



EXHIBIT 9

DVA

2025 Cost of Service

Centre Wellington Hydro Ltd.
EB-2024-0012

Filed on: May 1, 2024

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1

9.2 OVERVIEW

2 The purpose of CWH's exhibit 9 is to identify the variance/deferral accounts that have been used,
3 provide the principal balance recorded in each variance/deferral account, and derive the carrying
4 charges on each account's balance up to and including December 31, 2023.

5 The exhibit also describes the methodology proposed to allocate account balances to customer
6 classes, explains the rationale supporting the proposed disposition period, shows the proposed
7 charge parameters, and quantifies the proposed rate riders that will dispose of the recorded
8 balances.

9 All accounts are used per the Accounting Procedures Handbook. The account balance at the end
10 of 2023 reconciles with the trial balance reported through the Electricity Reporting and Record-
11 keeping Requirements and CWH's Audited Financial Statements. CWH has completed the OEB-
12 provided DVA model with Group 1 and Group 2 balances. The model is filed in support of the
13 information presented in this exhibit.

14 CWH proposes to dispose of:

15

- 16 • A debit of \$259,603 related to Group 1 (not including 1589)
- 17 • A credit of \$30,035 allocated to 1580 and 1588 (not allocated to WMP) non-wholesale
18 market participant.
- 19 • A debit of \$164,461 related to the Global Adjustment, which is applied to the GS 50-
20 4,999kW, Street Lights and customers not on RPP.
- 21 • A credit of \$203,251 related to Group 2 Variance/Deferral Accounts.

22

23 Within all the described disposals, the carrying charges are calculated up to December 31, 2024,
24 principal amounts in Group 1 & 2 (except 1508-Wireline Pole Attachment Charges) are up to the
25 end of 2023, and 1508-Wireline Pole Attachment Charges are up to the end of 2024. All of the
26 described disposal are sought to be disposed of on a final basis.

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

30 CWH has filed the 2025_DVA_Continuity Schedule in conjunction with this application.

1 9.2.1 CERTIFICATION OF EVIDENCE

2 I, Heather Dowling, certify that, to the best of my knowledge or otherwise specified, the evidence
3 filed in CWH's exhibit is complete and consistent with the requirements of the Chapter 2 Filing
4 Requirements for Electricity Distribution Rate Applications issued on December 15, 2022, and
5 other OEB policies. I also confirm that KPMG has put in place a robust process for the preparation,
6 review, verification, and oversight of any account balances that are being requested for disposal.

7
8 Heather Dowling
9 Vice President/Treasurer

9.3 DISPOSITION OF DEFERRAL AND VARIANCE ACCOUNTS

9.3.1 DVA BALANCES SOUGHT FOR DISPOSITION

Table 1 - Balances Sought for Disposition

Account		Interest	Total Claim incl interest	Allocator
LV Variance Account	1550	1,692	25,902.66	kWh
Smart Metering Entity Charge Variance Account	1551	-1,145	-12,168.12	# of Cust
RSVA - Wholesale Market Service Charge	1580	-4,507	-63,993.49	kWh
RSVA – Sub-account CBR Class B	1580	286	5,586.29	kWh
RSVA - Retail Transmission Network Charge	1584	6,338	98,102.59	kWh
RSVA - Retail Transmission Connection Charge	1586	10,481	151,308.82	kWh
RSVA - Power (excluding Global Adjustment)	1588	2,284	28,371.90	kWh
RSVA - Global Adjustment	1589	18,037	164,461.73	Non-RPP kWh
Disposition and Recovery/Refund of Regulatory Balances (2018 and pre-2018)	1595	-7,376	26,492.41	%
Group 1 total (including Account 1589)		111,647	424,064.80	
Group 1 total (excluding Account 1589)		93,610	259,603.07	
RSVA – Global Adjustment		18,037	164,461.73	
Pole Attachment Revenue Variance	1508	-32,511	-319,861.25	Distr Rev.
Customer Choice Initiative Costs	1508	1,095	9,434.41	kWh
Green Button Initiative Costs	1508	1,579	19,155.05	kWh
Other Regulatory Assets, Sub-account ULO Implementation Cost	1508	423	5,125.43	kWh
Other Regulatory Assets, sub-account OEB Assessment (GL 266)	1508	2,482	15,402.76	kWh
Retail Cost Variance Account - Retail	1518	8,393	65,086.25	# of Cust
Retail Cost Variance Account - STR	1548	51	375.50	# of Cust
Smart Meter Capital and Recovery Offset Variance - Sub- Account - Stranded Meter Costs	1555	2,467	2,030.66	kWh
Group 2 Accounts (including 1555)		-16,022	-203,251.18	

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

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

CWH confirms that the 2023 balances are as of December 31, 2023, and have been audited.

