EXHIBIT 9 – DEFERRAL AND VARIANCE ACCOUNTS

2027 Cost of Service

InnPower Corporation
EB-2026-0052

Contents

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9-1-1 DEFERRAL AND VARIANCE ACCOUNTS

1. INTRODUCTION

The purpose of this Exhibit is to identify InnPower's deferral and variance accounts, provide the principal balances, derive the carrying charges (up to December 31, 2026) and identify the total claim amount for each deferral and variance account (DVA) balance up to December 31, 2025.

The exhibit also describes the methodology proposed to allocate account balances to customer classes, describes the rationale supporting the proposed disposition period and quantifies the proposed rate riders for disposition of the recorded balances.

InnPower Corporation has provided a continuity schedule of the Group 1 and Group 2 DVA's as an excel file to this Exhibit.

InnPower Corporation proposes to dispose of a debit of $1,469,519 related to Group 1 and Group 2 deferral and variance accounts. The debit includes carrying charges up to and including December 31, 2026.

Group 1 and Group 2 DVA balances are proposed to be disposed of over a one-year period. InnPower Corporation has followed the OEB's guidance as provided by the OEB's Electricity Distributor's Disposition of Variance Accounts Reporting Requirements Report.

InnPower Corporation applies the accrual method in calculating carrying charges, which is in accordance with the OEB's directive. The forecasted interest on December 31, 2025, principal balances of the DVA is calculated using the OEBs prescribed rates.

InnPower Corporation is requesting the following new account or sub-account in conjunction with this Exhibit:

- Account 1595 – Sub Account (2027) – Rate Rider for Disposition of Deferral/Variance Accounts – Effective until December 31, 2027.

1.1 Details of Deferral and Variance Accounts

Tables 9-1 and 9-2 below present a complete list of InnPower Corporations active DVAs. The DVAs are categorized based on the OEB's report on the Electricity Distributors' Deferral and Variance Account Review Initiative ("EDDVAR Report"), which categorizes the DVAs into Group 1 and Group 2 Accounts.

Table 9-1: Group 1 Accounts

Group 1 Account Description	Account
LV Variance Account	**1550**
Smart Meter Entity Charge	**1551**
RSVA WMS	**1580**
RSVA WMS CBR Class A	**1580**
RSVA WMS CBR Class B	**1580**
RSVA Network	**1584**
RSVA Connection	**1586**
RSVA Power	**1588**
RVA Global Adjustment	**1589**
Disposition and Recovery/Refund of Regulatory Balances (2021)	**1595**
Disposition and Recovery/Refund of Regulatory Balances (2022)	**1595**
Disposition and Recovery/Refund of Regulatory Balances (2023)	**1595**
Disposition and Recovery/Refund of Regulatory Balances (2024)	**1595**
Disposition and Recovery/Refund of Regulatory Balances (2025)	**1595**

Table 9-2: Group 2 Accounts

Group 2 Account Description	Account
Other Regulatory Assets - Sub-Account	
OEB Assessment Costs	**1508**
Barrie Area Transmission Upgrade (BATU) Incremental Revenue	**1508**
Green Button Implementation	**1508**
Broadband Expansion	**1508**
Ultra Low Overnight (ULO) Implementation	**1508**
Incremental LEAP Funding	**1508**
Pension & OPEB Forecast Accrual versus Actual Cash Payment Differential Carrying Charges	**1522**
Deferred Payments in Lieu of Taxes	**1562**
Extraordinary Event Costs: Z-Factor	**1572**
Other Regulatory Liabilities	**2405**

Table 9-3 below is a summary of the principal, carrying charges and disposition amounts for all active Group 1 and Group 2 accounts, including the reason for not claiming disposition. Additional details are provided in subsequent sections of Exhibit 9.

Table 9-3: Summary of Group 1 and Group 2 Account Balances

Account Description	USoA	Principal	Interest to Dec 31, 2025	Total	Balance per 2.1.7	Variance to 2.1.7	Projected Interest	Total Claim	Reason for $0 Claim
Group 1 Accounts									
LV Variance Account	1550	(173,857)	3,902	(169,955)	(169,955)	0	(4,433)	(174,388)	
Smart Metering Entity Charge Variance Account	1551	(48,021)	(2,063)	(50,084)	(50,084)	0	(1,225)	(51,308)	
RSVA - Wholesale Market Service Charge	1580	(602,320)	2,064	(600,257)	(600,257)	0	(15,359)	(615,616)	
Variance WMS – Sub-account CBR Class B	1580	304,023	4,474	308,496	308,496	0	7,753	316,249	
RSVA - Retail Transmission Network Charge	1584	(50,980)	11,789	(39,191)	(39,191)	(0)	(1,300)	(40,491)	
RSVA - Retail Transmission Connection Charge	1586	14,134	9,287	23,421	23,421	0	360	23,781.41	
RSVA - Power (excluding Global Adjustment)	1588	1,892,115	48,022	1,940,137	1,940,137	0	48,249	1,988,386	
RSVA - Global Adjustment	1589	(318,652)	10,798	(307,854)	(307,854)	0	(8,126)	(315,980)	
DVA Regulatory Balances (2021)	1595	(138,483)	3,344	(135,140)	(135,140)	0	(3,531)	0	Disposed in previous IRM
DVA Regulatory Balances (2022)	1595	(161,920)	31,070	(130,850)	(130,850)	0	(4,129)	0	Disposed in previous IRM
DVA Regulatory Balances (2023)	1595	(236,132)	161,941	(74,191)	(74,191)	0	(6,021)	(80,213)	
DVA Regulatory Balances (2024)	1595	(73,947)	128,576	54,629	54,629	0		0	Rate rider expiry period not met
DVA Regulatory Balances (2025)	1595	(725,613)	580,029	(145,584)	(145,584)	0		0	Rate rider expiry period not met
Group 1 total (including Account 1589)		(319,653)	993,231	673,579	673,579	(0)	12,238	1,050,421	
Group 1 total (excluding Account 1589)		(1,000)	982,433	981,433	981,433	(0)	20,363	1,366,401	
Group 2 Accounts									
OEB Assessment Costs	1508	39,407	786	40,193	40,193	0	1,005	0	Balance not material
BATU Incremental Revenue	1508	100,554	0	100,554	100,554	0	2,564	103,118	
Green Button Implementation	1508	50,942	5,198	56,139	56,139	0	1,299	0	Balance not material
Broadband Expansion	1508	1,998	291	2,289	2,289	0	51	0	Balance not material
Ultra Low Overnight (ULO) Implementation	1508	4,777	528	5,304	5,304	0	122	0	Balance not material
Incremental LEAP Funding	1508	62,942	1,133	64,075	64,075	0	1,605	0	Balance not material
Pension & OPEB	1522	0	1,201	1,201	1,201	0		0	
Extraordinary Event Costs: Z-Factor	1572	484,779	7,183	491,962	491,962	0		0	Disposed in previous IRM
Group 2 Total		745,398	16,320	761,719	761,719	0	6,646	103,118	
Group 1 & Group 2 Total		744,398	998,753	1,743,151	1,743,151	(0)	27,009	1,469,519	
Account Description	USoA	Principal	Interest to Dec 31, 2025	Total	Balance per 2.1.7	Variance to 2.1.7	Projected Interest	Total Claim	

