LOAD	SENTINEL LIGHTING	STREET LIGHTING	Total Allocated
Pole Attachment Revenue Variance	1508	(692,258)	kWh	(243,978)	(70,820)	(374,149)	(795)	(117)	(2,398)	(692,258)
Other Regulatory Assets - Sub-Account - OEB Cost Assessment Variance	1508	301,350	kWh	106,207	30,829	162,872	346	51	1,044	301,350
Other Regulatory Assets - Sub-Account - Lead/Lag Study	1508	8,069	kWh	2,844	825	4,361	9	1	28	8,069
Other Regulatory Assets - Sub-Account - Hydro One Incremental Capital Charges	1508	4,755	kWh	1,676	486	2,570	5	1	16	4,755
Other Regulatory Assets - Sub-Account - OPEB Deferral Account	1508	(398,479)	kWh	(140,439)	(40,766)	(215,368)	(458)	(68)	(1,381)	(398,479)
Other Regulatory Assets - Sub-Account - LTLT Rate Mitigation	1508	4,458	kWh	1,571	456	2,410	5	1	15	4,458
Retail Cost Variance Account - Retail	1518	126,676	kWh	44,646	12,959	68,466	146	21	439	126,676
Pension & OPEB Forecast Accrual versus Actual Cash Payment Differential Carrying Charges	1522	(75)	kWh	(26)	(8)	(40)	(0)	(0)	(0)	(75)
Retail Cost Variance Account - STR	1548	433,650	kWh	152,835	44,364	234,377	498	73	1,502	433,650
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs	1555	(24,683)	kWh	(8,699)	(2,525)	(13,340)	(28)	(4)	(86)	(24,683)
PILs and Tax Variance for 2006 and Subsequent Years- Sub-account CCA Changes	1592	(110,366)	kWh	(38,897)	(11,291)	(59,650)	(127)	(19)	(382)	(110,366)
Total		(346,902)		(122,261)	(35,489)	(187,492)	(398)	(36)	(1,202)	(346,902)

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

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

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

Table 9.2.4.2-2 – Group 2 Rate Riders

Rate Class	Allocated Deferral / Variance Balance	# of Customers / Metered kWh / Metered kW	Proposed Rate Rider (per customer, kWh or kW)	Billing Determinant
RESIDENTIAL	(122,261)	51,935	(0.20)	# of Customers
GENERAL SERVICE < 50 KW	(35,489)	131,961,769	(0.0003)	kWh
GENERAL SERVICE > 50 TO 4,999 KW	(187,492)	1,775,257	(0.1056)	kW
UNMETERED SCATTERED LOAD	(398)	1,481,614	(0.0003)	kWh
SENTINEL LIGHTING	(59)	653	(0.0900)	kW
STREET LIGHTING	(1,202)	12,545	(0.0958)	kW
Total	(346,902)			

Account 1576 - Accounting Changes Under CGAAP

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

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

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

3

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

5

6

7

8

Table 9.2.4.2-3 – Account 1576 Rate Riders

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

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11

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

13 As explained in Exhibit 9.1.2, NPEI is requesting approval for the disposition of its 2016-
 14 2018 LRAMVA total amount of \$828,864, based on the LRAM report prepared by IndEco
 15 Strategic Consulting Inc.

16

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

19

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

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Table 9.2.4.2-4 – LRAMVA Rate Riders

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

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6 Account 1557 Meter Cost Deferral Account (MIST Meters)

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

9

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

13

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

16

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

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Table 9.2.4.2-5 – MIST Meter Rate Riders

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

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1 **COMMODITY ACCOUNTS 1588 AND 1589**

2 **9.2.5 Commodity Accounts 1588 and 1589**

4 **9.2.5.1 Account 1589 RSVA - Global Adjustment**

5 NPEI is requesting the disposition of Account 1589 RSVA – Global Adjustment in the
6 amount of (\$1,394) based on the account balance as at December 31, 2019 (adjusted
7 for disposition in 2020). NPEI’s Account 1589 balance was last disposed in NPEI’s 2020
8 IRM Rate Application (EB-2019-0054), which was based on audited balances as at
9 December 31, 2018.

10
11 NPEI bills all of its Non-RPP Class B customers using the actual GA rate. This was
12 accomplished by moving all of NPEI’s non-RPP customers to billing cycles that can
13 accommodate Actual GA rate billing (i.e. all non-RPP customers are billed after the 10th
14 business day of the following month, once the actual GA rate is available from the
15 IESO).

17 **9.2.5.2 GA Analysis Workform**

18 Section 2.9.3.1. of the Filing Requirements states:

19 *“All distributors are required to complete the GA Analysis Workform for each year that*
20 *has not been previously approved by the OEB for disposition (on an interim or final*
21 *basis), irrespective of whether they are seeking disposition of Group 1 deferral and*
22 *variance account balances a per of their application.”*

23
24 NPEI has completed the OEB’s GA Analysis Workform for its 2019, which is included as
25 Appendix 2 to this Exhibit.

26

1 **9.2.5.3 Class B and A Customers**

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

10

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

18

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

25

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

30

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Table 9.2.5.3-1 – GA Allocation to Transition Customers

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

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

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Table 9.2.5.3-2 – Transition Customer GA Amounts

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

2

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4

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

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Table 9.2.5.3-3 – GA Rate Riders

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

2

3

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

6

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

12

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

16

17 **9.2.5.4 Accounting Guidance**

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

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

3

4 **9.2.5.5 Account 1588 RSVA – Power**

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

10

11 Table 9.2.5.5-1 below shows the total Account 1588 RSVA - Power balance proposed
12 for disposition:

13

14

Table 9.2.5.5-1 – Account 1588 RSVA - Power

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

15

16

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

19 1. The difference between NPEI's OEB-approved loss factor and NPEI's actual loss
20 factor.

21 2. Significant billing corrections relating to prior years' consumption.

22

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

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

3
 4

Table 9.2.5.5-2 – Power Variance

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

5
 6
 7

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

1 **ESTABLISHMENT OF NEW DEFERRAL AND VARIANCE**
2 **ACCOUNTS**

3 **9.2.6 Establishment of New Deferral and Variance Accounts**

4
5 NPEI is not requesting the establishment of any new deferral or variance accounts in the
6 current application.

7
8 On July 25, 2019, the OEB issued a letter *Re: Accounting Direction Regarding Bill C-97*
9 *and Other Changes in Regulatory or Legislated Tax Rules for Capital Cost Allowance,*
10 which states: *“The Ontario Energy Board (OEB) anticipates that these Bill C-97 rule*
11 *changes may have a material impact on the taxes payable of electricity and natural gas*
12 *utilities and Ontario Power Generation.”*

13 *“The OEB expects Utilities to record the impacts of CCA rule changes in the appropriate*
14 *account (Account 1592 – PILs and Tax Variances and similar accounts for natural gas*
15 *utilities and OPG) for the period November 21, 2018 until the effective date of the*
16 *Utility’s next cost-based rate order.”*

17
18 As detailed in Exhibit 9.1.2, NPEI is proposing to dispose of the Account 1592 balance
19 for 2019 and 2020 in this current application, and the accelerated CCA amounts have
20 been incorporated into the 2021 PILs Workform. Therefore, NPEI will not to record any
21 further impacts resulting from the accelerated CCA upon rebasing in 2021.

22
23 NPEI notes, however, that the accelerated CCA incentives established in Bill C-97 will
24 eventually be phased out. NPEI is requesting approval to establish a new sub-account of
25 Account 1592: Account 1592 PILs and Tax Variances for 2006 and Subsequent Years,
26 Sub-Account CCA Changes Incentive Phase Out. This account will be used to record
27 the impact on PILs of the phase out of the current accelerated CCA rules.

28

1 A Draft Accounting Order for the proposed sub-account is included as Appendix 9-9 to
2 this exhibit. Since this is not a new deferral/variance account, just a new sub-account of
3 an established deferral/variance account, NPEI has not completed the eligibility
4 requirements as part of this Application.

5

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Appendix 9-1

DVA Continuity Schedule Model

2021 Deferral/Variance Account Workform

Summary of Changes from the Prior Year	
1	2019 DVA balances from the RRR are not populated in the continuity schedules in tab 2a and 2b as they are not yet available.
2	Questions been revised on tab 1. The continuity schedule in tab 2a will open starting from the year balances were last approved for disposition, unless the last approved disposition was on an interim basis and there are changes to those balances. If that is the case, tab 2a will open from the year of last approved disposition on a final basis. A distributor must also provide an explanation for the change in the previously approved balance.
3	Footnote #4 in tab 2a has been revised to clarify that the amount in the "Transactions" column in the DVA Continuity Schedule are to equal the transactions in the General Ledger (excluding any amounts approved for disposition, which is shown separately in the "OEB Approved Disposition" columns). Any true-ups/adjustments/reversals needed to derive the claim amount must be shown separately in the "Principal Adjustments" columns of this DVA Continuity Schedule.
4	In tab 2b, added Account 1508 - PILs and Tax Variance for 2006 and Subsequent Years- Sub-account CCA Changes

Instructions

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

		9	<p>Under #3b, enter the number of rate classes in which there were full year Class A customers during the period the Account 1589 GA balance or Account 1580 CBR Class B balance accumulated. A table will be generated based on the number of rate classes.</p> <p>Complete the table accordingly for each rate class identified (i.e. the total Class A consumption in the rate class for each year; and a forecast of total Class A and B consumption for transition and full year Class A customers in the test year). This data will be used in the calculation of billing determinants for GA and CBR Class B, as</p>
6.1a - GA Allocation	This tab allocates the GA balance to each transition customer for the period in which these customers were Class B customers and contributed to the GA balance (i.e. former Class B customers who contributed to the GA balance but are now Class A customers and former Class A customers who are now Class B customers contributing to the GA balance).	10	<p>This tab is generated when the utility indicates that they had transition customers in tab 6, #2a during the period the GA balance accumulated.</p> <p>In row 20, enter the Non-RPP consumption less WMP consumption.</p> <p>The rest of the information in this tab will be auto-populated and will calculate the customer specific allocation of the GA balance to transition customers in the bottom table. All transition customers who are allocated a specific GA amount are not to be charged the general Non-RPP Class B GA rate rider as calculated in tab 7.</p>
6.2 - CBR	This tab calculates the billing determinants for the CBR Class B rate rider, if applicable.	11	<p>This tab is generated when the response to question 6 in tab 1 is "yes", indicating that they had Class A customers during the period that Account 1580, sub-account CBR Class B balance accumulated.</p> <p>No input is required. The information in the tab is auto-populated and will be used in the calculation of the CBR Class B rate rider calculated in tab 7.</p>
6.2a - CBR_B Allocation	This tab allocates the CBR Class B balance to each transition customer for the period in which these customers were Class B customers and contributed to the CBR Class B balance (i.e. former Class B customers who contributed to the balance but are now Class A customers and former Class A customers who are now Class B contributing to the balance).	12	<p>This tab is generated when the utility indicates that they had transition customers in tab 6, #2b during the period where the CBR Class B balance accumulated.</p> <p>In row 20, enter the total Class B consumption less WMP consumption.</p> <p>The rest of the information in this tab will be auto-populated and will calculate the customer specific allocation of the CBR Class B balance to transition customers in the bottom table.</p> <p>Any transition customer who is allocated a specific CBR Class B amount is not to be charged the general CBR Class B rate rider as calculated in tab 7.</p>
7 - Calculation of Def-Var RR	This tab calculates all the applicable DVA rate riders.	13	<p>Enter the proposed rate rider recovery period if different than the default 12 month period. For each rate class of each rate rider, select whether the rate rider is to be calculated on a kWh, kW or number of customers basis. The rest of the information in the tab is auto-populated and the rate riders are calculated accordingly.</p> <p>If there are Class A customers, but a CBR Class B rate rider is not produced, the entire Account 1580 CBR Class B balance, including the amount allocated to transition customers will be transferred to Account 1580 WMS, to be disposed through the general Group 1 DVA rate rider.</p>



Ontario Energy Board

2021 Deferral/Variance Account Workform

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

Questions

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

Question 1

For Accounts 1588 and 1589,

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

2018

- a) If the accounts were last approved on a final basis, select the year that the balance was last approved on a final basis.
 - b) If the accounts were last approved on an interim basis, and
 - i) there are no changes to the previously approved interim balances, select the year that the balances were last approved for disposition on an interim basis.
 - ii) there are changes to the previously approved interim balances, select the year that the balances were last approved for disposition on a final basis.
- (e.g. If 2017 balances reviewed in the 2019 rate application were to be selected, select 2017)

2018

Question 2

For the remaining Group 1 DVAs,

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

2018

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

2018

ii) there are changes to the previously approved interim balances, select the year that the balances were last approved for disposition on a final basis.

Question 3

Select the earliest vintage year in which there is a balance in Account 1595

(e.g. If 2016 is the earliest vintage year in which there is a balance in a 1595 sub-account, select 2016)

Question 4

Select the earlier of i) the year in which Group 2 DVAs were last disposed and ii) the earliest year in which Group 2 DVAs started to accumulate

To determine whether tabs 6 and 6.2 will be generated, answer the following questions

Question 5

Did you have any Class A customers at any point during the period that the Account 1589 balance accumulated (i.e. from the year the balance selected in #1 above to the year requested for disposition) or the test year?

Question 6

Did you have any Class A customers at any point during the period where the balance in Account 1580, Sub-account CBR Class B accumulated (i.e. from the year selected in #2 above to the year requested for disposition) or the test year?

General Notes

Notes

Pale green cells represent input cells.

Pale blue cells represent drop-down lists. The applicant should select the appropriate item from the drop-down list.

White cells contain fixed values, automatically generated values or formulae.

Pale grey cell represent auto-populated RRR data

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2021 Deferral/Variance Account Workform

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

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

For all OEB-Approved dispositions, please ensure that the disposition amount has the same sign (e.g. debit balances are to have a positive figure and credit balance are to have a negative figure)

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

 Refer to Filing Requirements for disposition eligibility of the sub-accounts. Select "yes" column BU if the sub-account is requested for disposition. Note that Accounts 1595 (2018) and (2019) will not be eligible for disposition in the 2021 rate application.
- New accounting guidance effective January 1, 2019 for Accounts 1588 and 1589 was issued Feb. 21, 2019 titled Accounting Procedures Handbook Update - Accounting Guidance Related to Commodity Pass-Through Accounts 1588 & 1589. The amount in the "Transactions" column in this DVA Continuity Schedule are to equal the transactions in the General Ledger (excluding any amounts approved for disposition, which is shown separately in the "OEB Approved Disposition" columns). Any true-ups/adjustments/reversals needed to derive the claim amount must be shown separately in the "Principal Adjustments" columns of this DVA Continuity Schedule.
- Account 1580 RSVA WMS balance inputted into this schedule is to exclude any amounts relating to CBR. CBR amounts are to be inputted into Account 1580, sub-accounts CBR Class A and Class B separately. There is no disposition of Account 1580, sub-account CBR Class A, accounting guidance for this sub-account is to be followed. If a balance exists for Account 1580, sub-account CBR Class A as at Dec. 31, 2018, the balance must be explained.
- RRR balance for Account 1580 RSVA - Wholesale Market Service Charge should equal to the control account as reported in the RRR. This would include the balance for Account 1580, Variance WMS – Sub-account CBR Class B.

Energy Board
Deferral/Variance Account Workform

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

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

For all OEB-Approved dispositions, please ensure that the disposition amount has the same sign (e.g: debit balances are to have a positive figure and credit balance are to have a negative figure)

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

1) If the LDC's rate year begins on January 1, 2021, the projected interest is recorded from January 1, 2020 to December 31, 2020 on the December 31, 2019 balances adjusted to remove balances approved for disposition in the 2020 rate decision.

2) If the LDC's rate year begins on May 1, 2021, the projected interest is recorded from January 1, 2020 to April 30, 2021 on the December 31, 2019 balances adjusted to remove balances approved for disposition in the 2020 rate decision.

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

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

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

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

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

Energy Board

Deferral/Variance Account Workform

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

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

For all OEB-Approved dispositions, please ensure that the disposition amount has the same sign (e.g: debit balances are to have a positive figure and credit balance are to have a negative figure)

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

1) If the LDC's rate year begins on January 1, 2021, the projected interest is recorded from January 1, 2020 to December 31, 2020 on the December 31, 2019 balances adjusted to remove balances approved for disposition in the 2020 rate decision.

2) If the LDC's rate year begins on May 1, 2021, the projected interest is recorded from January 1, 2020 to April 30, 2021 on the December 31, 2019 balances adjusted to remove balances approved for disposition in the 2020 rate decision.

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

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

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

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

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

Energy Board

Deferral/Variance Account Workform

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2019

Account Descriptions	Account Number	Transactions Debit/ (Credit) during 2019	OEB-Approved Disposition during 2019	Principal Adjustments(1) during 2019	Closing Principal Balance as of Dec-31-19	Opening Interest Amounts as of Jan-1-19	Interest Jan-1 to Dec-31-19	OEB-Approved Disposition during 2019	Interest Adjustments(1) during 2019
Group 1 Accounts									
LV Variance Account	1550	\$1,126,375	\$836,172		\$1,915,647	\$30,249	\$35,582	\$20,219	
Smart Metering Entity Charge Variance Account	1551	-\$9,650	-\$16,871		-\$30,873	-\$1,020	-\$682	-\$306	
RSVA - Wholesale Market Service Charge ⁵	1580	-\$400,198	-\$1,327,886		-\$612,859	-\$40,639	-\$16,461	-\$20,423	
Variance WMS – Sub-account CBR Class A ⁵	1580				\$0	\$0			
Variance WMS – Sub-account CBR Class B ⁵	1580	-\$99,369	-\$7,044		-\$127,219	\$36	-\$1,539	-\$1,537	
RSVA - Retail Transmission Network Charge	1584	\$104,343	-\$55,307		\$349,721	\$1,150	\$5,044	-\$4,039	
RSVA - Retail Transmission Connection Charge	1586	-\$177,951	-\$130,089		\$85,332	-\$1,577	\$1,875	-\$1,567	
RSVA - Power (excluding Global Adjustment) ⁴	1588	-\$2,525,878	\$60,050	\$811,775	-\$1,355,511	\$43,377	\$29,917	\$26,957	
RSVA - Global Adjustment ⁴	1589	\$0	-\$144,085		-\$178	-\$965	-\$1,399	-\$10,256	
Disposition and Recovery/Refund of Regulatory Balances (2014) ³	1595				\$0	\$0			
Disposition and Recovery/Refund of Regulatory Balances (2015) ³	1595				\$0	\$0			
Disposition and Recovery/Refund of Regulatory Balances (2016) ³	1595				\$0	\$0			
Disposition and Recovery/Refund of Regulatory Balances (2017) ³	1595	-\$1,182			-\$18,287	\$23,304	-\$393		
Disposition and Recovery/Refund of Regulatory Balances (2018) ³	1595	\$2,106,043			-\$1,166,949	\$1,085,357	-\$38,739		
Disposition and Recovery/Refund of Regulatory Balances (2019) ³	1595	-\$280,630			-\$280,630	\$0	\$1,078		
<i>Refer to the Filing Requirements for disposition eligibility.</i>									
Group 1 Sub-Total (including Account 1589 - Global Adjustment)		-\$158,096	-\$785,060	\$811,775	-\$1,241,805	\$1,139,272	\$14,281	\$9,046	\$0
Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)		-\$158,096	-\$640,975	\$811,775	-\$1,241,627	\$1,140,237	\$15,680	\$19,303	\$0
RSVA - Global Adjustment 4	1589	\$0	-\$144,085	\$0	-\$178	-\$965	-\$1,399	-\$10,256	\$0

For all OEB-Approved dispositions, please ensure that the disposition amount has the same sign (e.g: debit balances are to have a positive figure and credit balance are to have a negative figure)

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

1) If the LDC's rate year begins on January 1, 2021, the projected interest is recorded from January 1, 2020 to December 31, 2020 on the December 31, 2019 balances adjusted to remove balances approved for disposition in the 2020 rate decision.

