



DECISION AND RATE ORDER

EB-2018-0242

**PETERBOROUGH DISTRIBUTION INC.,
PETERBOROUGH UTILITIES SERVICES INC.,
HYDRO ONE NETWORKS INC., AND
1937680 ONTARIO INC.**

Application for approval to amalgamate Peterborough Distribution Inc. and Peterborough Utilities Services Inc. and to transfer the electricity distribution system to Hydro One Networks Inc.

BEFORE: Cathy Spoel
Presiding Member

Lynne Anderson
Member

Michael Janigan
Member

July 9, 2020

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1 INTRODUCTION AND SUMMARY

This is a Decision and Rate Order of the Ontario Energy Board (OEB) on an application (Application) filed by Peterborough Distribution Inc. (PDI), Peterborough Utilities Services Inc. (PUSI), Hydro One Networks Inc. (Hydro One), and 1937680 Ontario Inc. (collectively, the Applicants) under section 86 of the *Ontario Energy Board Act, 1998*.¹ The Application requested approval to amalgamate PDI and PUSI, sell the amalgamated corporation to 1937680 Ontario Inc., and then allow 1937680 Ontario Inc. to dispose of the distribution system and transfer its rate orders to Hydro One. The Applicants also requested various related approvals under several different sections of the OEB Act.

The OEB issued its Decision and Order on the Application on April 30, 2020 in which it approved the Application, subject to a number of conditions (April Decision). As part of the April Decision, the OEB directed Hydro One to file a proposed tariff of rates and charges reflecting the OEB's findings and a recalculation of the earnings sharing mechanism (ESM) based on a 10% risk premium being applied. The OEB also directed Hydro One to file draft accounting orders to: (1) track the amounts associated with the ESM; and (2) track the impacts of the transition of PDI financial reporting to United States Generally Accepted Accounting Principles (US GAAP) with respect to how costs are capitalized and depreciated.

The OEB has reviewed Hydro One's draft rate order and draft accounting orders. The OEB approves the draft tariff of rates and charges, as amended (final version attached at Schedule A) and draft accounting orders, as amended (final versions attached at Schedules B and C).

¹ PDI and PUSI are wholly own subsidiaries of the City of Peterborough Holdings Inc. (CoPHI). CoPHI is a holding company that is wholly owned by the Corporation of the City of Peterborough. 1937680 Ontario Inc. is a Hydro One Inc. subsidiary.

2 THE PROCESS

Pursuant to the April Decision, Hydro One filed a draft rate order and draft accounting orders on May 14, 2020. OEB staff and the School Energy Coalition (SEC) filed comments on the draft rate order and draft accounting orders on May 28, 2020. No other registered intervenor filed comments on Hydro One's draft rate order or draft accounting orders.

Hydro One filed responses to the comments on the draft rate order and draft accounting orders on June 11, 2020. As part of its filing, to address the comments of OEB staff and SEC, Hydro One included updated draft accounting orders.

3 DECISION ON THE DRAFT RATE ORDER

Hydro One filed its draft rate order and draft accounting orders for 1937680 Ontario Inc. in accordance with the April Decision. Hydro One noted that the draft rate order for PDI was based on the current rate schedule² approved by the OEB, and was in effect as of May 1, 2019. The draft rate order proposed by Hydro One reflected the following:

- A rate rider applicable to 1937680 Ontario Inc.'s residential, general service and large user rate classes that provides a reduction of 1% to these customers' base distribution delivery rates
- A revised microFIT monthly charge of \$4.55, consistent with the OEB's letter to all distributors (EB-2009-0326 and EB-2010-0219) dated February 24, 2020
- Updated specific service charges to align with those approved by the OEB for Hydro One (EB-2017-0183)
- An updated wireline pole attachment charge, from \$43.63 to \$44.50 per pole/year, in accordance with the Report of the OEB, issued on March 22, 2018 (EB-2015-0304)
- Updated retailer service charges in accordance with Schedule A of the OEB Rate Order issued on November 28, 2019 (EB-2019-0280)

Neither OEB staff nor SEC identified any concerns with the draft rate order proposed by Hydro One. However, SEC did note that the tariff in the draft rate order was dated effective August 1, 2020 and invited Hydro One to confirm if this was the intended date of the transaction. In its reply submission, Hydro One confirmed that the closing of the transaction is planned to be August 1, 2020.³

Specific Service Charges

The Application sought an order to amend PDI's Specific Service Charges (SSCs) to align with those approved for Hydro One through its Distribution Rates proceeding.⁴ Through the April Decision, the OEB approved the Applicants' request stating that it is reasonable to apply Hydro One's SSCs to the PDI service territory following consolidation.

