**Synergy North Corporation**

**EB-2022-0063**

**OEB Staff Questions**

**December 13, 2022**

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**Staff Question-1**

**Ref: Thunder Bay Rate Zone (RZ), Rate Generator Model, Tab 10**

In Tab 10 of Thunder Bay RZ’s Rate Generator Model, Synergy North provided consumption and demand volumes for interval and non-interval customers in the GS 50 to 999 kW rate class. However, as listed below, the sum of the two categories (interval and non-interval) does not match the class-total data reported in RRR.

|  |  |  |  |
| --- | --- | --- | --- |
|  | Rate Class | kWh | kW |
| Tab 10 RTSR | GS 50 to 999 kW | 231,392,203 | 593,805 |
| Tab 4 RRR Billing Determinants | GS 50 to 999 kW | 231,532,219 | 576,024 |

1. Please review and update the consumption and demand billing determinant values for GS 50 to 999 kW class in Tab 10.

**Staff Question-2**

**Ref: Thunder Bay RZ and Kenora RZ, Rate Generator Models, Tab 3 Continuity Schedule, Discrepancies between RRR and Continuity Schedule (column BV)**

It’s noted that before filing of this IRM application, Synergy North had requested OEB staff to make the following changes in column BV of the Continuity Schedules. The balances in column BV should match the balances that distributor reported in the RRR system.

Kenora RZ:

Account 1586: From $231,964 to $(1,945)

Account 1589: From $(240,149) to $(116,123)

Thunder Bay RZ:

Account 1589: From $0 to $(457,369)

1. Please review and confirm which value is the correct balance for each above noted account.
2. Please make necessary revision in the RRR system or the Continuity Schedule so that the balances are consistent.

**Staff Question-3**

**Ref: Thunder Bay RZ and Kenora RZ, Rate Generator Models, Tab 3 Continuity Schedule, 2021 year-end balance in Account 1580 sub-account CBR Class B**

Synergy North reported a total credit balance of $457,369 and a total credit balance of $17,275 as of year-end 2021 in Account 1580 sub-account CBR Class B, in the Continuity Schedules for Thunder Bay RZ and Kenora RZ respectively. However, for the same sub-accounts, Synergy North reported $0 for both RZs in the RRR system.

1. Please review and confirm the correct balances in this sub-account for both RZs. Please make necessary revisions in the RRR system and request OEB staff to make the same updates in column BV accordingly.
2. Please note that in the RRR system, the balance reported for control Account 1580 should include balance in sub-account 1580 CBR Class B. However, in the Continuity Schedule reporting, the control Account 1580 should exclude the balance in sub-account 1580 CBR Class B. Please make updates accordingly.

**Staff Question-4**

**Ref: Thunder Bay RZ, Tab 3 Continuity Schedule, Account 1595 (2016)**

In this application, Synergy North is requesting to dispose a credit balance of $2,537 in Account 1595 (2016). Synergy North disposed of the residual balance in Account 1595 (2016) in its 2019 IRM proceeding (EB-2018-0069). According to the Chapter 3 Filing Requirements (and note 3 on Tab 3 Continuity Schedule), any vintage year of Account 1595 is only to be disposed once on a final basis. No further dispositions of these accounts are generally expected.

1. The amount that is requested for disposition in Account 1595 (2016) is immaterial. Also, Synergy North has disposed of the residual balance in this account in previous proceeding. Please confirm if Synergy North proposes to remove the balances in this account (and corresponding request for disposition). If not, please explain why.

**Staff Question-5**

**Ref: Thunder Bay RZ, Rate Generator Model, Tab 3 Continuity Schedule, Account 1595 (2022)**

Account 1595 (2022) has a balance of ($257,504) as at December 31, 2021 and a variance of the Account 1595 (2022) in cell BW37.

1. In columns BM and BN, Synergy North entered the total disposition amounts (for principal and interest) in row 37. These total disposition balances should be recorded in 1595 sub-account with a reversed sign. Please review and make necessary revisions.
2. Please explain why there is balance in 2021 for Account 1595 (2022) and explain the variance noted above and revise the evidence as needed.

**Staff Question-6**

**Ref 1: Thunder Bay RZ, Rate Generator Model, Tab 3 Continuity Schedule**

**Ref 2: Thunder Bay RZ, GA Analysis Workform – Tab GA 2021**

Net Change in Principal Balance in the GL (cell C75) of ($480,884) in Reference 2 does not agree to the transaction debit/credit (cell BD29) during 2021 of $(996,194) in Reference 1 as ($480,884) appears to include the amount approved for disposition.