2) If the LDC's rate year begins on May 1, 2021, the projected interest is recorded from January 1, 2020 to April 30, 2021 on the December 31, 2019 balances adjusted to remove balances approved for disposition in the 2020 rate decision.

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

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

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

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

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

Energy Board
Deferral/Variance Account Workform

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Account Descriptions	Account Number	2020					Projected Interest from Jan 1, 2020 to December 31, 2020 on Dec 31-19 balance adjusted for disposition during 2020 (2)
		Closing Interest Amounts as of Dec-31-19	Principal Disposition during 2020 - instructed by OEB	Interest Disposition during 2020 - instructed by OEB	Closing Principal Balances as of Dec 31-19 Adjusted for Dispositions during 2020	Closing Interest Balances as of Dec 31-19 Adjusted for Dispositions during 2020	
Group 1 Accounts							
LV Variance Account	1550	\$45,612	\$789,272	\$33,505	\$1,126,375	\$12,107	\$24,555
Smart Metering Entity Charge Variance Account	1551	-\$1,396	-\$21,224	-\$1,345	-\$9,650	-\$51	-\$210
RSVA - Wholesale Market Service Charge ⁵	1580	-\$36,676	-\$212,660	-\$26,540	-\$400,198	-\$10,136	-\$8,724
Variance WMS – Sub-account CBR Class A ⁵	1580	\$0			\$0	\$0	
Variance WMS – Sub-account CBR Class B ⁵	1580	\$33	-\$27,851	\$744	-\$99,369	-\$711	-\$2,166
RSVA - Retail Transmission Network Charge	1584	\$10,233	\$245,378	\$12,487	\$104,343	-\$2,254	\$2,275
RSVA - Retail Transmission Connection Charge	1586	\$1,865	\$263,283	\$7,820	-\$177,951	-\$5,956	-\$3,879
RSVA - Power (excluding Global Adjustment) ⁴	1588	\$46,337	\$358,593	\$27,085	-\$1,714,103	\$19,252	-\$37,367
RSVA - Global Adjustment ⁴	1589	\$7,892	-\$178	\$9,286	-\$0	-\$1,394	-\$0
Disposition and Recovery/Refund of Regulatory Balances (2014) ³	1595	\$0			\$0	\$0	
Disposition and Recovery/Refund of Regulatory Balances (2015) ³	1595	\$0			\$0	\$0	
Disposition and Recovery/Refund of Regulatory Balances (2016) ³	1595	\$0			\$0	\$0	
Disposition and Recovery/Refund of Regulatory Balances (2017) ³	1595	\$22,911			-\$18,287	\$22,911	-\$399
Disposition and Recovery/Refund of Regulatory Balances (2018) ³	1595	\$1,046,618			-\$1,166,949	\$1,046,618	
Disposition and Recovery/Refund of Regulatory Balances (2019) ³	1595	\$1,078			-\$280,630	\$1,078	
<i>Refer to the Filing Requirements for disposition eligibility.</i>							
Group 1 Sub-Total (including Account 1589 - Global Adjustment)		\$1,144,507	\$1,394,613	\$63,043	-\$2,636,418	\$1,081,464	-\$25,917
Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)		\$1,136,615	\$1,394,791	\$53,757	-\$2,636,418	\$1,082,858	-\$25,917
RSVA - Global Adjustment 4	1589	\$7,892	-\$178	\$9,286	-\$0	-\$1,394	-\$0

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

1) If the LDC's rate year begins on January 1, 2021, the projected interest is recorded from January 1, 2020 to December 31, 2020 on the December 31, 2019 balances adjusted to remove balances approved for disposition in the 2020 rate decision.

2) If the LDC's rate year begins on May 1, 2021, the projected interest is recorded from January 1, 2020 to April 30, 2021 on the December 31, 2019 balances adjusted to remove balances approved for disposition in the 2020 rate decision.

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

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

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

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

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

Energy Board

Deferral/Variance Account Workform

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

ted Interest on Dec-31-19 Balances

Account Descriptions	Account Number	Projected Interest from January 1, 2021 to April 30, 2021 on Dec 31 -19 balance adjusted for disposition during 2020 (2)	Total Interest	Total Claim	Accounts To Dispose Yes/No	2.1.7 RRR
						As of Dec 31-19
Group 1 Accounts						
LV Variance Account	1550		\$36,662	\$1,163,037.69		\$1,961,260
Smart Metering Entity Charge Variance Account	1551		-\$262	-\$9,911.38		-\$32,269
RSVA - Wholesale Market Service Charge ⁵	1580		-\$18,860	-\$419,058.70		-\$776,721
Variance WMS – Sub-account CBR Class A ⁵	1580		\$0	\$0.00		
Variance WMS – Sub-account CBR Class B ⁵	1580		-\$2,877	-\$102,245.60		
RSVA - Retail Transmission Network Charge	1584		\$20	\$104,363.26		\$359,954
RSVA - Retail Transmission Connection Charge	1586		-\$9,835	-\$187,785.80		\$87,196
RSVA - Power (excluding Global Adjustment) ⁴	1588		-\$18,116	-\$1,732,218.77	Yes	-\$1,309,174
RSVA - Global Adjustment ⁴	1589		-\$1,394	-\$1,394.10	Yes	\$7,714
Disposition and Recovery/Refund of Regulatory Balances (2014) ³	1595		\$0	\$0.00		
Disposition and Recovery/Refund of Regulatory Balances (2015) ³	1595		\$0	\$0.00		
Disposition and Recovery/Refund of Regulatory Balances (2016) ³	1595		\$0	\$0.00		
Disposition and Recovery/Refund of Regulatory Balances (2017) ³	1595		\$22,512	\$4,224.95	Yes	\$4,623
Disposition and Recovery/Refund of Regulatory Balances (2018) ³	1595		\$1,046,618	\$0.00	No	-\$120,331
Disposition and Recovery/Refund of Regulatory Balances (2019) ³	1595		\$1,078	\$0.00	No	-\$279,551
<i>Refer to the Filing Requirements for disposition eligibility.</i>						
Group 1 Sub-Total (including Account 1589 - Global Adjustment)		\$0	\$1,055,547	-\$1,180,988.45		
Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)		\$0	\$1,056,941	-\$1,179,594.35		
RSVA - Global Adjustment 4	1589	\$0	-\$1,394	-\$1,394.10		

For all OEB-Approved dispositions, please ensure that the disposition amount has the same sign (e.g: debit balances are to have a positive figure and credit balance are to have a negative figure)

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

1) If the LDC's rate year begins on January 1, 2021, the projected interest is recorded from January 1, 2020 to December 31, 2020 on the December 31, 2019 balances adjusted to remove balances approved for disposition in the 2020 rate decision.

2) If the LDC's rate year begins on May 1, 2021, the projected interest is recorded from January 1, 2020 to April 30, 2021 on the December 31, 2019 balances adjusted to remove balances approved for disposition in the 2020 rate decision.

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

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

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

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

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

Energy Board
Deferral/Variance Account Workform

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

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

For all OEB-Approved dispositions, please ensure that the disposition amount has the same sign (e.g: debit balances are to have a positive figure and credit balance are to have a negative figure)

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

1) If the LDC's rate year begins on January 1, 2021, the projected interest is recorded from January 1, 2020 to December 31, 2020 on the December 31, 2019 balances adjusted to remove balances approved for disposition in the 2020 rate decision.

2) If the LDC's rate year begins on May 1, 2021, the projected interest is recorded from January 1, 2020 to April 30, 2021 on the December 31, 2019 balances adjusted to remove balances approved for disposition in the 2020 rate decision.

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

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

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

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

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

2021 Deferral/Variance Account Workform

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

Enter the number of utility specific Account 1508 sub-accounts that have been previously approved, regardless of whether disposition is being requested. If none, enter 1 and the generic sub-account will still be listed.

Identify and name each sub-account and complete the continuity schedule in the line(s) generated in the continuity schedule. Indicate whether the sub-account is requested for disposition in column BT.

Account Descriptions	Account Number	2014								2015											
		Opening Principal Amounts as of Jan-1-14	Transactions Debit/(Credit) during 2014	OEB-Approved Disposition during 2014	Principal Adjustment(s) during 2014	Closing Principal Balance as of Dec-31-14	Opening Interest Amounts as of Jan-1-14	Interest Jan-1 to Dec-31-14	OEB-Approved Disposition during 2014	Interest Adjustments(1) during 2014	Closing Interest Amounts as of Dec-31-14	Opening Principal Amounts as of Jan-1-15	Transactions Debit/(Credit) during 2015	OEB-Approved Disposition during 2015	Principal Adjustment(s) during 2015	Closing Principal Balance as of Dec-31-15	Opening Interest Amounts as of Jan-1-15	Interest Jan-1 to Dec-31-15	OEB-Approved Disposition during 2015	Interest Adjustments(1) during 2015	Closing Interest Amounts as of Dec-31-15
Group 2 Accounts																					
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	\$16,187				\$16,187	\$487	\$238			\$725	\$16,187		\$16,187	\$0	\$725	\$80	\$805			-\$0
Pole Attachment Revenue Variance ²	1508					\$0					\$0	\$0		\$0	\$0	\$0					\$0
Retail Service Charge Incremental Revenue ⁶	1508					\$0					\$0	\$0		\$0	\$0	\$0					\$0
Other Regulatory Assets - Sub-Account - OEB Cost Assessment Variance	1508					\$0					\$0	\$0		\$0	\$0	\$0					\$0
Other Regulatory Assets - Sub-Account - Lead/Lag Study	1508					\$0					\$0	\$0		\$0	\$0	\$0					\$0
Other Regulatory Assets - Sub-Account - Hydro One Incremental Capital Charges	1508	\$6,552	\$3,992			\$10,544	\$189	\$122			\$311	\$10,544	\$301	\$6,552	\$32,032	\$4,293	\$131	\$317			\$131
Other Regulatory Assets - Sub-Account - OPEB Deferral Account	1508		-\$1,570,621			-\$1,570,621					-\$1,570,621			-\$1,570,621	\$0	\$0	\$0	\$317			\$93
Other Regulatory Assets - Sub-Account - LTLT Rate Mitigation	1508					\$0					\$0	\$0		\$0	\$0	\$0					\$0
Retail Cost Variance Account - Retail ³	1518	\$138,753	\$20,472			\$159,225					\$0	\$159,225	\$15,662	\$138,753	\$36,134	\$0	\$0	\$0			\$0
Pension & OPEB Forecast Accrual versus Actual Cash Payment Differential Carrying Charges	1522					\$0					\$0	\$0		\$0	\$0	\$0					\$0
Misc. Deferred Debits	1525					\$0					\$0	\$0		\$0	\$0	\$0					\$0
Retail Cost Variance Account - STR ⁴	1548	\$178,967	\$51,916			\$230,883					\$0	\$230,883	\$51,835	\$178,967	\$103,751	\$0	\$0	\$0			\$0
Extra-Ordinary Event Costs	1572					\$0					\$0	\$0		\$0	\$0	\$0					\$0
Deferred Rate Impact Amounts	1574					\$0					\$0	\$0		\$0	\$0	\$0					\$0
RSVA - One-time	1582					\$0					\$0	\$0		\$0	\$0	\$0					\$0
Other Deferred Credits	2425					\$0					\$0	\$0		\$0	\$0	\$0					\$0
Group 2 Sub-Total		\$340,459	-\$1,494,240	\$0	\$0	-\$1,153,781	\$676	\$360	\$0	\$0	\$1,037	-\$1,153,781	\$99,831	\$340,459	-\$1,394,410	\$1,037	\$309	\$1,122	\$0		\$224
PIUs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592	-\$61,838				-\$61,838					\$0	-\$61,838	-\$1,212	-\$63,050	\$0	\$0					\$0
PIUs and Tax Variance for 2006 and Subsequent Years- Sub-account CCA Changes	1592					\$0					\$0	\$0		\$0	\$0	\$0					\$0
LRAM Variance Account⁵	1568					\$0					\$0	\$467,812		\$467,812	\$0	\$13,285					\$13,285
Total including Account 1568		\$278,622	-\$1,494,240	\$0	\$0	-\$1,215,619	\$676	\$360	\$0	\$0	\$1,037	-\$1,215,619	\$566,431	\$277,410	-\$926,597	\$1,037	\$13,594	\$1,122	\$0		\$13,509
Pension & OPEB Forecast Accrual versus Actual Cash Payment Differential	1522					\$0					\$0	\$0		\$0	\$0	\$0					\$0
Pension & OPEB Forecast Accrual versus Actual Cash Payment Differential Contra Account	1522					\$0					\$0	\$0		\$0	\$0	\$0					\$0
Renewable Generation Connection Capital Deferral Account	1531					\$0					\$0	\$0		\$0	\$0	\$0					\$0
Renewable Generation Connection OMA Deferral Account	1532					\$0					\$0	\$0		\$0	\$0	\$0					\$0
Renewable Generation Connection Funding Adder Deferral Account	1533					\$0					\$0	\$0		\$0	\$0	\$0					\$0
Smart Grid Capital Deferral Account	1534					\$0					\$0	\$0		\$0	\$0	\$0					\$0
Smart Grid OMA Deferral Account	1535	\$18,721				\$18,721					\$0	\$18,721		\$18,721	\$0	\$367	\$367				\$0
Smart Grid Funding Adder Deferral Account	1536					\$0					\$0	\$0		\$0	\$0	\$0					\$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs	1555	\$1,283,704				\$1,283,704					\$0	\$1,283,704	-\$403,353	\$880,351	\$0	\$0	\$0	\$0			\$0
Meter Cost Deferral Account (MIST Meters) ⁷	1557					\$0					\$0	-\$43,760		-\$43,760	\$0	-\$161					-\$161
IFRS-CGAAP Transition PPAE Amounts Balance + Return Component	1575					\$0					\$0			\$0	\$0	\$0					\$0
Accounting Changes Under CGAAP Balance + Return Component	1576	-\$6,910,688				-\$6,910,688					-\$6,910,688		\$2,087,654	-\$4,823,034							

For all OEB-Approved dispositions, please ensure that the disposition amount has the same sign (e.g. debit balances are to have a positive figure and credit balance are to have a negative figure) as per the related OEB decision.

¹ Please provide explanations for the nature of the adjustments. If the adjustment relates to previously OEB-Approved disposed balances, please provide amounts for adjustments and include supporting documentations.

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

³ Account 1557 is to be recovered in a manner similar to the Smart Meter accounts. Distributors should request for disposition upon completion of the MIST meter deployment. A prudence review and disposition should be done in the application, outside the DVA Continuity Schedule.

⁴ Input the LRAMVA balance in the DVA Continuity Schedule as calculated from the LRAMVA model. The associated rate rider will be calculated in the DVA Continuity Schedule.

⁵ This account is effective September 1, 2018 per the OEB's letter Accounting Guidance on Wireline Pole Attachment Charges, dated July 20, 2018. The account is expected to be discontinued after rebasing, once a utility updates its pole attachment charge in base rates and disposes of the account balance.

⁶ The 1508 sub-account is effective May 1, 2019 per the Energy Retailer Service Charges Decision and Order (EB-2019-0304). The RCVAs are expected to be discontinued after rebasing, once updated retail service charges are reflected in the revenue requirement and the utility disposes of the account balance.

board

Deferral/Variance Account Workform

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Account Descriptions	Account Number	2016										2017												
		Opening Principal Amounts as of Jan-1-16	Transactions(1) Debit / (Credit) during 2016	OEB-Approved Disposition during 2016	Principal Adjustments(1) during 2016	Closing Principal Balance as of Dec-31-16	Opening Interest Amounts as of Jan-1-16	Interest Jan-1 to Dec-31-16	OEB-Approved Disposition during 2016	Interest Adjustments(1) during 2016	Closing Interest Amounts as of Dec-31-16	Opening Principal Amounts as of Jan-1-17	Transactions(1) Debit / (Credit) during 2017	OEB-Approved Disposition during 2017	Principal Adjustments(1) during 2017	Closing Principal Balance as of Dec-31-17	Opening Interest Amounts as of Jan-1-17	Interest Jan-1 to Dec-31-17	OEB-Approved Disposition during 2017	Interest Adjustments(1) during 2017	Closing Interest Amounts as of Dec-31-17	Opening Principal Amounts as of Jan-1-18	Transactions Debit / (Credit) during 2018	
Group 2 Accounts																								
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	\$0				\$0	\$-0				\$0				\$0	\$-0						\$0		
Pole Attachment Revenue Variance ²	1508	\$0				\$0	\$0				\$0				\$0	\$0						\$0		
Retail Service Charge Incremental Revenue ²	1508	\$0				\$0	\$0				\$0				\$0	\$0						\$0		
Other Regulatory Assets - Sub-Account - OEB Cost Assessment Variance	1508	\$0	\$58,785			\$58,785	\$0	\$304		\$304	\$58,785	\$66,209			\$124,994	\$304	\$1,167				\$1,471	\$124,994	\$51,637	
Other Regulatory Assets - Sub-Account - Leach/Lao Study	1508	\$32,032	\$9,244	\$34,077		\$71,999	\$131	\$199		\$199	\$71,999	\$7,199			\$73,199	\$330	\$86				\$417	\$73,199	\$7,199	
Other Regulatory Assets - Sub-Account - Hybrid One Incremental Capital Charges	1508	\$4,293				\$4,293	\$93	\$47		\$140	\$4,293	\$4,293			\$4,293	\$140	\$52				\$192	\$4,293	\$4,293	
Other Regulatory Assets - Sub-Account - OPEB Deferral Account	1508	-\$1,570,621				-\$1,570,621	\$0			\$0	-\$1,570,621	\$713,200			-\$857,421	\$0					\$0	-\$857,421		
Other Regulatory Assets - Sub-Account - LTLT Rate Mitigation	1508	\$0				\$0	\$0			\$0	\$0	\$157			\$157	\$0	\$0				\$0	\$157	\$2,018	
Retail Cost Variance Account - Retail ³	1518	\$36,134	\$17,967			\$54,101	\$0			\$0	\$54,101	\$19,089			\$73,190	\$0					\$0	\$73,190	\$19,101	
Pension & OPEB Forecast Accrual versus Actual Cash Payment Differential Carrying Charges	1522	\$0				\$0	\$0			\$0	\$0				\$0	\$0					\$0	\$0		
Misc. Deferred Debits	1525	\$0				\$0	\$0			\$0	\$0				\$0	\$0					\$0	\$0		
Retail Cost Variance Account - STR ²	1548	\$103,751	\$65,513			\$169,265	\$0			\$0	\$169,265	\$68,716			\$238,981	\$0					\$0	\$238,981	\$72,982	
Extra-Ordinary Event Costs	1572	\$0				\$0	\$0			\$0	\$0				\$0	\$0					\$0	\$0		
Deferred Rate Impact Amounts	1574	\$0				\$0	\$0			\$0	\$0				\$0	\$0					\$0	\$0		
RSVA - One-time	1582	\$0				\$0	\$0			\$0	\$0				\$0	\$0					\$0	\$0		
Other Deferred Credits	2425	\$0				\$0	\$0			\$0	\$0				\$0	\$0					\$0	\$0		
Group 2 Sub-Total		-\$1,384,410	\$151,509	\$34,077	\$0	-\$1,276,978	\$224	\$550	\$0	\$0	\$774	-\$1,276,978	\$868,371	\$0	\$0	-\$408,607	\$774	\$1,306	\$0	\$0	\$2,080	-\$408,607	\$117,819	
PLs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592	\$0				\$0	\$0			\$0	\$0				\$0	\$0					\$0	\$0		
PLs and Tax Variance for 2006 and Subsequent Years- Sub-account CCA Charges	1592	\$0				\$0	\$0			\$0	\$0				\$0	\$0					\$0	\$0		
LRAM Variance Account⁴	1568	\$467,812	\$9,301			\$477,114	\$13,285	\$4,797		\$18,081	\$477,114		\$477,114		\$0	\$18,081	\$2,171	\$20,253		\$0	\$0			
Total including Account 1568		-\$926,597	\$160,810	\$34,077	\$0	-\$799,864	\$13,509	\$5,347	\$0	\$0	\$18,855	-\$799,864	\$868,371	\$477,114	\$0	-\$408,607	\$18,855	\$3,477	\$20,253	\$0	\$2,080	-\$408,607	\$117,819	
Pension & OPEB Forecast Accrual versus Actual Cash Payment Differential	1522	\$0				\$0	\$0			\$0	\$0				\$0	\$0					\$0	\$0	\$676	
Pension & OPEB Forecast Accrual versus Actual Cash Payment Differential Contra Account	1522	\$0				\$0	\$0			\$0	\$0				\$0	\$0					\$0	\$0	-\$676	
Renewable Generation Connection Capital Deferral Account	1531	\$0				\$0	\$0			\$0	\$0				\$0	\$0					\$0	\$0		
Renewable Generation Connection OMB&A Deferral Account	1532	\$0				\$0	\$0			\$0	\$0				\$0	\$0					\$0	\$0		
Renewable Generation Connection Funding Adder Deferral Account	1533	\$0				\$0	\$0			\$0	\$0				\$0	\$0					\$0	\$0		
Smart Grid Capital Deferral Account	1534	\$0				\$0	\$0			\$0	\$0				\$0	\$0					\$0	\$0		
Smart Grid OMB&A Deferral Account	1535	\$0				\$0	\$0			\$0	\$0				\$0	\$0					\$0	\$0		
Smart Grid Funding Adder Deferral Account	1536	\$0				\$0	\$0			\$0	\$0				\$0	\$0					\$0	\$0		
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs	1555	\$880,351	-\$676,465			\$203,887	\$0			\$0	\$203,887	-\$228,569			-\$24,683	\$0					\$0	-\$24,683		
Meter Cost Deferral Account (MST Meters) ⁵	1557	-\$43,760	-\$39,199			-\$82,959	-\$161	-\$598		-\$759	-\$82,959	-\$3,029			-\$86,988	-\$759	-\$1,050				-\$1,809	-\$86,988	\$50,831	
IFRS-CGAAP Transition PRAE Amounts Balance - Return Component	1575	\$0				\$0	\$0			\$0	\$0				\$0	\$0					\$0	\$0		
Accounting Changes Under CGAAP Balance - Return Component	1576	-\$4,823,034	\$3,553,062			-\$1,269,972					-\$1,269,972	\$1,094,861			-\$175,111							-\$175,111	\$6,730	

