OEB Staff Questions

EB-2021-0058

**Synergy North Corporation**

**EB-2021-0058**

Please note, Synergy North Corporation (Synergy North) is responsible for ensuring that all documents it files with the OEB, including responses to OEB staff questions and any other supporting documentation, do not include personal information (as that phrase is defined in the *Freedom of Information and Protection of Privacy Act*), unless filed in accordance with rule 9A of the OEB’s *Rules of Practice and Procedure*.

OEB staff has made the following generic updates in Rate Generator Models attached:

* Updated the IPI Inflation Factor to 3.30%[[1]](#footnote-1) in Tab 16 and Tab 17-Retail Service Charges
* Updated the Ontario Electricity Rebate in Tab 20 to 17% (as of November 1, 2021)
* Updated the Wireline Pole Attachment Charge to $34.76[[2]](#footnote-2) in Tab 17
* Updated the 2022 UTRs[[3]](#footnote-3) and Hydro One Sub-transmission rates[[4]](#footnote-4) in Tab 15

**Staff Question – 1**

**Ref 1: Kenora GA Analysis Workform**

**Ref 2: Kenora Rate Generator Model, Tab 3 Continuity Schedule**

Staff notes that Net Change in Principal Balance in the GL (cell C75) of ($14,511) in the GA Analysis Workform does not agree to the transaction debit/(credit) during 2020 of $($8,317) on the continuity schedule of the rate generator model.

Question(s):

1. Please explain the discrepancy noted above.

**Staff Question – 2**

**Ref 1: Kenora GA Analysis Workform**

Tab “GA 2020” on GA Analysis Workform has one reconciling item: #6 of $12,076. Synergy North explain that this is added to the GA analysis workform because not all customers are on calendar monthly billing.

Staff notes that there is no reconciling item #5 for impact of GA deferral.

**Questions:**

1. Please elaborate further of the reconciling item #6, specifically why and how not all customers being on calendar monthly billing impacts the GA variances recorded in Account 1588.
2. Please provide the reconciling item #5 in accordance with the GA instructions.

**Staff Question – 3**

**Ref 1: Kenora GA Analysis Workform**

Staff notes from Tab “Account 1588” of the GA analysis workform that Account 1588’s 2020 balance is greater than 1% of Account 4705 Power Purchased.

Synergy North explained the reason: “In 2020, the Kenora Rate District realized the full impact of transferring its settlement processes”.

Question:

1. Please elaborate further how Kenora realized the full impact of transferring its settlement processes in 2020.
2. Please explain whether Kenora has recorded the adjustments due to this transfer, if so, please provide the details of the adjustments (period it pertains to and the adjustment amount).

**Staff Question – 4**

**Ref 1: Thunder Bay GA Analysis Workform**

Staff notes from Tab “GA 2020” of Thunder Bay’s GA Analysis Workform of the two reconciling items below:

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Item** | **Amount** | **Explanation** |
| 5 | Impacts of GA deferral |  |  |
| 6 |  | $ (69,645) | Difference between actual GA Deferral given to customers and amount received from the IESO |

Question:

1. Please explain if the reconciling item #6 of ($69,645) refers to reconciling item #5 impacts of GA deferral. If so, please update the GA analysis workform.

**Staff Question – 5**

**Ref 1: Manager’s Summary, page 17**

Synergy North stated for Kenora rate zone that:

A two-year disposition period is requested for the Group 1 Deferral and Variance Accounts, with rate riders effective May 1, 2022, until April 30, 2024. Annual disposition of Group 1 Accounts results in less risk for intergenerational gaps in disposition amounts to/from customers.

.

Question:

1. Please explain why Synergy North proposed a two-year disposition period for Kenora rate zone’s group 1 DVAs.

**Staff Question – 6**

**Ref 1: Manager’s Summary, page 21**

Synergy North stated that:

Synergy North has chosen to populate the GA Analysis Workform with its Non- RPP Class B consumption with losses for both Rate Zones. A billing system query produces a report of the monthly “consumed” kWh for each Non-RPP customer. The system pulls the consumption billed between meter read dates, and based on consumption by day, provides a calendar month “consumed” amount. Synergy North uses the results of this report to true up its estimates once all billing cycles for the quarter have fully billed out volumes for the period.

Question:

1. Please confirm that the monthly “consumed” kWh for each Non-RPP customers from the billing report represents the actual consumptions in the calendar month, rather than the billed consumption in the calendar month. If it is the latter, please explain how this process complies with the Accounting Guidance for the Commodity accounts issued in February 2019.

**Staff Question – 7**

**Ref 1: Thunder Bay’s Account 1595 Analysis Workform**

Tab “1595 2018” shows that the residual balance for the 2018 GA rate rider under Account 1595 sub-account 2018 is significantly greater than 10%.

Staff notes that Synergy North has collected $14,999 for the 2018 GA rate riders (Cell G14) while the 2018 approved GA rate riders to be refunded to the customers are totaled $33,253.

In addition, Staff notes that the residual balance for 2018 GA rate riders is ($38,957) while the variance analysis table shows the total calculated variance of ($28,815).

Question(s):

1. Please explain why Synergy North has collected $14,999 for the 2018 GA rate riders for Thunder Bay rate zone when the approved GA rate riders were to refund to the customers.
2. Please explain the discrepancy between the total residual balance for 2018 GA rate riders of ($38,957) and the calculated variance of ($28,815).

1. 2022 inflation factor established in the Decision and Order issued on November 18, 2021, EB-2021-0212 [↑](#footnote-ref-1)
2. EB-2021-0302, Decision and Order, issued December 16, 2021 [↑](#footnote-ref-2)
3. EB-2021-0276, Decision and Rate Order, issued December 16, 2021 [↑](#footnote-ref-3)
4. EB-2021-0032, Decision and Rate Order, issued December 14, 2021 [↑](#footnote-ref-4)