SYNERGY NORTH CORPORATION

2023 ELECTRICITY DISTRIBUTION RATE APPLICATION

EB-2022-0063

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ONTARIO ENERGY BOARD

IN THE MATTER OF the Ontario Energy Board Act, 1998, being Schedule B to the Energy Competition Act, 1998, S.O. 1998, c.15;

AND IN THE MATTER OF an Application by SYNERGY NORTH CORPORATION to the Ontario Energy Board for an Order or Orders approving or fixing just and reasonable rates and other service charges for the distribution of electricity as of May 1, 2023.

TITLE OF PROCEEDING: An Application by SYNERGY NORTH CORPORATION for an Order or Orders by Rate Zone approving or fixing just and reasonable distribution rates and other charges, effective May 1, 2023.

Application – Relief sought

1. SYNERGY NORTH CORPORATION (SYNERGY NORTH) is a distributor as defined in, and is licensed as such under, the *Ontario Energy Board Act, 1998* (the "Act"). SYNERGY NORTH holds Electricity Distribution Licence ED-2018-0233.

2. SYNERGY NORTH hereby applies to the Ontario Energy Board (the "Board"), pursuant to section 78 of the Act, for an Order or Orders approving or fixing just and reasonable rates for distribution service effective May 1, 2023. This Application is made in accordance with the Board's update to Chapter 3 of the *Filing Requirements for Electricity Distribution Rate Applications – 2022 Edition for 2023 Rate Applications,* issued on May 24, 2022, and using the October 13, 2016, *Handbook for Utility Rate Applications (the Handbook) IR methodology*, including the following for each of SYNERGY NORTH'S Rate Zones:

    a. An adjustment to the retail transmission service rates as provided in the Board's *Guidelines G-2008-0001: Electricity Distribution Retail Transmission Service Rates (RTSR), Revision 4.0,* issued June 28, 2012.
    b. An adjustment to the price cap index, and annual IR as determined by the Board.
    c. An adjustment to the Thunder Bay Rate Zone's current 2022 distribution rates by applying the OEB's adjustment mechanism of the Price Cap Index to establish 2023 electricity distribution rates, effective May 1, 2023.
    d. An adjustment to the Kenora Rate Zone's current 2022 distribution rates by applying the OEB's Annual IR Index adjustment mechanism to establish 2023 electricity distribution rates, effective May 1, 2023.
    e. Election to dispose of the Group 1 account balances, per *Section 3.2.5 of* Chapter 3 of the *Filing Requirements for Electricity Distribution Rate Applications,* issued on May 24, 2022.

f. Continuation of existing Specific Service Charges and Loss Factors as approved in Thunder Bay Hydro's 2017 Cost of Service rate application (EB-2016-0105), and Kenora Hydro's 2011 Cost of Service rate application (EB-2010-0135).

3. If the Board is unable to provide a Decision and Order in this Application for implementation by the Applicant as of May 1, 2023, SYNERGY NORTH requests that the Board issue an Interim Rate Order declaring the current Distribution Rates and Specific Service Charges as interim until the decided implementation date of the approved 2022 distribution rates.

4. If the effective date does not coincide with the Board's decided implementation date for 2023 distribution rates and charges, SYNERGY NORTH requests permission to recover the incremental revenue from the effective date to the implementation date.

5. SYNERGY NORTH has used the Board's Excel Model: 2023 IRM Rate Generator ("2023 Rate Model") posted June 30, 2022, for this application. The rates for which approval is sought are shown on Tab 19 'Final Tariff Schedule' of the 2023 Rate Model for each Rate Zone.

6. This Application is supported by the written evidence comprising of a Manager's Summary, excel models, and tariff sheets. SYNERGY NORTH may amend or supplement this written evidence prior to or during the Board's hearing of this Application.

3.1 Manager's Summary

3.1 Introduction

SYNERGY NORTH is a corporation amalgamated under the laws of Ontario, with its head office in the City of Thunder Bay. SYNERGY NORTH carries on the business of distributing electricity within the City of Thunder Bay, Fort William First Nation Reserve, and the City of Kenora. SYNERGY NORTH CORPORATION is the name of the amalgamated corporation combining Thunder Bay Hydro Electricity Distribution Inc. and Kenora Hydro Electric Corporation Ltd. effective January 1, 2019. The amalgamation was approved by the Ontario Energy Board as documented in the MAAD Application (EB-2018-0124). The applicant has not yet rebased as an amalgamated company and maintains two sets of tariffs of rates and charges. For the proposed application the applicant will refer to them as the "Thunder Bay Rate Zone" and "Kenora Rate Zone".

SYNERGY NORTH submits herein a complete application (the "Application") for proposed distribution and transmission rates effective May 1, 2023, for both Thunder Bay and Kenora Rate Zones. SYNERGY NORTH has

filed its 2023 Distribution Rate Application under the Price Cap Incentive Rate adjustment option for Thunder Bay Rate Zone and the Annual IR Index adjustment option for Kenora Rate Zone.

This application has been prepared in accordance with the Board's updated *Chapter 3* of the *Filing Requirements for Electricity Distribution Rate Applications, – 2022 edition for 2023 Rate Applications,* issued May 24, 2022 ("*2023 Filing Requirements*").

SYNERGY NORTH requests that this Application be disposed of by way of a written hearing.

SYNERGY NORTH acknowledges that all customer rate classes will be impacted in both Zones by this application.

3.1.1 Grouping for Filings

The OEB has assigned distributors seeking IRM rate adjustments effective May 1, 2023 to one of four application groupings based on the expected level of complexity of the application. SYNERGY NORTH was assigned the filing date of November 2, 2022 in Tranche 3, as per the OEB direction to all distributors in the letter dated June 16, 2022 "Tranche Assignments for 2023 Incentive Rate-setting Distribution Rate Applications and 2023 IRM Generator Model". SYNERGY NORTH requested and was granted a seven-day extension to November 9, 2022. SYNERGY NORTH requested a revision on November 11, 2022 to remove the disposal of certain group 2 deferral variances in the Kenora Zone.

3.1.2 Components of the Application Filing

SYNERGY NORTH has included in this application the following for both the Thunder Bay and Kenora Rate Zones:

1. Managers Summary.
2. Contact Information.
3. Completed Rate Generation Model & Supplemental Global Adjustment for each Rate Zone.
4. Copy of the current 2021 tariff sheet for each Rate Zone in the rate generator.
5. Supporting documentation, validated reporting record keeping requirements, and other data referred to in the application for each Rate Zone.
6. A statement of who will be affected by the application and particular bill impacts for both Rate Zones.
7. Confirmation of the Applicants internet address.
8. Statement of confirmation related to accuracy of the billing determinants for each Rate Zone.
9. Text searchable Adobe PDF format for all documents.
10. The 2023 IRM Checklist.
11. Certification of accuracy, consistency and completeness by a senior officer.

3.1.2.1 Contact Information

The following is the contact information for SYNERGY NORTH in this proceeding:

Applicant's Address for Service: 34 Cumberland St. N.
Thunder Bay, Ontario
P7A 4L4

Primary Contact for Electricity Distribution Licence:

Aaron Blazina, CPA, CA	Phone:	807-343-1118
Vice President, Finance	Fax:	807-343-1009
	Email:	ablazina@synergynorth.ca

Primary Contacts for the Application:

Janice Robertson, CPA, CA	Phone:	807-467-8014
Manager, Financial &	Fax:	807-343-1009
Regulatory Affairs, Kenora	Email:	jrobertson@synergynorth.ca

3.1.2.2 / 3.1.2.3 List of Attachments

The final page of this document lists the electronic files which have been uploaded along with this application.

3.1.2.4 Supporting Documentation

SYNERGY NORTH confirms that it has provided supporting documentation where appropriate as support to the models mentioned in the 3.1.2.3 List of Attachments for both Rate Zones. SYNERGY NORTH has also confirmed it has validated any references to the 2021 year-end RRR reporting record keeping requirements and other data referred to in the application for both Rate Zones.

3.1.2.5 Notice of Application

SYNERGY NORTH recognizes that all of its customer classes will be affected by the outcome of this rate application.

3.1.2.6 Confirmation of Application

SYNERGY NORTH will provide its customers a link to the website where the application (EB-2022-0063) will be posted. If a customer requires a physical copy to accommodate special needs or by specific request SYNERGY NORTH will provide one at its customer service desk, as well as publish any updates directly to its public website for purposes of viewing the application, previous applications and related documents.