1 **GROUP 1 ACCOUNTS**

2 CWH is seeking the following account balances for disposition:

- 3 1550 – LV Variance Account (\$25,902.66)
4 1551 - Smart Metering Entity Charge Variance Account (-\$12,168.12)
5 1580 - RSVA - Wholesale Market Service Charge (-\$63,993.49)
6 1580 - RSVA - Wholesale Market Service Charge – Class B (\$5,586.29)
7 1584 - RSVA - Retail Transmission Network Charge (\$98,102.59)
8 1586 - RSVA - Retail Transmission Connection Charge (\$151,308.82)
9 1588 - RSVA - Power (excluding Global Adjustment) (\$28,371.90)
10 1589 - RSVA - Global Adjustment (\$164,471.73)
11 1595 – Disposition and Recovery/Refund of Regulatory Balances (2018 and pre-2018)

12 CWH confirms that for all of the Group 1 accounts listed above, it has followed the Accounting
13 Procedure Handbook. All of the Group 1 accounts except 1595 account were approved for
14 disposition in 2024 on a final basis. The 1595 sub account (2018 and pre-2018) was last approved
15 for the disposition in CWH’s 2018 CoS (EB-2017-0032) on a final basis.

16 **1550 – LV Variance Account**

17 For account 1550, CWH is requesting disposition of the December 31, 2023, audited balance
18 (adjusted for approved disposition in 2024), plus forecasted interest through December 31, 2024.
19 The balance requested for disposal, including carrying charges, is a debit of \$25,902.66.

20 **1551 – Smart Metering Entity Charge Variance Account**

21 For account 1551, CWH is requesting disposition of the December 31, 2023, audited balance
22 (adjusted for approved dispositions in 2024), plus forecasted interest through December 31, 2024.
23 The balance requested for disposal, including carrying charges, is a credit of \$12,168.12.

24 **1580 – RSVA – Wholesale Market Service Charge**

25 For account 1580, CWH is requesting disposition of the December 31, 2023, audited balance
26 (adjusted for approved dispositions in 2024), plus forecasted interest through December 31, 2024.
27 The balance requested for disposal, including carrying charges, is a credit of \$63,993.49.

28 **1580 – Wholesale Market Service Charge – Sub-Account CBR Class B**

29 For account 1580 – Sub-Account CBR Class B, CWH is requesting disposition of the December
30 31, 21 2023, audited balance (adjusted for approved dispositions in 2024), plus forecasted

1 interest through December 31, 2024. The balance requested for disposal, including carrying
 2 charges, is a debit of \$5,586.29.

3 **1584 – RSVA – Retail Transmission Network Charge**

4 For account 1584, CWH is requesting disposition of the December 31, 2023, audited balance
 5 (adjusted for approved dispositions in 2024), plus forecasted interest through December 31, 2024.
 6 The balance requested for disposal, including carrying charges, is a debit of \$98,102.59.

7 **1586 – RSVA – Retail Transmission Connection Charge**

8 For account 1586, CWH is requesting disposition of the December 31, 2023, audited balance
 9 (adjusted for approved dispositions in 2024), plus forecasted interest through December 31, 2024.
 10 The balance requested for disposal, including carrying charges, is a debit of \$151,308.82.

11 **1588 – RSVA – Power (Excluding Global Adjustment)**

12 For account 1588, CWH is requesting disposition of the December 31, 2023, audited balance
 13 (adjusted for approved dispositions in 2024), plus forecasted interest through December 31, 2024.
 14 The balance requested for disposal, including carrying charges, is a debit of \$151,308.82.

15 **1595 - Disposition of Residual Balances (2018 and pre-2018).**

16 CWH is proposing to dispose of the 1595 (2018 and pre-2018) audited balances as at December
 17 31 2023 as part of CWH's application. December 31, 2023, audited balance reconciles with filing
 18 2.1.7 RRR.

19 CWH last disposed of this DVA balances in its 2018 Cost of Service application. The 2016 audited
 20 balances, which were on a 4-year basis and, as such, have reached sunset plus two years.

