

**Synergy North Corporation**  
**EB-2022-0063**  
**Replies to OEB Staff Questions**  
**December 13, 2022**

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*.

**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

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

**SYNERGY NORTH RESPONSE:**

***Thunder Bay RZ, Tab 10 has been updated to reflect value as filed in the RRR.***

**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)

- a) Please review and confirm which value is the correct balance for each above noted account.

**SYNERGY NORTH RESPONSE:**

***Balances in Continuity Schedule are correct, revisions to RRR have been requested to update as follows:***

**Kenora RZ**

**Account 1586: \$(1,945)**

Kenora 1586 CN					
	RSVA Balance	IRM Tab 3 Continuity as Filed Column BV	RRR As Filed	RRR Revised	
<b>Account 1586 Transmission Connection</b>					
Kenora CN Principal	\$ (2,706)		\$ 227,213	\$ (2,706)	Group 1 Line 18 Column "A"
Kenora CN Interest	\$ 761		\$ 4,715	\$ 761	Group 1 Line 18 Column "B"
Kenora Total Account 1586 RSVA CN	<b>\$ (1,945)</b>	<b>\$ (1,945)</b>	<b>\$ 231,928</b>	<b>\$ (1,945)</b>	

**Account 1589: \$(116,123)**

Kenora 1589 GA					
	RSVA Balance	IRM Tab 3 Continuity as Filed Column BV	RRR As Filed	RRR Revised	
<b>Account 1589 Global Adjustment</b>					
					KENORA ZONE
Kenora GA Principal	\$ (125,191)		\$ (251,066)	\$ (125,191)	Group 1 Line 16 Column "A"
Kenora GA Interest	\$ 9,069		\$ 10,917	\$ 9,069	Group 1 Line 16 Column "B"
Kenora Total Account 1589 RSVA GA	<b>\$ (116,122)</b>	<b>\$ (116,122)</b>	<b>\$ (240,149)</b>	<b>\$ (116,122)</b>	

**Thunder Bay RZ:**

**Account 1589: \$(457,369)**

TBay 1589 GA					
	RSVA Balance	IRM Tab 3 Continuity as Filed Column BV	RRR As Filed	RRR Revised	
<b>Account 1589 Global Adjustment</b>					
					THUNDER BAY ZONE
TBay GA Principal	\$ (459,217)		\$ -	\$ (459,217)	Group 1 Line 16 Column "A"
TBay GA Interest	\$ 1,848		\$ -	\$ 1,848	Group 1 Line 16 Column "B"
TBay Total Account 1589 RSVA GA	<b>\$ (457,369)</b>	<b>\$ (457,369)</b>	<b>\$ -</b>	<b>\$ (457,369)</b>	

- b) Please make necessary revision in the RRR system or the Continuity Schedule so that the balances are consistent.

**SYNERGY NORTH RESPONSE:**

**Updates to the RRR system, "Group 1 Accounts" tab, has been requested and will be revised to reflect the updates as above.**

**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.

- a) 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.

**SYNERGY NORTH RESPONSE:**

Please note the following statement from the question “Synergy North reported a total credit balance of \$457,369” refers to Account balance in TBay RZ for 1589. SN has assumed in the response that the OEB is referring to the Continuity Schedule balance in 1580 of \$(112,245) for the TBay ZN.