SYNERGY NORTH Public Website Address: https://synergynorth.ca/

3.1.2.7 Certification of Evidence

SYNERGY NORTH Vice President of Finance certifies that the evidence filed in its 2023 IRM Rate Applications are accurate to the best of his knowledge for both Thunder Bay and Kenora Rate Zones.

3.1.3 Applications and Electronic Models

SYNERGY NORTH has used the Board's 2023 IRM Rate Generator as updated by the Board June 30, 2022, and the Board's Global Adjustment (GA) Analysis Workform, as well as a Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) Workform for both Zones. SYNERGY NORTH has completed the 2023 Rate Models in accordance with the Board staff instructions. SYNERGY NORTH does not have any unique rate classes for either Rate Zones.

SYNERGY NORTH confirms that both tariff of rates and charges are accurate, as included in Tab 2. 'Current Tariff Schedule' of the rate generator models. SYNERGY NORTH confirms the accuracy of the pre-populated billing determinates, customer counts for Residential and GS<50 Classes and customer volume, as included in Tab 4. 'Billing Det. For Def Var' of the models for both Rate Zones. Additionally, SYNERGY NORTH has completed Tab 3. 'Continuity Schedule' and confirms the entries in column "BV", representing Group 1 Deferral and Variance Account balances as of December 31, 2021 are accurate for both Thunder Bay and Kenora Rate Zones.

SYNERGY NORTH confirms that it has not diverged from the Board's model concept or modified the 2023 Rate Models to be different than the OEB published models.

3.2 Elements of the Price Cap IR and the Annual IR Index Plan

3.2.1 Annual Adjustment Mechanism

The annual adjustment mechanisms follow OEB-approved formulas that include components for inflation and the OEB's expectations of efficiency and productivity gains.

Thunder Bay Rate Zone

Thunder Bay Rate Zone is on Price Cap IR. In calculating 2023 rates for Thunder Bay Rate Zone, SYNERGY NORTH has applied a Price Cap Index Adjustment of 3.40% to its 2022 Thunder Bay Rate Zone Distribution

Rates, which are the rate-setting parameters provided by the Board's 2023 Rate Generator Model (Stretch Factor Group III).

Kenora Rate Zone

Kenora Rate Zone is on Annual IR Index. In calculating 2023 rates for Kenora Rate Zone, SYNERGY NORTH has applied the Annual IR PRICE Cap Index of 3.1% to its 2022 Kenora Rate Zone Distribution Rates, which includes the highest 4th generation stretch factor rate-setting parameters provided by the Board's 2023 Rate Generator Model (Stretch Factor Group V).

3.2.1.1 Application of the Annual Adjustment Mechanism

Thunder Bay Rate Zone

SYNERGY NORTH Thunder Bay Rate Zone has achieved Stretch Factor Group assignment ranking of "3" or 0.30% in the "PEG Empirical Research in Support of Incentive Rate-Setting: 2021 Benchmarking Update Report to the Ontario Energy Board" issued July 2022.

The final Price Cap Index is determined using the following formula for Thunder Bay Zone:

Price Escalator	3.70%	Productivity Factor	0.00%
Choose Stretch Factor Group	III	Price Cap Index	3.40%
Associated Stretch Factor Value	0.30%		

SYNERGY NORTH confirms the Price Cap Index adjustment of 3.40% has been applied to distribution rates (fixed and variable) uniformly across all customer rate classes for Thunder Bay Rate Zone and that the index adjustment has not been applied to the following components of distribution rate components**

- Rate Adders
- Rate Riders
- Retail Transmission Rates
- Wholesale Market Service Rates
- Rural and Remote Rate Protection Charge

- Standard Supply Service – Administrative Charge
- Capacity Based Recovery
- Microfit Service Charge
- Specific Service Charges
- Transformation and Primary Metering Allowances
- Smart Meter Entity Charge

** The exception to the rate listing above is the Miscellaneous Service Charges as per Tab 17. 'Regulatory Charges' of the rate generator model; wireline pole attachment and retail service charges which are subject to inflationary rates. The Models currently have the pre-populated rate of 3.30%, anticipated to be updated by the OEB to 3.70%, the approved inflation rate effective in 2023.

Kenora Rate Zone

SYNERGY NORTH Kenora Rate Zone is on an Annual IR Index, and, although SYNERGY NORTH achieved a Stretch Factor Group assignment ranking of 3, Kenora Rate Zone on the Annual IR Index, is required to use the lowest stretch factor (Group 5) of 0.60% in the "PEG Empirical Research in Support of Incentive Rate-Setting: 2021 Benchmarking Update Report to the Ontario Energy Board" issued July 2022.

Price Cap Index for the Kenora Zone is determined using the following formula:

Price Escalator	3.70%	Productivity Factor	0.00%
Choose Stretch Factor Group	V	Price Cap Index	3.10%
Associated Stretch Factor Value	0.60%		

SYNERGY NORTH confirms the Price Cap Index adjustment of 3.10% has been applied to distribution rates (fixed and variable) uniformly across all customer rate classes for Kenora Rate Zone and that the index adjustment has not been applied to the following components of distribution rate components:**

- Rate Adders
- Rate Riders
- Retail Transmission Rates

- Wholesale Market Service Rates
- Rural and Remote Rate Protection Charge
- Standard Supply Service – Administrative Charge
- Capacity Based Recovery
- Microfit Service Charge
- Specific Service Charges
- Transformation and Primary Metering Allowances
- Smart Meter Entity Charge

** The exception to the rate listing above is the Miscellaneous Service Charges as per Tab 17. 'Regulatory Charges' of the rate generator model; the wireline pole attachment, and retail service charges which are subject to inflationary rates. The Models currently have the pre-populated rate of 3.30%, anticipated to be updated by the OEB to 3.70%, the approved inflation rate effective in 2023.

3.2.2 Revenue to Cost Ratio Adjustments

SYNERGY NORTH Revenue to Cost ratio adjustments were approved in its 2017 Cost of Service Rate Application (EB-2016-0105) for Thunder Bay Rate Zone, and 2011 Cost of Service Rate Application (EB-2010-0135) for Kenora Rate Zone. As per Thunder Bay Rate Zone's Settlement Proposal & Agreement issued April 27, 2017 (EB-2016-0105, page 17), Thunder Bay Rate Zone was in complete settlement with all parties for its proposed cost allocation methodology and revenue to cost ratios. Thunder Bay Rate Zone does not require any further revenue-to-cost ratio adjustments to be required during the 2017 to 2023 rate years.

As per Kenora Rate Zone's Decision and Order issued May 25, 2011 (EB-2010-0135, page 30), Kenora Rate Zone settled with all parties for its proposed cost allocation methodology and revenue to cost ratios. The Board found the proposed revenue to cost ratios acceptable and consistent to cost ratio policy. The Kenora Rate Zone completed this transition in its 2013 IRM (EB-2012-0141), decreasing the revenue to cost ratio for the Unmetered Scattered Load class from 129% to 120% The Board agreed that this was consistent with the decision arising from the 2011 Cost of Service proceeding and approve the revenue to costs ratios as filed.

SYNERGY NORTH is not seeking any revenue to cost ratio adjustments in this application for either Rate Zone.

3.2.3 Rate Design for Residential Electricity Customers

On April 2, 2015, the OEB released its Board Policy: A New Distribution Rate Design for Residential Electricity Customers (EB-2014-0210) which stated that electricity distributors are expected to transition to a fully fixed monthly distribution service charge for residential customers and in most cases should be to be implemented over a period of four years, beginning in 2016. SYNERGY NORTH confirms that the fully fixed rate design for new

charges are applicable only to the residential rate class and to the charges which are specifically related to distribution of electricity. SYNERGY NORTH also confirms that this residential rate design transition has been fully transitioned for both Thunder Bay and Kenora Rate Zones in 2019 IRMs (EB-2018-0069 and EB-2018-0046).

3.2.4 Electricity Distribution Retail Transmission Service Rates

SYNERGY NORTH has prepared the RTSR using the OEB's 'Guideline G-2008-0001: Electricity Distribution Retail Transmission Service Rates (RTSR), Revision 4.0 issued June 28, 2012.' To prepare the analysis SYNERGY NORTH has used the 2023 Rate Generator Model, Tabs 10 to 15 to calculate the proposed updates to its RTSRs for each Rate Zone. SYNERGY NORTH has used the most recent wholesale transmission rates (per the Board's Decision in EB-2021-0176, issued June 24, 2021) in its applications for RTSRs in each Rate Zone.

