

**DRAFT ACCOUNTING ORDER**  
**ELEXICON ENERGY**  
**EB-2022-0024**  
**OCTOBER 13, 2022**

Elexicon shall establish three (3) new sub-accounts to record amounts associated with capital contributions received for the Project. These three (3) new accounts will capture capital contributions, associated carrying charges and amortization, as described below.

**1) Account 1508 Other Regulatory Assets, Sub-account Deferred Revenue – Contributed Capital**

This sub-account shall be used to record amounts received in contributed capital for the Project.

**2) Account 1508 Other Regulatory Assets, Sub-account Deferred Revenue Carrying Charges**

This sub-account shall be used to record carrying charges on *Account 1508 Other Regulatory Assets, Sub-account Deferred Revenue – Contributed Capital*. Carrying charges shall be calculated using simple interest applied to the opening balances in the account. The interest rate shall be the rate prescribed by the Board.

**3) Account 1508 Other Regulatory Assets, Sub-account Deferred Revenue Amortization**

This sub-account shall be used to record the amortization associated with the capital contribution amounts recorded *Account 1508 Other Regulatory Assets, Sub-account Deferred Revenue – Contributed Capital*.

The following outlines the accounting entries in the year the Project assets are placed into service:

<b><u>OEB #</u></b>	<b><u>Description</u></b>
Dr: 1110	Account Receivable
Cr: 1508	Other Regulatory – Sub-account “Deferred Revenue – Contributed Capital”
	<i>To record the amount received in contributed capital for the Project.</i>
Dr: 1525	Misc. Deferred Debits/Credits
Cr: 1508	Other Regulatory - Sub-account "Deferred Revenue -Carrying Charges"
	<i>To record carrying charges on the contributed capital received for the Project.</i>
Dr: 1508	Other Regulatory – Sub-account “Deferred Revenue – Contributed Capital”
Cr: 1508	Other Regulatory - Sub-account "Deferred Revenue Amortization"
	<i>To record the amortization associated with contributed capital for the Project.</i>

The following outlines the entries upon approval of the ICM included with Elexicon’s next Cost of Service rebasing application planned for 2023:

<b><u>OEB #</u></b>	<b><u>Description</u></b>
Dr: 1508	Other Regulatory - Sub-account "Deferred Revenue -Carrying Charges"
Cr: 1525	Misc. Deferred Debits/Credits
	<i>To reverse carrying charges, which would be included in a revenue requirement true-up, as approved.</i>
Dr: 1508	Other Regulatory – Sub-account “Deferred Revenue – Contributed Capital”
Cr: 2440	Deferred Revenue Liability
	<i>To transfer contributed capital for the Project to deferred revenue.</i>
Dr: 1508	Other Regulatory - Sub-account "Deferred Revenue Amortization"
Cr: 4245	Government and Other Assistance Directly Credited to Income
	<i>To transfer the amortization of deferred revenue to income.</i>