**Updates to the RRR has been requested to update the amounts in the Sub-Account WMS CBR, for both Zones:**

**RRR Kenora Sub Account \$(17,275).**

**RRR TBay Sub Account \$(130,160).**

WMS and CBR Class B		RSVA Balance	IRM Tab 3 Continuity as Filed Column BV	RRR As Filed	RRR Sub Account As Filed	RRR Sub Account Revised
<b>Account 1580 WMS</b>						
Kenora WMS + CC	\$	15,869	\$ 15,869	Tab 3. Line 23 BG + BL		
Kenora CBR Class B WMS + CC	\$	(17,275)	\$ (17,275)	Tab 3. Line 25 BG + BL	\$ - Line 13 CBR - Interest	\$ 16 Line 13 CBR - Interest
					\$ - Line 14 CBR - Princip	\$ (17,291) Line 14 CBR - Principal
KN Total Account 1580 RSVA WMS	\$	(1,406)			\$ -	\$ (17,275) Kenora CBR Class B WMS + CC
Thunder Bay WMS + CC	\$	17,915	\$ 17,915	Tab 3. Line 23 BG + BL		
TBay CBR Class B WMS + CC	\$	(130,160)	\$ (130,160)	Tab 3. Line 25 BG + BL	\$ - Line 13 CBR - Interest	\$ (927) Line 13 CBR - Interest
					\$ - Line 14 CBR - Princip	\$ (129,233) Line 14 CBR - Principal
TBay Total Account 1580 RSVA WM	\$	(112,245)			\$ -	\$ (130,160)
SN Total Account 1580 RSVA WMS	\$	(113,651)	\$ (113,651)		\$ (113,651)	\$ -
					<b>CBR Totals</b> 2.17 Acct 1580 Total SN Includes Sub Accts \$ (147,435) \$ 33,784 WMS Excluding CBR \$ (113,651) = RSVA WMS Total SN	

- b) 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.

**SYNERGY NORTH RESPONSE:**

***The RRR Account 1580 as reported includes the sub-account 1580 CBR, both Zones. The balances in the "Sub-accounts" tab in the RRR for CBR were originally not reported.***

***Tab 3 Continuity, line 23, excludes CBR activity, both Zones, as originally filed.***

**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.

- a) 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.

**SYNERGY NORTH RESPONSE:**

***Synergy North has removed the request for disposal of the 2016 immaterial vintage balance in Account 1595(2016). Balances will be removed from the general ledger in 2022.***

**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.

- a) 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.

***SYNERGY NORTH RESPONSE:***

***This input error has been corrected, there are no longer amounts reported in Row 37.***

- b) Please explain why there is balance in 2021 for Account 1595 (2022) and explain the variance noted above and revise the evidence as needed.

***SYNERGY NORTH RESPONSE:***

***Amounts were input in error and have been removed, resulting in \$0 in the variance column.***

**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.

- a) 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.

**SYNERGY NORTH RESPONSE:**

***Agreed. Revised the GA Workform cell C75, Tab GA 2021, to be \$(996,194).***

**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).

- a) Please quantify the reconciling item #5.

**SYNERGY NORTH RESPONSE:**

***This item has been removed from Tab GA 2021. The impact of the GA deferral recovery should not have been separately noted.***

***Diagnosis of the unresolved difference noted an under accrual of GA revenue into the 2020 Accounts. This led to a smaller unbilled reversal in 2021 than was necessary. This in turn lead to the increased credits in Account 1588 at year end 2021. As this was a timing issue between 2020 and 2021, no principal adjustment is required, however this impact is noted in the GA Workform line 6 as a reconciling item.***

- b) Please complete the volume variance table (Cell G55:K57)

**SYNERGY NORTH RESPONSE:**

***Completed.***

- c) Please explain the difference in loss factor (Cell K63) as it is greater than 1%.

**SYNERGY NORTH RESPONSE:**

***Consumption values populated in the GA Workform “Consumption Data” table have been revised based on an incorrect allocation of kWh between RPP and Non RPP kWh. The 2021 RRR filing has been requested to be opened to revise the RRR data to correct this. The difference in loss factors is now (0.0016).***

**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”

- a) 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.

**SYNERGY NORTH RESPONSE:**

***Synergy North customers in the Price Protected General Service Over 50 kW customer class transitioned from non-interval meters to interval (real time) meters. Billing components within customer accounts differ between non-interval and real time meters. Additional components for real time metering were added to accounts during the transition to real time meters, which included the additions of “RTP” (real time pricing) and “RTN” (real time pricing offset) components. The original “NSLS” (HOEP) and “NSOS” (HOEP offset) on the non-interval meter components were not removed when the real time meters were implemented.***

***Prior to the addition of the real time components, when an account billed with a non-interval meter, the accounts had the correct components. The price protected accounts with real time meters consequently had two (one from RTN and one from NSOS) debits being recorded to the IESO settlement general ledger account. Customer bills were correctly calculated. This duplication of components did not impact the total amounts charged on any bill to any customer class.***