1. Please revise the evidence as needed so that the Net Change in Principal Balance in the GL (cell C75) in Reference 2 represents the only transactions in 2021. Please reassess the results of the GA 2021 tab.

**Staff Question-7**

**Ref : Thunder Bay RZ, GA Analysis Workform – Tab GA 2021**

Ref has one reconciling item: #5 “Impacts of GA deferral/recovery” of $361,454 (Cell C83).

1. Please quantify the reconciling item #5.
2. Please complete the volume variance table (Cell G55:K57)
3. Please explain the difference in loss factor (Cell K63) as it is greater than 1%.

**Staff Question-8**

**Ref 1: Manager’s Summary, page 20**

**Ref 2: Thunder Bay RZ, GA Analysis Workform – Tab Account 1588**

Reference 1 states that “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.” Reference 2 also states that “Total variance of 1.50% is likely due to difference between billed losses and actual losses”

1. Please elaborate further of the causes of variance and provide an analysis showing the impact of the difference between billed and actual losses to Account 1588.

**Staff Question-9**

**Ref 1: Manager’s Summary, page 19**

**Ref 2: Thunder Bay GA Analysis Workform – Tab GA 2021**

**Ref 3: Kenora GA Analysis Workform – Tab GA 2021**

Reference 1 states that “SYNERGY NORTH confirms that it uses the first estimate of global adjustment to bill its customers for both of its Rate Zones.”. Reference 2 & 3 state that “GA is billed on the second estimate”.

1. Please clarify and revise both GA Analysis Workforms or the Manager’s Summary as needed.

**Staff Question-10**

**Ref: Kenora RZ, GA Analysis Workform – Tab 2021 GA**

OEB staff calculated the actual loss factor below based on information in the GA Analysis Workform. Please comment on the reasonability of the calculated actual loss factor as compared to the actual losses that Synergy North Kenora RZ experiences.

|  |  |
| --- | --- |
|  | **2021** |
| Non-RPP retail kWh, including loss (A) | 35,871,717 |
| Approved loss factor (B) | 1.043 |
| Non-RPP retail kWh excluding loss (C = A/B) | 34,392,826 |
| Non-RPP wholesale kWh (D) | 34,634,598 |
| Calculated actual loss factor (=D/C) | 1.00704 |

**Staff Question-11**

**Ref 1: Kenora RZ, GA Analysis Workform – Tab Principal Adjustments**

**Ref 2: EB-2021-0058, Kenora RZ, GA Analysis WorkformV2 – Tab Principal Adjustments**

In Reference 2 Cell V57, there is a principal adjustment of $(455,504) which is to “Correct Error in 2020 1598 FR Filings” and is recorded in the 2021 GL.

1. Please include this amount in the first table and reverse the same amount in the second table of Reference 1. Please also revise the Principal Adjustment tab and 1588 tab in the GA Analysis Workform and the Continuity Schedule Tab 3 Cell BF28. If a reversal is not needed, please explain why.

**Staff Question-12**

LRAMVA – Thunder Bay RZ

**Ref 1:** LRAMVA Workform, Tab 5 2015-2027 LRAM Formula Error Correction

An additional formula error was identified in version 1.2 of the updated LRAMVA Workform. Cell AF960 in Tab 5 incorrectly referenced column E instead of column D. By updating the formula in Cell AF960 to correctly reference column D, the LRAMVA balance changes from $557,990 to $557,802.

1. Please update Tab 5 of the LRAMVA workform with the formula change referenced above and refile the LRAMVA workform at the updated LRAMVA amount

**Staff Question-13**

LRAMVA – Thunder Bay RZ

**Ref 1:** LRAMVA Workform, Tab 5 2015-2027 LRAM, 2016 City of Thunder Bay Streetlight

**Ref 2:** Synergy North 2023 Electricity Distribution Rate Application, PDF Page 26 of 35

Per Synergy North’s application, the kW savings the monthly bill was reduced by in 2016 is 320.63 kW. Per Tab 5 of the LRAMVA Workform, the kW reported was 27 kW from cells R339 to AD339.

1. Please confirm what the kW net peak demand savings persistence should be for 2016 City of Thunder Bay Streetlight (cells R339 to AD339) – 321 kW or 27 kW?
2. If the confirmed amount in part a) above differs from the LRAMVA Workform amount of 27 kW, please update the corresponding cells in Tab 5 of the LRAMVA Workform and refile the Workform.

