

Instructions for DVA Continuity Schedule – 2027 Rates

Purpose

To support a distributor's deferral and variance account (DVA) balances, a DVA Continuity Schedule in excel format must be filed. The Continuity Schedule is for the period from the year-end where balances were last disposed to the most recent year-end (2025 year-end), showing separate itemization of opening balances, annual adjustments, transactions, dispositions, interest and closing balances for all active DVAs.

Summary of Changes to Continuity Schedule from the Last Few Years:

Potential New Principal Adjustments or Reconciling Items for IESO settlements outside of the two-year window

As of July 1, 2023, the Government of Ontario enacted a Regulation imposing a two-year limitation period¹ on certain settlement amounts payable to or from the Independent Electricity System Operator (IESO). According to this regulation, market participants and other entities are no longer able to submit adjustment claims with the IESO for settlement amounts related to, among other matters, Global Adjustments more than 24 months after the invoicing date or the date they should have been invoiced.²

If the distributor identifies the IESO adjustments that fall outside of the two-year window for the year requested for disposition, the distributor should exclude the impact of such adjustments on Accounts 1588 and 1589 by recording the principal adjustments on the DVA continuity schedule and separately identifying these principal adjustments on the Commodity Accounts Analysis Workform. Please refer to the 2027 Commodity Accounts Analysis Workform Instructions for detailed instructions.

Market Renewal Program

On April 28, 2025, the OEB issued a finalized Accounting Guidance document for Commodity Accounts 1588 and 1589 to reflect amendments to the market rules adopted by the IESO related to the Market Renewal Program (MRP).³ The MRP was launched by the IESO on May 1, 2025.⁴ Any changes resulting from the implementation of the MRP are expected to impact 2025 Commodity Account balances. Please refer to the [Accounting Guidance for Commodity Accounts updated for the MRP](#) for guidance on how to reflect the new rules.

¹ The 2-year limitation period was introduced by regulation [O. Reg. 153/23: LIMITATION PERIODS](#)

² [O. Reg. 161/23: ADJUSTMENTS UNDER SECTION 25.33 OF THE ACT \(ontario.ca\)](#)

³ [OEB-MRP-Accounting-Guidance-Update-Commodity-Accounts-04282025.pdf](#)

⁴ IESO [Market Renewal](#)

Other Changes

The continuity schedule for group 2 DVAs now includes the following accounts, which were established in 2025:

New sub-accounts under Account 1508:

- Extended Horizons Variance Account, Incremental Revenue Requirement Impact
- Electric Vehicle Charging (EVC) Rate Implementation Costs
- Capacity Allocation Model (CAM) Assets - Capital Costs
- CAM Capital Contributions

Other new accounts include:

- Account 1520 CAM Financing Charges
- Account 1584 RSVA - Retail Transmission Network Charge, Sub-account Double-Peak Billing Refunds Received from Transmitters
- Account 1586 RSVA - Retail Transmission Connection Charge, Sub-account Double-Peak Billing Refunds Received from Transmitters

Steps for Completing the DVA Continuity Schedule

Tab 1 - Information Sheet:

This tab shows information pertaining to the distributor and the application.

Step #	Instruction
1.	Complete the Information Sheet

Notes:

Questions 1-4:

- Responses to these questions will open the DVA Continuity Schedule in Tabs 2a and 2b to the appropriate year that DVA balances should first be inputted.
- The continuity schedule in Tab 2a will open starting from the year balances were last approved for the disposition (interim or final) unless the last approved disposition was on an interim basis and there are changes to those balances. If that is the case, Tab 2a will open from the year of the last approved disposition on a final basis. A distributor must also provide an explanation for the change in the previously approved balance.

Questions 5-6:

- If the response to question 5 (Global Adjustment (GA)) or 6 (Capacity Based Recovery (CBR) Class B) is yes, Tab 6 relating to Class A customers' consumption will be generated.

- If the response to question 6 is yes, then Tab 6.2 will also be generated. Tab 6.2 calculates the billing determinants for Account 1580, Sub-account CBR Class B rate rider, if applicable, using information inputted in Tabs 4 and 6.
- If the response to question 6 is no, then the balance in Account 1580, Sub-account CBR Class B will be allocated and disposed of along with Account 1580 WMS, as part of the general DVA rate rider

Tab 2a – Continuity Schedule for Group 1

This tab is the Group 1 accounts Continuity Schedule that shows all Group 1 accounts and the accumulation of the balances for these accounts.