Account Description	USoA	Principal	Interest to Dec 31, 2025	Total	Balance per 2.1.7	Variance to 2.1.7	Projected Interest	Total Claim	Reason for $0 Claim
Group 1 Accounts									
LV Variance Account	1550	(173,857)	3,902	(169,955)	(169,955)	0	(4,433)	(174,388)	
Smart Metering Entity Charge Variance Account	1551	(48,021)	(2,063)	(50,084)	(50,084)	0	(1,225)	(51,308)	
RSVA - Wholesale Market Service Charge	1580	(602,320)	2,064	(600,257)	(600,257)	0	(15,359)	(615,616)	
Variance WMS – Sub-account CBR Class B	1580	304,023	4,474	308,496	308,496	0	7,753	316,249	
RSVA - Retail Transmission Network Charge	1584	(50,980)	11,789	(39,191)	(39,191)	(0)	(1,300)	(40,491)	
RSVA - Retail Transmission Connection Charge	1586	14,134	9,287	23,421	23,421	0	360	23,781.41	
RSVA - Power (excluding Global Adjustment)	1588	1,892,115	48,022	1,940,137	1,940,137	0	48,249	1,988,386	
RSVA - Global Adjustment	1589	(318,652)	10,798	(307,854)	(307,854)	0	(8,126)	(315,980)	
DVA Regulatory Balances (2021)	1595	(138,483)	3,344	(135,140)	(135,140)	0	(3,531)	0	Disposed in previous IRM
DVA Regulatory Balances (2022)	1595	(161,920)	31,070	(130,850)	(130,850)	0	(4,129)	0	Disposed in previous IRM
DVA Regulatory Balances (2023)	1595	(236,132)	161,941	(74,191)	(74,191)	0	(6,021)	(80,213)	
DVA Regulatory Balances (2024)	1595	(73,947)	128,576	54,629	54,629	0		0	Rate rider expiry period not met
DVA Regulatory Balances (2025)	1595	(725,613)	580,029	(145,584)	(145,584)	0		0	Rate rider expiry period not met
Group 1 total (including Account 1589)		(319,653)	993,231	673,579	673,579	(0)	12,238	1,050,421	
Group 1 total (excluding Account 1589)		(1,000)	982,433	981,433	981,433	(0)	20,363	1,366,401	
Group 2 Accounts									
OEB Assessment Costs	1508	39,407	786	40,193	40,193	0	1,005	0	Balance not material
BATU Incremental Revenue	1508	100,554	0	100,554	100,554	0	2,564	103,118	
Green Button Implementation	1508	50,942	5,198	56,139	56,139	0	1,299	0	Balance not material
Broadband Expansion	1508	1,998	291	2,289	2,289	0	51	0	Balance not material
Ultra Low Overnight (ULO) Implementation	1508	4,777	528	5,304	5,304	0	122	0	Balance not material
Incremental LEAP Funding	1508	62,942	1,133	64,075	64,075	0	1,605	0	Balance not material
Pension & OPEB	1522	0	1,201	1,201	1,201	0		0	
Extraordinary Event Costs: Z-Factor	1572	484,779	7,183	491,962	491,962	0		0	Disposed in previous IRM
Group 2 Total		745,398	16,320	761,719	761,719	0	6,646	103,118	
Group 1 & Group 2 Total		744,398	998,753	1,743,151	1,743,151	(0)	27,009	1,469,519	
Account Description	USoA	Principal	Interest to Dec 31, 2025	Total	Balance per 2.1.7	Variance to 2.1.7	Projected Interest	Total Claim	

1.2 Continuity Schedule

A complete continuity schedule for all DVAs, including Sub-Accounts, can be found in excel file 2027_DVA_Continuity_Schedule_CoS. InnPower Corporation is using the 2027 DVA Continuity Schedule updated by the OEB on September 15, 2022, via the OEB website.