² EB-2018-0067

³ Hydro One Reply Submission / p. 3

⁴ The Distribution Rates Proceeding was assigned OEB file number EB-2017-0049, as referenced at Exhibit A / Tab 2 / Schedule 1 / p. 5

Hydro One's Tariff of Rates and Charges filed on May 14, 2020 indicated that PDI's current SSCs would remain in effect until the date PDI's customers are integrated into Hydro One's billing system.⁵ Hydro One has indicated that it will fully integrate PDI into its distribution business within 18-months of the close of the transaction.⁶

As Hydro One has indicated an 18-month window for completion of integration, Hydro One has not provided a specific date for when the SSCs established for Hydro One through the EB-2017-0049 proceeding will apply to current PDI customers. Hydro One specified that it would request approval of these updated SSCs as part of a future OEB application.⁷

Findings

The OEB finds that the Tariff of Rates and Charges accurately reflects the April Decision and is consistent with the OEB's standard tariff format, except for the SSCs.

The OEB does not accept Hydro One's proposal to include PDI's current SSCs in the Tariff of Rates and Charges until integration of the billing system is completed. That is not consistent with the April Decision, and would necessitate a further application in the future to amend the Tariff of Rates and Charges. In its Application Hydro One requested approval to align the SSCs for PDI customers with those of Hydro One Distribution. If Hydro One was amending its request to delay implementation until customers are integrated into Hydro One's billing system, this should have been made clear in its argument-in-chief, with details of any implications. The OEB does note that through its reply submission on the draft rate order, Hydro One indicated its intention to request approval of the updated SSCs in a future proceeding.

The OEB finds that the Tariff of Rates and Charges must include Hydro One SSCs. The OEB accepts that there may be transitional issues with implementing the new SSCs and therefore will permit a transition period until March 1, 2022 to implement any of the SSCs that are difficult to implement prior to integration of the billing system. The OEB notes that Hydro One is not required to charge a SSC if it is not applicable to PDI customers. On closing of the transaction, Hydro One shall file a letter with the OEB confirming which SSCs require a transition period, and shall file a further letter when the transition has been completed so that at all times the OEB is aware of which SSCs are being applied. Until an SSC has been transitioned, the existing PDI SSCs apply.

⁵ Hydro One Draft Rate Order / Attachment 1 / p. 10

⁶ Exhibit A / Tab 3 / Schedule 1 / p. 4

⁷ Hydro One Reply Submission / p. 4

4 DECISION ON THE DRAFT ACCOUNTING ORDER

4.1 Accounting Changes under US GAAP Deferral Account

In accordance with the April Decision, Hydro One proposed that Account 1576 would be used to record the impact of any applicable accounting changes to depreciation expense and capitalization policies on property, plant and equipment (PPE) arising from PDI's transition from Modified International Financial Reporting Standards (MIFRS) to US GAAP for financial and regulatory purposes. Both OEB staff and SEC submitted comments on the mechanics of the proposed account.

OEB staff submitted that the description of the account did not align with OEB staff's understanding of how the account is intended to operate. OEB staff noted that the account should operate in a similar manner to the approach used with Account 1576 when distributors transitioned to MIFRS – determine a principal balance in the deferral account based on the difference between the PPE of a utility using the previous and new accounting policies. At the end of the deferred rebasing period, the balance in the account would reflect the cumulative difference between the closing net PPE balance calculated using PDI's existing accounting policies and the closing net PPE using Hydro One's policies. As such, OEB staff stated that the description of the account should be revised to state that it is to record the annual difference between the net PPE balances calculated using PDI's accounting policies and the net PPE balances calculated using Hydro One's accounting policies.⁸

OEB staff further submitted that Hydro One's proposal to exclude a rate of return component from Account 1576 is inconsistent with OEB policy. OEB staff also noted that it was inconsistent with the manner in which all electricity distributors have disposed of Account 1576 since the 2014 rate year and that no additional carrying charges should accrue in this account prior to disposition.⁹

