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**VIA EMAIL AND WEB POSTING**

April 23, 2010

**TO: Licensed Electricity Distributors**

**RE: Variance Account for “Special Purpose Charge” Assessment under Section 26.1 of the *Ontario Energy Board Act, 1998* for Ministry of Energy and Infrastructure Conservation and Renewable Energy Program Costs**

Under cover of a letter dated April 9, 2010, the Board issued your invoice setting out the amount that you are being assessed on account of the special purpose charge (the “SPC”) referred to in sections 26.1 and 26.2 of the *Ontario Energy Board Act, 1998* (the “Act”).

As indicated in the Board’s letter, section 8 of Ontario Regulation 66/10 (Assessments for Ministry of Energy and Infrastructure Conservation and Renewable Energy Program Costs) (the “SPC Regulation”) contemplates that each licensed electricity distributor will record in a variance account any differences between: (a) the amount remitted to the Minister of Finance for the distributor’s SPC assessment; and (b) the amounts recovered from customers on account of the assessment.

For that purpose, the Board has now authorized Account 1521, Special Purpose Charge Assessment Variance Account. Any difference between the amount remitted to the Minister of Finance for your SPC assessment and the amount that you recover from customers must be recorded in “Sub-account 2010 SPC Assessment Variance” of Account 1521. Account 5681, Special Purpose Charge Expense, should be used to record the amount of your SPC assessment, and Account 4324, Special Purpose Charge Recovery, should be used to record amounts collected from customers on account of that assessment.

Carrying charges shall apply to the monthly opening debit or credit balances in “Sub-account 2010 SPC Assessment Variance” and shall be recorded in “Sub-account 2010 SPC Assessment Carrying Charges” of Account 1521. Any carrying charges shall be calculated using simple interest, at the Board’s prescribed interest rates.

The balance in Account 1521 should be reported quarterly, at the same time as filings are due in relation to the balances in other deferral and variance accounts under section 2.1.1 of the Board’s Electricity Reporting and Record Keeping Requirements.

In accordance with section 8 of the SPC Regulation, you are required to apply to the Board no later than April 15, 2012 for an order authorizing you to clear any debit or credit balance in “Sub-account 2010 SPC Variance”. The Board expects that requests for disposition of the balance in “Sub-account 2010 SPC Variance” and “Sub-account 2010 SPC Assessment Carrying Charges” will be addressed as part of the proceedings to set rates for the 2012 rate year, except in cases where this approach would result in non-compliance with the timeline set out in section 8 of the SPC Regulation.

In accordance with section 9 of the SPC Regulation, recovery of your SPC assessment is to be spread over a one-year period, starting from the date on which you begin billing to recover your assessment. The request for disposition of the balance in “Sub-account 2010 SPC Variance” and “Sub-account 2010 SPC Assessment Carrying Charges” should be made after that one-year period has come to an end, and all bills that include amounts on account of that assessment have come due for payment.

Any questions regarding the above should be directed to the Market Operations Hotline at 416-440-7604 or by e-mail at [market.operations@oeb.gov.on.ca](mailto:market.operations@oeb.gov.on.ca). The Board’s toll free number is 1-888-632-6273.

Yours truly,

*Original signed by*

Kirsten Walli  
Board Secretary