SYNERGY NORTH understands that once 2023 UTR rates are determined; Board staff will adjust the 2023 Rate Generator Model to reflect any changes in Hydro One's Sub-Transmission class RTSRs.

SYNERGY NORTH has confirmed that the cells in Tab 10. 'RTSR Current Rates' in each Rate Zone have been populated with the data from the most recent 2021 year-end RRR filing. In addition to the figures reported to the OEB, SYNERGY NORTH has adjusted the Non-Loss Adjusted Metered kWh, and the Non–Loss Adjusted Metered kW in Thunder Bay Rate Zone model to appropriately split the "General Service 50 to 999 kW Service" Classification between metered and interval metered. SYNERGY NORTH confirms it has used its customer data to determine the split between specific meter data, and the net of the two results in the rate classification total reported in the 2021 RRR year-end filing.

A summary of the proposed adjustment to the Current Retail Transmission Service Rates are shown in Tables 1 and 2 below:

Table 1: Thunder Bay Rate Zone RTSR Proposed Adjustments

		RTSR Network			RTSR Connection		
Thunder Bay Rate Zone		Current	Proposed	Change	Current	Proposed	Change
Rate Class	Units	$	$	$	$	$	$
Residential	kWh	0.0081	0.0089	0.0008	0.0058	0.0059	0.0001
General Service < 50kW	kWh	0.0077	0.0085	0.0008	0.0053	0.0054	0.0001
General Service > 50 - 999 kW	kW	3.0259	3.3256	0.2997	2.0233	2.0667	0.0434
General Service > 50 - 999 kW Interval	kW	3.2099	3.5278	0.3179	2.2365	2.2844	0.0479
General Service 1,000 kW or Greater	kW	3.2099	3.5278	0.3179	2.2365	2.2844	0.0479
Unmetered Scattered Load	kWh	0.0077	0.0085	0.0008	0.0053	0.0054	0.0001
Sentinel Lights	kW	2.2938	2.5210	0.2272	1.5971	1.6313	0.0342
Street Lighting	kW	2.2818	2.5078	0.2260	1.5643	1.5978	0.0335

Table 2: Kenora Rate Zone RTSR Proposed Adjustments

Kenora Rate Zone		RTSR Network			RTSR Connection		
		Current	Proposed	Change	Current	Proposed	Change
Rate Class	Units	$	$	$	$	$	$
Residential	kWh	0.0093	0.0101	0.0008	0.0018	0.0018	0.0000
General Service < 50kW	kWh	0.0081	0.0088	0.0007	0.0016	0.0016	0.0000
General Service > 50 - 4,999 kW	kW	3.4104	3.7181	0.3077	0.5945	0.6093	0.0148
Unmetered Scattered Load	kWh	0.0081	0.0088	0.0007	0.0016	0.0016	0.0000
Street Lighting	kW	2.5717	2.8037	0.2320	0.4596	0.4710	0.0114

3.2.5 Review and Disposition of Group 1 Deferral and Variance Account Balances

SYNERGY NORTH is applying to dispose of the balances in its Group 1 Deferral and Variance Accounts, as of December 31, 2021 for both Thunder Bay and Kenora Rate Zones. All carrying charges in 2021 were calculated using the Board's monthly prescribed interest rates. Projected carrying charges from January 1, 2023 to April 30, 2023 are calculated using the Board's most recent fourth quarter 2022 rate of 3.87%.

SYNERGY NORTH confirms that no additional adjustments have been made to any deferral and variance account balances for either Rate Zone which were previously approved by the Board on a final basis.

Thunder Bay Rate Zone

Tab 3. 'Continuity Schedule' of the completed 2023 Rate Generator Model, as of December 31, 2021, agree with those filed with the year end 2021 balances reported on the 2.1.7 RRR filed April 30, 2022, with the exception of the WMS Variance CBR amount being reallocated from the WMS Account principal.

The total Group 1 amount to be disposed of for the Thunder Bay Rate Zone is $(787,135). The RSVA Global Adjustment balance in account 1589 is $(1,038,273) to be returned in a rate rider from Non-RPP customers (excluding Class A customers). The RSVA WMS – Sub Account CBR – Class B in account 1580 is $(95,752) to be returned in a rate rider to Class B customers (excluding Class A customers). The remaining Group 1 balances total $346,890 and will be a charge to all of SYNERGY NORTH Thunder Bay Rate Zone customers. Table 3 itemizes the accounts, customers and amounts for disposition.

Table 3: Thunder Bay Rate Zone Group One Disposition Eligibility

Thunder Bay Rate Zone		
Account Descriptions	**Eligibility**	**Total Claim**
1589 Global Adjustment	Non RPP Class B Customers	(1,038,273)
1580 WMS - Sub Account CBR - Class B Only	Class B Customers	(95,751)
1551, 1580, 1584, 1586, 1588 Remainder of Group One Account Disposition	All Customers	346,889
	Total Disposition Amount	(787,135)

The threshold test is completed by dividing the total claim by the total system kWh yields a result of $(0.0009) / kWh which does not exceed the threshold for disposition of $.001 per kWh (debit or credit).

Table 4: Thunder Bay Rate Zone Threshold

Thunder Bay Rate Zone	Threshold Test
Total Group One Disposition Claim	(787,135)
Total Distributor Metered kWh (Non Loss Adjusted) -Class B / Class A / RPP / Non RPP	849,148,277
Total Claim per kWh	(0.0009)

Although the threshold test has not been met, a one-year disposition period is requested for the Group 1 Deferral and Variance Accounts, with rate riders effective May 1, 2023, until April 30, 2024. Annual disposition of Group 1 Accounts mitigates any risks related to intergenerational gaps in disposition amounts to/from customers.

Table 5 below is SYNERGY NORTH proposed disposition summary organized by Principal and Interest for Thunder Bay's Rate Zone:

Table 5: Group One Disposition Claim Thunder Bay Rate Zone:

Thunder Bay Rate Zone				
Group One Account	**Account #**	**Principal**	**Interest**	**Total**
Smart Metering Entity Charge Variance Account	1551	(22,434)	(919)	(23,354)
RSVA - Wholesale Market Service Charge	1580	585,871	23,724	609,595
Variance WMS – Sub-account CBR Class B	1580	(91,899)	(3,852)	(95,751)
RSVA - Retail Transmission Network Charge	1584	556,805	23,606	580,411
RSVA - Retail Transmission Connection Charge	1586	154,973	6,147	161,120
RSVA - Power	1588	(944,542)	(42,654)	(987,196)
RSVA - Global Adjustment	1589	(996,194)	(42,079)	(1,038,273)
Disposition and Recovery/Refund of Regulatory Balances (2016)	1595-2016	46	(2,583)	(2,537)
Disposition and Recovery/Refund of Regulatory Balances (2018)	1595-2018	148,223	(139,372)	8,851
Total Disposition		(609,151)	(177,984)	(787,135)

Kenora Rate Zone

Tab 3. 'Continuity Schedule' of the completed 2023 Rate Generator Model, as of December 31, 2021, agree with those filed with the year end 2021 balances reported on the 2.1.7 RRR filed April 30, 2022, with the exception of the WMS Variance CBR amount being reallocated from the WMS Account, and one principal adjustment to 2021 for Account 1588, as described in section 3.2.5.4.2.

The total Group 1 amount to be disposed of for the Kenora Rate Zone is $(26,885). The RSVA Global Adjustment balance in account 1589 of $(116,860) is to be returned in a rate rider to Non-RPP customers. The RSVA WMS – Sub Account CBR – Class B in account 1580 is $(12,820) is to be returned in a rate rider to Class B customers. The remaining Group 1 balances total $102,795 requires collection from all of SYNERGY NORTH Kenora Rate Zone customers. Table 6 itemizes the accounts, customers and amounts for disposition.

Table 6: Kenora Rate Zone Group One Disposition Claim

Kenora Rate Zone		
Account Descriptions	**Eligibility**	**Total Claim**
1589 Global Adjustment	Non RPP Class B Custome	(116,861)
1580 WMS - Sub Account CBR - Class B Only	Class B Customers	(12,820)
1551, 1580, 1584, 1586, 1588, 1595 Remainder of Group One Account Disposition	All Customers	102,796
	Total Disposition Amount	(26,885)

The threshold test, completed by dividing the total claim by the total system kWh, yields a result of $ (0.0003)/kWh which does not exceed the threshold for disposition of $.001 per kWh (debit or credit).