21

22 **Table 2 - Disposition Status of Account 1595**

Year	Rate Application	Disposition Period	Sunset Reached	Rate Ride Sunset Date	Audited	Plus two year
2018	2018	4	Yes	December 31, 2021	Yes	Yes

23

24 CWH also confirms that there is a residual balance for vintage Account 1595 (2018 and pre-2018)
 25 being disposed of and that all historical dispositions of 1595 have only been done once.

26 CWH's residual balances for 1595 (2018 and pre-2018) is \$26,492.41. The following table shows
 27 the materiality calculation.

1

Table 3 - 1595 Analysis

Principal Balance Approved for Disposition	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	Total Residual Balances	Collections/Returns Variance (%)
\$213,373	-\$29,465	\$183,909	\$193,374	-\$9,465	\$6,194	-\$3,271	-5.1%
\$326,898	\$10,395	\$337,293	\$313,029	\$24,264	\$5,500	\$29,764	7.2%
\$540,272	-\$19,070	\$521,202	\$506,403	\$14,799	\$11,694	\$26,492	2.8%
				Shared Tax Savings (Approved by the OEB in Prior Decision(s) and Order(s) and Transferred to Account 1595), if any:			
				Total Balances:		\$26,492	
				Total residual balance per continuity schedule:			
				Difference (any variance should be explained):		-\$26,492	

2 The variance dollar amount and variance percentage are below the materiality threshold set up
3 by OEB for cost-of-service purpose. Therefore, they are deemed immaterial.

4 The balances sought for dispositions are as follows:

- 5 • Disposition and Recovery/Refund of Regulatory Balances (2018 and pre-2018)
- 6 **(\$26,492.41)**

7

8 **GROUP 2 ACCOUNTS**

9 **1508 – Wireline Pole Attachments Charges**

10 On July 20, 2018, The OEB issued Accounting Guidance on Wireline Pole Attachment Charges.
11 The guidance stated that LDCs without a distributor-specific pole attachment charge must record
12 the excess incremental revenues received from carriers for the new pole attachment charge in a
13 new variance account, Account 1508 – Sub Account – Pole Attachment Revenue Variance.

14 In compliance with the guidance, CWH started recording, starting on September 1, 2018, and
15 ending in December 2024. Between 2018 and 2024 CWH recorded the amount of joint pole
16 revenue at the rate of \$22.35 in account 4235 and the difference between the annual approved
17 rate and the 2018 rate was recorded in the sub account of 1508.

1 Carrying charges have been applied to the balance in CWH’s account at the OEB prescribed
 2 interest rates and recorded in the new variance account.

3 Table 4 shows the breakdown of the amount recorded in this account.

4 **Table 4 - Pole Attachment Revenue Variance**

Date	Number of Poles	Rate Used for Total Invoice Amount	Total Invoice Amount	Total Approved in OEB Rates @ 22.35	Total Variance Amount
Sept - Dec 2018	2657	\$28.09	24,878.39	19,794.65	-5,083.74
Jan - Dec 2019	2657	\$43.63	115,924.91	59,383.95	-56,540.96
Jan - Dec 2020	2628	\$44.50	116,946.00	58,735.80	-58,210.20
Jan - Dec 2021	2628	\$44.50	116,946.00	58,735.80	-58,210.20
Jan - Dec 2022	2625	\$34.76	91,245.00	58,668.75	-32,576.25
Jan - Dec 2023	2634	\$36.05	94,955.76	58,869.90	-36,085.86
Total Principal as of December 31, 2023					-246,707.21
Jan - Dec 2024 Est.	2634	\$37.78	99,512.58	58,869.90	-40,642.68
Total Principal as of December 31, 2024					-287,349.89
Total Interest through December 31, 2024					-32,511.36
Total Disposition Request					-319,861.25

5 The guidance states that once an LDC has had the new pole attachment charge incorporated in
 6 their cost-based rate application, the variance account would no longer be required and must be
 7 closed after the disposition of the last of the amounts that have been tracked. CWH does not
 8 anticipate using the account going forward after CWH’s 2025 CoS unless instructed to by the
 9 OEB.