Step #	Instruction
2.	<p>Complete the Continuity Schedule for Group 1 accounts, except Account 1595 in the following manner:</p> <ul style="list-style-type: none"> • The Continuity Schedule generally will open from the year the GL balance was last disposed of. Start inputting the approved ending balances in the Adjustments column of that year. <ul style="list-style-type: none"> ○ <i>For example, if DVA balances as at December 31, 2024, were approved for disposition (final or interim) in the 2026 rate application, the continuity schedule will commence from 2024. Start by inputting the approved closing 2024 balances in the Adjustments column under 2024.</i>
3.	<p>Complete the Continuity Schedule for all Account 1595 sub-accounts that have a GL balance as at December 31, 2025, regardless of whether the account is eligible for disposition in the current application, in the following manner:</p> <ul style="list-style-type: none"> • The Continuity Schedule will open in the year of the earliest Account 1595 vintage year that has a balance. For each Account 1595 sub-account, start inputting data from the year the sub-account started to accumulate a balance (i.e. the vintage year). <ul style="list-style-type: none"> ○ <i>For example, Account 1595 (2020) would accumulate a balance starting in 2018, when the relevant balances approved for disposition were first transferred into Account 1595 (2020). Input the amount approved for disposition in the OEB Approved Disposition column.</i> • For Account 1595 sub-accounts, indicate whether the disposition is requested in column BU.

4	Review any balance variance between the DVA Continuity Schedule and the RRR in column BW. Provide an explanation in Tab 3 for the identified variances.
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Notes:

The DVA Continuity Schedule currently starts from the year 2020. If a distributor has a residual balance in any vintage year sub-account under Account 1595 prior to 2020, the distributor should include the residual balances for years up to 2020 in the row for Account 1595 (2020 and pre-2020) and provide a separate schedule with amounts broken down by vintage year.

For the disposition of Account 1580, Sub-account CBR Class A, distributors must follow the OEB's CBR accounting guidance,⁵ which results in balances disposed outside of a rate proceeding.

Calculating Projected Interest

Projected interest must be calculated on the December 31, 2025 DVA principal balances after removing any amounts approved for disposition in the 2026 rate decision. Interest should be recorded from the first day following the last approved disposition year up to the start of the distributor's 2027 rate year. Specific examples illustrating how the interest period applies for different rate-year start dates (e.g., January 1 or May 1) are included directly in the DVA Continuity Schedule Workform.

For clarity, only one year of projected interest is to be calculated, even if the distributor is proposing disposition over multiple years. The projected interest reflects the period leading up to the start of the test-year rate period, not the full duration of the proposed disposition period.

Tab 2b – Continuity Schedule for Group 2

This tab is the Group 2 accounts Continuity Schedule that shows all Group 2 accounts and the accumulation of the balances for these accounts.

Step #	Instruction
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⁵ Guidance on Wholesale Market Services Accounting for Capacity Based Demand Response (CBDR) and new IESO Charge Type 9920, March 29, 2016, and Accounting Guidance on Capacity Based Recovery (previously called Capacity Based Demand Response), July 25, 2016

5	<p>Complete the Continuity Schedule for Group 2 accounts.</p> <ul style="list-style-type: none"> • The Continuity Schedule will open from the earlier of i) the year the GL balance was last disposed of, or ii) the earliest year in which balances started to accumulate. Start inputting approved ending balances in the Adjustment columns of that year. <ul style="list-style-type: none"> ○ <i>For example, if in the 2022 rebasing rate application, DVA balances as at December 13, 2020, were approved for disposition, the Continuity Schedule will commence from 2020. Start by inputting the approved closing 2020 balances in the Adjustments column under 2020 for the applicable accounts.</i>
6	<p>Enter the number of distributor-specific 1508 sub-accounts that are approved for the distributor in the drop-down box in column B. The DVA Continuity Schedule will generate the number of distributor-specific 1508 sub-accounts. Input the name and the balances of the sub-account(s).</p>
7	<p>Indicate whether the disposition is requested for the Group 2 accounts in column BU.</p>
8	<p>Review any balance variance between the DVA Continuity Schedule and the RRR in column BW. Provide an explanation in Tab 3 for the identified variance.</p>

Tab 3 - Appendix A

This tab shows the year-end balance variances between the Continuity Schedules and those reported in the RRR.

Step #	Instruction
9	<p>Provide an explanation for the variances identified.</p> <p>A reconciliation of all the Account 1508 sub-accounts to the Account 1508 control account reported in the Electricity RRR is to be provided in the DVA Continuity Schedule.</p>

Tab 4 - Billing Determinant

This tab shows the billing determinants that will be used to allocate account balances and calculate rate riders.