OEB staff suggested that the names of the accounts proposed by Hydro One should be changed. OEB staff submitted that Account 1576 – Accounting Changes under US GAAP be revised to Account 1576 – Accounting Policy Changes while Account 4305 – Regulatory Debits be revised to Account 4305/4310 – Regulatory Debit/Regulatory Credit.¹⁰

⁸ OEB Staff Submission / p. 4

⁹ *Ibid.*

¹⁰ *Ibid.*

Similar to OEB staff, SEC submitted that Hydro One should record the difference in depreciation and capitalization, and therefore the difference in closing rate base for PPE, between the depreciation rates and capitalization policies used by PDI prior to the transaction, and the depreciation rates and capitalization policies used by Hydro One after the transition. Each year, the difference – both to depreciation and to capitalization – should be applied to the actual assets used to serve PDI customers to determine the rate base differential at the end of the year. SEC also noted that both existing and new assets should be included.¹¹

In the updated draft accounting order for the US GAAP Deferral Account filed on June 11, 2020, Hydro One provided clarification regarding the mechanics of the account. This included a revision stating that no additional carrying charges shall accrue in the account prior to its disposition. In addition, a revision was made to state that at the end of the deferred rebasing period, the balance in the account shall reflect the cumulative difference between the closing net PPE balance calculated using PDI's existing accounting policies and the closing net PPE calculated using Hydro One's policies.¹²

Findings

The OEB approves the accounting order for the US GAAP Deferral Account as amended by Hydro One in its reply submission, with one modification. In the April Decision the OEB determined that the account would operate in a similar manner to the approach used with Account 1576. However, the OEB also determined that the deferral account will be reviewed at the next rebasing rate application to determine the appropriate approach for disposition. No determination has been made on how the account will be disposed. Therefore, in the final accounting order the OEB has eliminated the wording “will require the use of separate rate riders for the disposition of the balance in Account 1576” that was included in the modified draft accounting order. The final accounting order is included as Schedule B.

4.2 ESM Recalculation and ESM Deferral Account

The April Decision directed Hydro One to recalculate the excess earnings based on a risk premium of 10% on forecast OM&A expenditures and to file a draft accounting order to track the amounts associated with the ESM. In its May 14, 2020 filing, Hydro

¹¹ SEC Submission / p. 2

¹² Hydro One Reply Submission / Attachment 2 / p. 1

One provided a recalculated ESM and draft accounting order for the ESM Deferral Account. The recalculated ESM guaranteed PDI customers approximately \$2.8 million in years six through ten of the deferred rebasing period – an increase from the \$1.8 million proposed in the Application.¹³ Hydro One also stated that it will establish the ESM Deferral Account as Account 2435, Accrued Rate-Payer Benefit, to record the guaranteed ESM benefits to former PDI customers from August 1, 2026 until July 31, 2030.

OEB staff submitted that the draft accounting order for the ESM deferral account was consistent with the April Decision while SEC stated that it had no issues with the wording used in the draft accounting order.¹⁴

Findings

The OEB finds that the draft accounting order is consistent with the OEB's April Decision, and the final accounting order is included as Schedule C. The OEB accepts Hydro One's explanation for the immaterial difference to the rate base calculation.

¹³ The guaranteed ESM amount proposed in the Application was calculated with a 20% risk premium.

¹⁴ OEB Staff Submission / p. 3 and SEC Submission / p. 1

5 YEAR 11 REVENUE REQUIREMENT

In its May 14, 2020 filing, Hydro One provided clarification for the fully allocated revenue requirement that will be used to determine the customer rates in Year 11 for the former customers of PDI. Hydro One noted that in order to update the status quo cost to serve of \$26.3 million (i.e., the upper goal post), the following parameters with then-current information will need to be updated in Year 11:

- Cost of Capital – debt interest and equity return: will reflect the cost of capital parameters as issued by the OEB for the Year 11 rate-setting year
- The corporate tax calculation will reflect the then-current tax rates applicable to utilities and any other tax changes that impact utility customers
- Low Voltage (LV) Charges will reflect the rates that PDI customers would have been charged in Year 11 by Hydro One in absence of the transaction

In its submission, OEB staff assumed that the calculation for the update will be a part of Hydro One's cost of service proceeding that proposes to rebase the PDI rate zone following the deferred rebasing period. Through its reply submission, Hydro One agreed that in its application to set Year 11 rates for PDI customers, it will provide all calculations used to determine the upper goal post revenue requirement.¹⁵