10 Given that the amount changes on an annual basis, the assumption is that utilities will continue
 11 to record the difference between the amount charged and collected in year 2024 and close it after
 12 the final approval of the disposition in 2025 CoS. CWH proposes to dispose of the audited
 13 balances as at December 31, 2023 in account 1508, plus forecasted principal and interest through
 14 December 31, 2024. The balance requested for disposal, including carrying charges is a credit of
 15 \$319,861.25.

16 **1508 – Customer Choice Initiative Costs**

17 On September 8, 2020, the OEB adopted final amendments to the Standard Supply Service Code
 18 (SSSC), to come into force on October 13, 2020, which enabled electricity consumers on the
 19 Regulated Price Plan (RPP) to opt out of time-of-use prices and elect instead to be charged on
 20 the basis of tiered pricing. This sub-account records incremental costs directly attributable to CWH
 21 as a result of this initiative.

1 For account 1508 – Customer Choice, CWH is requesting disposition of the December 31, 2023,
2 audited balance, plus forecasted interest through December 31, 2024. The balance requested for
3 disposal, including carrying charges is a debit of \$9,434.41.

4 **1508 – Green Button Initiative Costs**

5 As outlined in the Board letter dated November 1, 2021, the OEB approved a generic deferral
6 account for distributors to record the incremental costs directly attributable to the implementation
7 of the Green Button Initiative, in a manner that agrees with the requirements set out in the Green
8 Button Regulation.

9 CWH established the 1508 Sub-account for Green Button incremental costs and has tracked
10 amount referred to in the Regulation up to December 31, 2023.

11 For account 1508: Green Button Initiative, CWH is requesting disposition of the December 31,
12 2023, audited balance, plus forecasted interest through December 31, 2024. The balance
13 requested for disposal including carrying charges is a debit of \$19,155.05.

14 **1508 – ULO Implementation Cost**

15 As outlined in the Board letter dated March 2, 2023, the OEB approved a generic deferral account
16 for distributors to record the incremental impacts associated implementing the Ultra-Low
17 Overnight Regulated Price Plan Option (ULO).

18 Effective March 2, 2023, CWH established the 1508 sub-account for ULO incremental costs and
19 has tracked these amounts referred to in the Regulation up to December 31, 2023.

20 For account 1508: ULO Implementation Cost, CWH is requesting disposition of the December 31,
21 2023, audited balance, plus forecasted interest through December 31, 2024. The balance
22 requested for disposal, including carrying charges is a debit of \$5,125.43.

23 **1508 – OEB Assessment**

24 As per a Board letter dated February 9, 2016, the Board established this account for electricity
25 distributors to record material differences between the OEB cost assessments currently built into
26 rates, and the cost assessments that will result from the application of the new cost assessment
27 model effective April 1, 2016.

28 A disposition of the December 31, 2016 audited balance of \$9,664 was in CWH's 2018 CoS. In
29 2017, CWH recorded a debit of \$12,921 in this account.

30 For account 1508: OEB Assessment, CWH is requesting disposition of the December 31, 2023,
31 audited balance, plus forecasted interest through December 31, 2024. The balance requested
32 for disposal, including carrying charges is a debit of \$15,402.76.

1 **1518 - Retail Cost Variance-Retail & 1548 – Retail Cost Variance Account - STR.**

2 CWH confirms that the transactions in those accounts are incremental costs of providing retail
3 services and the Article 490 of APH has been followed.

4 **For account 1518** – Retail Cost Variance Account - Retail, the last disposal is in year 2018. CWH
5 is requesting disposition of the December 31, 2023, audited balance, plus forecasted interest
6 through December 31, 2024. The balance requested for disposal, including carrying charges, is
7 a debit of \$65,086.25.

8 CWH's expenses for retail services include EBT/Retailer Settlement expenses and labour
9 expenses, these are recorded in sub-account of USoA account 5315. The following Table 4A
10 provides the breakdown of drivers, expenses and revenues for the balances.