***This difference has resulted in underpayments to the IESO, and an overstated credit in Account 1588.***

***The error has the following annual impacts, with settlements to the IESO being underpaid, and Account 1588 having an excess credit of:***

YEAR	KENORA	THUNDER BAY
2021	\$ 136,784	\$ 864,240
2020	\$ 31,084	\$ 442,963
2019	\$ 0	\$ 236,071
2018	\$ 0	\$ 70,446
2017	\$ 0	\$ 33,575
2016	\$ 0	\$ 25,710

***Prior to 2020, the Kenora zone did not have Price Protected Over 50 kW class customers with real time metering.***

***Thunder Bay Hydro Electricity Distribution filed a Cost-of-Service Application EB-2016-0105 for rates in 2017, disposing Account 1588 balance on a final basis as of December 31, 2015. In this response, errors from 2016 to December 31, 2021 have been presented.***

***In application EB-2021-0058, both Thunder Bay and Kenora rate zones had their respective December 31, 2020 balances in Account 1588 disposed of on a final basis.***

***This error has previously been undetected due to its immaterial impact on Account 1588, however as more of the Over 50 kW accounts have been transitioned to Real Time meters, the impact on Account 1588 has been increasing.***

***The Board's October 31, 2019 letter "Re: Adjustments to Correct for Errors in Electricity Distributor "Pass-Through" Variance Accounts After Disposition" ("OEB Letter") permits retroactive adjustments on a case-by-case basis to correct for errors in electricity distributor "Pass-Through" variance accounts after final disposition, including account 1588.***

***For the reasons that follow, Synergy North requests that the OEB correct the balances in Account 1588 for the years that have been disposed on both a final and interim basis in accordance with the proposal below. While the adjustments are in favour of the IESO, the proposed adjustments are aligned with the intent of the OEB Letter and serve the public interest.***

***With respect to amounts that have been disposed on a final basis, the OEB has listed four factors that will be considered in making such a determination on a case-by-case basis:***

- 1. Whether the error was within the control of the distributor.***
- 2. The frequency with which the distributor has made the same error.***
- 3. Failure to follow guidance provided by the OEB.***
- 4. The degree to which other distributors are making similar errors.***

***In response to each of these factors, Synergy North submits as follows:***

- 1. Synergy North acknowledges that the error was within its control. However, the error was not intentional and not easily identifiable given the small variance.***
- 2. This is the first time Synergy North has requested retroactive adjustment due to an error in Account 1588. Synergy North will not be profiting from this error. Rather it is a correction to ensure proper payment is remitted to the IESO. No benefit will accrue to Synergy North if the balances are corrected.***
- 3. Synergy North is not aware of any guidance from the OEB issued in relation to this issue.***
- 4. As noted by the OEB in Decision EB-2022-0067 (pages 10-11), the OEB acknowledges that other distributors make similar errors in 1588 given the accounting complexities to calculate the accounting entries.***

**Kenora Rate Zone Account 1588:**

- 2021: 1588 Account balance is corrected in EB-2022-0063. The IESO will be notified and \$136,784 will be remitted to the IESO for this correction.***
- 2020: \$31,084 error is not considered material. Synergy North's proxy of 2017 distribution revenue requirement was \$25.8 million. Materiality at 0.5% = \$129,000. Synergy North requests no retroactive adjustment for either Account 1588 or for IESO settlement.***

**Thunder Bay Rate Zone Account 1588:**

- **2021: 1588 Account balance is corrected in EB-2022-0063. The IESO will be notified and \$864,240 will be remitted to the IESO for this correction.**
- **2020: 1588 Account error \$442,963 to be retroactively adjusted for both Account 1588 settlement with customers and payments to the IESO.**
- **2019: 1588 Account error \$236,071 to be retroactively adjusted for both Account 1588 settlement with customers and payments to the IESO.**
- **2018, 2017, 2016: Errors are not considered material. Synergy North's proxy of 2017 distribution revenue requirement was \$25.8 million. Materiality at 0.5% = \$129,000. Synergy North requests no retroactive adjustment for either Account 1588 or for IESO settlement for these years.**

**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”.

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

***SYNERGY NORTH RESPONSE:***

***Confirmed that all customers are billed on the First Estimate of GA. The GA Workforms for both Rate Zones have been corrected.***

**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.

	<b>2021</b>
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

**SYNERGY NORTH RESPONSE:**

**Recalculation of the Non-RPP wholesale kWh has resulted in updated kWh of 36,124,827. Resulting calculated loss is 1.050.**

	<b>2021</b>
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)	36,124,827
Calculated actual loss factor (=D/C)	1.050

**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.

- a) 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.