OEB staff acknowledged that it is reasonable for Hydro One to update its Year 11 status quo forecast as proposed and noted that cost of capital and tax rates are outside of the Applicants' control and LV Charges are outside of PDI's control. In addition, OEB staff submitted that the update would represent a safeguard to consumers by holding the Applicants to no higher than their projected OM&A, Depreciation and Rate Base as contained in the Application. Further, the update would ensure PDI and Hydro One customers will not pay more than would have otherwise been the case in the absence of the transaction, including for cost of capital, tax rates and LV Charges.¹⁶

SEC also agreed with the proposal by Hydro One, but highlighted two exceptions. First was that the tax rates to be applied should be those applicable to a utility such as PDI, not Hydro One. SEC argued that as it is a status quo scenario, it should reflect the size and nature of PDI, and as such, the draft rate order should make this clear. The second exception noted by SEC pertained to Hydro One's usage of "any other tax changes that impact utility customers". SEC submitted that it was unable to ascertain what was meant

¹⁵ Hydro One Reply Submission / p. 5

¹⁶ OEB Staff Submission / p. 6

by this statement and, unless there is a more detailed explanation, it is too nebulous to be included.¹⁷ Hydro One clarified that its proposal is to update the Year 11 upper goal post tax calculation to incorporate any new tax law, regulations or administrative practice changes that were implemented during the ten-year deferred rebasing period, by any government body.¹⁸

Findings

The OEB accepts the preliminary calculation for the Year 11 revenue requirement and agrees that it is appropriate to update the cost of capital, tax rates and LV Charges at end of the deferred rebasing period. The OEB agrees that cost of capital and tax rates are outside of Hydro One's control and LV Charges are outside of PDI's control. There will be no update to the projected OM&A, depreciation and rate base. The OEB also agrees that the tax rates should be those applicable to a utility such as PDI and include any new tax law, regulations or administrative practice changes that were implemented during the ten-year deferred rebasing period.

¹⁷ SEC Submission / p. 2

¹⁸ Hydro One Reply Submission / pp. 5-6

6 IMPLEMENTATION

The draft rate order approved in this Decision and Rate Order is to be effective on completion of the transaction.

The approved Tariff of Rates and Charges is attached as Schedule A to this Decision and Rate Order.

The approved Accounting Changes under US GAAP Deferral Account is attached as Schedule B to this Decision and Rate Order.

The approved ESM Deferral Account is attached as Schedule C to this Decision and Rate Order.

7 ORDER

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. The draft rate order set out in Schedule A of this Decision and Rate Order is approved.
2. The draft accounting order set out in Schedule B of this Decision and Rate Order is approved.
3. The draft accounting order set out in Schedule C of this Decision and Rate Order is approved.
4. Hydro One Networks Inc. shall implement the specific service charges as set out in Schedule A of the Decision and Rate Order upon closing of the transaction. Hydro One Networks Inc. is granted an extension until March 1, 2022 to implement any specific service charges that are difficult to implement prior to integration of the Hydro One Networks Inc. and Peterborough Distribution Inc. billing systems.
5. Upon closing of the transaction, Hydro One Networks Inc. shall file a letter with the OEB confirming which specific service charges require the extension described in Order 4. Hydro One Networks Inc. is also required to file a letter with the OEB once all applicable specific service charges have been implemented.

DATED at Toronto July 9, 2020

ONTARIO ENERGY BOARD

Original Signed By

Christine E. Long
Registrar and Board Secretary

SCHEDULE A

TARIFF OF RATES AND CHARGES

**PETERBOROUGH DISTRIBUTION INC., PETERBOROUGH UTILITIES
SERVICES INC., HYDRO ONE NETWORKS INC., AND
1937680 ONTARIO INC.**

EB-2018-0242

JULY 9, 2020

1937680 Ontario Inc.
(Formerly Peterborough Distribution Inc.)

TARIFF OF RATES AND CHARGES
Effective and Implementation Date August 1, 2020
This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

EB-2018-0242 and EB-2018-0067

RESIDENTIAL SERVICE CLASSIFICATION

Residential class customers are defined as single-family dwelling units for domestic or household purposes. Semi-detached and row town-housing will be considered residential class if each individual unit is located on its own registered freehold lot fronting on the public road allowance. Each unit must have its own individual service connection from the road allowance and each main service disconnect is assessable from the unit which it supplies. All other developments are considered to be in the General Service class. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	22.62
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Rate Rider for Hydro One Networks' Acquisition Agreement - effective until July 31, 2025	\$	(0.23)
Low Voltage Service Rate	\$/kWh	0.0010
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0067
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0055