Step #	Instruction
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10	Complete the billing determinants table based on the load forecast.
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Notes:

Column E for Forecast Total Metered Test Year kWh for Full Year Class A Customers and Transition Customers (i.e., columns O and P in excel) are generated when a distributor indicates they have Class A customers in Tab 1. Information in these columns is populated based on data from Tab 6.

Tab 5 - Allocating Def-Var Balances

This tab allocates DVA balances based on the billing determinants.

Step #	Instruction
11	Review the allocated balances to ensure the allocation is appropriate. If a distributor is proposing to allocate a DVA for which the OEB has not established an approved allocator, the distributor must propose an allocator based on the cost driver(s), with justification filed in the evidence. <ul style="list-style-type: none"> • Indicate the proposed billing determinants, including a charge type (fixed or variable) for recovery purposes.

Notes:

Distributors that settle GA costs with Class A customers that participate in the Industrial Conservation Initiative based on actual GA prices should allocate no Account 1589 GA variance balance to these customers for the period that customers were designated as Class A.⁶ Most customers pay GA and CBR charges based on the electricity they consume in a month (kWh). These customers are referred to as “Class B”.

The allocations for Accounts 1589 and Account 1580, Sub-account CBR Class B in the Continuity Schedule will be determined after Tabs 6 to 6.2a have been completed.

A wholesale market participant (WMP) refers to any entity that participates directly in any of the IESO-administered markets and that settles commodity and market-related charges with the IESO even if they are embedded in the distributor’s distribution system. Therefore, the Continuity Schedule will not allocate the balances in the below accounts to WMP customers. The Continuity Schedule establishes separate rate riders to recover balances in Retail Settlement Variance Accounts (RSVAs) from WMP customers.

- Account 1580 RSVA – Wholesale Market Services Charge
- Account 1580 Variance WMS, Sub-Account CBR Class B

- Account 1588 RSVA – Power
- Account 1589 RSVA – Global Adjustment

Tab 6 – Class A Consumption Data

This tab is generated when the distributor selects yes to questions 5 or 6 in Tab 1, indicating they had Class A customers during the period that the GA or CBR balance accumulated.

This tab is to be completed if there were any Class A customers during the period the GA balance CBR Class B balance accumulated. The data on this tab is used for the purposes of determining the GA rate rider, CBR Class B rate rider (if applicable), as well

⁶ Refer to the IESO's [website](#) for details on Class A eligibility under the Industrial Conservation Initiative.

as customer-specific GA and CBR Class B charges for transition customers (if applicable).

Step #	Instruction
12	Under #2a, indicate whether the distributor had any customers that transitioned between Class A and B during the period the Account 1589 GA balance accumulated. If yes, Tab 6.1a will be generated.
13	Under #2b, indicate whether the distributor had any customers that transitioned between Class A and B during the period the Account 1580, Sub-account CBR Class B balance accumulated. If yes, Tab 6.2a will be generated.
14	<p>Under #3a, enter the number of transition customers the distributor had during the period the Account 1589 GA or Account 1580, Sub-account CBR Class B balances accumulated. A table will be generated based on the number of customers.</p> <p>Complete the table accordingly for each transition customer identified (i.e. kWh/kW for half-year periods, and the customer class during the half-year period). This data will automatically be used in the GA balance and CBR Class B balance allocation to transition customers in Tabs 6.1a. and 6.2a., respectively.</p>
15	<p>Under #3b, enter the number of rate classes in which there were full-year Class A customers during the period the Account 1589 GA balance or Account 1580, Sub-account CBR Class B balance accumulated and in the test year. These full-year Class A customers should include any transition customers identified in table 3a above that were Class A customers for the full year before/after the transition year. A table will be generated based on the number of rate classes.</p> <p>Complete the table accordingly for each rate class identified (i.e. the total Class A consumption in the rate class for each year; and a forecast of total Class A and B consumption for transition and full-year Class A customers in the test year). This data will be used in the calculation of billing determinants for GA and CBR Class B, as applicable.</p>

Notes:

Each transition customer identified in Tab 6, table 3a will be assigned a customer number and the number will correspond to the same transition customers populated in Tabs 6.1a. and 6.2a.

Also note that the transition customers in table 3a identified for the GA may be different from those identified for CBR Class B. This would depend on the period in which the GA and CBR Class B balances accumulated.

Tab 6.1a – GA Allocation

This tab is generated when the distributor indicates that they had transition customers in Tab 6, #2a during the period the GA balance accumulated.