Table 7: Group One Disposition Claim Kenora Rate Zone

Kenora Rate Zone	Threshold Test
Total Group One Disposition Claim	(26,885)
Total Distributor Metered kWh (Non Loss Adjusted) -Class B / Class A / RPP / Non RPP	94,237,403
Total Claim per kWh	(0.0003)

A one-year disposition period is requested for the Group 1 Deferral and Variance Accounts, with rate riders effective May 1, 2023, until April 30, 2024. Annual disposition of Group 1 Accounts results in less risk for intergenerational gaps in disposition amounts to/from customers.

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Table 8 below is SYNERGY NORTH proposed disposition summary organized by principal and interest for Kenora's Rate Zone:

Table 8: Group One Disposition Claim Kenora Rate Zone

Kenora Rate Zone				
Group One Account	**Account #**	**Principal**	**Interest**	**Total**
Smart Metering Entity Charge Variance Account	1551	(3,276)	(175)	(3,451)
RSVA - Wholesale Market Service Charge	1580	73,169	4,044	77,213
Variance WMS – Sub-account CBR Class B	1580	(12,166)	(654)	(12,820)
RSVA - Retail Transmission Network Charge	1584	85,875	4,726	90,601
RSVA - Retail Transmission Connection Charge	1586	(4,376)	(257)	(4,633)
RSVA - Power	1588	(55,578)	(101)	(55,679)
RSVA - Global Adjustment	1589	(110,680)	(6,181)	(116,861)
rsva 1595 (2018 Vintage)	1595	2,476	(3,731)	(1,255)
Total Disposition		(24,556)	(2,329)	(26,885)

3.2.5.2 Wholesale Market Participants

SYNERGY NORTH does not participate or embed any participants directly in any of the IESO-administrated markets in either of its Rate Zones.

3.2.5.3 Global Adjustment

The majority of SYNERGY NORTH customers are Class B customers for both Thunder Bay and Kenora Rate Zones. There were 10 Class A customers from January to June, and 11 Class A customers from July to December in Thunder Bay Rate Zone during the 2021 year. There were no Class A customers in the Kenora Rate Zone during 2021. Class B customers pay the global adjustment ("GA") charge based on the amount of electricity they consume in a month (kWh). Within the Class B group, there are two categories of customers: RPP customers who pay an RPP rate which has a built in GA adjustment component and the remaining Non-RPP customers who pay the Hourly Ontario Electricity Price, and a monthly GA price separately on their bills.

For Class B customers, RSVA 1589 GA captures the difference between the amounts billed (or estimated to be billed) to Non-RPP customers and the actual amount paid by the distributor to the IESO for those customers. This is the variance between the final rate for the GA and what is billed to the customers using the first estimate price as is loaded into the billing system. For Non-RPP customers, this variance is recorded in the USoA account 1589 RSVA GA. For RPP customers, this variance is built into the RPP rate for the following RPP term.

Customers that participate in the Industrial Conservation Initiative ("ICI") are referred to as Class A customers and pay GA based on their percentage contribution to the top five peak Ontario demand hours (i.e. peak demand factor) over a year-long period. SYNERGY NORTH Thunder Bay Rate Zone settles GA costs with Class A customers on the basis of actual cost, so Class A customers have not contributed to the balance in 1589 RSVA GA for the period they were Class A customers.

Only Non-RPP, Non-Class A customers have contributed to the balance in the RSVA 1589 GA variance account. The balance in this account has been allocated based on Non-RPP, Non-Class A consumption in 2021.

3.2.5.4 Class A Global Adjustment

The Board has included a requirement for 2022 Applications in its *2023 Filing Requirements* for distributors to provide information regarding its Class A customers. This only applies to Thunder Bay Rate Zone.

SYNERGY NORTH Thunder Bay Rate Zone has indicated in the IRM Rate Generator Tab 1. 'Information Sheet' that it had Class A customers during the period that the Account 1589 GA balances was accumulated (i.e. from the year the balance was last disposed). This is also true for the Account 1580 WMS CBR Balance.

Section 3.2.5.2 of the *2023 Filing Guidelines* requires that distributors propose an approximate allocation for the recovery of the GA variance. Selecting this Class A option to account for Class A customers in Tab 1. 'Information Sheet' Schedule results in Tab 6. 'Class A Consumption Data' requirement to input the Billing Determinants by Customer Rate Classification for Class A kWh and kW. These Class A reported kWh and kW volumes are then stripped from the disposition of 1589 Global Adjustment Disposition, and 1580 WMS – CBR Class B Disposition by rate class, to appropriately allocate the balance of 1589 to Class B customers who contributed to the variance account in Tab 6.1 'GA'.

From July 2020 to June 2021, Thunder Bay Rate Zone had 10 Class A customers with a peak demand factor of 0.00069561. On July 1, 2021, Thunder Bay Rate Zone had one customer "opt into" the Class A program. Class A customer counts remained at 11 customers until December 31, 2021, with a peak demand factor of 0.00077963. There was one transition customers to account for partial allocations of the 1589 Global Adjustment Disposition, and 1580 WMS – CBR Class B Disposition.

As mentioned previously, Thunder Bay Rate Zone settles GA with Class A customers on a monthly basis and on the basis of actual cost. As a result, the customers in the Class A program did not contribute to the balance in RSVA 1589 GA for the period they were Class A customers. Therefore, the entire Class A consumption (full year Class A) is stripped from the Total Metered Non-RPP 2021 consumption used to develop a GA Rate Rider in Tab 6.1 'GA'.

Table 10: 2021 Class A Consumption Details

Class A - Non Loss Adjusted Billing Determinants	Determinants	January - June	July - December	Class A Total
11 Customers	kWh	59,232,788	61,328,480	120,561,268
	kW	161,883	169,091	330,974
Peak Demand Factor		0.00069561	0.00077963	

The RSVA 1589 GA balance has been allocated to the remaining Non-RPP customers based on the total Non-RPP consumption per class, excluding Class A customers. A separate rate rider is used to dispose of the balance RSVA 1589 GA to other class B customers. See Table 8 below for the GA allocation split of Global Adjustment kWh.

Table 11: Transition GA Disposition Eligibility Split

Eligibility	Consumption (kWh)	% of Non-RPP	GA Dollars Claim
Non RPP Consumption	387,500,805	100.00%	(1,038,273)
Class A Consumption for Partial Year Class A	4,698,960	1.21%	(12,590)
Consumption for Full Year Class A	120,561,269	31.11%	0
Total Class B Consumption	262,240,576	67.67%	(702,650)
Class B Transition Customers	4,177,120	1.59%	(16,538)

All GA rate riders have been calculated on an energy basis (kWh) as per 2023 Filing Requirements section 3.2.5.2 and can be found on Tab 6.1 'GA' in the 2023 Thunder Bay Rate Zone IRM Rate Generator Model.

Additionally, WMS CBR Class B balance has also been allocated between the remaining Class B customers based on the total Non-RPP consumption per class, excluding Class A customers using the same methodology as described above for Thunder Bay Rate Zone. This is described in more detail in section 3.2.5.4 in this application.

3.2.5.4.1 Global Adjustment Analysis Workform

As directed by the Board for the 2023 Rate Applications, distributors are required to complete the Global Adjustment (GA) Analysis Workform. This workform compares the general ledger principal balance to an expected principal balance based on monthly GA volumes, revenues and costs.

SYNERGY NORTH has completed the GA Analysis Workform for both Thunder Bay and Kenora Rate Zone. The GA Analysis helps the OEB assess if the balance being requested for disposition in Account 1589 is reasonable and helps confirm the accuracy of both accounts 1588 and 1589. SYNERGY NORTH confirms that the Consumption Data from Note 2 reflects the RRR data which was filed April 30, 2022, for 2021 volumes, non-loss adjusted.

SYNERGY NORTH confirms that it uses the first estimate of global adjustment to bill its customers for both of its Rate Zones. This treatment is applicable for all customer classes and is trued-up to the final rate posted by the IESO.

SYNERGY NORTH also confirms that the same GA rate is used to bill all customer classes and that GA Rate for Unbilled Revenue is the same as the one used for billed revenue in any particular month.

OEB has indicated that distributors who have a more precise monthly kWh volume data available based on allocation of billing data by calendar/load month may propose to use this data in the GA Analysis to calculate the expected GA balance. 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.

Unresolved differences as a percent of expected GA payments to the IESO fall below the OEB's instructed 1% threshold: -0.9% variance for the Thunder Bay Rate Zone principal balance, and 1.0% variance to the Kenora Rate Zone principal balance.

3.2.5.4.2 Commodity Accounts 1588 and 1589

The GA Analysis Workform has been populated for both Thunder Bay and Kenora Rate Zones. No adjustments were required for Account 1589 that was previously approved for either Zone.