For all OEB-Approved dispositions, please ensure that the disposition amount has the same sign (e.g. figure and credit balance are to have a negative figure) as per the related OEB decision.

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

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

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

Account 1557 is to be recovered in a manner similar to the Smart Meter accounts. Distributors should request for disposition upon completion of the MST meter deployment. A prudence review and disposition should be done in the application, outside the DVA Continuity Schedule.

Input the LRAMVA balance in the DVA Continuity Schedule as calculated from the LRAMVA model. The associated rate rider will be calculated in the DVA Continuity Schedule.

This account is effective September 1, 2018 per the OEB's later Accounting Guidance on Wireline Pole Attachment Charges, dated July 20, 2018. The account is expected to be discontinued after rebasing, once a utility updates its pole attachment charge in base rates and disposes of the account balance.

The 1508 sub-account is effective May 1, 2019 per the Energy Retailer Service Charges Decision and Order (EB-2015-0304). The RCVAs are expected to be discontinued after rebasing, once updated retail service charges are reflected in the revenue requirement and the utility disposes of the account balance.

board

Deferral/Variance Account Workform

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

Account Descriptions	Account Number	2018						2019						2020						Projected Interest from Jan. 1, 2020 to December 31, 2020 on Dec 31 -19 balance adjusted for disposition during 2020 (2)				
		OEB-Approved Disposition during 2018	Principal Adjustments(1) during 2018	Closing Principal Balance as of Dec-31-18	Opening Interest Amounts as of Jan-1-18	Interest Jan-1 to Dec-31-18	OEB-Approved Disposition during 2018	Interest Adjustments(1) during 2018	Closing Interest Amounts as of Dec-31-18	Opening Principal Amounts as of Jan-1-19	Transactions Debit/(Credit) during 2019	OEB-Approved Disposition during 2019	Principal Adjustments(1) during 2019	Closing Principal Balance as of Dec-31-19	Opening Interest Amounts as of Jan-1-19	Interest Jan-1 to Dec-31-19	OEB-Approved Disposition during 2019	Interest Adjustments(1) during 2019	Closing Interest Amounts as of Dec-31-19		Principal Disposition during 2020 - Instructed by OEB	Interest Disposition during 2020 - Instructed by OEB	Closing Principal Balance as of Dec-31-19 Adjusted for Dispositions during 2020	Closing Interest Balance as of Dec-31-19 Adjusted for Dispositions during 2020
Group 2 Accounts																								
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508			\$0	-\$0			-\$0	\$0				\$0	-\$0					-\$0			\$0	-\$0	
Pole Attachment Revenue Variance ²	1508			-\$27,829	\$0	-\$196		-\$196	-\$27,829	-\$318,717			-\$346,846	-\$196	-\$2,950			-\$31,146			\$331,298	-\$677,944	-\$3,146	
Retail Service Charge Incremental Revenue ²	1508			\$0	\$0			\$0	\$0				\$0	\$0				\$0				\$0	\$0	
Other Regulatory Assets - Sub-Account - OEB Cost Assessment Variance	1508			\$176,631	\$1,471	\$2,925		\$4,396	\$176,631	\$57,127			\$233,758	\$4,396	\$4,611			\$9,007			-\$82,912	\$286,670	\$9,007	
Other Regulatory Assets - Sub-Account - Leach/Lao Study	1508			\$7,199	\$417	\$134		\$551	\$7,199	\$7,199			\$7,199	\$551	\$162			\$713			\$7,199	\$713	\$157	
Other Regulatory Assets - Sub-Account - Hybrid One Incremental Capital Charges	1508			\$4,293	\$182	\$80		\$272	\$4,293	\$4,293			\$4,293	\$272	\$96			\$368			\$4,293	\$368	\$94	
Other Regulatory Assets - Sub-Account - OPEB Deferral Account	1508			-\$857,421	\$0			-\$0	-\$857,421	\$458,942			-\$398,479	\$0				\$0				-\$398,479	\$0	
Other Regulatory Assets - Sub-Account - LTLT Rate Mitigation	1508			\$2,175	\$0	\$21		\$21	\$2,175	\$2,098			\$4,273	\$21	\$70			\$92			\$4,273	\$92	\$93	
Retail Cost Variance Account - Retail ³	1518			\$92,291	\$0			\$0	\$92,291	\$17,663			\$109,953	\$0	-\$75			\$0			-\$16,723	\$128,676	-\$75	
Pension & OPEB Forecast Accrual versus Actual Cash Payment Differential Carrying Charges	1522			\$0	\$0	-\$75		-\$75	\$0			\$0	-\$75					\$0				\$0	-\$75	
Misc. Deferred Debits	1525			\$0	\$0			\$0	\$0			\$0	\$0					\$0				\$0	\$0	
Retail Cost Variance Account - STR ⁴	1548			\$311,973	\$0			\$0	\$311,973	\$82,500			\$374,473	\$0				\$0			-\$59,177	\$433,650	\$0	
Extra-Ordinary Event Costs	1572			\$0	\$0			\$0	\$0			\$0	\$0					\$0				\$0	\$0	
Deferred Rate Impact Amounts	1574			\$0	\$0			\$0	\$0			\$0	\$0					\$0				\$0	\$0	
RSVA - One-time	1582			\$0	\$0			\$0	\$0			\$0	\$0					\$0				\$0	\$0	
Other Deferred Credits	2425			\$0	\$0			\$0	\$0			\$0	\$0					\$0				\$0	\$0	
Group 2 Sub-Total				\$0	-\$290,788	\$2,080	\$2,890	\$0	\$4,969	-\$290,788	\$279,613	\$0	-\$11,175	\$4,969	\$1,990	\$0	\$0	\$6,959	\$202,486	\$0	-\$213,661	\$6,959	-\$5,152	
PLs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592			\$0	\$0			\$0	\$0			\$0	\$0					\$0				\$0	\$0	
PLs and Tax Variance for 2006 and Subsequent Years- Sub-account CCA Changes	1592			\$0	\$0			\$0	\$0			\$0	\$0					\$0				\$0	\$0	
LRAM Variance Account⁵	1568			\$0	\$0			\$0	\$0		\$778,151	\$778,151	\$0	\$0			\$33,749	\$33,749			\$778,151	\$33,749	\$16,964	
Total including Account 1568				\$0	-\$290,788	\$2,080	\$2,890	\$0	\$4,969	-\$290,788	\$279,613	\$0	\$778,151	\$766,977	\$4,969	\$1,990	\$0	\$33,749	\$40,708	\$202,486	\$0	\$564,491	\$40,708	\$11,812
Pension & OPEB Forecast Accrual versus Actual Cash Payment Differential	1522			\$676	\$0			\$0	\$676	\$36,975			\$37,652	\$0				\$0				\$37,652	\$0	
Pension & OPEB Forecast Accrual versus Actual Cash Payment Differential Contra Account	1522			-\$676	\$0			\$0	-\$676	-\$36,975			-\$37,652	\$0				\$0				-\$37,652	\$0	
Renewable Generation Connection Capital Deferral Account	1531			\$0	\$0			\$0	\$0			\$0	\$0					\$0				\$0	\$0	
Renewable Generation Connection OMA&A Deferral Account	1532			\$0	\$0			\$0	\$0			\$0	\$0					\$0				\$0	\$0	
Renewable Generation Connection Funding Adder Deferral Account	1533			\$0	\$0			\$0	\$0			\$0	\$0					\$0				\$0	\$0	
Smart Grid Capital Deferral Account	1534			\$0	\$0			\$0	\$0			\$0	\$0					\$0				\$0	\$0	
Smart Grid OMA&A Deferral Account	1535			\$0	\$0			\$0	\$0			\$0	\$0					\$0				\$0	\$0	
Smart Grid Funding Adder Deferral Account	1536			\$0	\$0			\$0	\$0			\$0	\$0					\$0				\$0	\$0	
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs	1555			-\$24,683	\$0			\$0	-\$24,683	\$0			-\$24,683	\$0				\$0				-\$24,683	\$0	
Meter Cost Deferral Account (MST Meters) ⁷	1557			-\$35,157	-\$1,809	-\$1,208		-\$3,166	-\$35,157	\$121,501			\$86,344	-\$3,016	-\$144			-\$3,161			-\$204,500	\$290,844	-\$3,161	
IFRS-CGAP Transition PRAE Amounts Balance - Return Component	1575			\$0				\$0	\$0			\$0	\$0					\$0				\$0	\$0	
Accounting Changes Under CGAAP Balance - Return Component	1576			-\$168,381					-\$168,381	\$7,498			-\$160,882									-\$160,882		

For all OEB-Approved dispositions, please ensure that the disposition amount has the same sign (e.g. figure and credit balance are to have a negative figure) as per the related OEB decision.

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

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

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

Account 1557 is to be recovered in a manner similar to the Smart Meter accounts. Distributors should request for disposition upon completion of the MST meter deployment. A prudence review and disposition should be done in the application, outside the DVA Continuity Schedule.

Input the LRAMVA balance in the DVA Continuity Schedule as calculated from the LRAMVA model. The associated rate rider will be calculated in the DVA Continuity Schedule.

This account is effective September 1, 2018 per the OEB's later Accounting Guidance on Wireline Pole Attachment Charges, dated July 20, 2018. The account is expected to be discontinued after rebasing, once a utility updates its pole attachment charge in base rates and disposes of the account balance.

The 1508 sub-account is effective May 1, 2019 per the Energy Retailer Service Charges Decision and Order (EB-2015-0304). The RCVAs are expected to be discontinued after rebasing, once updated retail service charges are reflected in the revenue requirement and the utility disposes of the account balance.

ard
Deferral/Variance Account Workform

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

Projected Interest on Dec-31-19 Balances

Account Descriptions	Account Number	Projected Interest from January 1, 2021 to April 30, 2021 on Dec 31-19 balances adjusted for disposition during 2020 (2)	Total Interest	Total Claim	Accounts to Dispose Yes/No	2.1.7 RRR		Variance: RRR vs. 2019 Balance (Principal + Interest)
						As of Dec 31-19		
Group 2 Accounts								
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508		-\$0	-\$0.01				\$0
Pole Attachment Revenue Variance ¹	1508		-\$14,314	-\$692,257.69			-\$349,732	\$0
Retail Service Charge Incremental Revenue ²	1508		\$0	\$0.00				\$0
Other Regulatory Assets - Sub-Account - OEB Cost Assessment Variance	1508		\$14,680	\$301,349.95	Yes		\$242,765	\$0
Other Regulatory Assets - Sub-Account - Leased Line Study	1508		\$870	\$8,068.73	Yes		\$7,912	\$0
Other Regulatory Assets - Sub-Account - Hydro One Incremental Capital Charges	1508		\$462	\$4,756.32	Yes		\$4,662	-\$0
Other Regulatory Assets - Sub-Account - OPEB Deferral Account	1508		\$0	-\$398,479.00	Yes		-\$398,479	\$0
Other Regulatory Assets - Sub-Account - LTLT Rate Mitigation	1508		\$185	\$4,458.27	Yes		\$4,365	\$0
Retail Cost Variance Account - Retail ³	1518		\$0	\$126,676.45			\$109,953	\$0
Pension & OPEB Forecast Accrual versus Actual Cash Payment Differential Carrying Charges	1522		-\$75	-\$74.69			-\$75	\$0
Misc. Deferred Debits	1525		\$0	\$0.00				\$0
Retail Cost Variance Account - STR ⁴	1548		\$0	\$433,649.58			\$374,473	\$0
Extra-Ordinary Event Costs	1572		\$0	\$0.00				\$0
Deferred Rate Impact Amounts	1574		\$0	\$0.00				\$0
RSVA - One-time	1582		\$0	\$0.00				\$0
Other Deferred Credits	2425		\$0	\$0.00				\$0
Group 2 Sub-Total		\$0	\$1,807	-\$211,853.17			-\$4,216	\$0
PLs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592		\$0	\$0.00				-\$0
PLs and Tax Variance for 2006 and Subsequent Years- Sub-account CCA Changes	1592		\$0	\$0.00				\$0
LRAM Variance Account⁵	1568		\$50,713	\$828,864.16				-\$811,900
Total including Account 1568		\$0	\$52,520	\$617,010.99			-\$4,215.51	-\$811,900
Pension & OPEB Forecast Accrual versus Actual Cash Payment Differential	1522		\$0	\$37,651.65			\$37,652	\$0
Pension & OPEB Forecast Accrual versus Actual Cash Payment Differential Contra Account	1522		\$0	-\$37,651.65			-\$37,652	\$0
Renewable Generation Connection Capital Deferral Account	1531		\$0	\$0.00				\$0
Renewable Generation Connection O&M&A Deferral Account	1532		\$0	\$0.00				\$0
Renewable Generation Connection Funding Adder Deferral Account	1533		\$0	\$0.00				\$0
Smart Grid Capital Deferral Account	1534		\$0	\$0.00				\$0
Smart Grid O&M&A Deferral Account	1535		\$0	\$0.00				\$0
Smart Grid Funding Adder Deferral Account	1536		\$0	\$0.00				\$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs	1555		\$0	-\$24,682.89	Yes		-\$24,683	-\$0
Meter Cost Deferral Account (MST Meters) ⁷	1557		\$951	\$291,794.80			\$83,183	\$0
IFRS-CGAAP Transition PRAE Amounts Balance - Return Component	1575			\$0.00	No			\$0
Accounting Changes Under CGAAP Balance - Return Component	1576			-\$160,882.11	Yes		-\$160,882	\$0

For Accounts 1508, 1522 and 1592, only show the total control account that is reported in the RRR in the first row for that account in this tab

Please provide an explanation of the variance in the tab 3 - Appendix A

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Ontario Energy Board

**2021 Deferral/Variance
 Account Workform**

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

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

2021 Deferral/Variance Account Workform

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

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

¹ Account 1595 sub-accounts are to be allocated to rate classes in proportion to the recovery share as established when rate riders were implemented.

² The proportion of customers for the Residential and GS<50 Classes will be used to allocate Account 1551.

2021 Deferral/Variance Account Workform

		Amounts from Sheet 2	Allocator	RESIDENTIAL	GENERAL SERVICE < 50 KW	GENERAL SERVICE > 50 TO 4,999 KW	UNMETERED SCATTERED LOAD	SENTINEL LIGHTING
LV Variance Account	1550	1,163,038	kWh	409,899	118,982	628,594	1,336	197
Smart Metering Entity Charge Variance Account	1551	(9,911)	# of Customers	(9,114)	(797)	0	0	0
RSVA - Wholesale Market Service Charge	1580	(521,304)	kWh	(184,166)	(53,458)	(281,181)	(600)	(89)
RSVA - Retail Transmission Network Charge	1584	104,363	kWh	36,782	10,677	56,406	120	18
RSVA - Retail Transmission Connection Charge	1586	(187,786)	kWh	(66,183)	(19,211)	(101,494)	(216)	(32)
RSVA - Power (excluding Global Adjustment)	1588	(1,732,219)	kWh	(611,957)	(177,634)	(934,324)	(1,994)	(294)
RSVA - Global Adjustment	1589	(1,327)	Non-RPP kWh	(43)	(61)	(1,212)	0	0
Disposition and Recovery/Refund of Regulatory Balances (2014)	1595	0	%	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2015)	1595	0	%	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2016)	1595	0	%	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2017)	1595	4,225	%	712	1,282	2,231	0	0
Disposition and Recovery/Refund of Regulatory Balances (2018)	1595	0	%	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2019)	1595	0	%	0	0	0	0	0
Total of Group 1 Accounts (excluding 1589)		(1,179,594)		(424,027)	(120,159)	(629,767)	(1,355)	(200)
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	(0)	kWh	(0)	(0)	(0)	(0)	(0)
Pole Attachment Revenue Variance	1508	(692,258)	kWh	(243,978)	(70,820)	(374,149)	(795)	(117)
Retail Service Charge Incremental Revenue	1508	0	kWh	0	0	0	0	0
Other Regulatory Assets - Sub-Account - OEB Cost Assessment Variance	1508	301,350	kWh	106,207	30,829	162,872	346	51
Other Regulatory Assets - Sub-Account - Lead/Lag Study	1508	8,069	kWh	2,844	825	4,361	9	1
Other Regulatory Assets - Sub-Account - Hydro One Incremental Capital Charges	1508	4,755	kWh	1,676	486	2,570	5	1
Other Regulatory Assets - Sub-Account - OPEB Deferral Account	1508	(398,479)	kWh	(140,439)	(40,766)	(215,368)	(458)	(68)
Other Regulatory Assets - Sub-Account - LTLT Rate Mitigation	1508	4,458	kWh	1,571	456	2,410	5	1
Retail Cost Variance Account - Retail	1518	126,676	kWh	44,646	12,959	68,466	146	21
Pension & OPEB Forecast Accrual versus Actual Cash Payment Differential Carrying Charges	1522	(75)	kWh	(26)	(8)	(40)	(0)	(0)
Misc. Deferred Debits	1525	0	kWh	0	0	0	0	0
Retail Cost Variance Account - STR	1548	433,650	kWh	152,835	44,364	234,377	498	73
Extra-Ordinary Event Costs	1572	0	kWh	0	0	0	0	0
Deferred Rate Impact Amounts	1574	0	kWh	0	0	0	0	0
RSVA - One-time	1582	0	kWh	0	0	0	0	0
Other Deferred Credits	2425	0	kWh	0	0	0	0	0
Total of Group 2 Accounts		(211,853)		(74,665)	(21,673)	(114,502)	(243)	(36)
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account)	1592	0	kWh	0	0	0	0	0
PILs and Tax Variance for 2006 and Subsequent Years- Sub-account CCA Changes	1592	0	kWh	0	0	0	0	0
Total of Account 1592		0		0	0	0	0	0
LRAM Variance Account (Enter dollar amount for each class)	1568	828,864		387,186	70,266	276,027	0	0
Renewable Generation Connection OM&A Deferral Account	1532	0	kWh	0	0	0	0	0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs	1555	(24,683)	kWh	(8,699)	(2,525)	(13,340)	(28)	(4)
Total of Group 1 Accounts (1550, 1551, 1584, 1586 and 1595)		1,073,929		372,095	110,933	585,737	1,240	183
Total of Account 1580 and 1588 (not allocated to WMPs)		(2,253,523)		(796,123)	(231,092)	(1,215,505)	(2,595)	(383)
Account 1589 (allocated to Non-WMPs)		(1,327)		(43)	(61)	(1,212)	0	0
Group 2 Accounts (including 1592, 1532, 1555)		(236,536)		(83,364)	(24,198)	(127,842)	(272)	(40)
IFRS-CGAAP Transition PP&E Amounts Balance + Return Component	1575	0	kWh	0	0	0	0	0
Accounting Changes Under CGAAP Balance + Return Component	1576	(160,882)	kWh	(56,701)	(16,459)	(86,953)	(185)	(27)
Total of Accounts 1575 and 1576		(160,882)		(56,701)	(16,459)	(86,953)	(185)	(27)

2021 Deferral/Variance Account Workform

1a The year Account 1589 GA was last disposed

1b The year Account 1580 CBR Class B was last disposed Note that the sub-account was established in 2015.