This tab allocates the GA balance to each transition customer for the period in which these customers were Class B customers and contributed to the GA balance (i.e. former Class B customers who contributed to the GA balance but are now Class A customers, and former Class A customers who are now Class B customers contributing to the GA balance).

Step #	Instruction
16	Enter the Non-RPP consumption less WMP consumption in the first table. The rest of the information in this tab will be auto-populated and the information is used to calculate the customer-specific allocation of the GA balance to transition customers in the bottom table.

Notes:

The Continuity Schedule will allocate the portion of Account 1589 GA to customers who transitioned between Class A and Class B, during the period in which the balance requested for disposition accumulated, based on customer-specific consumption levels. Each transitioning customer will only be responsible for the customer-specific amount allocated to them and are not to be charged/refunded the general GA rate rider calculated in Tab 7. Customers should be charged in a consistent manner for the entire rate rider period until the sunset date, regardless of whether customers transitioned between Class A and Class B during the disposition period.

Tab 6.2 – CBR

This tab is generated when the response to question 6 in Tab 1 is "yes", indicating that they had Class A customers during the period that Account 1580, Sub-account CBR Class B balance accumulated.

This tab calculates the billing determinants for the CBR Class B rate rider.

Step #	Instruction
17	No input is required. The information in the tab is auto-populated and is to be used in the calculation of the CBR Class B rate rider calculated in Tab 7.

Tab 6.2a – CBR B Allocation

This tab is generated when the distributor indicates that they had transition customers in Tab 6, #2b during the period where the CBR Class B balance accumulated.

This tab allocates the CBR Class B balance to each transition customer for the period in which these customers were Class B customers and contributed to the CBR Class B balance (i.e. former Class B customers who contributed to the balance but are now Class A customers, and former Class A customers who are now Class B contributing to the balance).

Step #	Instruction
18	Enter the total Class B consumption less WMP consumption in the first table. The rest of the information in this tab will be auto-populated and is to be used to calculate the customer-specific allocation of the CBR Class B balance to transition customers in the bottom table.

Notes:

The Continuity Schedule will allocate the portion of Account 1580, Sub-account CBR Class B to customers who transitioned between Class A and Class B, during the period in which the balance requested for disposition has accumulated, based on customer-specific consumption levels. Each transitioning customer will only be responsible for the customer-specific amount allocated to them and will not be charged/refunded the general CBR Class B rider associated with these balances. Customers should be charged in a consistent manner for the entire rate rider period until the sunset date, regardless of whether customers transitioned between Class A and Class B during the disposition period.

Tab 7 – Calculation of Def-Var RR

This tab calculates all the applicable DVA rate riders.

Step #	Instruction
19	<p>Enter the proposed rate rider recovery period (in months) if different than the default 12-month period.</p> <p>The default disposition period is 12 months; if the distributor is proposing an alternative recovery period, an explanation must be provided in the evidence.</p>
20	<p>For each rate class of each rate rider, select whether the rate rider is to be calculated on a kWh, kW, or number of customers basis.</p> <p>The rest of the information in the tab is auto-populated and the rate riders are calculated accordingly.</p>

Notes:

The Continuity Schedule will calculate the disposition rate riders using the load data included in the load forecast section of the application.

The Continuity Schedule establishes separate rate riders to recover balances in RSVAs from rate classes with WMP customers. Therefore, for rate classes without WMP customers, balances in Account 1580 WMS and Account 1588 Power are included in the general Group 1 DVA rate riders.

The Continuity Schedule establishes separate rate riders on an energy basis (i.e., kWh) to non-RPP Class B customers for Account 1589 GA as the account captures the difference between the amounts billed and unbilled (under accrual accounting) to non-RPP Class B customers by the distributor and the actual amount paid by the distributor to the IESO (or host distributor) for those customers.

Volumetric rate riders are calculated at four decimal places. Rate riders of \$0.0000 must not be included on the tariff sheet. If the rate rider associated with the account does not round to four decimal points, the entire OEB-approved amount for recovery or refund for the rate rider will typically be recorded in a relevant account to be determined by the OEB for disposition in a future rate-setting application.

If there are Class A customers, but a CBR Class B rate rider is not produced because it does not round to four decimal points, the entire Account 1580, Sub-account CBR Class B balance, including the amount allocated to transition customers will be transferred to Account 1580 WMS, to be disposed of through the general Group 1 DVA rate rider. If the distributor did not have any Class A customers during the period in which the Account 1580, Sub-account CBR Class B balance accumulated, the Continuity Schedule will transfer the Account 1580 CBR Class B balance to the Account 1580

WMS and include the CBR amounts as part of the general Group 1 DVA rate riders calculated in Tab 7.