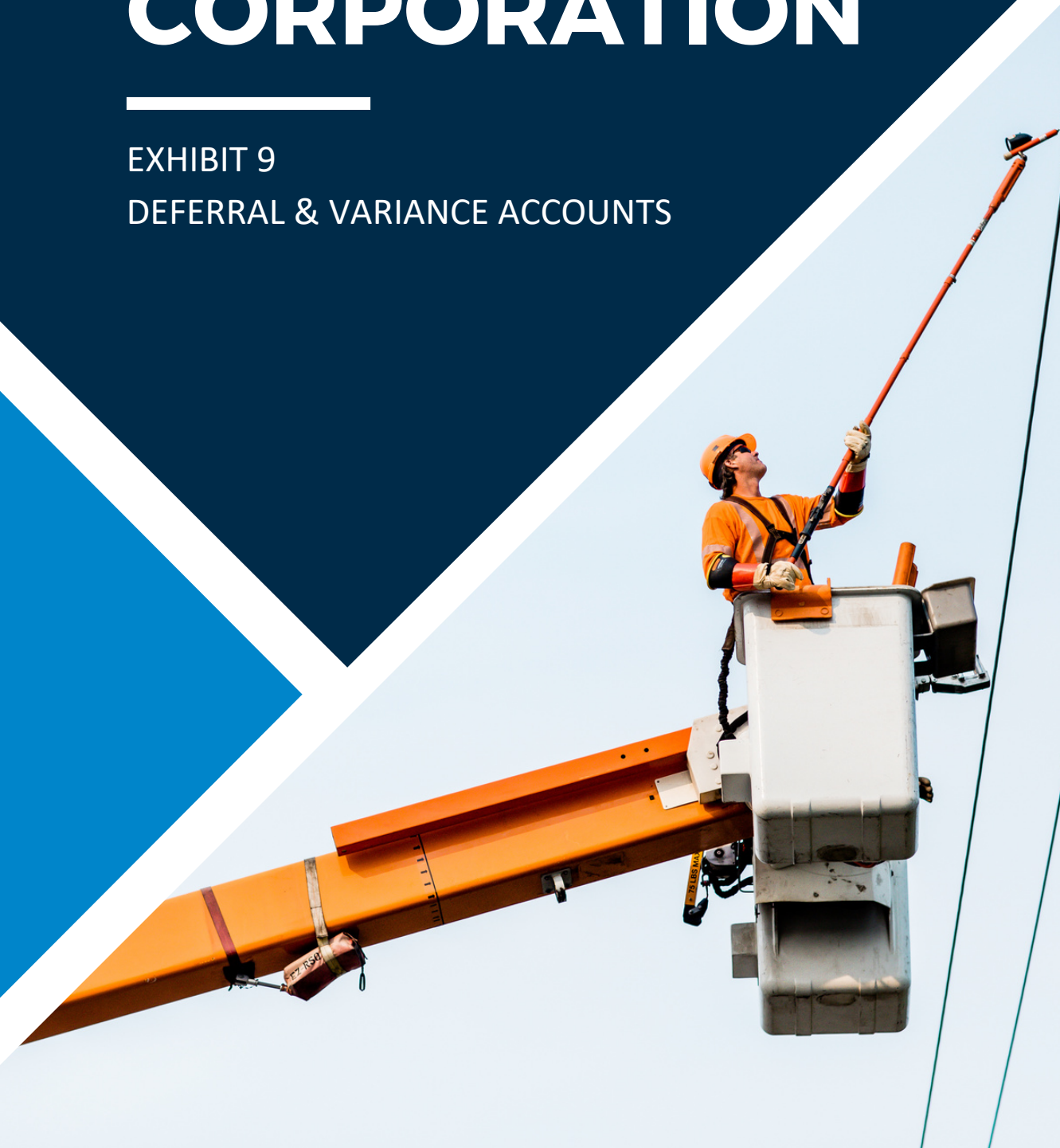


# SYNERGY NORTH CORPORATION

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EXHIBIT 9  
DEFERRAL & VARIANCE ACCOUNTS



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## 9.1 OVERVIEW

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SNC has included in this Application a request for disposition of Group One and Group Two Deferral and Variance Account (“DVAs”) balances as of December 31, 2022, with forecasted interest through April 30, 2024. Disposition amounts and rate rider calculations have been presented by Rate Zone.