A principal adjustment to Account 1588 in the Kenora Zone of $184,595 has been made in Tab 3. Continuity Schedule, Cell BF28. Examination of the unbilled calculation for year end 2021 noted this amount to be an over accrual in power revenue, which created a variance in Account 1588. This timing difference will reverse in 2022. The impact of the over-accrual was removed and is not being disposed of in this application. This amount is showing as a variance in all BW28.

There is a variance in the Thunder Bay Zone in the GA Analysis Workform of (1.5%). This variance is the result of fluctuating loss factor impacts.

3.2.5.5 Capacity Based Recovery

SYNERGY NORTH confirms that it follows the OEB Accounting Guidance on CBR issued by the Board on July 25, 2016.

SYNERGY NORTH has Class A customers in its Thunder Bay Rate Zone only. Kenora Rate Zone does not have any customers who qualify for this rate classification.

SYNERGY NORTH Thunder Bay Rate Zone bills its Class A customers their share of the actual CBR Charge, equal to Charge Type 1350 on the monthly IESO invoice based on the respective percentage related to Peak

Demand Factor. Class A Customers are billed by the IESO for CBR Costs recorded under charge type 1350 for CBR for Class A consumption are recorded in account 4708 charges – WMS Sub Account CBR Class A.

SYNERGY NORTH Thunder Bay Rate Zone records WMS revenues for CBR on all consumption effective January 1, 2021, and onwards for Class B customers, excluding Wholesale Market Participants. Costs recorded under charge type 1351 for CBR Class B consumption is recorded in Accounts 4708 Charges – WMS, Sub Accounts CBR Class B. SYNERGY NORTH tracks the variance between the revenue billed to customers for Class B CBR and the costs recorded under Charge Type 1351 for CBR in Account 1580 WMS Sub Account CBR Class B. Carrying charges are applied monthly opening balances at the Board prescribed rate.

The 2023 IRM Rate Generator Model has a variance in Column BW, cells BW23 and BW25. These variances are due to the RRR filing reporting the total for Account 1580, and the Continuity Schedule is populated to separate the WMS – CBR activity from the WMS. Note that these amounts offset.

SYNERGY NORTH has indicated in the 2023 IRM Rate Generator Tab 3. 'Continuity Schedule' that it has Class A customers during the period that the Account 1580 WMS CBR balances was accumulated (i.e. from the year the balance was last disposed).

Section 3.2.5.2 of the *2023 Filing Requirements* requires that distributors propose an approximate allocation for the recovery of the CBR variance. Selecting this Class A option to account for Class A customers in Tab 1. 'Information Sheet' results in Tab 6. 'Class A Consumption Data' requirement to input the Billing Determinants by Customer for kWh and kW. This tab segregates the consumption for those transition customers who have moved from Class B to Class A during the account accumulation period so that balances maybe appropriately applied to those customers that attributed to them. These reported volumes are then stripped from the disposition of 1580 WMS – CBR Class B Disposition, to appropriately allocate the balance to Class B customers who contributed to the variance account (as has been earlier described in section 3.2.5.3 Global Adjustment).

In the event that the allocated CBR Class B amount results in a volumetric rate rider that rounds to zero at the fourth decimal place in one or more rate classes the entire balance in Account 1580 Sub account CBR Class B will be added to the Account 1580 WMS control account to be disposed through the general purpose Group 1 DVA rate riders. SYNERGY NORTH confirms that for both Rate Zones the volumetric rate riders in one or more classes rounded to zero at the fourth decimal place and therefore is disposed through the general-purpose Group 1 DVA rate riders.

3.2.5.6 Disposition of Account 1595

Thunder Bay Rate Zone

SYNERGY NORTH Thunder Bay Rate Zone is requesting final disposition of Account 1595 – 2016 Vintage of $(2,537), and the initial disposition of the 2018 Vintage 1595 Account in the amount of $8,851.

The 2017 Vintage 1595 was claimed in EB-2021-0058, with the rider sunset date of April 30, 2023. This Vintage has not been set for disposition in this application and will be requested for final disposition in a future rate application.

Kenora Rate Zone

SYNERGY NORTH is requesting the initial disposition of the 2018 Vintage 1595 Account balance of $(1,255) in the Kenora Rate Zone. There are no pre-2018 Vintage Account balances to dispose of in this Zone.

3.2.7 Lost Revenue Adjustment Mechanism Variance Account

SYNERGY NORTH requests the disposal of LRAMVA in this application for both Zones.

3.2.7.1 Disposition of LRAMVA

SYNERGY NORTH is seeking disposition of its LRAMVA in its 2023 IRM Rate Application for both Rate Zones and has included the amounts to be allocated in Tab 4. 'Billing Determinants' of the Models for each Rate Zone.

Tab 3. Continuity Schedules for both Zones indicate a variance in Cell BW46. Updated LRAMVA amounts as calculated in this application will be recorded into the general ledger.

Compliance Audits

A compliance audit of the 2015-2020 timeframe was completed in February 2019, and another for the April 2019 to Dec '22 for activity under the Conservation First Framework. Both Kenora and Thunder Bay Zones were found to be compliant.

Thunder Bay Zone LRAMVA

SYNERGY NORTH is requesting disposition of lost revenue and persistence savings from 2015 through 2022 for the Thunder Bay Zone. Savings for 2023 have been claimed in this application for Prospective Disposition. 2024 through 2027 Prospective amounts will be claimed annually in future rate filings.

Two LRAMVA threshold values have been applied in the LRAMVA Workform. The 2013 threshold, set in the Settlement Agreement for EB-2012-0167 page 21 was applied for the 2015 and 2016 years, while the thresholds from the 2017 CoS Application (2016-0105 Settlement Agreement) were applied from 2017 forward.

This LRAMVA claim is based on participation, savings and persistence data taken from the following sources:

2015-2017

All kWh, kW and persistence savings were taken from IESO provided documents. "2017 Final Verified Annual LDC CDM Program Results" as provided by the IESO.

2018

2018 kWh savings by program were taken from the IESO provided "Participation and Cost Report – Thunder Bay Hydro Electricity Distribution Inc. – 201904" as provided by the IESO. Persistence were derived by calculation in the model using the most recent kW to kWh ratio, and persistence was based by formula from most recent ratio available. Customer class split percentage allocation for the Retrofit savings was the result identifying customers by class, and the resulting % of kW savings was allocated based on class participation by percentage.

2019

kWh savings by program were taken from the IESO provided Participant and Cost Report – 2019 04, as well as "Reported Results Applications (IESO) Thunder Bay 2019 Apr – Dec 31 kWh Savings CI" as provided by the IESO. Customer class split percentage allocation was the result of savings by program, listed by customer. Customers were sorted into classes and the resulting % of savings was allocated based on class participation percentage.

As kW savings and persistence was not available, these were derived by calculation in the model using the most recent kW to kWh ratio (2017), and persistence was based by formula from most recent ratio available (2017), by program.

2020 through 2022

Accumulated by details from the IESO's CDM Program Reported results. Using 2017 IESO's verified kW, kWh and persistence savings, the gross to net ratio, the kW to kWh ratio and the persistence ratio for 2020, 2021 and 2022 Energy Retrofits was derived. The resulting savings and persistence was input into the model. See calculations on working paper "Synergy North Annual Report_2020 2021 2022_CDM Savings" TBay Gross to Net and Persist tab. 100% of the participation in Retrofit programs in 2020, 2021 and 2022 were from the General Service 50 to 999 kW class.

Table 12: Summary of LRAMVA Principal, Carrying Charges by Class

Customer Class	Billing Unit	Principal ($)	Carrying Charges ($)	Total LRAMVA ($)
Residential	kWh	$208,023	$15,094	$223,117
GS<50 kW	kWh	$795,435	$30,341	$825,776
GS50-999 kW	kW	-$145,704	-$9,282	-$154,986
General Service 1,000 - 4,999kW	kW	-$385,923	-$11,893	-$397,817
Sentinel	kW	-$46	-$4	-$50
Street Lighting	kW	$60,418	$2,122	$62,540
Unmetered Scatter Load	kWh	-$541	-$49	-$590
Total		**$531,662**	**$26,328**	
				$557,990

The riders by class are calculated in the IRM Rate Generator, Tab 7:

Table 13: Summary of LRAMVA Riders by Class

Incentive Rate-setting Mechanism Rate Generator for 2023 Filers

Input required at cells C13 and C14. This workshseet calculates rate riders related to the Deferral/Variance Account Disposition (if applicable) and rate riders for Account 1568. Rate Riders will not be generated for the microFIT class.

