

EB-2023-0106

Synergy North Corporation

**Application to Dispose of Balances in Two
Deferral and Variance Accounts**

VECC Interrogatories April 19, 2023

VECC-1

Ref: EB-2023-0106 (Accounts 1588 & 1589 Bifurcated From EB-2022-0063) March 13, 2023
Manager's Summary Page 6

The evidence states "In preparing responses to OEB Staff Questions of December 13, 2022 on application EB-2022-0063, SYNERGY NORTH discovered an error in billing codes, which had resulted in an underpayment to the IESO and excess credits accumulating in Account 1588 for both Zones."

a) Please provide the billing codes/components within customer accounts.

SYNERGY NORTH RESPONSE:

The following services (like E, PO, PP) were attached to this sample of one of the affected accounts:

—	>	DR	DEBT	RETIREMENT	TB	DS	I	*	Inactive Service	
—	>	E	ELECTRIC	SERVIC	TB	D8	I	*	Active Service	
—	>	PB	PROVINCIAL	BENE	TB	G8	I	*	Inactive Service	
—	>	PO	PROV	BENEFIT OF	TB	D8	I	*	Active Service	
—	>	PP	LDC	PRICE	PROTE	TB	D8	I	*	Active Service
—	>	RT	REAL	TIME	COMM	TB	D8	I	*	Active Service

Each service is set up with components to allow the billing of each charge. The PP service, for example, has the "PP" components (like NSSS, T1C) as seen in snips c), d) and e) below. The "RT" Real Time components (RTP and RTN) are in snip e).

a)	H	HST TAX
	E	DSTV Distribution Charge
	E	IEMO Mkt Service Charge
	E	IEML Mkt Service Loss
	E	TRV1 Network Transmission
	E	TCV2 Conn Transmission
b)	E	FLA Customer Charge
	E	IECO WMS-CBDR-B
	E	IECL WMS-CBDR-B
	E	DSRT 2020_Reg_Asset_RR
	E	DSRE 2021_Def_Variance_RR
	E	DSRB 2021_Cap Based_RR
c)	E	OER Ont Elec Rebate 18.9
	PO	PBEN Provincial Benefit
	PO	PBEL Provin Benefit Loss
	PO	PBOF Prov Benefit Offset
	PO	PBOL Offset Loss
	PP	NSSS Cost of Energy
d)	PP	NSSL Cost of Energy Loss
	PP	NSOS Cost of Ener Offset
	PP	NSOL Offset Loss
	PP	T1L 1st Block @
	PP	T2L Balance @
	PP	T1C 1st Block @
e)	PP	T2C Balance @
	PP	OER Ont Elec Rebate 18.9
	RT	SSAD Energy Supply Admin.
	RT	RTP REAL TIME
	RT	RTN REAL TIME OFFSET
	RT	OER Ont Elec Rebate 18.9

The PP components (NSSS, NSSL, NSOS and NSOL), plus the addition of the RT components (RTP and RTN), created this issue. Although a customer account had a Cost of Energy and Loss, offset by the Cost of Energy Offset and Loss, it also had the Real Time and Real Time offsets. All of these charges net to \$0 on customer account, however the General Ledger accounts that the components posted to created duplicate posting of the cost of power offsets (debits from both the PP and RT) to the account used for settlement.

The set up of the components on the affected accounts, corrected by removing part of the PP components, the NSSS, NSSL, NSOS and NSOL. The screen shots below are of the current setup, with these components removed.

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PO PBEN Provincial Benefit
PO PBEL Provin Benefit Loss
PO PBOF Prov Benefit Offset
PO PBOL Offset Loss
PP T1L 1st Block @
PP T2L Balance @

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PP T1C 1st Block @
PP T2C Balance @
PP OER Ont Elec Rebate 11.7
RT SSAD Energy Supply Admin.
RT RTP REAL TIME
RT RTN REAL TIME OFFSET

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- b) Please discuss further how Synergy North detected the errors and include the process followed that led to the discovery of the error in billing codes.

SYNERGY NORTH RESPONSE:

In responding to Staff Question 8 regarding a 1.5% variance in the GA Analysis Working Paper, Tab "Account 1588", SYNERGY NORTH undertook a detailed review of each account flowing into Account 1588. Billing reports, called "Revenue reports" for each month for each GL account were generated and drilled down into the customer account level to look at the components making up each revenue line. A variance was noted in the Price Protected Over 50 kW Fixed Price less Cost revenue account vs the revenue reports generated. In the correct setup, two components are directed to this GL account, the RPP revenue billed to customers, less the associated cost of power on that revenue. This is one of the accounts used for monthly RPP settlement with the IESO. The revenue report matched the Credits in the GL account, however the revenue report for the associated cost of power did not match the debits in the GL account. Drilling down to the customer level, the error was discovered. When the new cost of power components for Real Time metering were added, the original cost of power components were not removed. As the customer is billed only the gross revenue, the cost components on the customer bills consist of both a debit and a credit for cost of power, always billing net \$0 for cost of power. The components are required to track the associated cost of power billed. The error of not removing the original cost of power PP billing components when the RT cost of power components were added was creating a duplication of the cost of power in the IESO settlement accounts.

- c) How frequently do billing codes change?