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

1937680 Ontario Inc.
(Formerly Peterborough Distribution Inc.)

TARIFF OF RATES AND CHARGES
Effective and Implementation Date August 1, 2020
This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

EB-2018-0242 and EB-2018-0067

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification applies to a non residential account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW. General Service class customers are defined as all buildings not classified as residential. A customer must remain in its customer class for a minimum of twelve (12) months before being reassigned to another class. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	31.36
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Rate Rider for Hydro One Networks' Acquisition Agreement - effective until July 31, 2025	\$	(0.31)
Distribution Volumetric Rate	\$/kWh	0.0089
Rate Rider for Hydro One Networks' Acquisition Agreement - effective until July 31, 2025	\$/kWh	(0.0001)
Low Voltage Service Rate	\$/kWh	0.0009
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0062
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0050

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

1937680 Ontario Inc.
(Formerly Peterborough Distribution Inc.)

TARIFF OF RATES AND CHARGES
Effective and Implementation Date August 1, 2020
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EB-2018-0242 and EB-2018-0067

GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION

This classification applies to all buildings not classified as residential and having a service connection capable of load delivery equal to or above 50 kW or having an average monthly peak demand equal to or greater than 50 kW over a twelve month period, but less than 5,000 kW. A customer must remain in its customer class for a minimum of twelve (12) months before being reassigned to another class. Customers who require service connections above 1,000 kVA must supply and own the primary conductors, switchgear and their own transformation above the maximum supplied by 1937680 Ontario Inc. (see Section 3.3 of Conditions of Service). The maximum allowable service connection on the 27.6 kV system is 5,000 kVA. Customers have the option of ownership of transformation at all sizes and are required to own the transformation above the maximum levels supplied by 1937680 Ontario Inc. If a customer decides or is required to own their transformation, the transformer specifications and its loss evaluation require approval from 1937680 Ontario Inc. The customer is required to compensate 1937680 Ontario Inc. for transformer losses that exceed the maximum acceptable losses. The customer will receive a transformer allowance as specified in the current rate schedule for privately owned transformation.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

If included in the following listing of monthly rates and charges, the rate rider for the disposition of WMS - Sub-account CBR Class B is not applicable to wholesale market participants (WMP), customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new Class B customers.

If included in the following listing of monthly rates and charges, the rate rider for the disposition of Global Adjustment is only applicable to non-RPP Class B customers. It is not applicable to wholesale market participants (WMP), customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new non-RPP Class B customers.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

1937680 Ontario Inc.
(Formerly Peterborough Distribution Inc.)
TARIFF OF RATES AND CHARGES
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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	160.31
Rate Rider for Hydro One Networks' Acquisition Agreement - effective until July 31, 2025	\$	(1.60)
Distribution Volumetric Rate	\$/kW	2.7323
Rate Rider for Hydro One Networks' Acquisition Agreement - effective until July 31, 2025	\$/kW	(0.0273)
Low Voltage Service Rate	\$/kW	0.3277
Retail Transmission Rate - Network Service Rate	\$/kW	2.4893
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.9217

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

1937680 Ontario Inc.
(Formerly Peterborough Distribution Inc.)

TARIFF OF RATES AND CHARGES
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EB-2018-0242 and EB-2018-0067

LARGE USE SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to General Service Customers requiring a connection with a connected load or whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 5,000 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

If included in the following listing of monthly rates and charges, the rate rider for the disposition of WMS - Sub-account CBR Class B is not applicable to wholesale market participants (WMP), customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new Class B customers.

If included in the following listing of monthly rates and charges, the rate rider for the disposition of Global Adjustment is only applicable to non-RPP Class B customers. It is not applicable to wholesale market participants (WMP), customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new non-RPP Class B customers.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	6,440.97
Rate Rider for Hydro One Networks' Acquisition Agreement - effective until July 31, 2025	\$	(64.41)
Distribution Volumetric Rate	\$/kW	0.7524
Rate Rider for Hydro One Networks' Acquisition Agreement - effective until July 31, 2025	\$/kW	(0.0075)
Low Voltage Service Rate	\$/kW	0.4014
Retail Transmission Rate - Network Service Rate	\$/kW	2.9328
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.3544