SNC has followed the Ontario Energy Board (the Board’s) guidance in the Accounting Procedures Handbook (“APH”) and the Accounting Procedures Handbook Frequently Asked Questions (“APH FAQ”) for recording amounts in the deferral and variance accounts. In addition, SNC utilized the guidance of the Report of the Board on Electricity Distributor’s Deferral and Variance Account Review Initiative (“EDDVAR”) for recording amounts in the deferral and variance accounts.

A breakdown of Energy Sales and Cost of Power expense balances reconciled to the Electricity Reporting and Record-keeping (“RRR”) submission and Audited Financial Statements is provided in Section 9.2.2.

On July 6, 2023, the OEB issued a Decision and Order on EB-2023-0106, SNC’s Bifurcated application requesting disposition of Certain Group 1 Deferral and Variance Accounts. In this decision, SNC was allowed \$631,946 in retroactive claims from all customer classes in the Thunder Bay rate zone for principal amounts in Account 1588 RSVA Power. Interest of \$14,073 on the retroactive claim was disallowed. The impacts of this decision on Account 1588 RSVA Power in Thunder Bay is detailed in Section 9.4.5. Any changes to balances by the OEB with the issuance of the OEB’s Rate Order will be reflected in updates to the application.

SNC is not requesting any new accounts or sub-accounts in this Application as described in Section 9.6.1. SNC confirms that, other than the adjustments to Account 1588 RSVA Power from the Bifurcated Model, as noted in the paragraph above, no adjustments have been made to DVA balances previously approved by the Board on a final basis.

SNC completed the Continuity “Deferral and Variance Account (Continuity Schedule) Workform – Version 1.0” and has filed it in live Excel format, one for each Rate Zone.

SNC confirms that the Independent Electricity System Operator (“IESO”) GA charge is pro-rated into the Regulated Price Plan (“RPP”) and the non-RPP portions.

## 9.2 ACCOUNT BALANCES

All DVA balances for SNC as of December 31, 2022, are summarized in Table 9-1 below.