Default Rate Rider Recovery Period (in months)	12	
DVA Proposed Rate Rider Recovery Period (in months)	12	Rate Rider Recovery to be used below
LRAM Proposed Rate Rider Recovery Period (in months)	12	Rate Rider Recovery to be used below

Rate Class	Unit	Total Metered kWh	Metered kW or kVA	Metered kWh less WMP consumption	Total Metered kW less WMP consumption	Allocation of Group 1 Account Balances to All Classes [2]	Allocation of Group 1 Account Balances to Non-WMP Classes Only (If Applicable) [2]	Deferral/Variance Account Rate Rider [2]	Deferral/Variance Account Rate Rider for Non-WMP (if applicable) [2]	Account 1568 Rate Rider
RESIDENTIAL SERVICE CLASSIFICATION	kWh	335,982,135	0	335,982,135	0	130,256		0.0004		0.0007
GENERAL SERVICE LESS THAN 50 KW SERVICE	kWh	128,770,649	0	128,770,649	0	56,203		0.0004		0.0063
GENERAL SERVICE 50 TO 999 KW SERVICE	kW	231,532,219	576,024	231,532,219	576,024	111,635		0.1938		(0.2723)
GENERAL SERVICE 1,000 KW OR GREATER SERVICE	kW	145,455,212	466,710	145,455,212	466,710	70,001		0.1500		(0.8539)
UNMETERED SCATTERED LOAD SERVICE	kWh	1,974,808	0	1,974,808	0	847		0.0004		(0.0003)
SENTINEL LIGHTING SERVICE CLASSIFICATION	kW	112,347	335	112,347	335	48		0.1438		(0.1493)
STREET LIGHTING SERVICE CLASSIFICATION	kW	5,320,907	14,996	5,320,907	14,996	2,904		0.1937		4.1704

2023 Prospective Disposition

The 2023 LRAMVA was calculated by increasing the resulting savings in Tab 1. LRAMVA Summary Table 1-2, 2023 TOTAL LRAM-Eligible, by class, by 3.40% which is the Price Cap Index amount in this IRM for Thunder Bay Zone. The 2023 $69,780 claim was input into the IRM, which produced the following allocations and riders by class, which are then input into Tab "18. Additional Rates":

Table 14: Summary of LRAMVA 2023 Prospective Disposition by Class

Description	LRAMVA Previously Claimed	Residential	GS<50 kW	GS50-999 kW	General Service 1,000 - 4,999kW	Sentinel	Street Lighting
2023 Actuals (in 2022 $)	☐	$0.00	$179,706.59	$37,728.42	$123,990.72	$0.00	$72,471.49
2023 Forecast (in 2022 $)		$0.00	($27,904.71)	($54,665.36)	($223,344.20)	$0.00	($40,497.46)
2023 TOTAL LRAM-Eligible*		$0.00	$151,801.88	($16,936.94)	($99,353.49)	$0.00	$31,974.03

Table 15: Summary of 2023 LRAMVA Allocation by Class

Class	$ Allocation	Billing Determinant	Rider
Residential	$0.00	kWh	$0.0000
GS < 50 kW	$156,963	kWh	$0.0012
GS > 50-999 kW	$(17,513)	kW	$(0.0304)
GS > 1,000	$(102,732)	kWh	$(0.2201)
USL	$0		0
Sentinel	$0		0
Streetlight	$33,061	kW	$2.2047
Total	$69,780		

Thunder Bay Streetlight Savings

The City of Thunder Bay undertook the conversion of streetlight fixtures over the period 2015 to 2021.

The kW savings presented in this application for the streetlight conversion are incremental, SYNERGY NORTH has verified that the IESO did not provide kW savings for this program in any of their provided Participation and Cost Reports.

As the conversions were completed in phases through the period 2015 to 2021, supporting data was provided to SYNERGY NORTH by the City of Thunder Bay as the project progressed. The data provided included the bulb

type replaced and the corresponding kW savings. As these data sheets were received, the billed kW was updated in the billing system to align with the updated usage. The following is a summary of the annual reduction in kW billed:

Table 16: City of Thunder Bay Streetlight Conversion

City of Thunder Bay Streetlight Conversion
kW Reduction in Monthly Billing

Year	kW Savings (kW the monthly bill was reduced By)
2015	200.95
2016	320.63
2017	132.99
2018	53.08
2019	146.94
2020	42.88
2021	237.49

Rate Mitigation for Thunder Bay Zone Streetlight Class

Tab 20. Bill Impacts indicates an 11.7% increase to the monthly bill for the Thunder Bay Streetlight class. SYNERGY NORTH is requesting discussions with the OEB regarding options to mitigate the rate increase to the Streetlight class as a result of this proposed LRAMVA disposition.

LRAMVA Kenora Zone

The LRAMVA was last requested for disposition in the Kenora Rate Zone in 2011, EB-2012-0141. This application includes a request to dispose of actual savings from 2012 through 2022, with persistence savings on actuals from 2011 through 2022. Savings for 2023 have been claimed in this application for Prospective Disposition. 2024 through 2027 Prospective amounts will be claimed annually in future rate filings.

2012-2017

All kWh, kW and persistence savings were taken from IESO provided documents.

2018 and 2019

Results by program for 2018 and 2019 were taken from the IESO provided "Participant and Cost Report – Kenora Hydro – 2019 04", the LDC Progress Tab. Incremental Energy Savings by program were provided and used in the model. The kW and persistence savings were derived by calculation in the model using the most recent (2017) kW to kWh ratio by program, and persistence was based by formula from most recent actual ratios available (2017). Customer class split percentage allocation from 2017 was used as a proxy for the % participation by class for these years.

2020 through 2022

IESO's CDM Program Reported results provided the kWh savings by program for these years. Using 2017 IESO's verified kW, kWh and persistence savings, the gross to net ratio, the kW to kWh ratio, and the persistence ratios were derived as a proxy to use to determine the ratio, kW savings and persistence for the 2020 to 2022 Retrofit programs, as only kWh savings were available from the IESO Reports. The resulting savings and persistence were input into the model for 2020, 2021 and 2022. See calculations on working paper "Synergy North Annual Report_2020 2021 2022 CDM Savings", on the "KN Gross to Net and Persist" tab. 100% of the participation in Retrofit programs in 2020 and 2021 were from the General Service 50 to 4,999 kW class.

2023 Prospective Disposition

The 2023 LRAMVA was calculated by increasing the resulting savings in Tab 1. LRAMVA Summary Table 1-2, 2023 TOTAL LRAM-Eligible, by class, by 3.10% which is the Price Cap Index amount in this IRM for Kenora Zone. $25,953 claim was input into the IRM, which produced the following allocations and riders by class, which are then input into Tab "18. Additional Rates":

Table 17: Summary of Kenora 2023 LRAMVA Allocation by Class

Class	$ Allocation	Billing Determinant	Rider
Residential	$0.00	kWh	$0.0000
GS < 50 kW	$4,261	kWh	$0.0002
GS > 50 kW	$7,199	kW	$0.0851
USL	$(3)	kWh	$0.0000
Streetlight	$14,496	kW	$12.4538
Total	$25,953		

Kenora Streetlight Conversion Program Savings

In the 2011 CoS Application, EB-2010-0135, Kenora Hydro was approved total CDM target of 522,000 kWh (Dec_Order_Kenora_20110525), of which 8,707 kWh was allocated to the streetlight class in the supporting working papers. A streetlight conversion was not anticipated, and no savings for a major light conversion project were included in the forecasts. The resulting LRAMVA threshold for the streetlight was 27 kW, which was used in the disposal of Account 1568 LRAMVA in the IRM filing EB-2012-0141. The threshold of 27 kW for the streetlight class was used in this Model.

The City of Kenora undertook the conversion of streetlight fixtures during 2015. The kW savings presented in this application for the streetlight conversion are incremental, the IESO did not provide kW savings for this program in their Participation and Cost Reports. This was verified in the Final 2015 Annual Verified Results Report, where this specific project has 0 kW savings or persistence. No adjustment to the kW savings or persistence is required for this project.

At the completion of the streetlight fixture conversion, Kenora Hydro was provided the supporting data for the head replacements and the kW savings that resulted, by fixture. In Dec 2015, the billings on the City Streetlight account were reduced from billed actual of 419 kW per month to 97 kW per month. No net to gross savings assumptions were used, as the reported results are based on the actual savings as a direct result of this specific project.