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0005

1937680 Ontario Inc.
(Formerly Peterborough Distribution Inc.)
TARIFF OF RATES AND CHARGES
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approved schedules of Rates, Charges and Loss Factors

	EB-2018-0242 and EB-2018-0067
Standard Supply Service - Administrative Charge (if applicable)	\$ 0.25

1937680 Ontario Inc.
(Formerly Peterborough Distribution Inc.)

TARIFF OF RATES AND CHARGES
Effective and Implementation Date August 1, 2020
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EB-2018-0242 and EB-2018-0067

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The level of the consumption will be agreed to by the distributor and the customer, based on detailed manufacturer information/documentation with regard to electrical consumption of the unmetered load or periodic monitoring of actual consumption. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	2.13
Distribution Volumetric Rate	\$/kWh	0.0281
Low Voltage Service Rate	\$/kWh	0.0009
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0062
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0050

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification covers sentinel lights used for security or other commercial activities. All attempts must be made to connect these loads to a metered service where possible. The customer is required to provide details of the connected load and usage pattern prior to connecting to the distribution system. The customer owns all the equipment and facilities from the load side of the connection to the distribution system. The connection shall be made to the distribution system as approved by 1937680 Ontario Inc. 1937680 Ontario Inc. has operational control of the connection to the distribution system. The customer is responsible for any requirements under the Ontario Electrical Safety Code and is required to have all equipment inspected and approved by the Electrical Safety Authority. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	11.83
Distribution Volumetric Rate	\$/kW	4.7157
Low Voltage Service Rate	\$/kW	0.2602
Retail Transmission Rate - Network Service Rate	\$/kW	1.8902
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.5261

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

1937680 Ontario Inc.
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STREET LIGHTING SERVICE CLASSIFICATION

This classification applies only to street lighting equipment owned by the City of Peterborough, other authorized municipalities or the Province of Ontario and operating within the licenced territory of 1937680 Ontario Inc. Included is decorative and seasonal lighting connected to street lighting facilities owned by the City of Peterborough, other authorized municipalities and the Province of Ontario. The customer owns all equipment and facilities from the load side of the connection to the distribution system. The customer is required to provide details of the connected load and usage pattern prior to connecting to the distribution system. Each streetlight is to be individually controlled by a photocell. Underground connections for street lighting require a main disconnect to be installed by the Customer. The customer is responsible for any requirements under the Ontario Electrical Safety Code and is required to have all equipment inspected and approved by the Electrical Safety Authority. The customer may retain operational control of any disconnects if authorized by 1937680 Ontario Inc. and operated by qualified personnel. 1937680 Ontario Inc. retains operational control of the connections to the distribution system. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	3.22
Distribution Volumetric Rate	\$/kW	13.4579
Low Voltage Service Rate	\$/kW	0.2541
Retail Transmission Rate - Network Service Rate	\$/kW	1.8763
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.4904

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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microFIT SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Independent Electricity System Operator's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Condition of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	4.55
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ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.60)
Primary Metering Allowance for Transformer Losses - applied to measured demand & energy	%	(1.00)

SPECIFIC SERVICE CHARGES

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Customer Administration

Easement letter - letter request	\$	89.67
Easement letter - web request	\$	25.00
Returned cheque charge	\$	7.00
Account set up charge/change of occupancy charge (plus credit agency costs, if applicable)	\$	38.00
Special meter reads (retailer requested off-cycle read)	\$	90.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00

Non-Payment of Account (see Note 1)

Late payment - per month (effective annual rate 19.56% per annum or 0.04896% compounded daily rate)	%	1.50
Collection - reconnect at meter - during regular hours	\$	65.00
Collection - reconnect at meter - after regular hours	\$	185.00
Collection - reconnect at pole - during regular hours	\$	185.00
Collection - reconnect at pole - after regular hours	\$	415.00

Other

Service call - customer owned equipment - during regular hours	\$	210.00*
Service call - customer owned equipment - after regular hours	\$	775.00*
Temporary service install & remove - overhead - no transformer	\$	Actual Costs
Temporary service install & remove - underground - no transformer	\$	Actual Costs
Temporary service install & remove - overhead - with transformer	\$	Actual Costs
Specific charge for access to power poles - telecom	\$	44.50
Reconnect completed after regular hours (customer/contract driven) - at meter	\$	245.00
Reconnect completed after regular hours (customer/contract driven) - at pole	\$	475.00
Additional service layout fee - basic/complex (more than one hour)	\$	577.91
Pipeline crossings	\$	2,430.28
Water crossings	\$	3,618.57
Railway crossings	\$	4,830.33 plus Railway Feedthrough Costs
Overhead line staking per meter	\$	4.30
Underground line staking per meter	\$	3.09
Subcable line staking per meter	\$	2.70
Central metering - new service <45 kw	\$	100.00
Conversion to central metering <45 kw	\$	1,572.92