**TABLE 9-1: DVA BALANCES AS OF DECEMBER 31, 2022**

| USoA           | Description                                      | Principal            | Interest           | Total                | Balance at December 31, 2022 | Per RRR 2.1.7        | Variance         |
|----------------|--|----------------------|--------------------|----------------------|------------------------------|----------------------|------------------|
| <b>GROUP 1</b> |  |                      |                    |                      |                              |                      |                  |
| 1551           | Smart Metering Entity Charge                     | (\$182,994)          | (\$2,157)          | (\$185,151)          | (\$185,151)                  | (\$185,151)          | \$0              |
| 1580           | RSVA Wholesale Market Service Charge             | \$2,531,660          | \$37,792           | \$2,569,452          | \$2,569,452                  | \$2,569,642          | \$190            |
| 1580           | RSVA Wholesale Market - CBDR A                   | \$0                  | \$0                | \$0                  | \$0                          | \$0                  | \$0              |
| 1580           | RSVA Wholesale Market - CBDR B                   | (\$222,169)          | (\$4,738)          | (\$226,908)          | (\$226,908)                  | (\$226,908)          | \$0              |
| 1584           | RSVA Network Charge                              | \$1,341,998          | \$22,234           | \$1,364,232          | \$1,364,232                  | \$1,364,232          | \$0              |
| 1586           | RSVA Connection Charge                           | \$511,756            | \$9,113            | \$520,869            | \$520,869                    | \$520,869            | \$0              |
| 1588           | RSVA Power                                       | \$568,104            | (\$37,458)         | \$530,646            | \$530,646                    | \$530,646            | \$0              |
| 1589           | RSVA Global Adjustment                           | (\$1,188,867)        | (\$22,274)         | (\$1,211,141)        | (\$1,211,141)                | (\$1,211,141)        | \$0              |
| 1595           | Disposition and Recovery of Regulatory Balances  | \$546,038            | (\$603,971)        | (\$57,933)           | (\$57,933)                   | (\$57,933)           | \$0              |
|                | <b>Total Group 1 Accounts</b>                    | <b>\$3,905,526</b>   | <b>(\$601,460)</b> | <b>\$3,304,066</b>   | <b>\$3,304,066</b>           | <b>\$3,304,256</b>   | <b>\$190</b>     |
| <b>GROUP 2</b> |  |                      |                    |                      |                              |                      |                  |
| 1508           | Other Regulatory Assets - OEB Cost Assessments   | \$162,083            | \$13,106           | \$175,189            | \$175,189                    | \$175,189            | \$0              |
| 1508           | Other Regulatory Assets - Customer Choice        | \$28,312             | \$706              | \$29,018             | \$29,018                     | \$29,018             | \$0              |
| 1508           | Other Regulatory Assets - Green Button           | \$20,417             | \$198              | \$20,615             | \$20,615                     | \$20,615             | \$0              |
| 1508           | Other Regulatory Assets - Gain on Non-Dep Assets | (\$111,063)          | (\$12,814)         | (\$123,876)          | (\$123,876)                  | (\$32,940)           | \$90,936         |
| 1508           | Wireline Attachment Variance                     | (\$2,628,788)        | (\$75,740)         | (\$2,704,528)        | (\$2,704,528)                | (\$2,704,528)        | \$0              |
| 1508           | IFRS Implementation Costs                        | \$21,183             | \$2,397            | \$23,579             | \$23,579                     | \$23,579             | \$0              |
| 1508           | Merger Capital Policies                          | \$114,507            | \$5,610            | \$120,117            | \$120,117                    | \$120,117            | \$0              |
| 1518           | RCVA Retail                                      | \$189,874            | \$12,409           | \$202,283            | \$202,283                    | \$202,283            | \$0              |
| 1522           | OPEB   | (\$107,635)          | (\$13,423)         | (\$121,059)          | (\$121,059)                  | (\$121,059)          | \$0              |
| 1522           | OPEB Contra Account                              | \$107,635            | \$0                | \$107,635            | \$107,635                    | \$107,635            | \$0              |
| 1525           | Deferred Cost of Service Expenses                | \$0                  | \$0                | \$0                  | \$0                          | \$26,788             | \$26,788         |
| 1532           | Renewable Connection OM&A Deferral               | \$22,930             | \$4,124            | \$27,054             | \$27,054                     | \$27,054             | \$0              |
| 1535           | Smart Grid OM&A Deferral                         | \$1,845              | \$335              | \$2,180              | \$2,180                      | \$2,180              | \$0              |
| 1548           | RCVA STR   | \$46,514             | \$2,488            | \$49,001             | \$49,001                     | \$49,001             | \$0              |
| 1555/1556      | Smart Meter Capital, OM&A and Stranded Meter     | \$35,997             | \$23,670           | \$59,667             | \$59,667                     | \$59,667             | \$0              |
| 1568           | LRAM Variance Account                            | \$581,088            | \$28,778           | \$609,866            | \$609,866                    | \$609,866            | \$0              |
| 1576           | Accounting Changes Under CGAAP - Kenora          | (\$9,763)            | \$0                | (\$9,763)            | (\$9,763)                    | (\$9,763)            | \$0              |
| 1592           | Shared Tax Savings                               | (\$11,082)           | \$0                | (\$11,082)           | (\$11,082)                   | (\$11,082)           | \$0              |
| 1592           | PILs & Tax Variance - PST Deferral               | (\$17,576)           | (\$1,073)          | (\$18,649)           | (\$18,649)                   | (\$18,649)           | \$0              |
| 1592           | PILs & Tax Variance - PST Deferral Contra        | \$17,576             | \$0                | \$17,576             | \$17,576                     | \$17,576             | \$0              |
| 1592           | PILs & Tax Variance - Accelerated CCA            | \$0                  | \$0                | \$0                  | \$0                          | \$0                  | \$0              |
|                | <b>Total Group 2 Accounts</b>                    | <b>(\$1,535,946)</b> | <b>(\$9,230)</b>   | <b>(\$1,545,175)</b> | <b>(\$1,545,175)</b>         | <b>(\$1,427,451)</b> | <b>\$117,724</b> |
|                | <b>GRAND TOTAL</b>                               | <b>\$2,369,580</b>   | <b>(\$610,689)</b> | <b>\$1,758,891</b>   | <b>\$1,758,891</b>           | <b>\$1,876,805</b>   | <b>\$117,914</b> |