Table 18: Summary of kW Billing Data

Pre-Conversion Monthly Billing Summary Data:

Size (W)	Count	Total Load (W)	**Total Load (kW)**
75	9	675	0.68
130	2	260	0.26
190	777	147630	147.63
210	2	420	0.42
310	748	231880	231.88
470	81	38070	38.07
95		0	0.00
Total	**1619**	**418935**	**419**

Post Conversion Monthly Billing Summary Data:

Size (W)	Count	Total Load (W)	**Total Load**
34	64	2176	2.18
38	371	14098	14.10
43	244	10492	10.49
48	1	48	0.05
53	154	8162	8.16
58	31	1736	1.74
65	45	2925	2.93
73	75	5475	5.48
83	10	830	0.83
91	87	7917	7.92
101	369	37269	37.27
134	32	4288	4.29
153	3	459	0.46
168	9	1512	1.51
Total	1495	97387	**97**

Summary Tables for Kenora Principal, Carrying Charges and Riders

Tab 1. LRAMVA Summary provides the principal and carrying charges by Class for the LRAM claim to the end of 2022:

Table 19: Summary of LRAMVA Principal, Carrying Charges by Class

Customer Class	Billing Unit	Principal ($)	Carrying Charges ($)	Total LRAMVA ($)
Residential	kWh	$41,020	$3,183	$44,204
GS<50 kW	kWh	$30,341	$1,275	$31,616
GS>50	kW	$35,805	$1,171	$36,976
USL	kWh	-$33	-$2	-$36
Streetlight	kW	$93,635	$3,869	$97,504
Total		**$200,769**	**$9,496**	**$210,265**

The riders by class are calculated in the IRM Rate Generator, Tab 7:

Table 20: Summary of LRAMVA Rate Rider by Class

Incentive Rate-setting Mechanism Rate Generator for 2023 Filers

Input required at cells C13 and C14. This workshseet calculates rate riders related to the Deferral/Variance Account Disposition (if applicable) and rate riders for Account 1568. Rate Riders will not be generated for the microFIT class.

Default Rate Rider Recovery Period (in months)	12	
DVA Proposed Rate Rider Recovery Period (in months)	12	Rate Rider Recovery to be used below
LRAM Proposed Rate Rider Recovery Period (in months)	12	Rate Rider Recovery to be used below

Rate Class	Unit	Total Metered kWh	Metered kW or kVA	Total Metered kWh less WMP consumption	Total Metered kW less WMP consumption	Allocation of Group 1 Account Balances to All Classes [2]	Allocation of Group 1 Account Balances to Non-WMP Classes Only (If Applicable) [2]	Deferral/Variance Account Rate Rider [2]	Deferral/Variance Account Rate Rider for Non-WMP (if applicable) [2]	Account 1568 Rate Rider
RESIDENTIAL SERVICE CLASSIFICATION	kWh	38,473,116	0	38,473,116	0	(44,039)		(0.0011)		0.0011
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	kWh	21,527,391	0	21,527,391	0	(23,452)		(0.0011)		0.0015
GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION	kW	33,696,059	84,564	33,696,059	84,564	(36,058)		(0.4264)		0.4373
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kWh	165,451	0	165,451	0	(175)		(0.0011)		(0.0002)
STREET LIGHTING SERVICE CLASSIFICATION	kW	375,386	1,164	375,386	1,164	(421)		(0.3619)		83.7663

The following are the claims for the 2023 Prospective Disposition, by class (principal only no carrying charges):

Table 21: Summary of Kenora Zone LRAMVA 2023 Prospective Disposition by Class

Description	LRAMV	Residential	GS<50 kW	GS>50	USL	Streetlight
2023 Actuals (in 2022 $)	☐	$0.00	$5,097.69	$7,800.04	$0.00	$14,159.24
2023 Forecast (in 2022 $)		$0.00	($757.49)	($984.88)	($3.21)	($98.94)
2023 TOTAL LRAM-Eligible*		$0.00	$4,340.20	$6,815.16	($3.21)	$14,060.30

Total eligible 2023 Prospective LRAMVA of $25,212, uplifted to $25,994 for the 3.1% Price Cap Index, 2023 increase for Kenora Zone is claimed in this model.

Table 22: Kenora Zone LRAMVA 2023 Prospective Disposition Rider by Class

Ontario Energy Board

Incentive Rate-setting Mechanism Rate Generator for 2023 Filers

Input required at cells C13 and C14. This workshseet calculates rate riders related to the Deferral/Variance Account Disposition (if applicable) and rate riders for Account 1568. Rate Riders will not be generated for the microFIT class.

Default Rate Rider Recovery Period (in months)	12	
DVA Proposed Rate Rider Recovery Period (in months)	12	Rate Rider Recovery to be used below
LRAM Proposed Rate Rider Recovery Period (in months)	12	Rate Rider Recovery to be used below

Rate Class	Unit	Total Metered kWh	Metered kW or kVA	Total Metered kWh less WMP consumption	Total Metered kW less WMP consumption	Allocation of Group 1 Account Balances to All Classes [2]	Allocation of Group 1 Account Balances to Non-WMP Classes Only (If Applicable) [2]	Deferral/Variance Account Rate Rider [2]	Deferral/Variance Account Rate Rider for Non-WMP (if applicable) [2]	Account 1568 Rate Rider
RESIDENTIAL SERVICE CLASSIFICATION	kWh	38,473,116	0	38,473,116	0	(44,039)		(0.0011)		0.0000
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	kWh	21,527,391	0	21,527,391	0	(23,452)		(0.0011)		0.0002
GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION	kW	33,696,059	84,564	33,696,059	84,564	(36,058)		(0.4264)		0.0831
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kWh	165,451	0	165,451	0	(175)		(0.0011)		0.0000
STREET LIGHTING SERVICE CLASSIFICATION	kW	375,386	1,164	375,386	1,164	(421)		(0.3619)		12.4535

Rate Mitigation for Kenora Zone Streetlight Class

Tab 20. Bill Impacts indicates a 147% increase to the monthly bill for the Kenora Streetlight class. SYNERGY NORTH is requesting discussions with the OEB regarding options to mitigate the rate increase to the Streetlight class as a result of this proposed LRAMVA disposition.

3.2.7 Tax Changes

Under a 4th Generation IR, a 50/50 sharing of any tax savings is required if legislated tax changes, when applied to the tax provision calculation in a Cost of Service application, result in savings to the LDC.

Thunder Bay Rate Zone

In SYNERGY NORTH Thunder Bay Rate Zone's most recent Cost of Service electricity distribution rate application (EB-2016-0105), the corporate tax rate used was 26.5%. Currently there are no known legislated tax changes in 2023 that will create tax savings.

Kenora Rate Zone

In SYNERGY NORTH Kenora Rate Zone's most recent Cost of Service electricity distribution rate application (EB-2010-035), the corporate tax rate used in this determination was 15.5% for July 1, 2011 rates. There is a known legislated tax change that will reduce the combined tax rate to 12.2%. This reduction results in a total tax savings of $5,371. The required 50/50 sharing of $2,686 does not result in a calculated rate rider in this model. This amount will be recorded in the 2023 year-end as a credit into a Sub-Account 1595.

3.2.8 Z-Factor Claims

SYNERGY NORTH is not requesting the recovery of costs associated with unforeseen events or extraordinary costs by means of a Z-Factor in this application.

3.2.9 Off Ramps

SYNERGY NORTH's merged 2021 RRR filing included a regulated achieved ROE for 2021 within the 300-basis point dead band. SYNERGY NORTH has not exceeded the ROE dead band and continues to request a Price Cap IR adjustment in this application for the Thunder Bay Rate Zone, and the Annual IR Index for Kenora Rate Zone as per the Board Approved MAAD application decision.

3.3 Elements Specific Only to the Price Cap IR Plan

3.3.1 / 3.3.2 / 3.3.2.2 / 3.2.2.3 / 3.3.2.6 Advanced Capital Module\Incremental Capital Module

SYNERGY NORTH is not proposing an Advanced Capital Module or Incremental Capital Module cost recovery in this application. The 2023 Capital Module application for ACM and ICM has not been completed.

3.4 Specific Exclusions from Applications

SYNERGY NORTH confirms that it is not seeking any specifically excluded items in this rate application process.

3.5 Bill Impacts

The service and rate classifications, and the associated electricity distribution rates included in the 2023 IRM models, are those approved by the Board in its Decision and Orders in SYNERGY NORTH Thunder Bay Rate Zone 2017 Cost of Service Rate Application (EB-2016-0105) and Kenora Rate Zone 2011 Cost of Service Rate Application (EB-2010-0135).