The utility has updated the model using audited balances to the end of 2025.

Please note, as the latest model available is from 2023, the 2.1.7 account balances reflect amounts as of December 31, 2025. As such in excel file 2027_DVA_Continuity_Schedule_CoS, tab 3.

The 2027_DVA_Continuity_Schedule_CoS and GA_Analysis_Workform models detailing each account is being filed in conjunction with this application.

1.3 Carrying Charges

Table 9-4 below provides the interest rates by quarter that are applied to calculate actual and forecast carrying charges for each regulatory and variance account.

Note that InnPower Corporation has used the latest OEB prescribed interest rates as published on the website at:

https://www.oeb.ca/regulatory-rules-and-documents/rules-codes-and-requirements/prescribed-interest-rates

Please note, InnPower has used quarter 1 to 3 2026 OEB interest rates for interest projected to December 31, 2026.

Table 9-4: Interest Rates Applied to Deferral and Variance Accounts (%)

	Year	2024	2025	2026
Quarter	Q1	5.49%	3.64%	2.55%
	Q2	5.49%	3.16%	2.55%
	Q3	5.20%	2.91%	2.55%
	Q4	4.4%	2.91%	-

1.4 Compliance with The Accounting Procedure Handbook

InnPower Corporation confirms all accounts in Group 1 and Group 2 are accounted for in accordance with the Accounting Procedure Handbook.

For definitions of each account listed below, please refer to the Accounting Procedure Handbook using the following link:

https://www.oeb.ca/sites/default/files/uploads/documents/regulatorycodes/2019-01/Accounting-Procedures-Handbook-Elec-Distributors-20120101.pdf

1.5 Compliance with OEB 1588 and 1589 Accounting Guidance

InnPower Corporation confirms it has complied with the OEB's February 21, 2019, guidelines on the accounting for Accounts 1588 – RSVA Power and 1589 – RSVA Global Adjustment.

1.6 Departure from Board Approved Balances

InnPower Corporation confirms it has not made any adjustments to deferral and variance account balances that were previously approved by the Board on a final basis either in a cost of service or IRM proceedings.

2. DISPOSITION OF GLOBAL ADJUSTMENT VARIANCE

2.1 1589 – Retail Settlement Variance Account – Global Adjustment (“RSVAGA”)

The RSVAGA account is used to record the net differences between the global adjustment amount billed, to non-RPP consumers and the global adjustment charge to a distributor for non-RPP consumers, using the settlement invoice received from the IESO, host distributor or embedded generator. These amounts are calculated on an accrual basis, as are the carrying charges, which are assessed on the monthly opening principal balance of this RSVA account.

The RSVAGA is designed for the global adjustment rates applicable to non-RPP customers. Hence, the disposition of the account balance should be attributable exclusively to non-RPP customers.

For account 1589, InnPower Corporation is requesting disposition of the December 31, 2025, audited balance, plus the forecasted interest through December 31, 2026. The December 31, 2025, audited balance reconciles with filing 2.1.7 of the RRR.

The balance requested for disposal, including carrying charges is a credit of ($315,980) which reconciles with the 2025 2.1.7 RRR amounts.

3. COMMODITY ACCOUNTS 1588 AND 1589

As stated above, InnPower Corporation confirms it has implemented the accounting guidance issued on February 21, 2019, related to Accounts 1588 Power and 1589 RSVA Global Adjustment. All transactions recorded to these accounts during 2019 and each year thereafter have been accounted for in accordance with this guidance.

The 1588 and 1589 account balances were last approved for disposition on a final basis in the OEB Decision and Rate Order EB-2025-0027 for balances as of December 31, 2024.

Since disposition of the December 31, 2024 balance, there have been no systematic issues noted or material adjustments to balances that have been recorded.

3.1 1588 – Retail Settlement Variance Account – Power (“RSVAPOWER”)

The RSVAPOWER account is to be used to record the net differences in energy costs using the settlement invoice received from the IESO, host distributor, or embedded generator and the amounts billed to customers for energy. These amounts are calculated on an accrual basis, as are the carrying charges, which are assessed on the monthly opening principal balance of this RSVA account.

The RSVA power account is designed to capture variances due to billing timing differences (i.e., electricity charged by the IESO to LDCs vs electricity billed by LDCs to their customers), price and quantity differences (i.e., arising from final vs preliminary IESO settlement invoices), and line loss differences (i.e., actual vs estimate line loss factors).

This account is not designed to capture any price differences between the regulated price plan (RPP) and spot prices applicable to RPP customers.

Accordingly, since the RSVA power account is generic to all customers of an LDC, disposition of the account balance in rates is attributable to all its customers.

For account 1588, InnPower Corporation is requesting disposition of the December 31, 2025, audited balance, plus the forecasted interest through December 31, 2026. The December 31, 2025, audited balance reconciles with filing 2.1.7 of the RRR.

The balance requested for disposal, including carrying charges is a debit of $1,988,386, which does reconcile with the RRR.

3.2 GA Analysis Workform

As directed, InnPower Corporation has undertaken and completed the GA Analysis Work form with this application for the year 2025. The resulting variance of Unresolved Difference as percentage of Expected GA payments to IESO for 2025 is 2.4% (see GA_Analysis_Workform).

InnPower Corporation notes that all relevant calculations are embedded in the 2027 GA Analysis Workform, submitted as GA_Analysis_Workform.

4. DISPOSITION OF CBR CLASS B VARIANCE

InnPower Corporation confirms that there were no customers who transitioned between Class A and Class B, during the period in which 1589 GA or 1580 sub-account CBR B balance requested for disposition accumulated. InnPower is requesting disposition of Account 1580 sub-account CBR Class B in accordance with the CBR Accounting Guidance.