### 9.2.1 RECONCILIATION OF ACCOUNTS

SNC confirms the balances above reconcile to the 2022 Audited Financial Statements ("AFS") and to the 2022 year-end balances for RRR filing 2.1.7 Trial Balance as filed April 30, 2023, through the Board's portal with exceptions noted below:

- Account 1580 – WMS Charge: An immaterial out of balance error \$(190).
- Account 1508 – Sub-Account Gain on Sale of Non-Depreciable Assets: The balance in the financial statements of \$(123,876) exceeds the balance reported in the RRR 2.1.7 by \$(90,936). The RRR balance is \$(32,940). An error in the calculation was identified, but not

corrected in the financial statements prior to their release. The RRR balance was filed as the correct balance in this account. The financial statements will include the corrected balance in this account for the 2023 year end. The RRR balance of \$(32,940) is being requested for disposition in this application.

- Account 1525 – Deferred Cost of Service Expenses: This account is reported in the RRR 2.1.7 but is not recorded as a DVA account in the 2022 Financial Statements. This account is being used to track one-time cost of service related costs. This account is not being requested for disposal as a DVA in this application.

**TABLE 9-2: 2022 DVA BALANCE DISPOSAL VS RRR REPORTED RECONCILIATION**

| USoA | Description                                   | F/S<br>Balance at<br>December<br>31, 2022 | Per RRR<br>2.1.7 | Variance RRR<br>to F/S | Disposal<br>Requested | Variance<br>Disposal to<br>RRR |
|------|---|---|------------------|------------------------|-----------------------|--------------------------------|
| 1508 | Other Reg Assets - Gain on Disposal of Assets | (\$123,876)                               | (\$32,940)       | \$90,936               | (\$32,940)            | \$0                            |
| 1525 | Cost of Service Deferred Expenses             | \$0                                       | \$26,788         | \$26,788               | \$0                   | (\$26,788)                     |
| 1592 | Accelerated CCA PILs Savings                  | \$0                                       | \$0              | \$0                    | (\$1,994,644)         | (\$1,994,644)                  |

- Account 1508 – Sub-Account Gain on Sale of Non-Depreciable Assets: Disposal requested matches RRR as reported.
- Account 1525 – Deferred Cost of Service Expenses: Balance is not being requested for disposal.
- Account 1592 – Sub-Account Accelerated CCA PILs Savings: This account balance was not previously reported in either the audited financial statements or any of the RRR 2.1.7 filings. It is being presented for disposal in this application and will be recorded in the 2023 Financial Statements.

## 9.2.2 COST OF POWER RECONCILIATION

The sale of energy represents a flow through of revenue to the IESO and the cost of power represents a flow through expense to the IESO. Energy sales and the cost of power expenses by component are presented in Table 9-3 and reconciled to the AFS and the USofA within the RRR 2.1.7 trial balance filing.

SNC has recorded no profit or loss resulting from the flow-through of energy revenues and expenses.