**SYNERGY NORTH RESPONSE:**

**Updated. The original Tab Account 1588 “Transactions” amount of \$(240,173) in the original filing had already excluded the adjustment activity of \$(455,504). This has now been broken out of the Transactions amount and included in the Principal Adjustment tab of the KN GA Analysis workform Tab Account 1588. Continuity Schedule Tab 3 has also been adjusted.**

**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.

- a) Please update Tab 5 of the LRAMVA workform with the formula change referenced above and refile the LRAMVA workform at the updated LRAMVA amount

**SYNERGY NORTH RESPONSE:**

***Thunder Bay RZ, Tab 5, Cell AF960 has been updated to reference column D.***

***Kenora RZ, Tab 5, Cell AF960 has also been updated to reference column D.***

**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.

- a) 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?

**SYNERGY NORTH RESPONSE:**

***Streetlight lost revenue claim has been removed from Application EB-2022-0063. Please see response to Question 22(b).***

- b) 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.

**SYNERGY NORTH RESPONSE:**

***Streetlight lost revenue claim has been removed from Application EB-2022-0063. Please see response to Question 22(b).***

**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.

- a) Please confirm what the kW net peak demand savings persistence should be for 2020 City of Thunder Bay Streetlight (cells R1101 to AD1101)?

**SYNERGY NORTH RESPONSE:**

***Streetlight lost revenue claim has been removed from Application EB-2022-0063. Please see response to Question 22(b).***

- b) 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.

**SYNERGY NORTH RESPONSE:**

***Streetlight lost revenue claim has been removed from Application EB-2022-0063. Please see response to Question 22(b).***

**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.

- a) Please confirm what the kW net peak demand savings persistence should be for 2021 City of Thunder Bay Streetlight (cells R1271 to AD1271)?

**SYNERGY NORTH RESPONSE:**

***Streetlight lost revenue claim has been removed from Application EB-2022-0063. Please see response to Question 22(b).***

- b) 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.

**SYNERGY NORTH RESPONSE:**

***Streetlight lost revenue claim has been removed from Application EB-2022-0063. Please see response to Question 22(b).***



**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.

- a) 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.

**SYNERGY NORTH RESPONSE:**

***Formulas in Tab 1 Cells E30-E34 and Row 92 have been updated to remove the 2011 amounts previously claimed. The IRM Cell H22 has been updated accordingly.***

- b) 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.

**SYNERGY NORTH RESPONSE:**

***The Kenora LRAMVA has been updated for changes in part b).***

**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

- a) 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.

**SYNERGY NORTH RESPONSE:**

***Kenora's LRAMVA Tab 5 had a referencing error on cell R691. It referred to Tab 7 cell T127, but should have been Tab 7 cell S127, repeated for each column of line 691 on Tab 5. This referencing correction also corrects years 2022, 2027, 2029 and 2030 discrepancies as noted in Question 17a).***

**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.

- a) 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.

**SYNERGY NORTH RESPONSE:**

***The block heater timer results have been removed from the Kenora RZ LRAMVA Workform (Tab 7 Cells AZ91-BL91) for 2020, as in 2020 this was a residential program, and had no financial impact on LDC due to the previous transition to fully fixed rates for residential class. Tab 5, line 1104 has been set to 0.***

**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.

- a) Please update Tab 3 of the IRM Rate Generator Model for both RZs.

**SYNERGY NORTH RESPONSE:**

**Tab 3 of the IRM for both rate zones have been updated with the LRAMVA claims.**

**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.

- a) 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.

