

**Ontario Energy Board
Accounting Procedures Handbook
Frequently Asked Questions
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Recording of recovered amounts related to regulatory assets Q. 1

Q.1: Where should utilities record the recovered amounts related to regulatory assets?

A.1: A new USoA contra account is being provided to record the recovery of regulatory asset balances. The account will accumulate recoveries for each year in accordance with applications for recovery approved by the Board. Utilities should be aware that the amounts recovered will at some point need to be reconciled to the regulatory asset balances.

The method to allocate recovered amounts including interest to specific regulatory asset accounts is expected to be determined at the time of the Board's prudency review. Therefore, for the purposes of simplicity in the interim, credit interest (calculated monthly on the account's opening balance) will be recorded in this account although there may be no equivalent debit interest (carrying charge) applicable to the regulatory asset account to which the recovery applies.

The new contra account description is as follows:

“Account 1590, Recovery of Regulatory Asset Balances - Credit

This account shall be used to record regulatory asset balances recovered (as authorized by the Board) by the utility.

Interest charges amount shall be calculated using simple interest applied to the monthly opening balance based on the applicable deemed rate set out in Chapter 3 of the Rate Handbook, Table 3-1. Interest charges shall be recorded in a sub-account.

Records supporting the entries in this account shall be maintained in sufficient detail as to permit review by the Board.”