**TABLE 9-3: ENERGY REVENUE AND COST OF POWER EXPENSES**

| USoA                          | Description                    | RRR 2.1.7<br>2022      |
|-------------------------------|--------------------------------|------------------------|
| <b>ENERGY REVENUES</b>        |                                |                        |
| 4006                          | Residential Energy Sales       | (\$39,463,798)         |
| 4025                          | Street Lighting Energy Sales   | (\$504,927)            |
| 4030                          | Sentinel Lighting Energy Sales | (\$8,508)              |
| 4035                          | General Energy Sales           | (\$54,992,241)         |
| 4050                          | Revenue Adjustment             | \$0                    |
| 4055                          | Energy Sales for Resale        | (\$3,013,203)          |
| 4060                          | Interdepartmental Energy Sales | (\$210,523)            |
| 4062                          | Wholesale Market Services      | (\$3,911,095)          |
| 4066                          | Network                        | (\$8,181,982)          |
| 4068                          | Connection                     | (\$5,321,789)          |
| 4076                          | Smart Metering Entity Charge   | (\$166,203)            |
|                               | <b>Subtotal</b>                | <b>(\$115,774,269)</b> |
| <b>COST OF POWER EXPENSES</b> |                                |                        |
| 4705                          | Power Purchased                | \$78,063,817           |
| 4707                          | Charges - Global Adjustment    | \$20,129,419           |
| 4708                          | Wholesale Market Services      | \$3,910,905            |
| 4714                          | Network                        | \$8,181,982            |
| 4716                          | Connection                     | \$5,321,788            |
| 4751                          | Smart Metering Entity Charge   | \$166,168              |
|                               | <b>Subtotal</b>                | <b>\$115,774,079</b>   |
|                               | <b>Grand Total</b>             | <b>(\$190)</b>         |

There was an immaterial out of balance of \$(190) reported in 2022.

### 9.2.3 CARRYING CHARGES

SNC has used the Board's prescribed interest rates when calculating carrying charges on the DVA balances. Table 9-4 below shows the Board's prescribed interest rates starting from 2017 Q1 onward. Interest is calculated based on the opening monthly principal balances.

In accordance with the Filing Requirements, the most recent posted interest rate, 4.98% for Q3 of 2023, has been used to forecast carrying charges to April 30, 2024, except for the OPEB interest rate, calculated at the CWIP rates, as per OEB Report EB-2015-0040.

1 **TABLE 9-4: OEB PRESCRIBED INTEREST RATES**

| Year | Quarter | Prescribed Interest Rate | Year | Quarter | Prescribed Interest Rate |
|------|---------|--------------------------|------|---------|--------------------------|
| 2017 | Q1      | 1.10%                    | 2021 | Q1      | 0.57%                    |
|      | Q2      | 1.10%                    |      | Q2      | 0.57%                    |
|      | Q3      | 1.10%                    |      | Q3      | 0.57%                    |
|      | Q4      | 1.50%                    |      | Q4      | 0.57%                    |
| 2018 | Q1      | 1.50%                    | 2022 | Q1      | 0.57%                    |
|      | Q2      | 1.89%                    |      | Q2      | 1.02%                    |
|      | Q3      | 1.89%                    |      | Q3      | 2.20%                    |
|      | Q4      | 2.17%                    |      | Q4      | 3.87%                    |
| 2019 | Q1      | 2.45%                    | 2023 | Q1      | 4.73%                    |
|      | Q2      | 2.18%                    |      | Q2      | 4.98%                    |
|      | Q3      | 2.18%                    |      | Q3      | 4.98%                    |
|      | Q4      | 2.18%                    |      | Q4      | 4.98%                    |
| 2020 | Q1      | 2.18%                    | 2024 | Q1      | 4.98%                    |
|      | Q2      | 2.18%                    |      | Q2      | 4.98%                    |
|      | Q3      | 0.57%                    |      | Q3      | 4.98%                    |
|      | Q4      | 0.57%                    |      | Q4      | 4.98%                    |

2

### 3 **9.3 PROPOSED ACCOUNT DISPOSITION AND DISCONTINUATION**

#### 4 *Thunder Bay Zone:*

5 In the Thunder Bay Zone, the following accounts are not being proposed for disposition:

- 6 • 1595 – Disposition and Recovery of Regulatory Balances (2018). This balance was previously
- 7 requested for disposal in EB-2022-0063.
- 8 • 1595 - Disposition and Recovery of Regulatory Balances (2020), (2021), (2022). These balances
- 9 have not yet reached the two-year time frame after the sunset date and audit of the rate riders.
- 10 • 1525 – Deferred COS Expenses. Account is not requested for disposal, is tracking COS expenses
- 11 only for accounting purposes.