11 **Table 4A – Income/Expense Providing Retail Service 1518**

Year	Revenue-4082	EBT/Retailer Settlement 5315	Labour Expense & Burden 5315	Total Expenses	Interest	Interest difference from Est. 2018 CoS	Variance Account 1518
2017	6,776.60	8,729.80	7,411.84	16,141.64		99.66	9,464.70
2018	6,508.20	9,570.91	8,089.63	17,660.54	291.85		11,444.19
2019	9,785.40	9,059.84	9,010.16	18,070.00	561.07		8,845.67
2020	10,847.41	9,113.41	10,323.57	19,436.98	442.33		9,031.90
2021	10,060.12	9,728.25	6,885.41	16,613.66	232.34		6,785.88
2022	10,657.28	9,296.20	8,239.23	17,535.43	946.53		7,824.68
2023	10,893.85	8,986.98	7,776.78	16,763.76	2,706.87		8,576.78
Sub-total				-			61,973.80
2024 Interest Est.							3,112.45
Total							\$65,086.25

12 The EBT/Retailer Settlement expenses are the retail transaction services provided by ERT, UCS
13 and Utilismart as CWH's retail transaction service providers and are recorded in a sub-account of
14 USoA account 5315. Labour expense is the internal resources allocated to retail transaction
15 processing and is recorded in a sub-account of USoA account 5315.

16

1 **For account 1548** – Retail Cost Variance Account - STR, the last disposal is in 2018 Cost of
2 Service. CWH is requesting disposition of the December 31, 2023, audited balance, plus
3 forecasted interest through December 31, 2024. The balance requested for disposal, including
4 carrying charges, is a debit of \$375.50.

5 CWH's expenses for retail transaction services include EBT/Retailer Settlement expenses and
6 labour expense and are recorded in sub-account of USoA account 5315. The following Table 4B
7 provides the breakdown of expenses and revenues for the balance.

8 **Table 4B – Income/Expense Providing Retail Transactions 1548**

Year	Revenue - 4084	Expenses - 5305/5315	Interest	Interest difference from Est. 2018 CoS	Variance Account 1548
2017	46.75	110.58		0.77	64.60
2018	46.75	121.73	2.01		76.99
2019	93.50	166.44	3.92		76.86
2020	67.41	107.75	3.06		43.40
2021	45.24	82.11	1.54		38.41
2022	38.65	59.46	5.85		26.66
2023	33.97	48.88	15.85		30.76
Sub-total					357.68
2024 Interest Est.					17.82
Total					\$ 375.50

9

10 **1555 – Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter**
11 **12 Costs**

12 As outlined in the Board letter dated January 16, 2007, the OEB approved a deferral account for
13 distributors in relation to the funding of, and the recovery of costs associated with smart meter
14 activities conducted by electricity distributors.

15 On June 25, 2008, the Government of Ontario enacted regulations under the Electricity Act, 18
16 1998 (O. Reg. 233/08 and O. Reg. 235/08) and the Ontario Energy Board Act, 1998 (O. Reg. 19
17 234/08) with respect to smart meter activity. These regulations amended pre-existing regulations
18 pertaining to smart metering.

19 The Board noted that the installation of smart meters meant that older meters would be retired
20 earlier than planned and that the costs associated with retired meters would not have been fully
21 depreciated. Therefore, distributors would be at risk of not recovering the costs of stranded
22 meters.

1 Accordingly, the Board approved the use of a new account to record the stranded costs
2 associated with the conventional or accumulation meters removed at the time of installation of
3 smart meters.

4 Specifically, distributors were directed to record stranded meter costs in a new sub account of
5 account: Smart Meter Capital and Recovery Offset Variance Account 1555, sub-account Stranded
6 Meter Costs. The stranded meter costs are defined as the pooled residual net book value cost of
7 removed meters, less any net sale proceeds when received.

8 For account 1555 – Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded
9 Meter Costs, CWH is requesting disposition of the December 31, 2023, audited balance, plus the
10 forecasted interest through 2024 of \$2,030.66.

11 CWH requests that this account be closed upon approval of the 2023 balances.

12 **1592 - Accelerated CCA \$00.00**

13 As explained in detail within Exhibit 6, CWH, with the assistance of KPMG accounting firm,
14 complied with the Accelerated Investment Incentive program, which provides for the first-year
15 increase in CCA deductions on eligible capital assets acquired after November 20, 2018. CWH
16 continued this practice to December 31, 2023. As described in Exhibit 6 CWH has proposed to
17 not take Accelerated CCA into account in the 2025 PILs model for the 2024 bridge year nor the
18 2025 test year.

19 CWH confirms that it has not recorded the impact of the CCA rules changes in Account 1592 -
20 PILs and Tax Variances as there is no amount to refund customers through 1592, due to no PILs
21 being embedded in CWH's rates from 2018 to 2023. CWH notes, they were able to maintain zero
22 PILs without applying any Accelerated CCA related credits.