**Staff Question-14**

LRAMVA – Thunder Bay RZ

**Ref 1:** LRAMVA Workform, Tab 5 2015-2027 LRAM, 2020 City of Thunder Bay Streetlight

**Ref 2:** Synergy North 2023 Electricity Distribution Rate Application, PDF Page 26 of 35 **Ref 3:** Synergy North Annual Report\_2020 2021 2022\_CDM Savings

Per Synergy North’s application, the kW savings the monthly bill was reduced by in 2020 is 42.88 kW. This differs from the reported amount per Synergy North Annual Report\_2020 2021 2022\_CDM Savings working paper of 24 kW. However, it agrees with the 43 kW savings reported per year per Tab 5 of the LRAMVA Workform from cells R1101 to AD1101.

1. Please confirm what the kW net peak demand savings persistence should be for 2020 City of Thunder Bay Streetlight (cells R1101 to AD1101)?
2. If the confirmed amount in part a) above differs from the LRAMVA Workform amounts from cells R1101 to AD1101, please update the corresponding cells in Tab 5 of the LRAMVA Workform and refile the Workform.

**Staff Question-15**

LRAMVA – Thunder Bay RZ

**Ref 1:** LRAMVA Workform, Tab 5 2015-2027 LRAM, 2021 City of Thunder Bay Streetlight

**Ref 2:** Synergy North 2023 Electricity Distribution Rate Application, PDF Page 26 of 35 **Ref 3:** Synergy North Annual Report\_2020 2021 2022\_CDM Savings

Per Synergy North’s application, the kW savings the monthly bill was reduced by in 2021 is 237.49 kW. This differs from the reported amount per Synergy North Annual Report\_2020 2021 2022\_CDM Savings working paper of 628 kW which agrees with the sum of the kW savings reported per Tab 5 of the LRAMVA workform from cells R1271 to AD1271.

1. Please confirm what the kW net peak demand savings persistence should be for 2021 City of Thunder Bay Streetlight (cells R1271 to AD1271)?
2. If the confirmed amount in part a) above differs from the LRAMVA Workform amounts from cells R1271 to AD1271, please update the corresponding cells in Tab 5 of the LRAMVA Workform and refile the Workform.

**Staff Question-16**

LRAMVA – Kenora Bay RZ

**Ref 1:** LRAMVA Workform, Tab 1 LRAMVA Summary

There is a discrepancy between the balance reported in LRAMVA account #1568 per cell H22 ($207,485) and cell G44 ($210,265) of Tab 1 of the LRAMVA Workform.

1. Please confirm the LRAMVA amount Synergy North is requesting to dispose of in the Kenora Bay RZ - is it a debit balance of $207,485 or $210,265? The difference of $2,780 appears to be a sum of the difference between actual and forecasted savings in 2011 for all rate classes as seen in row 57 of Tab 1 of the LRAMVA Workform.
2. If the LRAMVA amount is $207,485, please update the LRAMVA Workform by removing the “amount cleared” fields in row 57 of Tab 1 of the LRAMVA Workform to ensure that the balance in cell R92 coincides with the balance in cell H22 and cell G44.

**Staff Question-17**

LRAMVA – Kenora Bay RZ

**Ref 1:** LRAMVA Workform, Tab 5 2015-2027 LRAM, 2018 Save on Energy Retrofit Program

**Ref 2:** LRAMVA Workform, Tab 7 Persistence Report

Some net peak demand savings persistence (kW) reported per Tab 5 of the LRAMVA Workform for the Save on Energy Retrofit Program in 2018 does not coincide with Tab 7 Persistence report of the LRAMVA Workform

1. Please confirm the net peak demand savings persistence (kW) from 2018 to 2030 for the Save on Energy Retrofit Program in Tab 5 of the LRAMVA Workform (row 691). By comparing the savings reported per Tab 5 and Tab 7 for the Save on Energy Retrofit Program in the LRAMVA Workform, it appears there is a discrepancy in years 2022, 2027, 2029 and 2030. If there are discrepancies, please update and refile the LRAMVA Workform accordingly.

**Staff Question-18**

LRAMVA – Kenora Bay RZ

**Ref 1:** LRAMVA Workform, Tab 5 2015-2027 LRAM, 2020 Block Heater Timer Program

Verified net energy savings in 2020 and net energy savings persistence through to 2032 reported in Tab 5 of the LRAMVA Workform for the Block Heater Timer Program could not be tied to the Synergy North Annual Report\_2020 2021 2022 CDM Savings report referenced in Synergy North’s application.

1. Please provide calculation support for the savings reports in cells D1104 through to P1104 for the Block Heater Timer Program per Tab 5 of the LRAMVA Workform.