For account 1580 CBR Class B, InnPower Corporation is requesting disposition of the December 31, 2025, audited balance, plus the forecasted interest through December 31, 2026. The December 31, 2025, audited balance reconciles with filing 2.1.7 of the RRR.

The balance requested for disposal, including carrying charges is a debit of $316,249.

5. DISPOSITION OF CBR CLASS A VARIANCE

InnPower Corporation confirms that there were no customers who transitioned between Class A and Class B, during the period in which 1589 GA or 1580 sub-account CBR B balance requested for disposition accumulated.

InnPower is not requesting disposition of Account 1580 sub-account CBR Class A, as per the OEB's Accounting Guidance. The balance of the account is $0 as of December 31, 2025.

6. DISPOSITION OF ACCOUNT 1595

InnPower Corporation is requesting disposition of the 1595 (2023) account balance. As indicated in the OEB Chapter 2 Filing Guidelines dated December 16, 2025, distributors are eligible to seek disposition of the residual balances two years after the expiry of the rate rider.

The balance requested for disposal, including carrying charges is a credit of ($80,213)

InnPower confirms that any residual 1595 Account Balances prior to 2022 has been disposed of in previous applications.

9-1-2 GROUP 1 ACCOUNTS

1. STATUS OF GROUP 1 ACCOUNTS

InnPower Corporation outlines the details on each Group 1 account in the section below. Table 9-7 summarizes the utility's planned action for the Group 1 Accounts in 2027 to 2030 (i.e., continue, continue with modification, or discontinue).

Table 9-7: Summary of Group 1 Accounts and Planned Action

Group 1 Account Description	Account	Continue/ Discontinue
LV Variance Account	**1550**	Continue
Smart Meter Entity Charge	**1551**	Continue
RSVA WMS	**1580**	Continue
RSVA WMS CBR Class A	**1580**	Continue
RSVA WMS CBR Class B	**1580**	Continue
RSVA Network	**1584**	Continue
RSVA Connection	**1586**	Continue
RSVA Power	**1588**	Continue
RVA Global Adjustment	**1589**	Continue
Disposition and Recovery/Refund of Regulatory Balances (2021)	**1595**	Discontinue
Disposition and Recovery/Refund of Regulatory Balances (2022)	**1595**	Discontinue
Disposition and Recovery/Refund of Regulatory Balances (2023)	**1595**	Discontinue
Disposition and Recovery/Refund of Regulatory Balances (2024)	**1595**	Continue
Disposition and Recovery/Refund of Regulatory Balances (2025)	**1595**	Continue

1.1 1550 – LV Variance Account

The LV account is used to record the variances arising from low voltage transactions which are not part of the electricity wholesale market.

For account 1550, InnPower Corporation is requesting disposition of the December 31, 2025, audited balance, plus the forecasted interest through December 31, 2026. The December 31, 2025, audited balance reconciles with filing 2.1.7 of the RRR.

The balance requested for disposal, including carrying charges is a credit of ($174,388).

1.2 1551 – Smart Metering Entity Charge Variance Account

The Smart Metering Entity Charge Variance Account is used to record the difference between the SMC paid to the SME and amounts charged to customers,

For account 1551, InnPower Corporation is requesting disposition of the December 31, 2025, audited balance, plus the forecasted interest through December 31, 2026. The December 31, 2025, audited balance reconciles with filing 2.1.7 of the RRR.

The balance requested for disposal, including carrying charges is a credit of ($51,308).

1.3 1580 – Wholesale Market Service Charges (“RSVAWMS”)

RSVAWMS is used to record the amount charged by the Independent Electricity System Operator (“IESO”), based on the monthly settlement invoice, for the operation of the IESO administered markets and the operation of the IESO -

controlled including accruals and the amount billed to customers using the Board-approved Wholesale Market Service Rate, including accruals.

For account 1580, InnPower Corporation is requesting disposition of the December 31, 2025, audited balance, plus the forecasted interest through December 31, 2026. The December 31, 2025, audited balance reconciles with filing 2.1.7 of the RRR.

The balance requested for disposal, including carrying charges is a credit of ($299,367).

1.4 1584 – Retail Transmission Network Charges ("RSVANW")

RSVANW is used to record the difference between the amount of retail transmission connection costs paid to the IESO or host distributor and the amounts billed to customers for retail transmission network costs. These amounts are calculated on an accrual basis, as are the carrying charges, which are assessed on the monthly opening principal balance of this RSVA account.

For account 1584, InnPower Corporation is requesting disposition of the December 31, 2025, audited balance, plus the forecasted interest through December 31, 2026. The December 31, 2025, audited balance reconciles with filing 2.1.7 of the RRR.

The balance requested for disposal, including carrying charges is a credit of ($40,491).

1.5 1586 – Retail Transmission Connection Charges ("RSVACN")

RSVACN is used to record the difference between the amount of retail transmission connection costs paid to the IESO or host distributor and the amounts billed to customers for retail transmission connection costs. These amounts are calculated on an accrual basis, as are the carrying charges, which are assessed on the monthly opening principal balance of this RSVA account.

For account 1586, InnPower Corporation is requesting disposition of the December 31, 2025, audited balance, plus the forecasted interest through December 31, 2026. The December 31, 2025, audited balance reconciles with filing 2.1.7 of the RRR.

The balance requested for disposal, including carrying charges is a debit of $23,781.