23 The full value of the Accelerated CCA credits accrued from 2018 to 2023 are available to keep
24 CWH's PILs at zero in 2025 and beyond, with the expectation that PILs will remain zero through
25 to at least 2029.

1 **9.3.2 GROUP 2 ACCOUNT PROPOSED TO BE DISCONTINUED AND REQUEST**
2 **FOR NEW VARIANCE ACCOUNT GOING FORWARD**

3 CWH confirms that it is not requesting any new deferral or variance accounts. Please refer to the
4 following table regarding to the proposing discontinue of any Group 2 Account at CWH’s time:

5 **Table 5 - Group 2 Continuance/Discontinuance**

Account Description	USoA	Continue / Discontinue	Explanation
Other Regulatory Assets	1508	Continue	
Other Regulatory Assets - Sub-Account - Pole Attachment Revenue Variance	1508	Discontinue	CWH is seeking recovery in this application
Other Regulatory Assets - Sub-Account - Customer Choice Initiative Costs	1508	Continue	CWH is seeking recovery in this application
Other Regulatory Assets - Sub-Account - Green Button Initiative	1508	Continue	CWH is seeking recovery in this application
Other Regulatory Assets - Sub-Account - ULO Implementation Cost	1508	Continue	CWH is seeking recovery in this application
Other Regulatory Assets - Sub-Account - Incremental Capital Charges (2016-OEB Assessment)	1508	Discontinue	CWH is seeking recovery in this application
Retail Cost Variance Account - Retail	1518	Discontinue	CWH is seeking recovery in this application
Retail Cost Variance Account - STR	1548	Discontinue	CWH is seeking recovery in this application
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs ⁵	1555	Discontinue	CWH is seeking recovery in this application
LRAM Variance Account ¹²	1568	Discontinue	No balance
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below) (includes outstanding balance for 1590 & 1562)	1592	Discontinue	No balance

6 **9.3.3 ACCOUNTING ORDERS FOR PREVIOUS APPLICATIONS AND DEPARTURE**
7 **FROM BOARD APPROVED BALANCES**

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

1 **9.3.4 INTEREST RATES**

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

4 **Table 6 - Interest Rate**

Period	Interest Rate
Q1 2018 (Actual)	1.50%
Q2 2018 (Actual)	1.89%
Q3 2018 (Actual)	1.89%
Q4 2018 (Actual)	2.17%
Q1 2019 (Actual)	2.45%
Q2 2019 (Actual)	2.18%
Q3 2019 (Actual)	2.18%
Q4 2019 (Actual)	2.18%
Q1 2020 (Actual)	2.18%
Q2 2020 (Actual)	2.18%
Q3 2020 (Actual)	0.57%
Q4 2020 (Actual)	0.57%
Q1 2021 (Actual)	0.57%
Q2 2021 (Actual)	0.57%
Q3 2021 (Actual)	0.57%
Q4 2021 (Actual)	0.57%
Q1 2022 (Actual)	0.57%
Q2 2022 (Actual)	1.02%
Q3 2022 (Actual)	2.20%
Q4 2022 (Actual)	3.87%
Q1 2023 (Actual)	4.73%
Q2 2023 (Actual)	4.98%
Q3 2023 (Actual)	4.98%
Q4 2023 (Actual)	5.49%
Q1 2024 (Actual)	5.49%
Q2 2024 (Actual)	5.49%

5

6 CWH has used the latest OEB prescribed interest rates as published on the website at:
 7 [https://www.oeb.ca/regulatory-rules-and-documents/rules-codes-and-requirements/prescribed-
 interest-rates](https://www.oeb.ca/regulatory-rules-and-documents/rules-codes-and-requirements/prescribed-

 8 interest-rates)

1 **9.3.5 DISPOSITION AND RATE RIDERS**

2 Board policy states that at the time of rebasing, all account balances should be disposed of unless
3 otherwise justified by the distributor or as required by a specific Board decision or guideline. Per
4 the above statement, CWH proposes to dispose of all its balances listed in the table below. The
5 only account that is not sought for disposition is account 1595 for the year 2022-2024, which does
6 not meet the OEB's criteria for disposition.