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Conversion to central metering >=45 kw	\$	1,472.92
Connection impact assessments - net metering	\$	3,239.70
Connection impact assessments - embedded LDC generators	\$	2,921.93
Connection impact assessments - small projects <= 500 kw	\$	3,315.83
Connection impact assessments - small projects <= 500 kw, simplified	\$	2,001.42
Connection impact assessments - greater than capacity allocation exempt projects - capacity allocation required projects	\$	8,765.05
Connection impact assessments - greater than capacity allocation exempt projects - TS review for LDC capacity allocation required projects	\$	5,817.80
Specific charge for access to power poles - LDC	\$	see below
Specific charge for access to power poles - generators	\$	see below
Specific charge for access to power poles - municipal streetlights	\$	2.04
Sentinel light rental charge	\$	10.00
Sentinel light pole rental charge	\$	7.00
*Base Charge only. Additional work on equipment will be based on actual costs.		
Specific Charge for LDCs Access to the Power Poles (\$/pole/year)		
LDC rate for 10' of power space	\$	87.90
LDC rate for 15' of power space	\$	105.48
LDC rate for 20' of power space	\$	117.20
LDC rate for 25' of power space	\$	125.57
LDC rate for 30' of power space	\$	131.85
LDC rate for 35' of power space	\$	136.73
LDC rate for 40' of power space	\$	140.64
LDC rate for 45' of power space	\$	143.83
LDC rate for 50' of power space	\$	146.50
LDC rate for 55' of power space	\$	148.75
LDC rate for 60' of power space	\$	150.68
Specific Charge for Generator Access to the Power Poles (\$/pole/year)		
Generator rate for 10' of power space	\$	87.90
Generator rate for 15' of power space	\$	105.48
Generator rate for 20' of power space	\$	117.20
Generator rate for 25' of power space	\$	125.57
Generator rate for 30' of power space	\$	131.85
Generator rate for 35' of power space	\$	136.73
Generator rate for 40' of power space	\$	140.64
Generator rate for 45' of power space	\$	143.83
Generator rate for 50' of power space	\$	146.50
Generator rate for 55' of power space	\$	148.75
Generator rate for 60' of power space	\$	150.68

NOTES

1. Ontario Energy Board Rate Order EB-2017-0183, issued on March 14, 2019, identifies changes to the Non-Payment of Account Service Charges effective July 1, 2019.

1937680 Ontario Inc.

(Formerly Peterborough Distribution Inc.)

TARIFF OF RATES AND CHARGES

Effective and Implementation Date August 1, 2020

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EB-2018-0242 and EB-2018-0067

RETAIL SERVICE CHARGES (if applicable)

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

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Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity.

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	102.00
Monthly fixed charge, per retailer	\$	40.80
Monthly variable charge, per customer, per retailer	\$/cust.	1.02
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust.	0.61
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust.	(0.61)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.51
Processing fee, per request, applied to the requesting party	\$	1.02
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year	\$	no charge
More than twice a year, per request (plus incremental delivery costs)	\$	4.08
Notice of switch letter charge, per letter (unless the distributor has opted out of applying the charge as per the Ontario Energy Board's Decision and Order EB-2015-0304, issued on February 14, 2019)	\$	2.04

LOSS FACTORS

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor - Secondary Metered Customer < 5,000 kW	1.0548
Total Loss Factor - Secondary Metered Customer > 5,000 kW	1.0172
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0443
Total Loss Factor - Primary Metered Customer > 5,000 kW	1.0070

SCHEDULE B

ACCOUNTING ORDER: ACCOUNTING CHANGES UNDER US GAAP

**PETERBOROUGH DISTRIBUTION INC.,
PETERBOROUGH UTILITIES SERVICES INC.,
HYDRO ONE NETWORKS INC.,
AND 1937680 ONTARIO INC.**