12 In the Thunder Bay Zone, the following Group 2 Accounts are being proposed for discontinuation:

- 13 • 1508 - Wireline Attachment. This revenue for this account has been estimated for 2023 and from
- 14 January to April 30, 2024. Although these balances are not audited, they have been forecasted
- 15 using annual inflation and anticipated pole attachment additions. See Section 9.5 below.

- 1508 - Gain on Sale of Non-Depreciable Assets. This account has been used for the Accounting Order from EB-2016-0105 and will have no further activity after its disposal in this application.

The following table summarizes the Thunder Bay Zone USofA accounts proposed for disposition in this application, as well as USofA accounts being proposed for closing after final disposition in this application.

**TABLE 9-5: THUNDER BAY ZONE USofA ACCOUNT DISPOSITION AND DISCONTINUATION**

| USofA                                      | Description                              | Principal            | Interest           | Total                | Proposed Disposition | Explanation if NO       | Proposed Closing Account | Explanation                                   |
|--|--|----------------------|--------------------|----------------------|----------------------|-------------------------|--------------------------|---|
| <b>GROUP 1</b>                             |  |                      |                    |                      |                      |                         |                          |   |
| 1551                                       | Smart Metering Entity Charge             | (\$142,874)          | (\$10,417)         | (\$153,291)          | YES                  | -                       | NO                       | Remain for future deferrals.                  |
| 1580                                       | RSVA Wholesale Market Service Charge     | \$1,662,241          | \$119,139          | \$1,781,380          | YES                  | -                       | NO                       | Remain for future deferrals.                  |
| 1580                                       | RSVA Wholesale Market - CBDR A           | \$0                  | \$0                | \$0                  | YES                  | -                       | NO                       | Remain for future deferrals.                  |
| 1580                                       | RSVA Wholesale Market - CBDR B           | (\$104,660)          | (\$7,248)          | (\$111,908)          | YES                  | -                       | NO                       | Remain for future deferrals.                  |
| 1584                                       | RSVA Network Charge                      | \$605,558            | \$35,464           | \$641,022            | YES                  | -                       | NO                       | Remain for future deferrals.                  |
| 1586                                       | RSVA Connection Charge                   | \$344,931            | \$25,584           | \$370,515            | YES                  | -                       | NO                       | Remain for future deferrals.                  |
| 1588                                       | RSVA Power                               | (\$119,119)          | (\$30,518)         | (\$149,637)          | YES                  | -                       | NO                       | Remain for future deferrals.                  |
| 1589                                       | RSVA Global Adjustment                   | (\$48,574)           | \$18,833           | (\$29,741)           | YES                  | -                       | NO                       | Remain for future deferrals.                  |
| 1595                                       | Disposition of RA Balances (2018)        | \$172,094            | (\$140,041)        | \$32,053             | NO                   | Cleared in EB-2022-0063 | YES                      | Account not required after final disposition. |
| 1595                                       | Disposition of RA Balances (2019)        | \$382,585            | (\$409,552)        | (\$26,967)           | YES                  | -                       | NO                       | Remain for Disposal in 2024.                  |
| 1595                                       | Disposition of RA Balances (2020)        | (\$1,543)            | \$8,674            | \$7,131              | NO                   | Not eligible            | NO                       | Remain for future Disposal.                   |
| 1595                                       | Disposition of RA Balances (2021)        | \$25,942             | \$1,023            | \$26,965             | NO                   | Not eligible            | NO                       | Remain for future Disposal.                   |
| 1595                                       | Disposition of RA Balances (2022)        | (\$17,192)           | (\$40,931)         | (\$58,123)           | NO                   | Not eligible            | NO                       | Remain for future Disposal.                   |