7 The 2025_DVA_Continuity_Schedule detailing each account is being filed in conjunction with
8 CWH's application.

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

Account		Total Claim	Allocator
LV Variance Account	1550	25,902.66	kWh
Smart Metering Entity Charge Variance Account	1551	-12,168.12	# of Customers
RSVA - Wholesale Market Service Charge	1580	-5,8407.20	kWh
RSVA - Retail Transmission Network Charge	1584	98,102.59	kWh
RSVA - Retail Transmission Connection Charge	1586	151,308.82	kWh
RSVA - Power (excluding Global Adjustment)	1588	28,371.90	kWh
RSVA - Global Adjustment	1589	164,461.73	Non-RPP kWh
Disposition and Recovery/Refund of Regulatory Balances (2018 and pre-2018)	1595	26,492.41	%
Total Group 1 accounts above (excluding 1589)		424,064.80	
Total of Group 1 Accounts (1550, 1551, 1584, 1586 and 1595)		289,638.36	
Total of Account 1580 and 1588 (not allocated to WMPs)		-30,035.29	
Account 1589 (allocated to Non-WMPs)		164,461.73	
Pole Attachment Revenue Variance	1508	-319,861.25	Distribution Rev.
Customer Choice Initiative Costs	1508	9,434.41	kWh
Green Button Initiative Costs	1508	19,155.05	kWh
Other Regulatory Assets, Sub-account ULO Implementation Cost	1508	5,125.43	kWh
OEB Assessment	1508	15,402.76	kWh
Retail Cost Variance Account - Retail	1518	65,086.25	# of Customers
Retail Cost Variance Account - STR	1548	375.50	# of Customers
Stranded Meter Cost	1555	2,030.66	kWh
Group 2 Accounts (including 1592, 1532, 1555)		-203,251.18	

10

11 CWH confirms the following statements:

- 12 • CWH has not made any adjustments to DVA balances previously approved by the
13 Board on a final basis in the previous Cost of Service or IRM proceedings.

- 1 • CWH has no balances for disposition for renewable generation and smart grid
- 2 development.
- 3 • CWH does have a Market Participant. It does need to establish the separate rate riders
- 4 to recover balances in the RSVA from Market Participants, who must not be allocated
- 5 the RSVA balances (WMS and power) related to charges for which the MP's settle
- 6 directly with the IESO.
- 7 • CWH is proposing to dispose of balances where the values are entered in 2018 to
- 8 2023 and interest until end of 2024. CWH confirms that its balances proposed for
- 9 disposition up to the end of 2023 are consistent with the last Audited Financial
- 10 Statements.
- 11 • CWH is allocating DVAs using an approved allocator.

12 The determination of the rate riders is shown in the tables below. Following OEB policy, CWH is
 13 seeking a one-year disposition period.

14

15 **Table 8 - Rate Riders for Group 1 (excluding Global Adj.)**

"Rate class	Units	Kw / kWh / # of customers	Allocated group 1 balance (excluding 1589)	Rate rider for deferral/variance accounts
Residential	kWh	46,859,680	\$75,267	0.0016
GS<50	kWh	23,066,635	\$46,510	0.0020
GS 50-4999kW	kW	189,552	\$149,886	0.7907
USL	kWh	566,996	\$1,015	0.0018
Sentinel Lighting	kW	92	\$59	0.6427
Street Lighting	kW	1,501	\$1,578	1.0515

16 **Table 9 - Rate Riders for Group 1 (excluding Global Adj.) - NON-WMP**

Rate Class (Enter Rate Classes in cells below)	Units	kW / kWh / # of Customers	Allocated Group 1 Balance - Non-WMP	Rate Rider for Deferral/Variance Accounts
RESIDENTIAL	kWh	46,859,680	\$0	-
GENERAL SERVICE < 50 KW	kWh	23,066,635	\$0	-
GENERAL SERVICE 50 TO 4999 KW	kW	184,929	-\$14,714	- 0.0796
UNMETERED SCATTERED LOAD	kWh	566,996	\$0	-
SENTINEL LIGHTING	kW	92	\$0	-
STREET LIGHTING	kW	1,501	\$0	-

17

1 **Table 10 - Rate Rider Calculation for Account 1580, sub-account CBR Class B**

Rate Class (Enter Rate Classes in cells below)	Units	kW / kWh / # of Customers	Allocated Group 1 Balance - Non-WMP	Rate Rider for Deferral/Variance Accounts
RESIDENTIAL	kWh	46,859,680	\$2,229	0.0000
GENERAL SERVICE < 50 KW	kWh	23,066,635	\$1,097	0.0000
GENERAL SERVICE 50 TO 4999 KW	kW	130,014	\$2,206	0.0170
UNMETERED SCATTERED LOAD	kWh	566,996	\$27	0.0000
SENTINEL LIGHTING	kW	92	\$2	0.0172
STREET LIGHTING	kW	1,501	\$26	0.0173