EB-2018-0242

JULY 9, 2020

Hydro One Networks Inc. Distribution

Draft Accounting Order

Accounting Entries

Accounting Changes under US GAAP Deferral Account

The Ontario Energy Board (“OEB”) is establishing a new “Accounting Policy Changes” Deferral Account to record the impact of any applicable accounting changes to depreciation expense and capitalization policies on property, plant, and equipment (“PPE”) resulting from Peterborough Distribution Inc.’s (“PDI”) transition from modified International Financial Reporting Standards (“MIFRS”) to US GAAP for financial and regulatory accounting purposes. The deferral account will track impacts (both debits and credits) of the transition to US GAAP with respect to how costs are capitalized and depreciated. At the end of the deferred rebasing period, the balance in the account shall reflect the cumulative difference between the closing net PPE balance calculated using PDI’s existing accounting policies and the closing net PPE calculated using Hydro One’s policies. The deferral account balance will be reviewed at the next rebasing rate application to determine the appropriate approach for disposition.

The account will be established as Account 1576¹, Accounting Policy Changes effective the date of transaction close. As per the OEB issued “Accounting Policy Changes for Accounts 1575 and 1576”, a rate of return component will be applied to the balance in Account 1576 upon its disposition in rates. No additional carrying charges shall accrue in this account prior to disposition.

The following outlines the proposed accounting entries for this deferral account.

<u>USofA #</u>	<u>Account Description</u>
<i>DR/CR: 1576</i>	<i>Accounting Policy Changes</i>
<i>CR/DR: 4305/4310</i>	<i>Regulatory Debit/Regulatory Credit</i>

To record the annual difference between the net PPE balances calculated using PDI’s accounting policies and the net PPE balances calculated using Hydro One’s accounting policies.

¹ Note that Account 1576, Accounting Changes under CGAAP was opened to record changes to depreciation expense and capitalization policies as required by the OEB in 2013. The nature of this account is similar to the Accounting Changes under US GAAP deferral account being proposed; therefore, Hydro One requests to apply for this USofA account updated for the accounting policy that is being used.

SCHEDULE C

ACCOUNTING ORDER: ESM DEFERRAL ACCOUNT

**PETERBOROUGH DISTRIBUTION INC.,
PETERBOROUGH UTILITIES SERVICES INC.,
HYDRO ONE NETWORKS INC., AND
1937680 ONTARIO INC.**

EB-2018-0242

JULY 9, 2020

Hydro One Networks Inc. Distribution

Draft Accounting Order

Accounting Entries

ESM Deferral Account

In its Decision and Order in EB-2018-0242 (the “**Decision**”), the Ontario Energy Board (“**OEB**”) approved Hydro One’s proposed Earnings Sharing Mechanism (“**ESM**”) along with the establishment of a new deferral account (“**ESM Deferral Account**”) that will record the guaranteed ESM share of revenues (50% of excess earnings calculated consistent with the methodology approved in the Decision) attributable to the former customers of Peterborough Distribution Inc. (“**PDI**”). The ESM for years six through ten, has been re-calculated consistent with the OEB’s direction in the Decision. The annual amounts that will be credited to the ESM Deferral Account, along with information regarding the calculations have been included in Table C of the Draft Rate Order (“**DRO**”). The excess earnings will be shared with PDI ratepayers and will be disposed of at the conclusion of the 10-year OEB-approved deferred rebasing period, consistent with the Decision.

The account will be established as Account 2435, Accrued Rate-Payer Benefit, and will record the guaranteed ESM benefits to former PDI customers from August 1, 2026 (the beginning of year six of the deferred rebasing period) until July 31, 2030, the end of the deferred rebasing period. Hydro One will record interest on the balance recorded in this deferral account using the interest rates set by the OEB. Simple interest will be calculated on the opening monthly balance of the account until the balance is fully disposed.

The following outlines the proposed accounting entries for this deferral account.

<u>USofA #</u>	<u>Account Description</u>
DR: 4395	Rate-Payer Benefit Including Interest
CR: 2435	Accrued Rate-Payer Benefit

Entry to record the annual ESM excess earnings payable to former PDI customers during the extended rebasing deferral period in years six through ten of PDI’s deferred rebasing period.

USofA #

Account Description

DR: 4395

Rate-Payer Benefit Including Interest

CR: 2435

Accrued Rate-Payer Benefit

To record interest improvement, at the OEB-approved rate, on the principal balance of the ESM deferral account.