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

2b Did you have any customers who transitioned between Class A and Class B (transition customers) during the period the Account 1580, sub-account CBR Class B 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, 2016, the period the CBR Class B variance accumulated would be 2017 to 2018.)

3a 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				
Customer	Rate Class		2019	
			January to June	July to December
Customer 1	GENERAL SERVICE > 50 TO 4,999 KW	kWh	910,995	1,062,682
		kW	3,836	3,948
		Class A/B	A	B
Customer 2	GENERAL SERVICE > 50 TO 4,999 KW	kWh	1,169,764	966,370
		kW	2,746	2,713
		Class A/B	A	B
Customer 3	GENERAL SERVICE > 50 TO 4,999 KW	kWh	636,111	720,097
		kW	3,479	4,745
		Class A/B	A	B
Customer 4	GENERAL SERVICE > 50 TO 4,999 KW	kWh	169,826	251,962
		kW	643	1,199
		Class A/B	B	A
Customer 5	GENERAL SERVICE > 50 TO 4,999 KW	kWh	288,155	353,359
		kW	957	980
		Class A/B	B	A
Customer 6	GENERAL SERVICE > 50 TO 4,999 KW	kWh	1,453,771	1,622,836
		kW	3,543	3,940
		Class A/B	B	A
Customer 7	GENERAL SERVICE > 50 TO 4,999 KW	kWh	81,507	223,301
		kW	1,032	2,890
		Class A/B	B	A
Customer 8	GENERAL SERVICE > 50 TO 4,999 KW	kWh	759,936	571,787
		kW	2,362	1,990
		Class A/B	B	A
Customer 9	GENERAL SERVICE > 50 TO 4,999 KW	kWh	7,851,921	4,740,120
		kW	22,969	16,288
		Class A/B	B	A
Customer 10	GENERAL SERVICE > 50 TO 4,999 KW	kWh	210,826	284,996
		kW	728	1,544
		Class A/B	B	A
Customer 11	GENERAL SERVICE > 50 TO 4,999 KW	kWh	385,686	258,654
		kW	1,077	816
		Class A/B	B	A
Customer 12	GENERAL SERVICE > 50 TO 4,999 KW	kWh	1,794,854	1,040,263
		kW	3,943	2,474
		Class A/B	B	A
Customer 13	GENERAL SERVICE > 50 TO 4,999 KW	kWh	2,919,994	3,121,268
		kW	5,890	6,242
		Class A/B	A	B
Customer 14	GENERAL SERVICE > 50 TO 4,999 KW	kWh	1,428,064	1,171,066
		kW	2,517	2,057
		Class A/B	B	A
Customer 15	GENERAL SERVICE > 50 TO 4,999 KW	kWh	3,046,525	3,184,084
		kW	5,830	6,016
		Class A/B	B	A

3b 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).

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

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



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2021 Deferral/Variance Account Workform

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

Year Account 1589 GA Balance Last Disposed

2018

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

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

Allocation of Total GA Balance \$

Total GA Balance	G	-\$	1,394
Transition Customers Portion of GA Balance	H=F*G	-\$	67
GA Balance to be disposed to Current Class B Customers through Rate Rider	I=G-H	-\$	1,327

Allocation of GA Balances to Class A/B Transition Customers

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



2021 Deferral/Variance Account Workform

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

Year Account 1580 CBR Class B was Last Disposed 2018

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

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

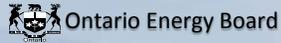
Allocation of Total CBR Class B Balance \$

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

Allocation of CBR Class B Balances to Transition Customers

Customer	# of Class A/B Transition Customers	15		% of kWh	Customer Specific CBR Class B Allocation for the Period When They Were a Class B Customer	Monthly Equal Payments	Revised Monthly Payment
		Total Metered Class B Consumption (kWh) for Transition Customers During the Period When They were Class B Customers	Metered Class B Consumption (kWh) for Transition Customers During the Period When They were Class B Customers in 2019				
Customer 1		1,062,682	1,062,682	4.55%	-\$	98	8 \$ -
Customer 2		966,370	966,370	4.14%	-\$	89	7 \$ -
Customer 3		720,097	720,097	3.09%	-\$	66	6 \$ -
Customer 4		169,826	169,826	0.73%	-\$	16	1 \$ -
Customer 5		288,155	288,155	1.23%	-\$	27	2 \$ -
Customer 6		1,453,771	1,453,771	6.23%	-\$	134	11 \$ -
Customer 7		81,507	81,507	0.35%	-\$	8	1 \$ -
Customer 8		759,936	759,936	3.26%	-\$	70	6 \$ -
Customer 9		7,851,921	7,851,921	33.64%	-\$	725	60 \$ -
Customer 10		210,826	210,826	0.90%	-\$	19	2 \$ -
Customer 11		385,686	385,686	1.65%	-\$	36	3 \$ -
Customer 12		1,794,854	1,794,854	7.69%	-\$	166	14 \$ -
Customer 13		3,121,268	3,121,268	13.37%	-\$	288	24 \$ -
Customer 14		1,428,064	1,428,064	6.12%	-\$	132	11 \$ -
Customer 15		3,046,525	3,046,525	13.05%	-\$	281	23 \$ -
Total		23,341,487	23,341,487	100.00%	-\$	2,155	180 \$ -

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



2021 Deferral/Variance Account Workform

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

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

2018

	Total Metered Forecast Consumption Minus WMP		Forecast Total Metered Test Year kWh for Full Year Class A Customers		Forecast Total Metered Test Year kWh for Transition Customers		Metered Consumption for Current Class B Customers (Total Consumption LESS WMP, Class A and Transition Customers' Consumption)		% of total kWh
	kWh	kW	kWh	kW	kWh	kW	kWh	kW	
RESIDENTIAL	454,614,210	-	0	0	0	0	454,614,210	-	42%
GENERAL SERVICE < 50 KW	131,961,769	-	0	0	0	0	131,961,769	-	12%
GENERAL SERVICE > 50 TO 4,999 KW	694,096,099	1,769,457	159,963,774	352,419	42,660,779	119,393	491,471,545	1,297,645	45%
UNMETERED SCATTERED LOAD	1,481,614	-	0	0	0	0	1,481,614	-	0%
SENTINEL LIGHTING	218,613	653	0	0	0	0	218,613	653	0%
STREET LIGHTING	4,469,101	12,545	0	0	0	0	4,469,101	12,545	0%
	-	-	0	0	0	0	-	-	0%
	-	-	0	0	0	0	-	-	0%
	-	-	0	0	0	0	-	-	0%
	-	-	0	0	0	0	-	-	0%
	-	-	0	0	0	0	-	-	0%
	-	-	0	0	0	0	-	-	0%
	-	-	0	0	0	0	-	-	0%
	-	-	0	0	0	0	-	-	0%
	-	-	0	0	0	0	-	-	0%
	-	-	0	0	0	0	-	-	0%
	-	-	0	0	0	0	-	-	0%
	-	-	0	0	0	0	-	-	0%
	-	-	0	0	0	0	-	-	0%
	-	-	0	0	0	0	-	-	0%
	-	-	0	0	0	0	-	-	0%
Total	1,286,841,405	1,782,655	159,963,774	352,419	42,660,779	119,393	1,084,216,852	1,310,842	100%

Appendix 9-2
GA Analysis Workform

GA Analysis Workform

Version 1.9

Account 1589 Global Adjustment (GA) Analysis Workform

Input cells

Drop down cells

Utility Name

Note 1

For Account 1589,

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

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

Instructions:

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

For example:

- Scenario a - If 2018 balances were last approved on a final basis - Select 2018 and a GA Analysis Workform for 2019 will be generated.
- Scenario bi - If 2018 balances were last approved on an interim basis and there are no changes to 2018 balances - Select 2018 and a GA Analysis Workform for 2019 will be generated.
- Scenario bii - If 2018 balances were last approved on an interim basis, there are changes to 2018 balances, and 2017 balances were last approved for disposition - Select 2017 and GA Analysis Workforms for 2018 and 2019 will be generated.

2) Complete the GA Analysis Workform for each year generated.

3) Complete the Principal Adjustments tab. Note that the number of years that require principal adjustment reconciliations are all shown in one Principal Adjustments tab, depending on the year selected on the Information Sheet.

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

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

GA Analysis Workform

Note 2 Consumption Data Excluding for Loss Factor (Data to agree with RRR as applicable)

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

*Non-RPP Class B consumption reported in this table is not expected to directly agree with the Non-RPP Class B Including Loss Adjusted Billed Consumption in the GA Analysis of Expected Balance table below. The difference should be equal to the loss factor.

Note 3 GA Billing Rate

GA is billed on the

Actual

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

Yes

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

Yes

Note 4 Analysis of Expected GA Amount

Year	2019								
Calendar Month	Non-RPP Class B Including Loss Factor Billed Consumption (kWh)	Deduct Previous Month Unbilled Loss Adjusted Consumption (kWh)	Add Current Month Unbilled Loss Adjusted Consumption (kWh)	Non-RPP Class B Including Loss Adjusted Consumption, Adjusted for Unbilled (kWh)	GA Rate Billed (\$/kWh)	\$ Consumption at GA Rate Billed	GA Actual Rate Paid (\$/kWh)	\$ Consumption at Actual Rate Paid	Expected GA Variance (\$)
	F	G	H	I = F-G+H	J	K = I*J	L	M = I*L	=M-K
January	45,334,104			45,334,104	0.08092	\$ 3,668,436	0.08092	\$ 3,668,436	\$ -
February	40,753,043			40,753,043	0.08812	\$ 3,591,158	0.08812	\$ 3,591,158	\$ -
March	43,229,543			43,229,543	0.08041	\$ 3,476,088	0.08041	\$ 3,476,088	\$ -
April	38,732,952			38,732,952	0.12333	\$ 4,776,935	0.12333	\$ 4,776,935	\$ -
May	38,689,292			38,689,292	0.12604	\$ 4,876,398	0.12604	\$ 4,876,398	\$ -
June	40,237,815			40,237,815	0.13728	\$ 5,523,847	0.13728	\$ 5,523,847	\$ -
July	47,512,096			47,512,096	0.09645	\$ 4,582,542	0.09645	\$ 4,582,542	\$ -
August	45,038,724			45,038,724	0.12607	\$ 5,678,032	0.12607	\$ 5,678,032	\$ -
September	39,789,108			39,789,108	0.12263	\$ 4,879,338	0.12263	\$ 4,879,338	\$ -
October	38,106,381			38,106,381	0.13680	\$ 5,212,953	0.13680	\$ 5,212,953	\$ -
November	40,036,027		435,999	40,472,026	0.09953	\$ 4,028,181	0.09953	\$ 4,028,181	\$ -
December			43,273,989	43,273,989	0.09321	\$ 4,033,569	0.09321	\$ 4,033,569	\$ -
Net Change in Expected GA Balance in the Year (i.e. Transactions in the Year)	457,459,085	-	43,709,988	501,169,074		\$ 54,327,476		\$ 54,327,476	\$ -

Calculated Loss Factor	1.0424
Most Recent Approved Loss Factor for Secondary Metered Customer < 5,000kW	1.0479
Difference	-0.0055

a) Please provide an explanation in the textbox below if columns G and H are not used in the table above.

The kWh consumption data that NPEI used to complete the GA Analysis Workform was obtained from a query of NPEI's G

b) Please provide an explanation in the textbox below if the difference in loss factor is greater than 1%

Note 5 Reconciling Items

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

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

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

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GA Analysis Workform - Account 1588 and 1589 Principal Adjustment Reconciliation

Note 7 **Breakdown of principal adjustments included in last approved balance:**

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

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

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

Notes

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

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

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

Year	Account 1588 - RSVA Power		
	Adjustment Description	Amount	Year Recorded in GL
	<i>Reversals of prior approved principal adjustments (auto-populated from table above)</i>		
1			
2	RPP claim relating to 2018 consumption recorded in the GL in 2019.	862,530.77	2,019
3	RPP portion of the difference between posted final GA rates for 2018 and actual	(570.89)	2,019
4			
5			
6			
7			
8			
	Total Reversal Principal Adjustments	861,960	
	<i>Current year principal adjustments</i>		
1	CT 148 true-up of GA Charges based on actual RPP volumes		
2	CT 1142 true-up based on actuals		
3	Unbilled to actual revenue differences		
4	Reversal of RPP portion of the difference between posted final GA rates for 2017	(50,185)	2,019
5			
6			
7			
8			
	Total Current Year Principal Adjustments	(50,185)	
	Total Principal Adjustments to be Included on DVA Continuity Schedule		
		811,775	

Appendix 9-3

Account 1595 Analysis Workform

Instruction Sheet

Summary of Changes from the Prior Year

Criteria for Disposition Eligibility

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

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

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

Account 1595 Workform Instructions

In the Information Sheet,

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

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

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

1595 Analysis Workform

Account 1595 Analysis Workform

Input cells
 Drop down cells

Utility Name

Utility name must be selected

	Eligible for disposition?	Disposition Requested?
2014 and pre-2014	Yes	No
2015	Yes	No
2016	Yes	No
2017	Yes	Yes
2018	No	No
2019	No	No

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



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1595 Analysis Workform

Step 1

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

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

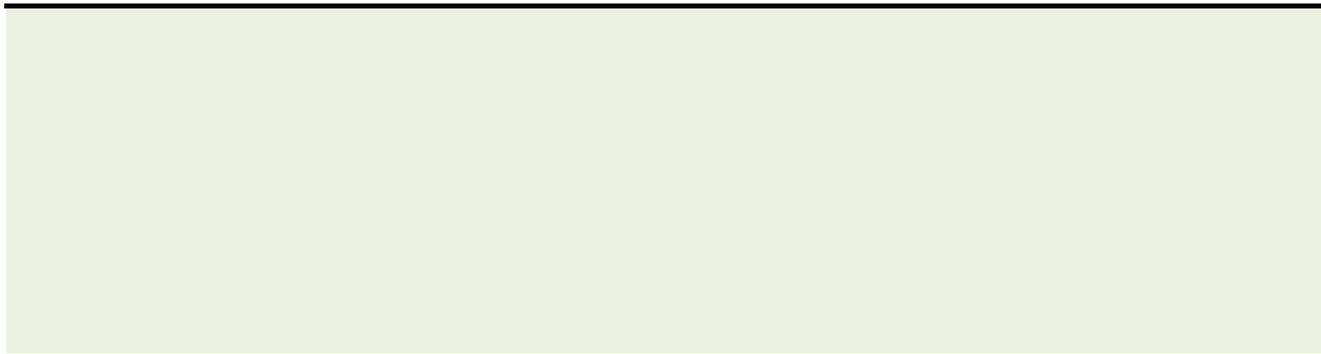
Additional Notes and Comments



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

**Total residual balance per continuity schedule:
 Difference (any variance should be explained):**

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



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

Appendix 9-4
Calculation of Accelerated CCA Amounts
For 2019 and 2020

2019 - Accelerated CCA based on 2015 Test Year Additions

Class	2 Balance 12/31/2014	3 Cost of Additions during the year	4 Cost of additions accelerated Cost	5 Adjustments Transfers	6	7	8 Proceeds of Disposition	9 UCC 2 + 3 - 5	10	11 UCC adjustment for accelerated CCA	12 UCC adjustment for accelerated by factor	13 UCC adjustment for non accelerated CCA	14 CCA %	15 Recapture of CCA	16 Terminal Loss	17 CCA for the year	18 UCC Balance 12/31/2018
1 Buildings	54,008,997							54,008,997		-			4%			2,160,360	51,848,637
1b Buildings	6,085,694							6,085,694		-			6%			365,142	5,720,552
1b Buildings > 18-03-17	2,279,999	86,640.00	86,640.00					2,366,639	86,640	43,320		-	6%			144,598	2,222,041
2 Electrical generating equipment	3,415,294							3,415,294		-			6%			204,918	3,210,376
3 Building < 1990	1,211,513							1,211,513		-			5%			60,576	1,150,937
8 Office Equipment, Tools, Other	1,807,282	310,626.00	310,626.00					2,117,908	310,626	155,313		-	20%			454,644	1,663,264
10 Vehicles and Equipment	2,465,289	698,878.00	698,878.00					3,164,167	698,878	349,439		-	30%			1,054,082	2,110,085
12 Computer Software	326,483	368,740.00	368,740.00					695,223	368,740			-	100%			695,223	-
14.1 Goodwill	-							-					7%			-	-
17 Roads, parking lots	259,815							259,815					8%			20,785	239,030
45 Computers	1,558							1,558					45%			701	857
47 Transmission and Dist Equipment	54,467,452	9,166,448.00	9,166,448.00					63,633,900	9,166,448	4,583,224		-	8%			5,457,370	58,176,530
50 Computers > 3/18/07	383,256	240,248.00	240,248.00					623,504	240,248	120,124		-	55%			408,995	214,509
	126,712,632	10,871,580	10,871,580	-	-	-	-	137,584,212	-	10,871,580	5,251,420	-	-			11,027,393	126,556,819

2020 - Accelerated CCA based on 2015 Test Year Additions

Class	2 Balance 12/31/2015	3 Cost of Additions during the year	4 Cost of additions accelerated Cost	5 Adjustments Transfers	6	7	8 Proceeds of Disposition	9 UCC 2 + 3 - 5	10	11 UCC adjustment for accelerated CCA	12 UCC adjustment for accelerated by factor	13 UCC adjustment for non accelerated CCA	14 CCA %	15 Recapture of CCA	16 Terminal Loss	17 CCA for the year	18 UCC Balance 12/31/2020
1 Buildings	51,848,637							51,848,637		-			4%			2,073,945	49,774,692
1b Buildings	5,720,552							5,720,552		-			6%			343,233	5,377,319
1b Buildings > 18-03-17	2,222,041	86,640	86,640					2,308,681	86,640	43,320		-	6%			141,120	2,167,561
2 Electrical generating equipment	3,210,376							3,210,376		-			6%			192,623	3,017,754
3 Building < 1990	1,150,937							1,150,937					5%			57,547	1,093,390
8 Office Equipment, Tools, Other	1,663,264	310,626	310,626					1,973,890	310,626	155,313		-	20%			425,841	1,548,049
10 Vehicles and Equipment	2,110,085	698,878	698,878					2,808,963	698,878	349,439		-	30%			947,521	1,861,443
12 Computer Software	-	368,740	368,740					368,740	368,740			-	100%			368,740	-
14.1 Goodwill	-							-					7%			-	-
17 Roads, parking lots	239,030							239,030					8%			19,122	219,907
45 Computers	857							857					45%			386	471
47 Transmission and Dist Equipment	58,176,530	9,166,448	9,166,448					67,342,978	9,166,448	4,583,224		-	8%			5,754,096	61,588,882
50 Computers > 3/18/07	214,509	240,248	240,248					454,757	240,248	120,124		-	55%			316,184	138,572
	126,556,819	10,871,580	10,871,580	-	-	-	-	137,428,399	-	10,871,580	5,251,420	-	-			10,640,358	126,788,041

Appendix 9-5
Original 2015 PILs Workform

Income Tax/PILs Workform for 2015 Filers

Version 3.0

Utility Name	Niagara Peninsula Energy Inc.
Assigned EB Number	EB-2014-0096
Name and Title	Suzanne Wilson, VP Finance
Phone Number	905-353-6004
Email Address	Suzanne.wilson@npei.ca
Date	9/23/2014
Last COS Re-based Year	2011

Note: Drop-down lists are shaded blue; Input cells are shaded green.

