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**BY E-MAIL**

July 18, 2017

**TO: All Licensed Electricity Distributors**

**RE: Updated Guidance on LRAM Variance Account 1568 – New Sub-Account 1568-0001 LRAMVA Demand Response**

This letter serves to provide accounting guidance on a new Sub-Account of the LRAM Variance Account. The new Account number is 1568-0001, and is available for use in specific situations as described below.

On May 19, 2016, the OEB issued its updated policy report on LRAMVA<sup>i</sup>. In reference to this Report, DR3 savings should generally not be included in the LRAM savings unless supported by empirical evidence to be reviewed in a COS application. Those distributors who have amounts associated with DR3 recorded in Account 1568 to the end of December 31, 2014 may transfer the accumulated amounts to Sub-Account 1568-0001 LRAMVA Demand Response, or forego recovery. However, if a distributor has already received OEB approval for disposition of Account 1568 as of December 31, 2014 on a final basis, no amounts are to be recorded in Account 1568 Sub-Account 1568-0001 LRAMVA Demand Response.

Distributors who have not had a balance in Account 1568 as of December 31, 2014 approved for final disposition, and would be transferring amounts into the new Sub-Account may seek disposition of Account 1568, excluding Sub-Account 1568-0001, in an IRM Application if the distributor considers the balance significant, consistent with current practice.

This new Sub-Account is only available to distributors for transferring amounts from Account 1568 LRAMVA with respect to savings for the period 2011-2014 inclusive, and

only if they have not already received OEB approval for disposition of Account 1568 on a final basis for amounts recorded for 2011-2014.

Any questions relating should be directed to Dan Gopic, Manager, Incentive Rate-setting and Accounting at 416-440-7654 or [dan.gopic@oeb.ca](mailto:dan.gopic@oeb.ca).

Yours truly,

*Original signed by*

Kirsten Walli  
Board Secretary

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<sup>i</sup> EB-2016-0182 *Report of the Ontario Energy Board: Updated Policy for the Lost Revenue Adjustment Mechanism Calculation: Lost Revenues and Peak Demand Savings from Conservation and Demand Management Programs (LRAM Report)*