1.6 1595 – Disposition and Recovery of Regulatory Balances (Sub Account 2023)

For account 1595, InnPower Corporation is requesting disposition of the December 31, 2025, audited balance, plus the forecasted interest through December 31, 2026. The December 31, 2025, audited balance reconciles with filing 2.1.7 of the RRR.

The balance requested for disposal, including carrying charges is a credit of ($80,213).

9-1-3 GROUP 2 ACCOUNTS

1. STATUS OF GROUP 2 ACCOUNTS

InnPower Corporation outlines the details on each Group 2 account in the section below. Table 9-8 summarizes the utility's planned action for the Group 2

Accounts in 2027 to 2030 (i.e., continue, continue with modification, or discontinue).

Table 9-8: Summary of Group 2 Accounts and Planned Action

Group 2 Account Description	Account Type	Account	Continue/ Discontinue
Other Regulatory Assets - Sub-Account			
OEB Assessment Costs	**Generic**	**1508**	Discontinue
Barrie Area Transmission Upgrade (BATU) Incremental Revenue	**Distributor Specific**	**1508**	Continue
Green Button Implementation	**Generic**	**1508**	Discontinue
Broadband Expansion	**Generic**	**1508**	Continue
Ultra Low Overnight (ULO) Implementation	**Generic**	**1508**	Discontinue
Incremental LEAP Funding	**Generic**	**1508**	Continue
Pension & OPEB Forecast Accrual versus Actual Cash Payment Differential Carrying Charges	**Generic**	**1522**	Continue
Deferred Payments in Lieu of Taxes	**Generic**	**1562**	Continue
Extraordinary Event Costs: Z-Factor	**Generic**	**1572**	Discontinue
Other Regulatory Liabilities	**Generic**	**2405**	Continue

1.1 1508 – Other Regulatory Assets – Sub-Account – OEB Assessment Costs

As outlined in the Board letter dated October 1, 2025, the OEB approved a generic deferral account for distributors to record material differences between OEB cost assessments embedded in a utility's rates and the actual cost assessments charged under the OEB's approved Cost Assessment Model.

Effective April 1, 2025, InnPower Corporation established the 1508 sub-account for OEB Assessment incremental costs and has tracked amounts referred to in the Regulation up to December 31, 2025.

InnPower Corporation notes that the balance for sub-account 1508: *OEB Assessment Costs* does not meet the materiality threshold ($81k) as of December 31, 2025. As such, InnPower Corporation is not seeking disposition of this account. The sub-account balance will be moved to an expense and discontinued following the current application.

1.2 1508 – Other Regulatory Assets – Sub-Account – Barrie Area Transmission Upgrade (BATU) Incremental Revenue

As outlined in the InnPower Corporation's 2024 Cost of Service Application settlement (EB-2023-0033), the BATU Installments Deferral Account was approved by the OEB to manage timing and costs associated with InnPower's capital contribution payments to Hydro One for the BATU project, while mitigating significant near-term rate impacts during the 2025 to 2027 incentive period. It allows a portion of the revenue requirement to be recovered on an interim basis and the remainder to be deferred for future prudence review and final disposition, ensuring fairness to both customers and the utility.

Effective January 1, 2024, InnPower Corporation established the 1508 sub-accounts for the BATU Installments. The account captures the incremental revenue requirement for a half-year in 2024 (due to the OEB half-year rule) and for the 2025 to 2027 incentive period, as approved through the settlement in EB-2023-0033.

InnPower Corporation is requesting disposition of the December 31, 2025 audited balance. The December 31, 2025, audited balance reconciles with filing 2.1.7 of the RRR.

The balance requested for disposition, including carrying charges (projected to December 31,
2026) is a debit of 103,118. The sub-account will be discontinued.

1.3 1508 – Other Regulatory Assets – Sub-Account – Green Button Initiative

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

Effective November 1, 2022, InnPower Corporation established the 1508 sub-account for Green Button incremental costs and has tracked amounts referred to in the Regulation up to December 31, 2025.

InnPower Corporation notes that the balance for sub-account 1508: *Green Button Initiative* does not meet the materiality threshold ($81k) as of December 31, 2025. As such, InnPower Corporation is not seeking disposition of this account. The sub-account balance will be moved to an expense and discontinued following the current application.

1.4 1508 – Other Regulatory Assets – Sub-Account – Broadband Expansion

As outlined in the Board letter dated July 7, 2022, the OEB approved a generic deferral account for distributors to record the incremental impacts associated with carrying out activities pertaining to designated broadband projects.

The project service area 77.1 – Simcoe has been identified for the execution of designated broadband projects, which falls within InnPower Corporation's service territory. The telecommunication service provider selected within the project service area is Rogers Communication. Although the designated broadband projects have been initiated, they are still in the initial phase of development.

Effective July 7, 2022, InnPower Corporation established the 1508 sub-account for broadband expansion incremental costs and has tracked amounts referred to in the Regulation up to December 31, 2025.

InnPower Corporation notes that the balance for sub-account 1508*: Broadband Expansion* does not meet the materiality threshold ($81k) as of December 31, 2025. As such, InnPower Corporation is not seeking disposition of this account in the current application but may request disposition in a future rebasing application. The sub-account will be continued following the current application, as the Broadband Expansion Initiative is ongoing.

1.5 1508 – Other Regulatory Assets – Sub-Account – Ultra-Low Overnight (ULO) Implementation

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

Effective March 2, 2023, InnPower Corporation established the 1508 sub-account for ULO incremental costs and has tracked amounts referred to in the Regulation up to December 31, 2025.

InnPower Corporation notes that the balance for sub-account 1508: *ULO* does not meet the materiality threshold ($81k) as of December 31, 2025. As such, InnPower Corporation is not seeking disposition of this account. The sub-account balance will be moved to an expense and discontinued following the current application.