This Workbook Model is protected by copyright and is being made available to you solely for the purpose of filing your rate application. You may use and copy this model for that purpose, and provide a copy of this model to any person that is advising or assisting you in that regard. Except as indicated above, any copying, reproduction, publication, sale, adaptation, translation, modification, reverse engineering or other use or dissemination of this model without the express written consent of the Ontario Energy Board is prohibited. If you provide a copy of this model to a person that is advising or assisting you in preparing the application or reviewing your draft rate order, you must ensure that the person understands and agrees to the restrictions noted above.

While this model has been provided in Excel format and is required to be filed with the applications, the onus remains on the applicant to ensure the accuracy of the data and the results.



Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

[1. Info](#)

[A. Data Input Sheet](#)

[B. Tax Rates & Exemptions](#)

[C. Sch 8 Hist](#)

[D. Schedule 10 CEC Hist](#)

[E. Sch 13 Tax Reserves Hist](#)

[F. Sch 7-1 Loss Cfwd Hist](#)

[G. Adj. Taxable Income Historical](#)

[H. PILs, Tax Provision Historical](#)

[I. Schedule 8 CCA Bridge Year](#)

[J. Schedule 10 CEC Bridge Year](#)

[K. Sch 13 Tax Reserves Bridge](#)

[L. Sch 7-1 Loss Cfwd Bridge](#)

[M. Adj. Taxable Income Bridge](#)

[N. PILs, Tax Provision Bridge](#)

[O. Schedule 8 CCA Test Year](#)

[P. Schedule 10 CEC Test Year](#)

[Q. Sch 13 Tax Reserve Test Year](#)

[R. Sch 7-1 Loss Cfwd](#)

[S. Taxable Income Test Year](#)

[T. PILs, Tax Provision](#)



Income Tax/PILs Workform for 2015 Filers

Rate Base			\$ 139,961,709	
Return on Ratebase				
Deemed ShortTerm Debt %	4.00%	T	\$ 5,598,468	$W = S * T$
Deemed Long Term Debt %	56.00%	U	\$ 78,378,557	$X = S * U$
Deemed Equity %	40.00%	V	\$ 55,984,684	$Y = S * V$
Short Term Interest Rate	2.16%	Z	\$ 120,927	$AC = W * Z$
Long Term Interest	3.92%	AA	\$ 3,074,658	$AD = X * AA$
Return on Equity (Regulatory Income)	9.30%	AB	\$ 5,206,576	$AE = Y * AB$
Return on Rate Base			\$ 8,402,161	$AF = AC + AD + AE$

Questions that must be answered

	Historical	Bridge	Test Year
1. Does the applicant have any Investment Tax Credits (ITC)?	Yes	Yes	Yes
2. Does the applicant have any SRED Expenditures?	No	No	No
3. Does the applicant have any Capital Gains or Losses for tax purposes?	No	No	No
4. Does the applicant have any Capital Leases?	No	No	No
5. Does the applicant have any Loss Carry-Forwards (non-capital or net capital)?	No	No	No
6. Since 1999, has the applicant acquired another regulated applicant's assets?	Yes	Yes	Yes
7. Did the applicant pay dividends? <i>If Yes, please describe what was the tax treatment in the manager's summary.</i>	Yes	Yes	Yes
8. Did the applicant elect to capitalize interest incurred on CWIP for tax purposes?	No	No	No



Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

**Tax Rates
 Federal & Provincial
 As of June 20, 2012**

Federal income tax
 General corporate rate
 Federal tax abatement
 Adjusted federal rate

Rate reduction

Ontario income tax

Combined federal and Ontario

Federal & Ontario Small Business

Federal small business threshold
 Ontario Small Business Threshold

Federal small business rate

Ontario small business rate

	Effective #####	Effective #####	Effective #####	Effective #####	Effective #####
General corporate rate	38.00%	38.00%	38.00%	38.00%	38.00%
Federal tax abatement	-10.00%	-10.00%	-10.00%	-10.00%	-10.00%
Adjusted federal rate	28.00%	28.00%	28.00%	28.00%	28.00%
Rate reduction	-11.50%	-13.00%	-13.00%	-13.00%	-13.00%
	16.50%	15.00%	15.00%	15.00%	15.00%
Ontario income tax	11.75%	11.50%	11.50%	11.50%	11.50%
Combined federal and Ontario	28.25%	26.50%	26.50%	26.50%	26.50%
Federal small business threshold	500,000	500,000	500,000	500,000	500,000
Ontario Small Business Threshold	500,000	500,000	500,000	500,000	0
Federal small business rate	11.00%	11.00%	11.00%	11.00%	11.00%
Ontario small business rate	4.50%	4.50%	4.50%	4.50%	0.00%



Income Tax/PIEs Workform for 2015 Filer

Schedule 10 CEC - Historical Year

Cumulative Eligible Capital **1,050,008**

Additions

Cost of Eligible Capital Property Acquired during Test Year				
Other Adjustments	0			
Subtotal	0		x 3/4 =	0
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday, December 20, 2002	0		x 1/2 =	0
				0
Amount transferred on amalgamation or wind-up of subsidiary	0			0
Subtotal				1,050,008

Deductions

Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during Test Year				
Other Adjustments	0			
Subtotal	0		x 3/4 =	0

Cumulative Eligible Capital Balance **1,050,008**

Current Year Deduction **1,050,008** x 7% = **73,501**

Cumulative Eligible Capital - Closing Balance **976,507**



Income Tax/PIEs Workform for 2

Schedule 13 Tax Reserves - Historical

Continuity of Reserves

Description	Historical Balance as per tax returns	Non-Distribution Eliminations	Utility Only
Capital Gains Reserves ss.40(1)			0
Tax Reserves Not Deducted for accounting purposes			
Reserve for doubtful accounts ss. 20(1)(l)			0
Reserve for goods and services not delivered ss. 20(1)(m)			0
Reserve for unpaid amounts ss. 20(1)(n)			0
Debt & Share Issue Expenses ss. 20(1)(e)			0
Other tax reserves			0
			0
			0
			0
			0
Total	0	0	0
Financial Statement Reserves (not deductible for Tax Purposes)			
General Reserve for Inventory Obsolescence (non-specific)			0
General reserve for bad debts			0
Accrued Employee Future Benefits:			0
- Medical and Life Insurance			0
-Short & Long-term Disability			0
-Accumulated Sick Leave			0
- Termination Cost			0
- Other Post-Employment Benefits			0
Provision for Environmental Costs			0
Restructuring Costs			0
Accrued Contingent Litigation Costs			0
Accrued Self-Insurance Costs			0
Other Contingent Liabilities			0
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)			0
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)			0
Other			0
			0
			0
			0
Total	0	0	0



Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

Schedule 7-1 Loss Carry Forward - Historical

Corporation Loss Continuity and Application

	Total	Non-Distribution Portion	Utility Balance
Non-Capital Loss Carry Forward Deduction			
Actual Historical			0
Net Capital Loss Carry Forward Deduction			
Actual Historical			0



Income Tax/PILs Workform for 2015 Filers

Adjusted Taxable Income - Historical Year

	T2S1 line #	Total for Legal Entity	Non-Distribution Eliminations	Historic Wires Only
Income before PILs/Taxes	A	3,187,387		3,187,387
Additions:				
Interest and penalties on taxes	103			0
Amortization of tangible assets	104	5,321,041		5,321,041
Amortization of intangible assets	106			0
Recapture of capital cost allowance from Schedule 8	107			0
Gain on sale of eligible capital property from Schedule 10	108			0
Income or loss for tax purposes- joint ventures or partnerships	109			0
Loss in equity of subsidiaries and affiliates	110			0
Loss on disposal of assets	111			0
Charitable donations	112			0
Taxable Capital Gains	113			0
Political Donations	114			0
Deferred and prepaid expenses	116			0
Scientific research expenditures deducted on financial statements	118			0
Capitalized interest	119			0
Non-deductible club dues and fees	120			0
Non-deductible meals and entertainment expense	121			0
Non-deductible automobile expenses	122			0
Non-deductible life insurance premiums	123			0
Non-deductible company pension plans	124			0
Tax reserves deducted in prior year	125			0
Reserves from financial statements- balance at end of year	126			0
Soft costs on construction and renovation of buildings	127			0
Book loss on joint ventures or partnerships	205			0
Capital items expensed	206			0
Debt issue expense	208			0
Development expenses claimed in current year	212			0
Financing fees deducted in books	216			0
Gain on settlement of debt	220			0
Non-deductible advertising	226			0
Non-deductible interest	227			0
Non-deductible legal and accounting fees	228			0
Recapture of SR&ED expenditures	231			0
Share issue expense	235			0
Write down of capital property	236			0
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237			0
Other Additions				
Interest Expensed on Capital Leases	290			0
Realized Income from Deferred Credit Accounts	291			0
Pensions	292			0
Non-deductible penalties	293			0
Previous years apprenticeship tax credit claimed	294	106,351		106,351
	295			0
ARO Accretion expense				0
Capital Contributions Received (ITA 12(1)(x))				0
Lease Inducements Received (ITA 12(1)(x))				0
Deferred Revenue (ITA 12(1)(a))				0
Prior Year Investment Tax Credits received				0
Change in Employee Future Benefits		107,944		107,944

Change in Regulatory variance accounts		879,966	EB-2020-0040	879,966
Inducement - ITA 12(1)(x)-ITC from apprenticeship job creation expenditures		12,572	Filed: August 31, 2020	12,572
			131 of 208	0
				0
				0
				0
				0
				0
Total Additions		6,427,874	0	6,427,874
Deductions:				
Gain on disposal of assets per financial statements	401			0
Dividends not taxable under section 83	402			0
Capital cost allowance from Schedule 8	403	8,552,056		8,552,056
Terminal loss from Schedule 8	404			0
Cumulative eligible capital deduction from Schedule 10	405	73,501		73,501
Allowable business investment loss	406			0
Deferred and prepaid expenses	409			0
Scientific research expenses claimed in year	411			0
Tax reserves claimed in current year	413			0
Reserves from financial statements - balance at beginning of year	414			0
Contributions to deferred income plans	416			0
Book income of joint venture or partnership	305			0
Equity in income from subsidiary or affiliates	306			0
<i>Other deductions: (Please explain in detail the nature of the item)</i>				
Interest capitalized for accounting deducted for tax	390			0
Capital Lease Payments	391			0
Non-taxable imputed interest income on deferral and variance accounts	392			0
	393			0
	394			0
ARO Payments - Deductible for Tax when Paid				0
ITA 13(7.4) Election - Capital Contributions Received				0
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds				0
Deferred Revenue - ITA 20(1)(m) reserve				0
Principal portion of lease payments				0
Lease Inducement Book Amortization credit to income				0
Financing fees for tax ITA 20(1)(e) and (e.1)				0
Apprenticeship credits included in FS income		118,062		118,062
				0
				0
				0
				0
				0
				0
Total Deductions		8,743,619	0	8,743,619
Net Income for Tax Purposes		871,642	0	871,642
Charitable donations from Schedule 2	311			0
Taxable dividends deductible under section 112 or 113, from Schedule 3 (item 82)	320			0
Non-capital losses of preceding taxation years from Schedule 4	331			0
Net-capital losses of preceding taxation years from Schedule 4 (Please include explanation and calculation in Manager's summary)	332			0
Limited partnership losses of preceding taxation years from Schedule 4	335			0
TAXABLE INCOME		871,642	0	871,642

Income Tax/PILs Workform for 2015 Filers

PILs Tax Provision - Historical Year

Note: Input the actual information from the tax returns for the historical year.

Wires Only

Regulatory Taxable Income

\$ 871,642 **A**

Ontario Income Taxes

Income tax payable

Ontario Income Tax

11.50% **B**

\$ 100,239 **C = A * B**

Small business credit

Ontario Small Business Threshold
 Rate reduction (negative)

\$ 500,000 **D**

-7.00% **E**

-\$ 35,000 **F = D * E**

Ontario Income tax

\$ 65,239 **J = C + F**

Combined Tax Rate and PILs

Effective Ontario Tax Rate
 Federal tax rate (Maximum 15%)
 Combined tax rate

7.48%

K = J / A

15.00%

L

22.48% **M = K + L**

Total Income Taxes

\$ 195,985 **N = A * M**

Investment Tax Credits

\$ 8,909 **O**

Miscellaneous Tax Credits

\$ 109,153 **P**

Total Tax Credits

\$ 118,062 **Q = O + P**

Corporate PILs/Income Tax Provision for Historical Year

\$ 77,923 **R = N - Q**



Income Tax/PIEs Workform for 2015 Filer

Schedule 10 CEC - Bridge Year

Cumulative Eligible Capital **976,507**

Additions

Cost of Eligible Capital Property Acquired during Test Year				
Other Adjustments	0			
Subtotal	0		x 3/4 =	0
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday, December 20, 2002	0		x 1/2 =	0
				0
				0
Amount transferred on amalgamation or wind-up of subsidiary	0			0
Subtotal	0			0
				976,507

Deductions

Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during Test Year				
Other Adjustments	0			
Subtotal	0		x 3/4 =	0

Cumulative Eligible Capital Balance **976,507**

Current Year Deduction **976,507** x 7% = **68,356**

Cumulative Eligible Capital - Closing Balance **908,152**



Ontario Energy Board

Income Tax/PILs Workform for 2015 Filed

Corporation Loss Continuity and Application

Schedule 7-1 Loss Carry Forward - Bridge Year

Non-Capital Loss Carry Forward Deduction	Total
Actual Historical	0
Application of Loss Carry Forward to reduce taxable income in Bridge Year	
Other Adjustments Add (+) Deduct (-)	0
Balance available for use in Test Year	0
Amount to be used in Bridge Year	0
Balance available for use post Bridge Year	0

Net Capital Loss Carry Forward Deduction	Total
Actual Historical	0
Application of Loss Carry Forward to reduce taxable income in Bridge Year	
Other Adjustments Add (+) Deduct (-)	
Balance available for use in Test Year	0
Amount to be used in Bridge Year	
Balance available for use post Bridge Year	0



Income Tax/PILs Workform for 2015 Filers

Adjusted Taxable Income - Bridge Year

	T2S1 line #	Total for Regulated Utility
Income before PILs/Taxes	A	3,883,606
Additions:		
Interest and penalties on taxes	103	
Amortization of tangible assets	104	
Amortization of intangible assets	106	5,584,950
Recapture of capital cost allowance from Schedule 8	107	
Gain on sale of eligible capital property from Schedule 10	108	
Income or loss for tax purposes- joint ventures or partnerships	109	
Loss in equity of subsidiaries and affiliates	110	
Loss on disposal of assets	111	
Charitable donations	112	
Taxable Capital Gains	113	
Political Donations	114	
Deferred and prepaid expenses	116	
Scientific research expenditures deducted on financial statements	118	
Capitalized interest	119	
Non-deductible club dues and fees	120	
Non-deductible meals and entertainment expense	121	
Non-deductible automobile expenses	122	
Non-deductible life insurance premiums	123	
Non-deductible company pension plans	124	
Tax reserves deducted in prior year	125	0
Reserves from financial statements- balance at end of year	126	0
Soft costs on construction and renovation of buildings	127	
Book loss on joint ventures or partnerships	205	
Capital items expensed	206	
Debt issue expense	208	
Development expenses claimed in current year	212	
Financing fees deducted in books	216	
Gain on settlement of debt	220	
Non-deductible advertising	226	
Non-deductible interest	227	
Non-deductible legal and accounting fees	228	
Recapture of SR&ED expenditures	231	
Share issue expense	235	
Write down of capital property	236	
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237	



Income Tax/PIs Workform for 2015 Filers

Adjusted Taxable Income - Bridge Year

Other Additions		
Interest Expensed on Capital Leases	290	
Realized Income from Deferred Credit Accounts	291	
Pensions	292	
Non-deductible penalties	293	
	294	
	295	
ARO Accretion expense		
Capital Contributions Received (ITA 12(1)(x))		
Lease Inducements Received (ITA 12(1)(x))		
Deferred Revenue (ITA 12(1)(a))		
Prior Year Investment Tax Credits received		8,909
Change in Employee Benefits		20,994
Previous years Ontario apprenticeship tax credits claimed		109,153
Change in regulatory variance accounts		0
Total Additions		5,724,006
Deductions:		
Gain on disposal of assets per financial statements	401	
Dividends not taxable under section 83	402	
Capital cost allowance from Schedule 8	403	9,281,567
Terminal loss from Schedule 8	404	
Cumulative eligible capital deduction from Schedule 10	405	68,356
Allowable business investment loss	406	
Deferred and prepaid expenses	409	
Scientific research expenses claimed in year	411	
Tax reserves claimed in current year	413	0
Reserves from financial statements - balance at beginning of year	414	0
Contributions to deferred income plans	416	
Book income of joint venture or partnership	305	
Equity in income from subsidiary or affiliates	306	
<i>Other deductions: (Please explain in detail the nature of the item)</i>		



Income Tax/PILs Workform for 2015 Filers

Adjusted Taxable Income - Bridge Year

Interest capitalized for accounting deducted for tax	390	
Capital Lease Payments	391	
Non-taxable imputed interest income on deferral and variance accounts	392	
	393	
	394	
ARO Payments - Deductible for Tax when Paid		
ITA 13(7.4) Election - Capital Contributions Received		
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds		
Deferred Revenue - ITA 20(1)(m) reserve		
Principal portion of lease payments		
Lease Inducement Book Amortization credit to income		
Financing fees for tax ITA 20(1)(e) and (e.1)		
Apprenticeship credits included in FS income		111,027
Total Deductions		9,460,950
Net Income for Tax Purposes		146,663
Charitable donations from Schedule 2	311	
Taxable dividends deductible under section 112 or 113, from Schedule 3 (item 82)	320	
Non-capital losses of preceding taxation years from Schedule 4	331	0
Net-capital losses of preceding taxation years from Schedule 4 (Please include explanation and calculation in Manager's summary)	332	
Limited partnership losses of preceding taxation years from Schedule 4	335	
TAXABLE INCOME		146,663