| <b>Total Group 1 Accounts Including GA</b> |  | \$2,759,390          | (\$429,991)        | \$2,329,399          |                      |                         |                          |   |
| <b>Total Group 1 Accounts Excluding GA</b> |  | \$2,807,964          | (\$448,824)        | \$2,359,140          |                      |                         |                          |   |
| <b>GROUP 1 DISPOSAL REQUEST</b>            |  | <b>\$2,580,089</b>   | <b>(\$258,716)</b> | <b>\$2,321,373</b>   |                      |                         |                          |   |
| <b>GROUP 2</b>                             |  |                      |                    |                      |                      |                         |                          |   |
| 1508                                       | Other RA - OEB Cost Assessments          | \$104,216            | \$16,645           | \$120,862            | YES                  | -                       | NO                       | Remain for future deferrals.                  |
| 1508                                       | Wireline Attachment Variance             | (\$2,626,062)        | (\$234,230)        | (\$2,860,291)        | YES                  | -                       | YES                      | Account not required after final disposition. |
| 1508                                       | Gain On Disposition of Non-Depreciable A | (\$32,321)           | (\$2,746)          | (\$35,066)           | YES                  | -                       | YES                      | Account not required after final disposition. |
| 1518                                       | RCVA Retail                              | \$175,747            | \$21,900           | \$197,647            | YES                  | -                       | NO                       | Remain for future deferrals.                  |
| 1522                                       | OPEB                                     | \$0                  | (\$22,325)         | (\$22,325)           | YES                  | -                       | NO                       | Remain for future deferrals.                  |
| 1525                                       | Deferred Cost of Service Expenses        | \$26,788             | \$0                | \$26,788             | NO                   | Not eligible            | NO                       | Remain for future deferrals.                  |
| 1548                                       | RCVA STR                                 | \$41,141             | \$4,760            | \$45,901             | YES                  | -                       | NO                       | Remain for future deferrals.                  |
| <b>Total Group 2 Accounts</b>              |  | <b>(\$2,310,491)</b> | <b>(\$215,994)</b> | <b>(\$2,526,485)</b> |                      |                         |                          |   |
| <b>GROUP 2 DISPOSAL REQUEST</b>            |  | <b>(\$2,337,279)</b> | <b>(\$215,994)</b> | <b>(\$2,553,273)</b> |                      |                         |                          |   |
| <b>TOTAL PROPOSED DISPOSALS</b>            |  |                      |                    | <b>(\$231,900)</b>   |                      |                         |                          |   |

*Kenora Zone:*

In the Kenora Zone, the following accounts are not being proposed for disposition:

- 1595 - Disposition and Recovery of Regulatory Balances (2018). This balance was previously requested for disposal in EB-2022-0063.
- 1595 - Disposition and Recovery of Regulatory Balances (2020), (2021), (2022). These balances have not yet reached the two-year time frame after the sunset date and audit of the rate riders.

In the Kenora Zone, the following Group 2 Accounts are being proposed for discontinuation:

- 1508 - Wireline Attachment. This revenue for this account has been estimated for 2023 and from January to April 30, 2024. Although these balances are not audited, they have been forecasted using annual inflation and anticipated pole attachment additions. See Section 9.5 below.
- 1508 - IFRS Implementation Costs. This account will have no further activity after its disposal in this application.
- 1508 - Merger Capital Policies. This account will have no further activity after its disposal in this application.
- 1532 - Renewable Connection OM&A. This account will have no further activity after its disposal in this application.
- 1535 – Smart Grid OM&A Deferral. This account will have no further activity after its disposal in this application.
- 1555/1556 - Smart Meter & Strander Meter. This account will have no further activity after its disposal in this application.
- 1576 - Accounting Changes Under CGAAP. This account will have no further activity after its disposal in this application.
- 1592 - Shared Tax Savings. This account will have no further activity after its disposal in this application.
- 1592 - PST Deferral. This account will have no further activity after its disposal in this application.