1.6 1582 – RSVA – One-Time

The RSVA – One Time Account is used to record the net of the amount charged by the Independent Electricity System Operator based on the monthly settlement invoice, for Wholesale Market Service, specified by the Board and the amount billed to customers for the same services using the Board-approved Rate, including accruals.

InnPower Corporation does not have a balance for disposition in the RSVA – One-Time Account.

1.7 2405 – Other Regulatory Liabilities

InnPower Corporation has no amounts for disposition in Account 2405. The Other Regulatory Liabilities Account is used to accrue regulatory asset recovery charges not included in other accounts.

9-1-4 ACCOUNT 1592 PILS AND TAX VARIANCE

InnPower received approval to dispose of Account 1592 up until the end of December 31, 2023, over a one-year period using the forecasted balances as noted in its Settlement Agreement in the OEB proceeding EB-2023-0033. Since its rebasing in 2024, InnPower has wound down its use of the Accelerated CCA. As a result of the wind down, InnPower is not seeking any disposition of its 1592 account.

9-1-5 DISPOSITION OF RETAIL SERVICE CHARGES

InnPower Corporation has no amounts for disposition in Account 1518 and 1548.

9-2-1 NEW DEFERRAL AND VARIANCE ACCOUNTS

InnPower Corporation is requesting the following new accounts or sub-accounts in conjunction with this Exhibit:

- Account 1595 – Sub Account (2026) – Rate Rider for Disposition of Deferral/Variance Accounts (2026) – Effective until December 31, 2027
    - Evidence of the causation, materiality and prudence, as well as the mechanics of the account are provided in excel file 2023 DVA Continuity Schedule.
- Account 1508, Other Regulatory Assets – Sub Account, Foregone Revenue Deferral Account (Rate Mitigation) – Effective from January 1, 2027 until InnPower's next cost of service application.

InnPower Corporation will continue to monitor OEB directives and implement new accounts as set out by the OEB and identified in the Accounting Procedures Handbook or other sources of information, as required.

1.1 1508 – Other Regulatory Assets – Sub-Account – Foregone Revenue Deferral Account (Rate Mitigation)

InnPower's Sentinel and Street Lighting rate classes are forecast to experience total bill impacts in excess of 10%, at 23.9% and 16.5%, respectively, as a result of this Application. Per the OEB's Chapter 2 Filing Requirements, InnPower is proposing rate mitigation for these two rate classes to limit their 2027 Total Bill Impacts to 10.0%, as further described in Section 8-12 of Exhibit 8. InnPower proposes the use of credit rate riders for the Sentinel and Streetlighting classes in 2027, and a reduced credit rate rider for Sentinel Lighting in 2028, to smooth the impacts of this application for customers. Corresponding to the credit rate riders noted, InnPower has proposed a new Group 2 Deferral Account, Account 1508 – Foregone Revenue (Rate Mitigation) ("FRDA") to capture foregone revenues resulting from the rate mitigation credit rate riders for recovery at its next cost of service application.

InnPower's request meets the OEB's 3-part test for the establishment of new Deferral and Variance Accounts as follows:

- **Causation:** The amounts recorded in the FRDA are directly related to the stated driver of providing rate mitigation, and are by definition outside of the basis upon which customer rates have been set.

- **Materiality:** Lacking the FRDA, InnPower will not recover its OEB-approved Rate of Return in an amount which may be material. The FRDA ensures that any material shortfall in distribution funding provided for the purpose of rate mitigation can be recovered by the utility at a future date.

- **Prudence:** Amounts recorded in the FRDA relate to foregone revenues, as opposed to utility expenditures. On disposition, InnPower will provide the relevant information required for the OEB to assess the reasonableness of its disposition request.

9-3-1 DISPOSITION OF CURRENT DEFERRAL AND VARIANCE ACCOUNTS

1. INTRODUCTION

Table 9-14 below presents the list of deferral and variance accounts proposed for disposition. All accounts proposed for disposition reflect balances as of December 31, 2025, which is the most recent period subject to an audit. The DVAs are categorized based on the OEB's report on the *Electricity Distributor's Deferral and Variance Account Review Initiative* (EDDVAR Report), which categorizes the DVAs into Group 1 and Group 2 Accounts.

Board policy states: at the time of rebasing, all account balances should be disposed of unless otherwise justified by the distributor or as required by a specific Board decision or guideline. In accordance with the above statement, InnPower Corporation proposes to dispose of all its material balances.

Each account is described in Table 9-14 below.

Table 9-14: Deferral and Variances Account Balances Proposed for Disposition

Account Description	USoA	Principal	Interest	Total Claim
Group 1 Accounts				
LV Variance Account	1550	(173,857)	3,902	(174,388)
Smart Metering Entity Charge Variance Account	1551	(48,021)	(2,063)	(51,308)
RSVA - Wholesale Market Service Charge	1580	(602,320)	2,064	(615,616)
Variance WMS – Sub-account CBR Class B	1580	304,023	4,474	316,249
RSVA - Retail Transmission Network Charge	1584	(50,980)	11,789	(40,491)
RSVA - Retail Transmission Connection Charge	1586	14,134	9,287	23,781.41
RSVA - Power (excluding Global Adjustment)	1588	1,892,115	48,022	1,988,386
RSVA - Global Adjustment	1589	(318,652)	10,798	(315,980)
DVA Regulatory Balances (2023)	1595	(236,132)	161,941	(80,213)
Subtotal (including Account 1589)		(319,653)	993,231	1,050,421
Subtotal (excluding Account 1589)		(1,000)	982,433	1,366,401
Group 2 Accounts				
BATU Incremental Revenue	1508	100,554	0	103,118
Group 2 Total		745,398	16,320	103,118
Group 1 & Group 2 Total		744,398	998,753	1,469,519

2. METHODS OF DISPOSITION OF DVA BALANCES

The following methods are proposed for disposition of the DVA balances for those accounts that have been selected for disposition, together with a summary of proposed rates.