**SYNERGY NORTH RESPONSE:**

**Tbay Zone = 3.7% - 0.3% = 3.4% was used to increase the 2023 LRAM Rider.**

2023 LRAM Claim	IRM Increase of 3.7 – 0.3 %	Resulting LRAM Claim as adjusted for Inflation - Stretch
<b>\$25,545</b>	<b>1.034</b>	<b>\$26,414</b>

**A copy of the TB IRM Model was saved as “TB\_IRM\_2023LRAMcalc\_20230119” to input the 2023 LRAM of \$26,414, and this produced the riders for this prospective 2023 claim.**

**These results were then input into the TBay IRM model in Tab 18 as Additional Rates for these three classes.**

Allocation of Group 1 Accounts (including Account 1568)											
Rate Class	% of Total kWh	% of Customer Numbers **	% of Total kWh adjusted for WMP	allocated based on Total less WMP <sup>1</sup>			allocated based on Total less WMP <sup>1</sup>			1595 (2018)	1568
				1550	1551	1584	1586	1588			
RESIDENTIAL SERVICE CLASSIFICATION	39.6%	90.7%	39.6%	0	(21,173)	241,198	229,651	63,750	(35,417)	2,036	0
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	15.2%	9.3%	15.2%	0	(2,180)	92,443	88,017	24,433	(13,574)	885	146,658
GENERAL SERVICE 50 TO 999 KW SERVICE CLASSIFICATION	27.3%	0.0%	27.3%	0	0	166,215	158,257	43,932	(24,406)	3,540	(17,513)
GENERAL SERVICE 1,000 KW OR GREATER SERVICE CLASSIFICATION	17.1%	0.0%	17.1%	0	0	104,421	99,422	27,599	(15,333)	2,213	(102,732)
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	0.2%	0.0%	0.2%	0	0	1,418	1,350	375	(208)	0	0
SENTINEL LIGHTING SERVICE CLASSIFICATION	0.0%	0.0%	0.0%	0	0	81	77	21	(12)	0	0
STREET LIGHTING SERVICE CLASSIFICATION	0.6%	0.0%	0.6%	0	0	3,820	3,637	1,010	(561)	177	0
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0</b>	<b>(23,353)</b>	<b>609,595</b>	<b>580,411</b>	<b>161,120</b>	<b>(89,510)</b>	<b>8,851</b>	<b>26,414</b>

Default Rate Rider Recovery Period (in months)		12
DVA Proposed Rate Rider Recovery Period (in months)		12
LRAM Proposed Rate Rider Recovery Period (in months)		12
		Rate Rider Recovery to be used below
		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 <sup>2</sup>	Allocation of Group 1 Account Balances to Non-WMP Classes Only (If Applicable) <sup>2</sup>	Deferral/Variance Account Rate Rider <sup>2</sup>	Deferral/Variance Account Rate Rider for Non-WMP (if applicable) <sup>2</sup>	Account 1568 Rate Rider
RESIDENTIAL SERVICE CLASSIFICATION	kWh	335,982,135	0	335,982,135	0	480,045		0.0014		0.0000
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	kWh	128,770,649	0	128,770,649	0	190,025		0.0015		0.0011
GENERAL SERVICE 50 TO 999 KW SERVICE CLASSIFICATION	kW	231,532,219	576,024	231,532,219	576,024	347,538		0.6033		(0.0304)
GENERAL SERVICE 1,000 KW OR GREATER SERVICE	kW	145,455,212	466,710	145,455,212	466,710	218,322		0.4678		(0.2201)
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kWh	1,974,808	0	1,974,808	0	2,934		0.0015		0.0000
SENTINEL LIGHTING SERVICE CLASSIFICATION	kW	112,347	335	112,347	335	167		0.4983		0.0000
STREET LIGHTING SERVICE CLASSIFICATION	kW	5,320,907	14,996	5,320,907	14,996	8,083		0.5390		0.0000

b) Please update Tab 3 of the Rate Generator Model for Thunder Bay RZ.

**SYNERGY NORTH RESPONSE:**

**Tab 3 of the Rate Generator Model for Thunder Bay has been updated.**

**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.

- a) 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.