SYNERGY NORTH RESPONSE:

Customer accounts are made up of services (like PP for a Tiered customer) with component codes (like T1C, T2C for Tiered commodity) attached. Once the component codes on services are set up for a class of customer, they typically do not change. A customer will have the appropriate services attached, and the component codes will follow the services that need to be billed depending on the customer type. So, a price protected customer will have the PP service attached, which will have the components for Price Protected billings to occur, such as T1C, T2C, NSSS and NSOS. This was the case for the class with the error.

The change to the PP services on this class came about because the customers were being transitioned from non-interval to interval metering. A new service (RT) was required for the hourly interval data to be loaded to the accounts, so the RT service was added to the account, containing the RT and RTN components. This allowed for the interval metered cost of power to be billed and offset on the account.

New pricing will be updated on existing codes, (say PP T1 changes for new Nov 1 RPP pricing), but the services attached to the account will not change.

d) Please explain how Synergy North will prevent error in billing codes to occur in the future.

SYNERGY NORTH RESPONSE:

SYNERGY NORTH has developed a verification and signoff within the monthly IESO settlement procedures to detect any variances between the price protected revenue and cost of power billed to price protected customers, and the amounts posted to the settlement GL accounts. This will detect any errors that would impact the IESO settlement from a similar setup error.

VECC-2

Ref1: EB-2022-0063 November 11, 2022 Manager's Summary Page 13

With respect to the Thunder Bay Rate Zone, the evidence states "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).

Ref2: EB-2023-0106 (Accounts 1588 & 1589 Bifurcated From EB-2022-0063) March 13, 2023 Manager's Summary Page 9

With respect to the Thunder Bay Rate Zone the evidence states "The RSVA Global Adjustment balance for disposal in account 1589 is \$(1,018,658) to be returned in a rate rider from Non-RPP

customers (excluding Class A customers). There was one transition customer from Class B to Class A during 2021 (see Table 3), reducing the total to \$(1,001,267) which will be disposed of to Class B Non-RPP customers.

Please explain why the RSVA Global Adjustment balance for disposal in account 1589 differs between the two applications.

SYNERGY NORTH RESPONSE:

EB-2022-0063 = 1589 \$(1,038,273)

EB-2023-0106 = \$(1,001,267)

Difference \$37,006

The Nov 11, 2022 narrative should have read that \$1,021,735 was to be disposed to Class B. The Total GA balance was given, rather than the Class B only.

The difference between

EB-2022-0063 = 1589 \$(1,021,735)

EB-2023-0106 = \$(1,001,267)

Difference \$20,468

Column	Original Model	Bifurcated	Change	Notes
BQ Interest	(38,553)	(18,928)	19,625	Original 3.87%, Revised to 1.90%
BR Interest	(45)	(55)	(10)	Original 3.87% Revised to 4.73%
Tab 6.1a GA Allocation Cell C28	16,538	17,391	853	Immaterial revision of allocation to Class A
Total	(22,060)	1,592	20,468	

Carrying charges used for projecting carrying charges on the Jan 1, 2022 to Dec 31, 2022 (column BQ) were originally estimated to be 3.87%, the Q 4 2022 rate. During Bifurcation

preparation, that estimate was revised to be the average of the 2022 annual OEB rates, 1.9%. Similarly, the rate used for projecting carrying charges from January 2023 to April 30, 2023 (column BR) was also revised from the 3.87% of Q4 2022, to the known Q1 2023 OEB rate of 4.73%.

VECC-3

Ref1: EB-2022-0063 November 11, 2022 Manager's Summary Page 15

With respect to the Kenora Rate Zone, the evidence states "The RSVA Global Adjustment balance in account 1589 of \$(116,860) is to be returned in a rate rider to Non-RPP customers.

Ref2: EB-2023-0106 (Accounts 1588 & 1589 Bifurcated From EB-2022-0063) March 13, 2023 Manager's Summary Page 11

With respect to the Kenora Rate Zone, the evidence states "The RSVA Global Adjustment balance for disposal in Account 1589 is \$(108,096) to be returned in a rate rider from Non-RPP customers Class B customers. There were no Class A customers during 2021.

Please explain why the RSVA Global Adjustment balance for disposal in account 1589 differs between the two applications.

SYNERGY NORTH RESPONSE:

EB-2022-0063 = 1589 \$(116,860)

EB-2023-0106 = \$(108,096)

Difference \$8,764

Column	Original Model	Bifurcated	Change	Notes
BF Principal Adjustments	0	6,669	6,669	Small correction for unbilled revenue. Will reverse in 2022.
BQ Interest	(4,283)	(1,976)	2,307	Original 3.87%, Revised to 1.90%
BR Interest	(1,428)	(1,640)	(212)	Original 3.87%

				Revised to 4.73%
Total	(5,711)	3,053	8,764	

Carrying charges used in the November 2022 filing for projecting carrying charges on the Jan 1, 2022 to Dec 31, 2022 (column BQ) were originally estimated to be 3.87%, which was the Q 4 2022 rate. During Bifurcation preparation, that estimate was revised to be the average of the 2022 annual OEB rates, 1.9%. Similarly, the rate used for projecting carrying charges from January 2023 to April 30, 2023 (column BR) was also revised from the 3.87% of Q4 2022, to the known Q1 2023 OEB rate of 4.73%.

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