2.1 Group 1 Accounts Method of Disposition:

Allocation to rate classes on the basis of the forecasted 2027 kWh energy consumption by customer class and disposition through variable component rate rider based on kWh or kW.
Allocation of costs to customer classes is based upon kWh energy consumption by customer class in accordance with the default cost allocation methodology established by the Board for Group 1 deferral and variance accounts in the Electricity Distributor's Deferral and Variance Account Review Initiative (EDDVAR Report), dated July 31, 2009.

Certain rate riders are not applicable to all customers. InnPower Corporation calculated separate sets of Group 1 rate riders based on the group of customers who contributed to the accumulated variance. The 2027 DVA Continuity Schedule Work Form was used to calculate the Group 1 and Group 2 rate riders.

2.1.1 Proposed Method of Disposition for Rate Rider for DVA Balances

- Account 1551 balances is allocated based on the 2027 forecasted number of customers in the residential and General Service less than 50 kW rate classes.
- Account 1584, 1586 and 1595 accounts are allocated to rate classes on the basis of the forecasted 2027 kWh energy consumption by customer class.

The rate rider for the above-mentioned balances is collected in a variable per kWh/kW rate.

2.1.2 Proposed Method of Disposition for Rate Rider for DVA Balances to Non-WMP

- The rate rider is not applicable to InnPower Corporation's current application.

2.1.3 Proposed Method of Disposition for Rate Rider for RSVA Global Adjustment

- Account 1588 balance is allocated based on the forecasted 2027 kWh energy consumption for non-RPP customers only.

The rate rider for the above-mentioned balances is collected in a variable per kWh/kW rate for the applicable customer classes.

2.1.4 Proposed Direct Settlement for RSVA Global Adjustment – Transition Customers

- The rate rider is not applicable to InnPower Corporation's current application.

2.1.5 Proposed Method of Disposition for Rate Rider for RSVA WMS – Sub-Account CBR Class B

- Account 1580 WMS Sub-Account CBR Class B is allocated based on forecasted 2027 kWh energy consumption for Class B customers only.

The rate rider for the above-mentioned balances is collected in a variable per kWh/kW rate for the applicable customer classes.

2.2 Group 2 Accounts Method of Disposition

Allocation of balances to rate classes and rate rider calculations are based on parameters provided by the 2027 DVA Continuity Schedule model and in accordance with the default cost allocation and rate rider derivation methodologies established by the Board in the EDDVAR Report, dated July 31, 2009.

Disposition is proposed through variable component rate riders for all rate classes except the residential rate class, for which a fixed monthly rate rider is computed based on the number of customers.

2.2.1 Proposed Method of Disposition for Rate Rider for Group 2 Accounts

- Accounts in 1508 are allocated based on the forecasted 2027 kWh energy consumption by customer class.

The rate rider for the above-mentioned balances is collected at a fixed rate for residential customers and a variable per kWh/kW rate for all other customer classes.

3. PROPOSED RATE RIDERS

InnPower Corporation notes that all relevant calculations are embedded in the 2027_EDDVAR_Continuity_Schedule_CoS OEB provided model.

InnPower Corporation does not propose a billing determinant that is different than the OEB standards (as indicated above). InnPower Corporation does not need to establish separate rate riders to recover the balances in the RSVAs from Market Participants ("MPs") who must not be allocated the RSVA account balances related to charges for which the MPs settle directly with the IESO (e.g., wholesale energy, wholesale market services).

InnPower Corporation is proposing to dispose of these balances over a period of one year. The rate rider calculations are calculated in the OEB's EDVARR model and are outlined in the tables below.

Table 9-15: Deferral and Variance Rate Riders (excluding Global Adjustment)[1]

Rate Class (Enter Rate Classes in cells below)	Units	kW / kWh / # of Customers	Allocated Group 1 Balance (excluding 1589)	Rate Rider for Deferral/Variance Accounts
Residential	kWh	231,433,978	$680,920	**0.0029**
GS<50 kW	kWh	49,324,890	$152,078	**0.0031**
GS 50 to 4999 kW	**kW**	179,308	$208,758	**1.1642**
Unmetered Scattered Load	kWh	417,038	$1,281	**0.0031**
Sentinel Lighting	**kW**	295	$279	**0.9457**
Street Lighting	**kW**	3,382	$3,541	**1.0470**
Embedded Distributor	**kW**	2,575	$3,295	**1.2796**
Total			**$1,050,152**	

[1] Rate Rider Calculation for Group 1 Deferral/Variance Accounts Balances (excluding Global Adjustment): Accounts 1550, 1551, 1584, 1586, 1595, 1580 and 1588

1 **Table 9-16: Global Adjustment[2]**

Rate Class (Enter Rate Classes in cells below)	Units	kWh	Allocated Global Adjustment Balance	Rate Rider for RSVA - Power - Global Adjustment
Residential	kWh	2,854,772	-18,441	**-0.0065**
GS<50 kW	kWh	6,345,298	-40,988	**-0.0065**
GS 50 to 4999 kW	kWh	37,626,102	-243,050	**-0.0065**
Unmetered Scattered Load	kWh	0	0	**0.0000**
Sentinel Lighting	kWh	0	0	**0.0000**
Street Lighting	kWh	1,113,428	-7,192	**-0.0065**
Embedded Distributor	kWh	976,590	-6,308	**-0.0065**
Total			**($315,980)**	