**SYNERGY NORTH RESPONSE:**

**Kenora Zone = 3.7% - 0.6% = 3.1% was used to increase the 2023 LRAM Rider.**

2023 LRAM Claim	IRM Increase of 3.7 – 0.3 %	Resulting LRAM Claim as adjusted for Inflation - Stretch
<b>\$11,150</b>	<b>1.031</b>	<b>\$11,495</b>

**A copy of the KN IRM Model was saved as “KN\_IRM\_2023LRAMcalc\_20230119” to input the 2023 LRAM of \$11,495, and this produced the riders for this prospective 2023 claim.**

**These results were then input into the Kenora IRM model in Tab 18 as Additional Rates for these three classes.**

Allocation of Group 1 Accounts (including Account 1568)											
Rate Class	% of Total kWh	% of Customer Numbers **	% of Total kWh adjusted for WMP	allocated based on Total less WMP				allocated based on Total less WMP			
				1550	1551	1580	1584	1586	1588	1595 (2018)	1568
RESIDENTIAL SERVICE CLASSIFICATION	40.8%	86.7%	40.8%	0	(2,991)	26,289	36,988	(1,892)	28,084	(452)	0
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	22.8%	13.3%	22.8%	0	(460)	14,710	20,697	(1,058)	15,714	(276)	4,471
GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION	35.8%	0.0%	35.8%	0	0	23,025	32,396	(1,657)	24,597	(502)	7,026
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	0.2%	0.0%	0.2%	0	0	113	159	(8)	121	0	(3)
STREET LIGHTING SERVICE CLASSIFICATION	0.4%	0.0%	0.4%	0	0	257	361	(18)	274	(25)	0
Total	100.0%	100.0%	100.0%	0	(3,451)	64,393	90,600	(4,633)	68,790	(1,255)	11,495

Default Rate Rider Recovery Period (in months)		12	
DVA Proposed Rate Rider Recovery Period (in months)		12	
LRAM Proposed Rate Rider Recovery Period (in months)		12	
		Rate Rider Recovery to be used below	
		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 <sup>2</sup>	Allocation of Group 1 Account Balances to Non-WMP Classes Only (If Applicable) <sup>2</sup>	Deferral/Variance Account Rate Rider for		
								Deferral/Variance Account Rate Rider <sup>2</sup>	Non-WMP (if applicable) <sup>2</sup>	Account 1568 Rate Rider
RESIDENTIAL SERVICE CLASSIFICATION	kWh	38,473,116	0	38,473,116	0	85,027		0.0022		0.0000
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	kWh	21,527,391	0	21,527,391	0	49,326		0.0023		0.0002
GENERAL SERVICE 50 to 4,999 KW SERVICE CLASSIFICATION	kW	33,696,059	84,564	33,696,059	84,564	77,859		0.9207		0.0831
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kWh	165,451	0	165,451	0	385		0.0023		0.0000
STREET LIGHTING SERVICE CLASSIFICATION	kW	375,386	1,164	375,386	1,164	848		0.7284		0.0000

b) 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.

**SYNERGY NORTH RESPONSE:**

***Kenora’s IRM Rate Generator, Tab 18 has been updated with the revised LRAM claim amounts.***

c) Please update Tab 3 of the Rate Generator Model for Kenora RZ.

**SYNERGY NORTH RESPONSE:**

***Kenora’s IRM Rate Generator, Tab 3 has been updated with the revised LRAM claim amounts.***

**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.

- a) 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.)

**SYNERGY NORTH RESPONSE:**

***Streetlight lost revenue claim has been removed from Application EB-2022-0063. Please see response to Question 22(b).***

- b) 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.

**SYNERGY NORTH RESPONSE:**

***Synergy North has met with shareholders of both the City of Kenora and the City of Thunder Bay. It has been mutually agreed that Synergy North will withdraw the claims for the Streetlight lost revenue for both Thunder Bay and Kenora Rate Zones in this application. Kenora and Thunder Bay LRAMVA Models have been updated to remove the streetlight claims.***

- c) 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.

**SYNERGY NORTH RESPONSE:**

***Streetlight lost revenue claim has been removed from Application EB-2022-0063. Please see response to Question 22(b).***