Income Tax/PILs Workform for 2015 Filers

Schedule 10 CEC - Test Year

Cumulative Eligible Capital

908,152

Additions

Cost of Eligible Capital Property Acquired during Test Year

0

Other Adjustments

0

Subtotal 0

x 3/4 = 0

Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday, December 20, 2002

0

x 1/2 = 0

0

Amount transferred on amalgamation or wind-up of subsidiary

0

0

Subtotal

908,152

Deductions

Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during Test Year

0

Other Adjustments

0

Subtotal 0

x 3/4 =

0

Cumulative Eligible Capital Balance

908,152

Current Year Deduction (Carry Forward to Tab "Test Year Taxable Income")

908,152 x 7% = 63,571

Cumulative Eligible Capital - Closing Balance

844,581



Income Tax/PILs Workform for 2015 Filers

Schedule 7-1 Loss Carry Forward - Test Year

Corporation Loss Continuity and Application

	Total	Non-Distribution Portion	Utility Balance
Non-Capital Loss Carry Forward Deduction			
Actual/Estimated Bridge Year	0		0
			0
Other Adjustments Add (+) Deduct (-)	0		0
Balance available for use in Test Year	0	0	0
Amount to be used in Test Year	0		0
Balance available for use post Test Year	0	0	0

	Total	Non-Distribution Portion	Utility Balance
Net Capital Loss Carry Forward Deduction			
Actual/Estimated Bridge Year	0		0
			0
Other Adjustments Add (+) Deduct (-)			0
Balance available for use in Test Year	0	0	0
Amount to be used in Test Year			0
Balance available for use post Test Year	0	0	0



Income Tax/PILs Workform for 2015 Fi

Taxable Income - Test Year

		Test Year Taxable Income
Net Income Before Taxes		5,206,576
	T2 S1 line #	
Additions:		
Interest and penalties on taxes	103	
Amortization of tangible assets <i>2-4 ADJUSTED ACCOUNTING DATA P489</i>	104	
Amortization of intangible assets <i>2-4 ADJUSTED ACCOUNTING DATA P490</i>	106	5,034,074
Recapture of capital cost allowance from Schedule 8	107	
Gain on sale of eligible capital property from Schedule 10	108	
Income or loss for tax purposes- joint ventures or partnerships	109	
Loss in equity of subsidiaries and affiliates	110	
Loss on disposal of assets	111	
Charitable donations	112	
Taxable Capital Gains	113	
Political Donations	114	
Deferred and prepaid expenses	116	
Scientific research expenditures deducted on financial statements	118	
Capitalized interest	119	
Non-deductible club dues and fees	120	
Non-deductible meals and entertainment expense	121	
Non-deductible automobile expenses	122	
Non-deductible life insurance premiums	123	
Non-deductible company pension plans	124	
Tax reserves beginning of year	125	0
Reserves from financial statements- balance at end of year	126	0
Soft costs on construction and renovation of buildings	127	
Book loss on joint ventures or partnerships	205	
Capital items expensed	206	
Debt issue expense	208	
Development expenses claimed in current year	212	
Financing fees deducted in books	216	
Gain on settlement of debt	220	
Non-deductible advertising	226	
Non-deductible interest	227	
Non-deductible legal and accounting fees	228	
Recapture of SR&ED expenditures	231	
Share issue expense	235	
Write down of capital property	236	

Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237	
<i>Other Additions: (please explain in detail the nature of the item)</i>		
Interest Expensed on Capital Leases	290	
Realized Income from Deferred Credit Accounts	291	
Pensions	292	
Non-deductible penalties	293	
	294	
	295	
	296	
	297	
ARO Accretion expense		
Capital Contributions Received (ITA 12(1)(x))		
Lease Inducements Received (ITA 12(1)(x))		
Deferred Revenue (ITA 12(1)(a))		
Prior Year Investment Tax Credits received		7,329
Change in Regulatory variance accounts		0
Change in Employee future benefits		101,909
Previous years Ontario apprenticeship tax credit claimed		103,699
Total Additions		5,247,011
Deductions:		
Gain on disposal of assets per financial statements	401	
Dividends not taxable under section 83	402	
Capital cost allowance from Schedule 8	403	9,700,584
Terminal loss from Schedule 8	404	
Cumulative eligible capital deduction from Schedule 10 CEC	405	63,571
Allowable business investment loss	406	
Deferred and prepaid expenses	409	
Scientific research expenses claimed in year	411	
Tax reserves end of year	413	0
Reserves from financial statements - balance at beginning of year	414	0
Contributions to deferred income plans	416	
Book income of joint venture or partnership	305	
Equity in income from subsidiary or affiliates	306	
<i>Other deductions: (Please explain in detail the nature of the item)</i>		
Interest capitalized for accounting deducted for tax	390	
Capital Lease Payments	391	

Non-taxable imputed interest income on deferral and variance accounts	392	
	393	
	394	
	395	
	396	
	397	
ARO Payments - Deductible for Tax when Paid		
ITA 13(7.4) Election - Capital Contributions Received		
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds		
Deferred Revenue - ITA 20(1)(m) reserve		
Principal portion of lease payments		
Lease Inducement Book Amortization credit to income		
Financing fees for tax ITA 20(1)(e) and (e.1)		
Apprenticeship credits included in FS income		81,003
Total Deductions		9,845,158
NET INCOME FOR TAX PURPOSES		608,429
Charitable donations	311	
Taxable dividends received under section 112 or 113	320	
Non-capital losses of preceding taxation years from Schedule 7-1	331	0
Net-capital losses of preceding taxation years (Please show calculation)	332	
Limited partnership losses of preceding taxation years from Schedule 4	335	
REGULATORY TAXABLE INCOME		608,429

Appendix 9-6

2015 PILs Workform Accelerated CCA 2019

Income Tax/PILs Workform for 2015 Filers

Version 3.0

Utility Name	Niagara Peninsula Energy Inc.
Assigned EB Number	EB-2014-0096
Name and Title	Suzanne Wilson, VP Finance
Phone Number	905-353-6004
Email Address	Suzanne.wilson@npei.ca
Date	9/23/2014
Last COS Re-based Year	2011

Note: Drop-down lists are shaded blue; Input cells are shaded green.

This Workbook Model is protected by copyright and is being made available to you solely for the purpose of filing your rate application. You may use and copy this model for that purpose, and provide a copy of this model to any person that is advising or assisting you in that regard. Except as indicated above, any copying, reproduction, publication, sale, adaptation, translation, modification, reverse engineering or other use or dissemination of this model without the express written consent of the Ontario Energy Board is prohibited. If you provide a copy of this model to a person that is advising or assisting you in preparing the application or reviewing your draft rate order, you must ensure that the person understands and agrees to the restrictions noted above.

While this model has been provided in Excel format and is required to be filed with the applications, the onus remains on the applicant to ensure the accuracy of the data and the results.



Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

[1. Info](#)

[A. Data Input Sheet](#)

[B. Tax Rates & Exemptions](#)

[C. Sch 8 Hist](#)

[D. Schedule 10 CEC Hist](#)

[E. Sch 13 Tax Reserves Hist](#)

[F. Sch 7-1 Loss Cfwd Hist](#)

[G. Adj. Taxable Income Historical](#)

[H. PILs, Tax Provision Historical](#)

[I. Schedule 8 CCA Bridge Year](#)

[J. Schedule 10 CEC Bridge Year](#)

[K. Sch 13 Tax Reserves Bridge](#)

[L. Sch 7-1 Loss Cfwd Bridge](#)

[M. Adj. Taxable Income Bridge](#)

[N. PILs, Tax Provision Bridge](#)

[O. Schedule 8 CCA Test Year](#)

[P. Schedule 10 CEC Test Year](#)

[Q. Sch 13 Tax Reserve Test Year](#)

[R. Sch 7-1 Loss Cfwd](#)

[S. Taxable Income Test Year](#)

[T. PILs, Tax Provision](#)



Income Tax/PILs Workform for 2015 Filers

Rate Base			\$ 139,961,709	
Return on Ratebase				
Deemed ShortTerm Debt %	4.00%	T	\$ 5,598,468	$W = S * T$
Deemed Long Term Debt %	56.00%	U	\$ 78,378,557	$X = S * U$
Deemed Equity %	40.00%	V	\$ 55,984,684	$Y = S * V$
Short Term Interest Rate	2.16%	Z	\$ 120,927	$AC = W * Z$
Long Term Interest	3.92%	AA	\$ 3,074,658	$AD = X * AA$
Return on Equity (Regulatory Income)	9.30%	AB	\$ 5,206,576	$AE = Y * AB$
Return on Rate Base			\$ 8,402,161	$AF = AC + AD + AE$

Questions that must be answered

	Historical	Bridge	Test Year
1. Does the applicant have any Investment Tax Credits (ITC)?	Yes	Yes	Yes
2. Does the applicant have any SRED Expenditures?	No	No	No
3. Does the applicant have any Capital Gains or Losses for tax purposes?	No	No	No
4. Does the applicant have any Capital Leases?	No	No	No
5. Does the applicant have any Loss Carry-Forwards (non-capital or net capital)?	No	No	No
6. Since 1999, has the applicant acquired another regulated applicant's assets?	Yes	Yes	Yes
7. Did the applicant pay dividends? <i>If Yes, please describe what was the tax treatment in the manager's summary.</i>	Yes	Yes	Yes
8. Did the applicant elect to capitalize interest incurred on CWIP for tax purposes?	No	No	No



Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

**Tax Rates
 Federal & Provincial
 As of June 20, 2012**

Federal income tax
 General corporate rate
 Federal tax abatement
 Adjusted federal rate

Rate reduction

Ontario income tax

Combined federal and Ontario

Federal & Ontario Small Business

Federal small business threshold
 Ontario Small Business Threshold

Federal small business rate

Ontario small business rate

	Effective #####	Effective #####	Effective #####	Effective #####	Effective #####
General corporate rate	38.00%	38.00%	38.00%	38.00%	38.00%
Federal tax abatement	-10.00%	-10.00%	-10.00%	-10.00%	-10.00%
Adjusted federal rate	28.00%	28.00%	28.00%	28.00%	28.00%
Rate reduction	-11.50%	-13.00%	-13.00%	-13.00%	-13.00%
	16.50%	15.00%	15.00%	15.00%	15.00%
Ontario income tax	11.75%	11.50%	11.50%	11.50%	11.50%
Combined federal and Ontario	28.25%	26.50%	26.50%	26.50%	26.50%
Federal small business threshold	500,000	500,000	500,000	500,000	500,000
Ontario Small Business Threshold	500,000	500,000	500,000	500,000	0
Federal small business rate	11.00%	11.00%	11.00%	11.00%	11.00%
Ontario small business rate	4.50%	4.50%	4.50%	4.50%	0.00%



Income Tax/PIEs Workform for 2015 Filer

Schedule 10 CEC - Historical Year

Cumulative Eligible Capital **1,050,008**

Additions

Cost of Eligible Capital Property Acquired during Test Year	0		
Other Adjustments	0		
Subtotal	0	x 3/4 =	0
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday, December 20, 2002	0	x 1/2 =	0
			0
Amount transferred on amalgamation or wind-up of subsidiary	0		0
Subtotal	0		1,050,008

Deductions

Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during Test Year	0		
Other Adjustments	0		
Subtotal	0	x 3/4 =	0

Cumulative Eligible Capital Balance **1,050,008**

Current Year Deduction **1,050,008 x 7% = 73,501**

Cumulative Eligible Capital - Closing Balance **976,507**



Income Tax/PIs Workform for 2

Schedule 13 Tax Reserves - Historical

Continuity of Reserves

Description	Historical Balance as per tax returns	Non-Distribution Eliminations	Utility Only
Capital Gains Reserves ss.40(1)			0
Tax Reserves Not Deducted for accounting purposes			
Reserve for doubtful accounts ss. 20(1)(l)			0
Reserve for goods and services not delivered ss. 20(1)(m)			0
Reserve for unpaid amounts ss. 20(1)(n)			0
Debt & Share Issue Expenses ss. 20(1)(e)			0
Other tax reserves			0
			0
			0
			0
			0
Total	0	0	0
Financial Statement Reserves (not deductible for Tax Purposes)			
General Reserve for Inventory Obsolescence (non-specific)			0
General reserve for bad debts			0
Accrued Employee Future Benefits:			0
- Medical and Life Insurance			0
-Short & Long-term Disability			0
-Accumulated Sick Leave			0
- Termination Cost			0
- Other Post-Employment Benefits			0
Provision for Environmental Costs			0
Restructuring Costs			0
Accrued Contingent Litigation Costs			0
Accrued Self-Insurance Costs			0
Other Contingent Liabilities			0
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)			0
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)			0
Other			0
			0
			0
			0
Total	0	0	0



Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

Schedule 7-1 Loss Carry Forward - Historical

Corporation Loss Continuity and Application

	Total	Non-Distribution Portion	Utility Balance
Non-Capital Loss Carry Forward Deduction			
Actual Historical			0
Net Capital Loss Carry Forward Deduction			
Actual Historical			0



Income Tax/PILs Workform for 2015 Filers

Adjusted Taxable Income - Historical Year

	T2S1 line #	Total for Legal Entity	Non-Distribution Eliminations	Historic Wires Only
Income before PILs/Taxes	A	3,187,387		3,187,387
Additions:				
Interest and penalties on taxes	103			0
Amortization of tangible assets	104	5,321,041		5,321,041
Amortization of intangible assets	106			0
Recapture of capital cost allowance from Schedule 8	107			0
Gain on sale of eligible capital property from Schedule 10	108			0
Income or loss for tax purposes- joint ventures or partnerships	109			0
Loss in equity of subsidiaries and affiliates	110			0
Loss on disposal of assets	111			0
Charitable donations	112			0
Taxable Capital Gains	113			0
Political Donations	114			0
Deferred and prepaid expenses	116			0
Scientific research expenditures deducted on financial statements	118			0
Capitalized interest	119			0
Non-deductible club dues and fees	120			0
Non-deductible meals and entertainment expense	121			0
Non-deductible automobile expenses	122			0
Non-deductible life insurance premiums	123			0
Non-deductible company pension plans	124			0
Tax reserves deducted in prior year	125			0
Reserves from financial statements- balance at end of year	126			0
Soft costs on construction and renovation of buildings	127			0
Book loss on joint ventures or partnerships	205			0
Capital items expensed	206			0
Debt issue expense	208			0
Development expenses claimed in current year	212			0
Financing fees deducted in books	216			0
Gain on settlement of debt	220			0
Non-deductible advertising	226			0
Non-deductible interest	227			0
Non-deductible legal and accounting fees	228			0
Recapture of SR&ED expenditures	231			0
Share issue expense	235			0
Write down of capital property	236			0
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237			0
Other Additions				
Interest Expensed on Capital Leases	290			0
Realized Income from Deferred Credit Accounts	291			0
Pensions	292			0
Non-deductible penalties	293			0
Previous years apprenticeship tax credit claimed	294	106,351		106,351
	295			0
ARO Accretion expense				0
Capital Contributions Received (ITA 12(1)(x))				0
Lease Inducements Received (ITA 12(1)(x))				0
Deferred Revenue (ITA 12(1)(a))				0
Prior Year Investment Tax Credits received				0
Change in Employee Future Benefits		107,944		107,944

Change in Regulatory variance accounts		879,966	EB-2020-0040	879,966
Inducement - ITA 12(1)(x)-ITC from apprenticeship job creation expenditures		12,572	Filed: August 31, 2020	12,572
			159 of 208	0
				0
				0
				0
				0
				0
Total Additions		6,427,874	0	6,427,874
Deductions:				
Gain on disposal of assets per financial statements	401			0
Dividends not taxable under section 83	402			0
Capital cost allowance from Schedule 8	403	8,552,056		8,552,056
Terminal loss from Schedule 8	404			0
Cumulative eligible capital deduction from Schedule 10	405	73,501		73,501
Allowable business investment loss	406			0
Deferred and prepaid expenses	409			0
Scientific research expenses claimed in year	411			0
Tax reserves claimed in current year	413			0
Reserves from financial statements - balance at beginning of year	414			0
Contributions to deferred income plans	416			0
Book income of joint venture or partnership	305			0
Equity in income from subsidiary or affiliates	306			0
<i>Other deductions: (Please explain in detail the nature of the item)</i>				
Interest capitalized for accounting deducted for tax	390			0
Capital Lease Payments	391			0
Non-taxable imputed interest income on deferral and variance accounts	392			0
	393			0
	394			0
ARO Payments - Deductible for Tax when Paid				0
ITA 13(7.4) Election - Capital Contributions Received				0
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds				0
Deferred Revenue - ITA 20(1)(m) reserve				0
Principal portion of lease payments				0
Lease Inducement Book Amortization credit to income				0
Financing fees for tax ITA 20(1)(e) and (e.1)				0
Apprenticeship credits included in FS income		118,062		118,062
				0
				0
				0
				0
				0
				0
Total Deductions		8,743,619	0	8,743,619
Net Income for Tax Purposes		871,642	0	871,642
Charitable donations from Schedule 2	311			0
Taxable dividends deductible under section 112 or 113, from Schedule 3 (item 82)	320			0
Non-capital losses of preceding taxation years from Schedule 4	331			0
Net-capital losses of preceding taxation years from Schedule 4 (Please include explanation and calculation in Manager's summary)	332			0
Limited partnership losses of preceding taxation years from Schedule 4	335			0
TAXABLE INCOME		871,642	0	871,642

Income Tax/PILs Workform for 2015 Filers

PILs Tax Provision - Historical Year

Note: Input the actual information from the tax returns for the historical year.