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[2] Rate Rider Calculation for RSVA Global Adjustment – Balance of Account 4589 allocated to Non-WMPs

Table 9-17: Group 2 Accounts[3]

Rate Class (Enter Rate Classes in cells below)	Units	KW/ kWh / # of Customers	Allocated Group 2 Balance	Rate Rider for Group 2 Accounts
Residential	# of Customers	24,725	68,150	**0.23**
GS<50 kW	kWh	49,324890	14,525	**0.0003**
GS 50 to 4999 kW	kW	179,308	19,678	**0.1097**
Unmetered Scattered Load	kWh	417,038	123	**0.0003**
Sentinel Lighting	kW	295	27	**0.0910**
Street Lighting	kW	3,382	328	**0.0969**
Embedded Distributor	kW	2,575	288	**0.1117**
Total			**$103,118**	

[3] Rate Rider Calculation for Group 2 Accounts

InnPower Corporation is not requesting other any rate riders in the current application.

5. ENERGY SALES AND COST OF POWER

The sale of energy is a flow through revenue and the cost of power is a flow through expense. Energy sales and the cost of power expense, by component, are presented in the year ended December 31, 2025, and as shown in Table 9-23. InnPower has no profit or loss resulting from the flow through of energy revenues and expenses. Table 9-24 shows the reconciliation of Energy Sales and Cost of Power Expenses as reported in 2025 OEB RRR 2.1.7 and InnPower's Audited Financial Statements.

Table 9-23: 2025 Energy Sales and Cost of Power Expenses (2.1.7 RRR)

Transactions	USoA	Balance
Energy Sales		
Residential Energy Sales	**4006**	**$(22,944,257)**
GS<50 Energy Sales	**4035**	**$(4,854,920)**
GS>50 Energy Sales	**4035**	**$(7,187,044)**
Street Ligh Energy Sales	**4025**	**$(113,151)**
Sentintel Light Energy Sales	**4030**	**$(8,892)**
Unmetered Scattered Load	**4035**	**$(41,427)**
Retailers	**4055**	**$(1,320,083)**
Billed WMS	**4062**	**$(2,139,736)**
Billed NW	**4066**	**$(4,201,181)**
Billed CN	**4068**	**$(33,334,363)**
Billed LV	**4075**	**$(1,411,426)**
Billed SME	**4076**	**$(120,055)**
RSVA Revenue Adjustment	**4050**	**$1,420,847**

Transactions	USoA	Balance
Total Energy Revenue		**$(46,256,088)**
Cost of Power Expenses		
Power Purchased	**4705**	**$34,318,884**
Global Adjustment	**4707**	**$3,243,232**
Charges WMS	**4708**	**$1,792,778**
Charges NW	**4714**	**$4,058,015**
Charges CN	**4716**	**$3,277,456**
Charges LV	**4750**	**$1,173,429**
Charges SME	**4751**	**$103,571**
RSVA Cost of Power Adjustment	**4710**	**$(1,711,277)**
Total Energy Revenue		**$46,256,088**
Net Energy Revenues and Energy Purchases		**$(0)**

Table 9-24: Reconciliation of Energy Revenues and Purchases to 2025 Audited Financial Statements

Transactions	2025	
Energy Sales		
As per RRR Filing	**$(46,256,088)**	
As per Audited Financial Statements	**$(46,256,088)**	
Unbilled Revenue Classified as Other Revenue in Audited Financial Statements	**$(0)**	
Energy Revenue Variance		**$(0)**

Transactions	2025	
Cost of Power Expenses		
As per RRR Filing	**$46,256,088**	
As per Audited Financial Statements	**$46,256,088**	
Energy Purchases Variance		**$(0)**
Gross Net Movement		**$(0)**
Additional Regulatory Asset Movement		
Carry Charge Expense on Regulatory Asset & Liability		**$636**
Revenue Adjustment Unbilled - GA Non RPP		**$(13,524)**
Carrying Charges - Regulatory Assets		**$(86,709)**
Carry Charges - OPEB		**$(352)**
RSR STR - RCVA Adjustment		**$(0)**
Total Additional Regulatory Asset Movement		**$(99,949)**
Total Regulatory Net Movement		**$(99,949)**

Appendix 1 Account 1508, Sub-Account Foregone Revenue Deferral Account

Account 1508, Sub-Account Foregone Revenue Deferral Account

InnPower Corporation (“InnPower”) shall establish the new deferral account, “Foregone Revenue Deferral Account (Rate Mitigation)” (FRDA), effective January 1, 2027. The NSDA will record foregone revenue associated with credit rate riders put in place in 2027 and 2028 as part of EB-2026-0052 to provide rate mitigation for select customer rate classes.

Balances will be recorded as debits to the FRDA for future recovery by InnPower. In addition, a new sub-account will be established to record carrying charges associated with principle balances in the FRDA. Carrying charges will apply at OEB-prescribed rates, calculated as simple interest based on monthly opening balances. InnPower will bring forward the FRDA for disposition at its next cost of service application, or as otherwise directed by the OEB.

Journal Entries:

DR: 1508	Sub-Account FRDA
CR: 4080	Distribution Services Revenue
To record the cumulative value of rate mitigation provided via credit rate riders in 2027 and 2028	
DR: 1508	Sub-Account FRDA Carrying Charges
CR: 6035	Other Interest Expense
To record carrying charges in FRDA	