2

3 **Table 11 - Rate Riders RSVA - Power Global Adjustment**

"Rate class	Units	Kw / kwh / # of customers	Allocated group 1 balance (excluding 1589)	Rate rider for deferral/variance accounts
Residential	kWh	445,595	\$1,576	0.0035
GS<50	kWh	3,904,612	\$13,806	0.0035
GS 50-4999kW	kWh	41,494,388	\$146,718	0.0035
USL	kWh	111,476	\$394	0.0035
Sentinel Lighting	kWh	12,151	\$43	0.0035
Street Lighting	kWh	544,453	\$1,925	0.0035

4

5 **Table 12 - Rate Riders for Group 2**

"Rate class	Units	Kw / kwh / # of customers	Allocated group 1 Balance (excluding 1589)	Rate rider for deferral/variance accounts
Residential	# of customers	6,794	-\$121,420	-\$1.49
GS<50	kWh	23,066,635	-\$42,284	-\$0.0018
GS 50-4999kW	kWh	189,552	-\$43,689	-\$0.2305
USL	kW	566,996	-\$714	-\$0.0013
Sentinel Lighting	kWh	92	-\$69	-\$0.7469
Street Lighting	kW	1,501	\$4,924	\$3.2809

6

9.4 GLOBAL ADJUSTMENT

1
2 For account 1589, CWH is requesting disposition of the December 31, 2023, audited balance
3 (adjusted for approved dispositions in 2024), plus forecasted interest through December 31, 2024.
4 The balance requested for disposal, including carrying charges, is a debit of \$164,461.73.

5 CWH confirms that the OEB's February 21, 2019, guidance was implemented to the degree
6 approved by the OEB:

- 7 • CWH confirms that it pro-rated the IESO Global Adjustment Charge into the RPP and non-
8 RPP portions and that Global Adjustment is only being applied to customers that are non-
9 RPP. The calculated values are then entered into Account 1588 – RSVA – Power
10 (excluding Global Adjustment) and Account 1589 – Power – Sub-account – Global
11 Adjustment.
- 12 • The proration of the monthly Global Adjustment amount is based on the RPP versus Non-
13 RPP kWh quantities from actual billing usage. CWH allows for effective splitting of Account
14 1589 Global Adjustment variance account from the Account 1588 Cost of Power variance
15 account.

16
17 CWH notes that it has completed and filed GA Workform for 2023. All distributors are required to
18 complete and submit a Global Adjustment (GA) Analysis Workform for each year that has not
19 been previously approved by the OEB for disposition. The GA Analysis Workform helps the OEB
20 to assess if the total annual variance that is recorded to Account 1589 is reasonable. The
21 Workform compares the actual general ledger transactions recorded during the year 2023 to an
22 expected balance that is calculated based on monthly GA volumes, revenues, and costs. CWH
23 confirms it has completed the GA Analysis Workform for 2023 and the variance calculated is
24 below the 1% materiality threshold. The Workform has been filed as part of this application.

25 Concerning Global Adjustment, CWH confirms the following statements:

- 26 • CWH confirms that the billing determinant and all the rate riders for the GA are
27 calculated on an energy basis (kWh) regardless of the billing determinant used for
28 distribution rates for the particular class.
- 29 • CWH notes that it does have Class A customers.
- 30 • CWH is seeking final disposition of its GA balances in CWH's proceeding.
- 31 • The utility pro-rates the IESO Global Adjustment Charge into the RPP and Non-RPP
32 portions.
- 33 • 1589 account audited balance December 31, 2022 was last approved for disposition
34 in 2024 on a final basis.

9.5 LRAMVA

- 1 CWH confirms that it disposed of its LRAM balances up to 2018 in its 2020 IRM application using
- 2 the IESO's final release of its verified results. CWH confirms that it is not seeking disposal of lost
- 3 revenues related to conservation savings in CWH's proceeding. Therefore, none of the LRAMVA
- 4 filing requirements apply in CWH's case.

- 5 CWH is requesting to discontinue use of the LRAMVA for one or more activities related to
- 6 distribution rate-funded CDM activities.