Wires Only

Regulatory Taxable Income

\$ 871,642 **A**

Ontario Income Taxes

Income tax payable

Ontario Income Tax

11.50% **B**

\$ 100,239 **C = A * B**

Small business credit

Ontario Small Business Threshold
Rate reduction (negative)

\$ 500,000 **D**

-7.00% **E**

-\$ 35,000 **F = D * E**

Ontario Income tax

\$ 65,239 **J = C + F**

Combined Tax Rate and PILs

Effective Ontario Tax Rate
Federal tax rate (Maximum 15%)
Combined tax rate

7.48%

K = J / A

15.00%

L

22.48% **M = K + L**

Total Income Taxes

\$ 195,985 **N = A * M**

Investment Tax Credits

\$ 8,909 **O**

Miscellaneous Tax Credits

\$ 109,153 **P**

Total Tax Credits

\$ 118,062 **Q = O + P**

Corporate PILs/Income Tax Provision for Historical Year

\$ 77,923 **R = N - Q**



Income Tax/PIEs Workform for 2015 Filer

Schedule 10 CEC - Bridge Year

Cumulative Eligible Capital					976,507
Additions					
Cost of Eligible Capital Property Acquired during Test Year					
Other Adjustments		0			
Subtotal		0	$\times 3/4 =$	0	
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday, December 20, 2002		0	$\times 1/2 =$	0	
				0	0
Amount transferred on amalgamation or wind-up of subsidiary		0			0
	Subtotal				976,507
Deductions					
Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during Test Year					
Other Adjustments		0			
	Subtotal	0	$\times 3/4 =$		0
Cumulative Eligible Capital Balance					976,507
Current Year Deduction					976,507 $\times 7\% =$ 68,356
Cumulative Eligible Capital - Closing Balance					908,152



Ontario Energy Board

Income Tax/PILs Workform for 2015 Filed

Corporation Loss Continuity and Application

Schedule 7-1 Loss Carry Forward - Bridge Year

Non-Capital Loss Carry Forward Deduction	Total
Actual Historical	0
Application of Loss Carry Forward to reduce taxable income in Bridge Year	
Other Adjustments Add (+) Deduct (-)	0
Balance available for use in Test Year	0
Amount to be used in Bridge Year	0
Balance available for use post Bridge Year	0

Net Capital Loss Carry Forward Deduction	Total
Actual Historical	0
Application of Loss Carry Forward to reduce taxable income in Bridge Year	
Other Adjustments Add (+) Deduct (-)	
Balance available for use in Test Year	0
Amount to be used in Bridge Year	
Balance available for use post Bridge Year	0



Income Tax/PILs Workform for 2015 Filers

Adjusted Taxable Income - Bridge Year

	T2S1 line #	Total for Regulated Utility
Income before PILs/Taxes	A	3,883,606
Additions:		
Interest and penalties on taxes	103	
Amortization of tangible assets	104	
Amortization of intangible assets	106	5,584,950
Recapture of capital cost allowance from Schedule 8	107	
Gain on sale of eligible capital property from Schedule 10	108	
Income or loss for tax purposes- joint ventures or partnerships	109	
Loss in equity of subsidiaries and affiliates	110	
Loss on disposal of assets	111	
Charitable donations	112	
Taxable Capital Gains	113	
Political Donations	114	
Deferred and prepaid expenses	116	
Scientific research expenditures deducted on financial statements	118	
Capitalized interest	119	
Non-deductible club dues and fees	120	
Non-deductible meals and entertainment expense	121	
Non-deductible automobile expenses	122	
Non-deductible life insurance premiums	123	
Non-deductible company pension plans	124	
Tax reserves deducted in prior year	125	0
Reserves from financial statements- balance at end of year	126	0
Soft costs on construction and renovation of buildings	127	
Book loss on joint ventures or partnerships	205	
Capital items expensed	206	
Debt issue expense	208	
Development expenses claimed in current year	212	
Financing fees deducted in books	216	
Gain on settlement of debt	220	
Non-deductible advertising	226	
Non-deductible interest	227	
Non-deductible legal and accounting fees	228	
Recapture of SR&ED expenditures	231	
Share issue expense	235	
Write down of capital property	236	
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237	



Income Tax/PIs Workform for 2015 Filers

Adjusted Taxable Income - Bridge Year

Other Additions		
Interest Expensed on Capital Leases	290	
Realized Income from Deferred Credit Accounts	291	
Pensions	292	
Non-deductible penalties	293	
	294	
	295	
ARO Accretion expense		
Capital Contributions Received (ITA 12(1)(x))		
Lease Inducements Received (ITA 12(1)(x))		
Deferred Revenue (ITA 12(1)(a))		
Prior Year Investment Tax Credits received		8,909
Change in Employee Benefits		20,994
Previous years Ontario apprenticeship tax credits claimed		109,153
Change in regulatory variance accounts		0
Total Additions		5,724,006
Deductions:		
Gain on disposal of assets per financial statements	401	
Dividends not taxable under section 83	402	
Capital cost allowance from Schedule 8	403	9,281,567
Terminal loss from Schedule 8	404	
Cumulative eligible capital deduction from Schedule 10	405	68,356
Allowable business investment loss	406	
Deferred and prepaid expenses	409	
Scientific research expenses claimed in year	411	
Tax reserves claimed in current year	413	0
Reserves from financial statements - balance at beginning of year	414	0
Contributions to deferred income plans	416	
Book income of joint venture or partnership	305	
Equity in income from subsidiary or affiliates	306	
<i>Other deductions: (Please explain in detail the nature of the item)</i>		



Income Tax/PIs Workform for 2015 Filers

Adjusted Taxable Income - Bridge Year

Interest capitalized for accounting deducted for tax	390	
Capital Lease Payments	391	
Non-taxable imputed interest income on deferral and variance accounts	392	
	393	
	394	
ARO Payments - Deductible for Tax when Paid		
ITA 13(7.4) Election - Capital Contributions Received		
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds		
Deferred Revenue - ITA 20(1)(m) reserve		
Principal portion of lease payments		
Lease Inducement Book Amortization credit to income		
Financing fees for tax ITA 20(1)(e) and (e.1)		
Apprenticeship credits included in FS income		111,027
Total Deductions		9,460,950
Net Income for Tax Purposes		146,663
Charitable donations from Schedule 2	311	
Taxable dividends deductible under section 112 or 113, from Schedule 3 (item 82)	320	
Non-capital losses of preceding taxation years from Schedule 4	331	0
Net-capital losses of preceding taxation years from Schedule 4 (Please include explanation and calculation in Manager's summary)	332	
Limited partnership losses of preceding taxation years from Schedule 4	335	
TAXABLE INCOME		146,663



Income Tax/PILs Workform for 2015 Filers

Schedule 10 CEC - Test Year

Cumulative Eligible Capital **908,152**

Additions

Cost of Eligible Capital Property Acquired during Test Year	0			
Other Adjustments	0			
Subtotal	0	x 3/4 =	0	
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday, December 20, 2002	0	x 1/2 =	0	
			0	0
Amount transferred on amalgamation or wind-up of subsidiary	0			0
Subtotal				908,152

Deductions

Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during Test Year	0			
Other Adjustments	0			
Subtotal	0	x 3/4 =		0

Cumulative Eligible Capital Balance **908,152**

Current Year Deduction (Carry Forward to Tab "Test Year Taxable Income") **908,152** x 7% = **63,571**

Cumulative Eligible Capital - Closing Balance **844,581**



Income Tax/PILs Workform for 2015 Filers

Schedule 7-1 Loss Carry Forward - Test Year

Corporation Loss Continuity and Application

	Total	Non-Distribution Portion	Utility Balance
Non-Capital Loss Carry Forward Deduction			
Actual/Estimated Bridge Year	0		0
			0
Other Adjustments Add (+) Deduct (-)	718,380		718,380
Balance available for use in Test Year	718,380	0	718,380
Amount to be used in Test Year	0		0
Balance available for use post Test Year	718,380	0	718,380

	Total	Non-Distribution Portion	Utility Balance
Net Capital Loss Carry Forward Deduction			
Actual/Estimated Bridge Year	0		0
			0
Other Adjustments Add (+) Deduct (-)			0
Balance available for use in Test Year	0	0	0
Amount to be used in Test Year			0
Balance available for use post Test Year	0	0	0



Income Tax/PILs Workform for 2015 Fi

Taxable Income - Test Year

	Test Year Taxable Income
Net Income Before Taxes	5,206,576

	T2 S1 line #	
Additions:		
Interest and penalties on taxes	103	
Amortization of tangible assets <i>2-4 ADJUSTED ACCOUNTING DATA P489</i>	104	
Amortization of intangible assets <i>2-4 ADJUSTED ACCOUNTING DATA P490</i>	106	5,034,074
Recapture of capital cost allowance from Schedule 8	107	
Gain on sale of eligible capital property from Schedule 10	108	
Income or loss for tax purposes- joint ventures or partnerships	109	
Loss in equity of subsidiaries and affiliates	110	
Loss on disposal of assets	111	
Charitable donations	112	
Taxable Capital Gains	113	
Political Donations	114	
Deferred and prepaid expenses	116	
Scientific research expenditures deducted on financial statements	118	
Capitalized interest	119	
Non-deductible club dues and fees	120	
Non-deductible meals and entertainment expense	121	
Non-deductible automobile expenses	122	
Non-deductible life insurance premiums	123	
Non-deductible company pension plans	124	
Tax reserves beginning of year	125	0
Reserves from financial statements- balance at end of year	126	0
Soft costs on construction and renovation of buildings	127	
Book loss on joint ventures or partnerships	205	
Capital items expensed	206	
Debt issue expense	208	
Development expenses claimed in current year	212	
Financing fees deducted in books	216	
Gain on settlement of debt	220	
Non-deductible advertising	226	
Non-deductible interest	227	
Non-deductible legal and accounting fees	228	
Recapture of SR&ED expenditures	231	
Share issue expense	235	
Write down of capital property	236	

Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237	
<i>Other Additions: (please explain in detail the nature of the item)</i>		
Interest Expensed on Capital Leases	290	
Realized Income from Deferred Credit Accounts	291	
Pensions	292	
Non-deductible penalties	293	
	294	
	295	
	296	
	297	
ARO Accretion expense		
Capital Contributions Received (ITA 12(1)(x))		
Lease Inducements Received (ITA 12(1)(x))		
Deferred Revenue (ITA 12(1)(a))		
Prior Year Investment Tax Credits received		7,329
Change in Regulatory variance accounts		0
Change in Employee future benefits		101,909
Previous years Ontario apprenticeship tax credit claimed		103,699
Total Additions		5,247,011
Deductions:		
Gain on disposal of assets per financial statements	401	
Dividends not taxable under section 83	402	
Capital cost allowance from Schedule 8	403	11,027,393
Terminal loss from Schedule 8	404	
Cumulative eligible capital deduction from Schedule 10 CEC	405	63,571
Allowable business investment loss	406	
Deferred and prepaid expenses	409	
Scientific research expenses claimed in year	411	
Tax reserves end of year	413	0
Reserves from financial statements - balance at beginning of year	414	0
Contributions to deferred income plans	416	
Book income of joint venture or partnership	305	
Equity in income from subsidiary or affiliates	306	
<i>Other deductions: (Please explain in detail the nature of the item)</i>		
Interest capitalized for accounting deducted for tax	390	
Capital Lease Payments	391	

Non-taxable imputed interest income on deferral and variance accounts	392	
	393	
	394	
	395	
	396	
	397	
ARO Payments - Deductible for Tax when Paid		
ITA 13(7.4) Election - Capital Contributions Received		
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds		
Deferred Revenue - ITA 20(1)(m) reserve		
Principal portion of lease payments		
Lease Inducement Book Amortization credit to income		
Financing fees for tax ITA 20(1)(e) and (e.1)		
Apprenticeship credits included in FS income		81,003
Total Deductions		11,171,967
NET INCOME FOR TAX PURPOSES		-718,380
Charitable donations	311	
Taxable dividends received under section 112 or 113	320	
Non-capital losses of preceding taxation years from Schedule 7-1	331	0
Net-capital losses of preceding taxation years (Please show calculation)	332	
Limited partnership losses of preceding taxation years from Schedule 4	335	
REGULATORY TAXABLE INCOME		-718,380

Appendix 9-7

2015 PILs Workform Accelerated CCA 2020

Income Tax/PILs Workform for 2015 Filers

Version 3.0

Utility Name	Niagara Peninsula Energy Inc.
Assigned EB Number	EB-2014-0096
Name and Title	Suzanne Wilson, VP Finance
Phone Number	905-353-6004
Email Address	Suzanne.wilson@npei.ca
Date	9/23/2014
Last COS Re-based Year	2011

Note: Drop-down lists are shaded blue; Input cells are shaded green.

This Workbook Model is protected by copyright and is being made available to you solely for the purpose of filing your rate application. You may use and copy this model for that purpose, and provide a copy of this model to any person that is advising or assisting you in that regard. Except as indicated above, any copying, reproduction, publication, sale, adaptation, translation, modification, reverse engineering or other use or dissemination of this model without the express written consent of the Ontario Energy Board is prohibited. If you provide a copy of this model to a person that is advising or assisting you in preparing the application or reviewing your draft rate order, you must ensure that the person understands and agrees to the restrictions noted above.

While this model has been provided in Excel format and is required to be filed with the applications, the onus remains on the applicant to ensure the accuracy of the data and the results.



Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

[1. Info](#)

[A. Data Input Sheet](#)

[B. Tax Rates & Exemptions](#)

[C. Sch 8 Hist](#)

[D. Schedule 10 CEC Hist](#)

[E. Sch 13 Tax Reserves Hist](#)

[F. Sch 7-1 Loss Cfwd Hist](#)

[G. Adj. Taxable Income Historical](#)

[H. PILs,Tax Provision Historical](#)

[I. Schedule 8 CCA Bridge Year](#)

[J. Schedule 10 CEC Bridge Year](#)

[K. Sch 13 Tax Reserves Bridge](#)

[L. Sch 7-1 Loss Cfwd Bridge](#)

[M. Adj. Taxable Income Bridge](#)

[N. PILs,Tax Provision Bridge](#)

[O. Schedule 8 CCA Test Year](#)

[P. Schedule 10 CEC Test Year](#)

[Q Sch 13 Tax Reserve Test Year](#)

[R. Sch 7-1 Loss Cfwd](#)

[S. Taxable Income Test Year](#)

[T. PILs,Tax Provision](#)

Income Tax/PILs Workform for 2015 Filers

Rate Base			\$ 139,961,709	
Return on Ratebase				
Deemed ShortTerm Debt %	4.00%	T	\$ 5,598,468	$W = S * T$
Deemed Long Term Debt %	56.00%	U	\$ 78,378,557	$X = S * U$
Deemed Equity %	40.00%	V	\$ 55,984,684	$Y = S * V$
Short Term Interest Rate	2.16%	Z	\$ 120,927	$AC = W * Z$
Long Term Interest	3.92%	AA	\$ 3,074,658	$AD = X * AA$
Return on Equity (Regulatory Income)	9.30%	AB	\$ 5,206,576	$AE = Y * AB$
Return on Rate Base			\$ 8,402,161	$AF = AC + AD + AE$

Questions that must be answered

	Historical	Bridge	Test Year
1. Does the applicant have any Investment Tax Credits (ITC)?	Yes	Yes	Yes
2. Does the applicant have any SRED Expenditures?	No	No	No
3. Does the applicant have any Capital Gains or Losses for tax purposes?	No	No	No
4. Does the applicant have any Capital Leases?	No	No	No
5. Does the applicant have any Loss Carry-Forwards (non-capital or net capital)?	No	No	No
6. Since 1999, has the applicant acquired another regulated applicant's assets?	Yes	Yes	Yes
7. Did the applicant pay dividends? <i>If Yes, please describe what was the tax treatment in the manager's summary.</i>	Yes	Yes	Yes
8. Did the applicant elect to capitalize interest incurred on CWIP for tax purposes?	No	No	No



Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

**Tax Rates
 Federal & Provincial
 As of June 20, 2012**

Federal income tax
 General corporate rate
 Federal tax abatement
 Adjusted federal rate

Rate reduction

Ontario income tax

Combined federal and Ontario

Federal & Ontario Small Business

Federal small business threshold
 Ontario Small Business Threshold

Federal small business rate

Ontario small business rate

	Effective #####	Effective #####	Effective #####	Effective #####	Effective #####
General corporate rate	38.00%	38.00%	38.00%	38.00%	38.00%
Federal tax abatement	-10.00%	-10.00%	-10.00%	-10.00%	-10.00%
Adjusted federal rate	28.00%	28.00%	28.00%	28.00%	28.00%
Rate reduction	-11.50%	-13.00%	-13.00%	-13.00%	-13.00%
	16.50%	15.00%	15.00%	15.00%	15.00%
Ontario income tax	11.75%	11.50%	11.50%	11.50%	11.50%
Combined federal and Ontario	28.25%	26.50%	26.50%	26.50%	26.50%
Federal small business threshold	500,000	500,000	500,000	500,000	500,000
Ontario Small Business Threshold	500,000	500,000	500,000	500,000	0
Federal small business rate	11.00%	11.00%	11.00%	11.00%	11.00%
Ontario small business rate	4.50%	4.50%	4.50%	4.50%	0.00%



Income Tax/PIs Workform for 2

Schedule 13 Tax Reserves - Historical

Continuity of Reserves

Description	Historical Balance as per tax returns	Non-Distribution Eliminations	Utility Only
Capital Gains Reserves ss.40(1)			0
Tax Reserves Not Deducted for accounting purposes			
Reserve for doubtful accounts ss. 20(1)(l)			0
Reserve for goods and services not delivered ss. 20(1)(m)			0
Reserve for unpaid amounts ss. 20(1)(n)			0
Debt & Share Issue Expenses ss. 20(1)(e)			0
Other tax reserves			0
			0
			0
			0
			0
Total	0	0	0
Financial Statement Reserves (not deductible for Tax Purposes)			
General Reserve for Inventory Obsolescence (non-specific)			0
General reserve for bad debts			0
Accrued Employee Future Benefits:			0
- Medical and Life Insurance			0
-Short & Long-term Disability			0
-Accumulated Sick Leave			0
- Termination Cost			0
- Other Post-Employment Benefits			0
Provision for Environmental Costs			0
Restructuring Costs			0
Accrued Contingent Litigation Costs			0
Accrued Self-Insurance Costs			0
Other Contingent Liabilities			0
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)			0
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)			0
Other			0
			0
			0
			0
Total	0	0	0



Ontario Energy Board

Income Tax/PIEs Workform for 2015 Filers

Schedule 7-1 Loss Carry Forward - Historical

Corporation Loss Continuity and Application

	Total	Non-Distribution Portion	Utility Balance
Non-Capital Loss Carry Forward Deduction			
Actual Historical			0
Net Capital Loss Carry Forward Deduction			
Actual Historical			0



Income Tax/PILs Workform for 2015 Filers

Adjusted Taxable Income - Historical Year

	T2S1 line #	Total for Legal Entity	Non-Distribution Eliminations	Historic Wires Only
Income before PILs/Taxes	A	3,187,387		3,187,387
Additions:				
Interest and penalties on taxes	103			0
Amortization of tangible assets	104	5,321,041		5,321,041
Amortization of intangible assets	106			0
Recapture of capital cost allowance from Schedule 8	107			0
Gain on sale of eligible capital property from Schedule 10	108			0
Income or loss for tax purposes- joint ventures or partnerships	109			0
Loss in equity of subsidiaries and affiliates	110			0
Loss on disposal of assets	111			0
Charitable donations	112			0
Taxable Capital Gains	113			0
Political Donations	114			0
Deferred and prepaid expenses	116			0
Scientific research expenditures deducted on financial statements	118			0
Capitalized interest	119			0
Non-deductible club dues and fees	120			0
Non-deductible meals and entertainment expense	121			0
Non-deductible automobile expenses	122			0
Non-deductible life insurance premiums	123			0
Non-deductible company pension plans	124			0
Tax reserves deducted in prior year	125			0
Reserves from financial statements- balance at end of year	126			0
Soft costs on construction and renovation of buildings	127			0
Book loss on joint ventures or partnerships	205			0
Capital items expensed	206			0
Debt issue expense	208			0
Development expenses claimed in current year	212			0
Financing fees deducted in books	216			0
Gain on settlement of debt	220			0
Non-deductible advertising	226			0
Non-deductible interest	227			0
Non-deductible legal and accounting fees	228			0
Recapture of SR&ED expenditures	231			0
Share issue expense	235			0
Write down of capital property	236			0
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237			0
Other Additions				
Interest Expensed on Capital Leases	290			0
Realized Income from Deferred Credit Accounts	291			0
Pensions	292			0
Non-deductible penalties	293			0
Previous years apprenticeship tax credit claimed	294	106,351		106,351
	295			0
ARO Accretion expense				0
Capital Contributions Received (ITA 12(1)(x))				0
Lease Inducements Received (ITA 12(1)(x))				0
Deferred Revenue (ITA 12(1)(a))				0
Prior Year Investment Tax Credits received				0
Change in Employee Future Benefits		107,944		107,944

Change in Regulatory variance accounts		879,966	EB-2020-0040	879,966
Inducement - ITA 12(1)(x)-ITC from apprenticeship job creation expenditures		12,572	Filed: August 31, 2020	12,572
			187 of 208	0
				0
				0
				0
				0
				0
Total Additions		6,427,874	0	6,427,874
Deductions:				
Gain on disposal of assets per financial statements	401			0
Dividends not taxable under section 83	402			0
Capital cost allowance from Schedule 8	403	8,552,056		8,552,056
Terminal loss from Schedule 8	404			0
Cumulative eligible capital deduction from Schedule 10	405	73,501		73,501
Allowable business investment loss	406			0
Deferred and prepaid expenses	409			0
Scientific research expenses claimed in year	411			0
Tax reserves claimed in current year	413			0
Reserves from financial statements - balance at beginning of year	414			0
Contributions to deferred income plans	416			0
Book income of joint venture or partnership	305			0
Equity in income from subsidiary or affiliates	306			0
<i>Other deductions: (Please explain in detail the nature of the item)</i>				
Interest capitalized for accounting deducted for tax	390			0
Capital Lease Payments	391			0
Non-taxable imputed interest income on deferral and variance accounts	392			0
	393			0
	394			0
ARO Payments - Deductible for Tax when Paid				0
ITA 13(7.4) Election - Capital Contributions Received				0
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds				0
Deferred Revenue - ITA 20(1)(m) reserve				0
Principal portion of lease payments				0
Lease Inducement Book Amortization credit to income				0
Financing fees for tax ITA 20(1)(e) and (e.1)				0
Apprenticeship credits included in FS income		118,062		118,062
				0
				0
				0
				0
				0
				0
Total Deductions		8,743,619	0	8,743,619
Net Income for Tax Purposes		871,642	0	871,642
Charitable donations from Schedule 2	311			0
Taxable dividends deductible under section 112 or 113, from Schedule 3 (item 82)	320			0
Non-capital losses of preceding taxation years from Schedule 4	331			0
Net-capital losses of preceding taxation years from Schedule 4 (Please include explanation and calculation in Manager's summary)	332			0
Limited partnership losses of preceding taxation years from Schedule 4	335			0
TAXABLE INCOME		871,642	0	871,642

Income Tax/PILs Workform for 2015 Filers

PILs Tax Provision - Historical Year

Note: Input the actual information from the tax returns for the historical year.