Thunder Bay Rate Zone Bill Impacts

RTSR Rates:

Each customer class in the Thunder Bay Zone requires the LDC to explain the greater than 10% increase in the RTSR – Network charge as a result of this rate application. Tab “15. RTSR Rates to Forecast”, which produces the final charge for Network RTSR, allowed no LDC inputs. The model produces the RTSR rates based on OEB inputs and calculations, therefore SYNERGY NORTH can offer no reasoning for the increase in this charge.

The total bill impact to a Residential Regulated Price Plan customer in the Thunder Bay Rate Zone with a monthly electricity consumption of 750 kWh’s is an increase of $3.06 or 2.7% per month (incl. HST and 11.7% Ontario Electricity Rebate).

The total bill impact to a "General Service < 50 kW Service Classification" Regulated Price Plan in the Thunder Bay Rate Zone customer with a monthly electricity consumption of 2,000 kWh's is an increase of $21.94 or 7.3% per month (Inc. HST and 11.7% Ontario Electricity Rebate).

Table 23 includes a summary of the bill impacts for each rate class, based on the outcomes of the detailed bill impacts in Tab 20 of the 2023 IRM Rate Generator Model.

Table 23: Thunder Bay Rate Zone 2023 Bill Impact Summary

RATE CLASSES / CATEGORIES *(eg: Residential TOU, Residential Retailer)*	Units	Sub-Total A		Sub-Total B		Sub-Total C		Total Total Bill	
		$	%	$	%	$	%	$	%
RESIDENTIAL SERVICE CLASSIFICATION - RPP	kWh	$ 1.43	5.4%	$ 2.32	8.0%	$ 3.02	7.6%	$ 3.06	2.7%
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION - RPP	kWh	$ 15.00	22.1%	$ 19.79	26.8%	$ 21.66	21.5%	$ 21.94	7.3%
GENERAL SERVICE 50 TO 999 KW SERVICE CLASSIFICATION - Non-RPP (Other)	kW	$ (10.10)	-1.6%	$ (245.75)	-34.8%	$ (205.26)	-15.8%	$ (231.95)	-3.3%
GENERAL SERVICE 1,000 KW OR GREATER SERVICE CLASSIFICATION - Non-RPP	kW	$ (1,024.53)	-13.2%	$ (4,016.58)	-47.4%	$ (3,464.59)	-20.8%	$ (3,914.99)	-4.8%
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION - RPP	kWh	$ 0.34	2.4%	$ 0.83	5.5%	$ 1.21	5.9%	$ 1.23	2.0%
SENTINEL LIGHTING SERVICE CLASSIFICATION - RPP	kW	$ 0.38	2.4%	$ 0.77	5.0%	$ 1.03	5.3%	$ 1.05	4.1%
STREET LIGHTING SERVICE CLASSIFICATION - Non-RPP (Other)	kW	$ 428.48	60.8%	$ 490.79	66.2%	$ 515.96	46.3%	$ 583.04	11.7%
RESIDENTIAL SERVICE CLASSIFICATION - Non-RPP (Retailer)	kWh	$ 1.43	5.4%	$ (2.26)	-7.4%	$ (1.56)	-3.8%	$ (1.76)	-1.3%
GENERAL SERVICE 50 TO 999 KW SERVICE CLASSIFICATION - Non-RPP (Retailer)	kW	$ (6.96)	-1.2%	$ (251.85)	-39.5%	$ (216.36)	-18.6%	$ (244.49)	-3.5%

SYNERGY NORTH notes that the Streetlight class exceeds the 10% increase, due to the LRAMVA claims. A 24-month disposition period for this class, on both the 2015-2022 LRAM and the 2023 Prospective LRAM riders, will reduce the monthly increase to $233 or 4.69% overall bill impact.

Kenora Rate Zone Bill Impacts

RTSR Rates

Each customer class in the Kenora Zone requires the LDC to explain the greater than 10% increase in the RTSR – Network charge as a result of this rate application. Tab "15. RTSR Rates to Forecast", which produces the final charge for Network RTSR, allowed no LDC inputs. The model produces the RTSR rates based on OEB inputs and calculations, therefore SYNERGY NORTH can offer no reasoning for the increase in this charge.

The total bill impact to a "Residential Regulated Price Plan" customer in the Kenora Rate Zone with a monthly electricity consumption of 750 kWh's is an increase of $3.01 or 2.5% per month (incl. HST and 11.7% Ontario Electricity Rebate).

The total bill impact to a "General Service < 50 kW Service Classification" Regulated Price Plan customer with a monthly electricity consumption of 2,000 kWh's is an increase of $8.06 or 2.9% per month (incl. HST and 11.7% Ontario Electricity Rebate).

The total bill impact to a “Streetlight” customer is $10,577 or 147% increase each month. The disposal of the LRAMVA claims over a one-year period is driving this increase. Rate mitigation for this class is requested.

Table 24 includes a summary of the bill impacts for each rate class, based on the outcomes of the detailed bill impacts in Tab 20 of the 2023 IRM Rate Generator Model (Streetlight class shown at 12-month disposition (without mitigation measures) in this table.

Table 24: Kenora Rate Zone 2023 Bill Impact Summary

RATE CLASSES / CATEGORIES *(eg: Residential TOU, Residential Retailer)*	Units	Sub-Total A		Sub-Total B		Sub-Total C		Total Total Bill	
		$	%	$	%	$	%	$	%
RESIDENTIAL SERVICE CLASSIFICATION - RPP	kWh	$ 1.84	5.6%	$ 2.35	6.5%	$ 2.98	6.6%	$ 3.01	2.5%
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION - RPP	kWh	$ 4.51	8.1%	$ 6.50	10.1%	$ 7.96	9.4%	$ 8.06	2.9%
GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION - Non-RPP (Other)	kW	$ 69.37	9.0%	$ 76.41	9.4%	$ 108.66	8.9%	$ 122.79	4.9%
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION - Non-RPP (Retailer)	kWh	$ 15.67	2.6%	$ (15.58)	-2.6%	$ (6.45)	-0.9%	$ (7.29)	-0.3%
STREET LIGHTING SERVICE CLASSIFICATION - Non-RPP (Retailer)	kW	$ 8,209.21	297.0%	$ 9,336.59	337.5%	$ 9,360.20	305.8%	$ 10,577.03	147.0%
RESIDENTIAL SERVICE CLASSIFICATION - Non-RPP (Retailer)	kWh	$ 1.84	5.6%	$ (0.12)	-0.3%	$ 0.50	1.1%	$ 0.57	0.4%

SUPPORTING ELECTRONIC DOCUMENTS / APPENDICES

Please see the listing below for electronic files uploaded to the website which support the application.

SN_EB2022_0063_ 2023_IRM_Checklist: ***IRM Checklist***

SN_EB2022_0063_ CDM Results 2020-2022_20221111

KN_EB2021_0058_Tariff Sheet_20221109

KN_EB2022_0063_IRM-Rate-Generator-Model_20221111: ***2023 Kenora Rate Zone Rate Generator Model***

KN_EB2022_0063_GA_Analysis_Workform_20221111: ***Kenora Rate Zone Global Adjustment Analysis Workform***

KN_EB2022_0063_LVRAMVA_Workform_20221111: ***Kenora Rate Zone LVRAM Workform***

KN_EB2022_0063_2017 Final Verified Annual…20221111: ***Thunder Bay Rate Zone IESO Verified Results***

KN_EB2022_0063_ 2023_Proposed Tariff Sheet_20221111: ***Kenora Rate Zone Proposed 2023 Schedule of Tariff and Rates***

TB_EB2021_0058_Tariff Sheet_20221111

TB_EB2022_0063_Rate-Generator-Model_20221111: ***2022 Thunder Bay Zone Rate Generator Model***

TB_EB2022_0063_GA_Analysis_Workform_20221111: ***Thunder Bay Rate Zone Global Adjustment Analysis Workform***

TB_EB2022_0063_LVRAM_Workform_20221111: ***Thunder Bay Rate Zone LVRAM Workform***

TB_EB2022_0063_2017 Final Verified Annual…20221111: ***Thunder Bay Rate Zone IESO Verified Results***

TB_EB2022_0063_ 2023_Proposed Tariff Sheet_202221111: ***Thunder Bay Rate Zone Proposed 2023 Schedule of Tariff and Rates***