**Staff Question-19**

LRAMVA – Thunder Bay RZ & Kenora RZ

**Ref 1:** IRM Rate Generator Model, Tab 3

Synergy North correctly populated Tab 18 of the IRM Rate Generator Model with the 2023 rate rider for 2023, adjusted by the inflation minus x-factor to this balance to determine the final rate rider for both the Thunder Bay RZ and Kenora RZ. However, OEB staff is unable to tie the LRAMVA balance in Tab 3 of the IRM Rate Generator Model to the respective LRAMVA amounts in Tab 1 of the LRAMVA Workform for both RZs.

1. Please update Tab 3 of the IRM Rate Generator Model for both RZs.

**Staff Question-20**

LRAMVA – Thunder Bay RZ

**Ref 1:** Rate Generator Model, Tab 3 & Tab 18

**Ref 2:** Synergy North 2023 Electricity Distribution Rate Application, PDF Page 25 of 35 (Thunder Bay RZ)

**Ref 3:** LRAMVA Workform, Tab 1 LRAMVA Summary

Synergy North populated Tab 18 of the Rate Generator Model with the 2023 rate rider for 2023. However, OEB staff is unable to tie the LRAMVA balance in Tab 3 of the IRM Rate Generator Model to the LRAMVA amounts in Tab 1 of the LRAMVA Workform for Thunder Bay RZ.

1. Please confirm that the rate riders in Tab 18 of the Rate Generator Model have been adjusted to reflect the 2023 OEB-Approved inflation factor of 3.7% minus Synergy North’s stretch factor to determine the final rate rider for Thunder Bay RZ. Please provide the supporting calculation. Where applicable, please update Tab 18 of the IRM Rate Generator Model accordingly.
2. Please update Tab 3 of the Rate Generator Model for Thunder Bay RZ.

**Staff Question-21**

LRAMVA – Kenora RZ

**Ref 1:** Rate Generator Model, Tab 3 & Tab 18

**Ref 2:** Synergy North 2023 Electricity Distribution Rate Application, PDF Page 27 of 35 (Kenora RZ)

**Ref 3:** LRAMVA Workform, Tab 1 LRAMVA Summary

Synergy North populated Tab 18 of the Rate Generator Model with the 2023 rate rider for 2023. However, OEB staff is unable to tie the LRAMVA balance in Tab 3 of the IRM Rate Generator Model to the LRAMVA amounts in Tab 1 of the LRAMVA Workform for Kenora RZ.

1. Please confirm that the rate riders in Tab 18 of the Rate Generator Model have been adjusted to reflect the 2023 OEB-Approved inflation factor of 3.7% minus Synergy North’s stretch factor to determine the final rate rider for Kenora RZ. Please provide the supporting calculation. Where applicable, please update Tab 18 of the IRM Rate Generator Model accordingly.
2. OEB staff notes a discrepancy in the rate riders populated in Tab 18 of the Rate Generator Model for Kenora RZ (GS>50 kW and Street Lighting classes) as compared to Table 17 on page 27 of Synergy North’s Rate Application. Please confirm the rate riders for Kenora RZ. Where applicable, please update the Table 17 of the application or Tab 18 of the IRM Rate Generator Model to reflect the correct rate rider.
3. Please update Tab 3 of the Rate Generator Model for Kenora RZ.

**Staff Question-22**

**Ref: Thunder Bay RZ and Kenora RZ, Street Lighting Rate Class – Bill Impacts**

In the application, Synergy North notes that the total bill impacts for the Street Lighting classes of both Thunder Bay RZ and Kenora RZ are higher than the 10% threshold.

1. For both RZs’ Street Lighting class, in Tab 20 of the Rate Generator Model – Table 1, please review and confirm the data entered for Consumption, Demand and Billing Determinant for Fixed Charge (columns K, L and N). (As instructed in Note 2 of Tab 20 Bill Impacts, if the monthly fixed charge is applied on a per customer basis, for instance, 1 should be entered as billing determinant; if the monthly fixed charge is applied on a per-connection basis, the number of connections for a typical customer should be entered. Please note that the basis of the monthly fixed charge is indicated in the tariff.)
2. Has Synergy North communicated with the Street Lighting customers (shareholders) in the two RZs regarding the proposed rate increases as of May 2023 and the resulting total bill impacts? If yes, please provide feedback from the affected shareholders. If not, please explain why Synergy North has not informed the shareholders about the proposed rate increases and resulting bill impacts.
3. Please confirm whether Synergy North now proposes to mitigate the Street Lighting bill impacts for any of the two RZs. If yes, please provide details about the mitigation plans and make necessary updates to related models. (Please inform OEB staff in case OEB staff’s input is needed in updating the models.) If Synergy North does not propose to mitigate the bill impacts, please provide the rationale.