Wires Only

Regulatory Taxable Income

\$ 871,642 A

Ontario Income Taxes

Income tax payable

Ontario Income Tax

11.50% B

\$ 100,239 C = A * B

Small business credit

Ontario Small Business Threshold
Rate reduction (negative)

\$ 500,000 D

-7.00% E

-\$ 35,000 F = D * E

Ontario Income tax

\$ 65,239 J = C + F

Combined Tax Rate and PILs

Effective Ontario Tax Rate
Federal tax rate (Maximum 15%)
Combined tax rate

7.48%

K = J / A

15.00%

L

22.48% M = K + L

Total Income Taxes

\$ 195,985 N = A * M

Investment Tax Credits

\$ 8,909 O

Miscellaneous Tax Credits

\$ 109,153 P

Total Tax Credits

\$ 118,062 Q = O + P

Corporate PILs/Income Tax Provision for Historical Year

\$ 77,923 R = N - Q



Income Tax/PILs Workform for 2015 Filer

Schedule 10 CEC - Bridge Year

Cumulative Eligible Capital					976,507
Additions					
Cost of Eligible Capital Property Acquired during Test Year					
Other Adjustments		0			
Subtotal		0	$\times 3/4 =$	0	
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday, December 20, 2002		0	$\times 1/2 =$	0	
				0	0
Amount transferred on amalgamation or wind-up of subsidiary		0			0
	Subtotal				976,507
Deductions					
Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during Test Year					
Other Adjustments		0			
	Subtotal	0	$\times 3/4 =$		0
Cumulative Eligible Capital Balance					976,507
Current Year Deduction					976,507 $\times 7\% =$ 68,356
Cumulative Eligible Capital - Closing Balance					908,152



Ontario Energy Board

Income Tax/PILs Workform for 2015 Filed

Corporation Loss Continuity and Application

Schedule 7-1 Loss Carry Forward - Bridge Year

Non-Capital Loss Carry Forward Deduction	Total
Actual Historical	0
Application of Loss Carry Forward to reduce taxable income in Bridge Year	
Other Adjustments Add (+) Deduct (-)	0
Balance available for use in Test Year	0
Amount to be used in Bridge Year	0
Balance available for use post Bridge Year	0

Net Capital Loss Carry Forward Deduction	Total
Actual Historical	0
Application of Loss Carry Forward to reduce taxable income in Bridge Year	
Other Adjustments Add (+) Deduct (-)	
Balance available for use in Test Year	0
Amount to be used in Bridge Year	
Balance available for use post Bridge Year	0



Income Tax/PILs Workform for 2015 Filers

Adjusted Taxable Income - Bridge Year

	T2S1 line #	Total for Regulated Utility
Income before PILs/Taxes	A	3,883,606
Additions:		
Interest and penalties on taxes	103	
Amortization of tangible assets	104	
Amortization of intangible assets	106	5,584,950
Recapture of capital cost allowance from Schedule 8	107	
Gain on sale of eligible capital property from Schedule 10	108	
Income or loss for tax purposes- joint ventures or partnerships	109	
Loss in equity of subsidiaries and affiliates	110	
Loss on disposal of assets	111	
Charitable donations	112	
Taxable Capital Gains	113	
Political Donations	114	
Deferred and prepaid expenses	116	
Scientific research expenditures deducted on financial statements	118	
Capitalized interest	119	
Non-deductible club dues and fees	120	
Non-deductible meals and entertainment expense	121	
Non-deductible automobile expenses	122	
Non-deductible life insurance premiums	123	
Non-deductible company pension plans	124	
Tax reserves deducted in prior year	125	0
Reserves from financial statements- balance at end of year	126	0
Soft costs on construction and renovation of buildings	127	
Book loss on joint ventures or partnerships	205	
Capital items expensed	206	
Debt issue expense	208	
Development expenses claimed in current year	212	
Financing fees deducted in books	216	
Gain on settlement of debt	220	
Non-deductible advertising	226	
Non-deductible interest	227	
Non-deductible legal and accounting fees	228	
Recapture of SR&ED expenditures	231	
Share issue expense	235	
Write down of capital property	236	
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237	



Income Tax/PIs Workform for 2015 Filers

Adjusted Taxable Income - Bridge Year

Other Additions		
Interest Expensed on Capital Leases	290	
Realized Income from Deferred Credit Accounts	291	
Pensions	292	
Non-deductible penalties	293	
	294	
	295	
ARO Accretion expense		
Capital Contributions Received (ITA 12(1)(x))		
Lease Inducements Received (ITA 12(1)(x))		
Deferred Revenue (ITA 12(1)(a))		
Prior Year Investment Tax Credits received		8,909
Change in Employee Benefits		20,994
Previous years Ontario apprenticeship tax credits claimed		109,153
Change in regulatory variance accounts		0
Total Additions		5,724,006
Deductions:		
Gain on disposal of assets per financial statements	401	
Dividends not taxable under section 83	402	
Capital cost allowance from Schedule 8	403	9,281,567
Terminal loss from Schedule 8	404	
Cumulative eligible capital deduction from Schedule 10	405	68,356
Allowable business investment loss	406	
Deferred and prepaid expenses	409	
Scientific research expenses claimed in year	411	
Tax reserves claimed in current year	413	0
Reserves from financial statements - balance at beginning of year	414	0
Contributions to deferred income plans	416	
Book income of joint venture or partnership	305	
Equity in income from subsidiary or affiliates	306	
<i>Other deductions: (Please explain in detail the nature of the item)</i>		



Income Tax/PIs Workform for 2015 Filers

Adjusted Taxable Income - Bridge Year

Interest capitalized for accounting deducted for tax	390	
Capital Lease Payments	391	
Non-taxable imputed interest income on deferral and variance accounts	392	
	393	
	394	
ARO Payments - Deductible for Tax when Paid		
ITA 13(7.4) Election - Capital Contributions Received		
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds		
Deferred Revenue - ITA 20(1)(m) reserve		
Principal portion of lease payments		
Lease Inducement Book Amortization credit to income		
Financing fees for tax ITA 20(1)(e) and (e.1)		
Apprenticeship credits included in FS income		111,027
Total Deductions		9,460,950
Net Income for Tax Purposes		146,663
Charitable donations from Schedule 2	311	
Taxable dividends deductible under section 112 or 113, from Schedule 3 (item 82)	320	
Non-capital losses of preceding taxation years from Schedule 4	331	0
Net-capital losses of preceding taxation years from Schedule 4 (Please include explanation and calculation in Manager's summary)	332	
Limited partnership losses of preceding taxation years from Schedule 4	335	
TAXABLE INCOME		146,663



Income Tax/PILs Workform for 2015 Filers

Schedule 10 CEC - Test Year

Cumulative Eligible Capital

908,152

Additions

Cost of Eligible Capital Property Acquired during Test Year

0

Other Adjustments

0

Subtotal 0

x 3/4 = 0

Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday, December 20, 2002

0

x 1/2 = 0

0

Amount transferred on amalgamation or wind-up of subsidiary

0

0

Subtotal

908,152

Deductions

Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during Test Year

0

Other Adjustments

0

Subtotal 0

x 3/4 = 0

Cumulative Eligible Capital Balance

908,152

Current Year Deduction (Carry Forward to Tab "Test Year Taxable Income")

908,152 x 7% = 63,571

Cumulative Eligible Capital - Closing Balance

844,581



Income Tax/PILs Workform for 2015 Filers

Schedule 7-1 Loss Carry Forward - Test Year

Corporation Loss Continuity and Application

	Total	Non-Distribution Portion	Utility Balance
Non-Capital Loss Carry Forward Deduction			
Actual/Estimated Bridge Year	0		0
			0
Other Adjustments Add (+) Deduct (-)	331,345		331,345
Balance available for use in Test Year	331,345	0	331,345
Amount to be used in Test Year	0		0
Balance available for use post Test Year	331,345	0	331,345

	Total	Non-Distribution Portion	Utility Balance
Net Capital Loss Carry Forward Deduction			
Actual/Estimated Bridge Year	0		0
			0
Other Adjustments Add (+) Deduct (-)			0
Balance available for use in Test Year	0	0	0
Amount to be used in Test Year			0
Balance available for use post Test Year	0	0	0



Income Tax/PILs Workform for 2015 Fi

Taxable Income - Test Year

		Test Year Taxable Income
Net Income Before Taxes		5,206,576
	T2 S1 line #	
Additions:		
Interest and penalties on taxes	103	
Amortization of tangible assets <i>2-4 ADJUSTED ACCOUNTING DATA P489</i>	104	
Amortization of intangible assets <i>2-4 ADJUSTED ACCOUNTING DATA P490</i>	106	5,034,074
Recapture of capital cost allowance from Schedule 8	107	
Gain on sale of eligible capital property from Schedule 10	108	
Income or loss for tax purposes- joint ventures or partnerships	109	
Loss in equity of subsidiaries and affiliates	110	
Loss on disposal of assets	111	
Charitable donations	112	
Taxable Capital Gains	113	
Political Donations	114	
Deferred and prepaid expenses	116	
Scientific research expenditures deducted on financial statements	118	
Capitalized interest	119	
Non-deductible club dues and fees	120	
Non-deductible meals and entertainment expense	121	
Non-deductible automobile expenses	122	
Non-deductible life insurance premiums	123	
Non-deductible company pension plans	124	
Tax reserves beginning of year	125	0
Reserves from financial statements- balance at end of year	126	0
Soft costs on construction and renovation of buildings	127	
Book loss on joint ventures or partnerships	205	
Capital items expensed	206	
Debt issue expense	208	
Development expenses claimed in current year	212	
Financing fees deducted in books	216	
Gain on settlement of debt	220	
Non-deductible advertising	226	
Non-deductible interest	227	
Non-deductible legal and accounting fees	228	
Recapture of SR&ED expenditures	231	
Share issue expense	235	
Write down of capital property	236	

Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237	
<i>Other Additions: (please explain in detail the nature of the item)</i>		
Interest Expensed on Capital Leases	290	
Realized Income from Deferred Credit Accounts	291	
Pensions	292	
Non-deductible penalties	293	
	294	
	295	
	296	
	297	
ARO Accretion expense		
Capital Contributions Received (ITA 12(1)(x))		
Lease Inducements Received (ITA 12(1)(x))		
Deferred Revenue (ITA 12(1)(a))		
Prior Year Investment Tax Credits received		7,329
Change in Regulatory variance accounts		0
Change in Employee future benefits		101,909
Previous years Ontario apprenticeship tax credit claimed		103,699
Total Additions		5,247,011
Deductions:		
Gain on disposal of assets per financial statements	401	
Dividends not taxable under section 83	402	
Capital cost allowance from Schedule 8	403	10,640,358
Terminal loss from Schedule 8	404	
Cumulative eligible capital deduction from Schedule 10 CEC	405	63,571
Allowable business investment loss	406	
Deferred and prepaid expenses	409	
Scientific research expenses claimed in year	411	
Tax reserves end of year	413	0
Reserves from financial statements - balance at beginning of year	414	0
Contributions to deferred income plans	416	
Book income of joint venture or partnership	305	
Equity in income from subsidiary or affiliates	306	
<i>Other deductions: (Please explain in detail the nature of the item)</i>		
Interest capitalized for accounting deducted for tax	390	
Capital Lease Payments	391	

Non-taxable imputed interest income on deferral and variance accounts	392	
	393	
	394	
	395	
	396	
	397	
ARO Payments - Deductible for Tax when Paid		
ITA 13(7.4) Election - Capital Contributions Received		
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds		
Deferred Revenue - ITA 20(1)(m) reserve		
Principal portion of lease payments		
Lease Inducement Book Amortization credit to income		
Financing fees for tax ITA 20(1)(e) and (e.1)		
Apprenticeship credits included in FS income		81,003
Total Deductions		10,784,932
NET INCOME FOR TAX PURPOSES		-331,345
Charitable donations	311	
Taxable dividends received under section 112 or 113	320	
Non-capital losses of preceding taxation years from Schedule 7-1	331	0
Net-capital losses of preceding taxation years (Please show calculation)	332	
Limited partnership losses of preceding taxation years from Schedule 4	335	
REGULATORY TAXABLE INCOME		-331,345

Income Tax/PILs Workform for 2015 Filers

PILs Tax Provision - Test Year

Wires Only

Regulatory Taxable Income

-\$	331,345	A
-----	---------	---

Ontario Income Taxes
Income tax payable
Ontario Income Tax

0.00%

B

\$

 - **C = A * B**
Small business credit

 Ontario Small Business Threshold
 Rate reduction

\$ -

D

\$

 - **F = D * E**

-11.50%

E

\$

 - **F = D * E**
Ontario Income tax

\$	-	J = C + F
----	---	-----------

Combined Tax Rate and PILs

 Effective Ontario Tax Rate
 Federal tax rate (Maximum 15%)
 Combined tax rate

0.00%

K = J / A

15.00%

L

	15.00%	M = K + L
--	--------	-----------

Total Income Taxes

Investment Tax Credits

Miscellaneous Tax Credits

Total Tax Credits

-\$	49,702	N = A * M
-----	--------	-----------

\$	6,208	O
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\$	74,795	P
----	--------	---

\$	81,003	Q = O + P
----	--------	-----------

Corporate PILs/Income Tax Provision for Test Year

\$	-	R = N - Q
----	---	-----------

 Corporate PILs/Income Tax Provision Gross Up ¹

85.00%

S = 1 - M

\$	-	T = R / S - R
----	---	---------------

Income Tax (grossed-up)

\$	-	U = R + T
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Note:

1. This is for the derivation of revenue requirement and should not be used for sufficiency/deficiency calculations.

Appendix 9-8

Schedule 8 from 2015 Tax Return

Capital Cost Allowance (CCA)

Business Number: 87196 9127 RC0002
 Tax year end: 2015-12-31

Corporation's name: NIAGARA PENINSULA ENERGY INC.

EB-2020-0040
 Filed: August 20, 2020

For more information, see the section called "Capital Cost Allowance" in the T2 Corporation Income Tax Guide.

Is the corporation electing under Regulation 1101(5q)?

101 1 Yes 2 No

1 Class number (See Note)	2 Description	3 Undepreciated capital cost at the beginning of the year (amount from column 12 of last year's schedule 8)	4 Cost of acquisitions during the year (new property available for use)	5 Adjustments and transfers**	6 Proceeds of dispositions during the year (amount not to exceed the capital cost)	7 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)***	8 Reduced undepreciated capital cost	9 CCA rate %	10 Recapture of capital cost****	11 Terminal loss (line 404 of Schedule 1)	12 Capital cost allowance (for declining balance method, multiplied by column 8, or a lower amount) (line 403 of Schedule 1)	13 Undepreciated capital cost at the end of the year (column 6 plus column 7 minus column 11)
200	Buildings	54,008,997	468,660	205	207	211	212	213	215	217	220	
1	Buildings	54,008,997	468,660		0	234,330	54,243,327	4	0	2,169,733	52,307,924	
2		3,415,294			0		3,415,294	6	0	204,918	3,210,376	
3		1,211,513			0		1,211,513	5	0	60,576	1,150,937	
4	Office Equipment, Tools and Oth	1,792,307			0		1,792,307	20	0	358,461	1,433,846	
5	Vehicles and Equipment	2,448,346	952,200		29,600	461,300	2,909,646	30	0	872,894	2,498,052	
6	COMPUTER SOFTWARE	268,801	183,006		0	91,503	360,304	100	0	360,304	91,503	
7		259,815			0		259,815	8	0	20,785	239,030	
8	Transmission and Dist. Equipme	54,210,860	7,817,633		0	3,908,817	58,119,676	8	0	4,649,574	57,378,919	
9	COMPUTERS	1,558			0		1,558	45	0	701	857	
10	COMPUTERS > 3/18/07	357,864			0		357,864	55	0	196,825	161,039	
11	Buildings > 18-03-07	4,671,585			0		4,671,585	6	0	280,295	4,391,290	
12	Buildings	3,844,680			0		3,844,680	6	0	230,681	3,613,999	
Totals		126,491,620	9,421,499		29,600	4,695,950	131,187,569			9,405,747	126,477,772	

Appendix 9-9
Draft Accounting Order

Draft Accounting Order
Account 1592 PILs and Tax Variance for 2006 and Subsequent Years – Sub-account CCA
Changes Incentive Phase Out

NPEI requests approval to establish a new sub-account of Account 1592: *Account 1592 PILs and Tax Variance for 2006 and Subsequent Years – Sub-account CCA Changes Incentive Phase Out* for the purpose of recording the impact of tax changes due to the phase out of the Accelerated Investment Incentive anticipated to begin in 2023. NPEI has incorporated the current accelerated CCA in revenue requirement as part of the current Application. NPEI is requesting approval to track the eventual increase in tax expense, if any, as the accelerated CCA is phased out.

Since this is not a new deferral/variance account, just an extension of an established deferral/variance account, NPEI has not completed the eligibility requirements as part of this Application.

In the absence of a general sub-account of Account 1592 for this purpose, NPEI requests that the Board approve an Accounting Order for NPEI as part of this current Application as follows:

- A. This account shall be used to record the difference in revenue requirement each year, commencing in the first year of the phase out of the Accelerated Investment Incentive, between the income tax component of the OEB-approved revenue requirement in this Application, and adjusted revenue requirement calculated using the phase out CCA amount.

Example Accounting Entry:

Debit - Account 1592 PILs and Tax Variance for 2006 and Subsequent Years – Sub-account CCA Changes Incentive Phase Out.

Credit - Account 4080 Distribution Services Revenue

- B. Carrying charges shall apply to this account. These amounts shall be calculated using simple interest applied to the monthly opening balances in the account (exclusive of accumulated interest) and shall be recorded monthly in a separate carrying charges sub-account of this account. The interest rate shall be the rate prescribed by the Board.