The following table summarizes the Kenora Zone USofA accounts proposed for disposition in this application, as well as USofA accounts being proposed for closing after final disposition in this application.

1 *Kenora Zone:*

2 **TABLE 9-6: KENORA ZONE USofA ACCOUNT DISPOSITION AND DISCONTINUATION**

| USoA                            | Description                                | Principal          | Interest        | Total              | Proposed Disposition | Explanation if NO       | Proposed Closing Account | Explanation                                   |
|---------------------------------|--|--------------------|-----------------|--------------------|----------------------|-------------------------|--------------------------|---|
| <b>GROUP 1</b>                  |  |                    |                 |                    |                      |                         |                          |   |
| 1551                            | Smart Metering Entity Charge               | (\$14,409)         | (\$992)         | (\$15,401)         | YES                  | -                       | NO                       | Remain for future deferrals.                  |
| 1580                            | RSVA Wholesale Market Service Charge       | \$210,569          | \$14,069        | \$224,638          | YES                  | -                       | NO                       | Remain for future deferrals.                  |
| 1580                            | RSVA Wholesale Market - CBDR B             | (\$13,444)         | (\$753)         | (\$14,197)         | YES                  | -                       | NO                       | Remain for future deferrals.                  |
| 1584                            | RSVA Network Charge                        | \$93,760           | \$4,436         | \$98,196           | YES                  | -                       | NO                       | Remain for future deferrals.                  |
| 1586                            | RSVA Connection Charge                     | \$16,228           | \$1,394         | \$17,622           | YES                  | -                       | NO                       | Remain for future deferrals.                  |
| 1588                            | RSVA Power                                 | \$31,054           | (\$9,513)       | \$21,541           | YES                  | -                       | NO                       | Remain for future deferrals.                  |
| 1589                            | RSVA Global Adjustment                     | (\$40,089)         | \$977           | (\$39,112)         | YES                  | -                       | NO                       | Remain for future deferrals.                  |
| 1595                            | Disposition of RA Balances (2018)          | \$2,477            | (\$3,813)       | (\$1,336)          | NO                   | Cleared in EB-2022-0063 | YES                      | Account not required after final disposition. |
| 1595                            | Disposition of RA Balances (2019)          | \$0                | \$0             | \$0                | YES                  | -                       | YES                      | Account not required after final disposition. |
| 1595                            | Disposition of RA Balances (2020)          | (\$6,735)          | (\$2,982)       | (\$9,717)          | NO                   | Not eligible            | NO                       | Remain for future Disposal.                   |
| 1595                            | Disposition of RA Balances (2021)          | (\$3,756)          | (\$1,474)       | (\$5,230)          | NO                   | Not eligible            | NO                       | Remain for future Disposal.                   |
| 1595                            | Disposition of RA Balances (2022)          | (\$7,833)          | \$10,290        | \$2,457            | NO                   | Not eligible            | NO                       | Remain for future Disposal.                   |
|                                 | <b>Total Group 1 Accounts Including GA</b> | <b>\$267,821</b>   | <b>\$11,641</b> | <b>\$279,462</b>   |                      |                         |                          |   |
|                                 | <b>Total Group 1 Accounts Excluding GA</b> | <b>\$307,910</b>   | <b>\$10,663</b> | <b>\$318,574</b>   |                      |                         |                          |   |
| <b>GROUP 1 DISPOSAL REQUEST</b> |  | <b>\$283,668</b>   | <b>\$9,620</b>  | <b>\$293,288</b>   |                      |                         |                          |   |
| <b>GROUP 2</b>                  |  |                    |                 |                    |                      |                         |                          |   |
| 1508                            | Other RA - OEB Cost Assessments            | \$57,867           | \$7,121         | \$64,988           | YES                  | -                       | NO                       | Remain for future deferrals.                  |
| 1508                            | Wireline Attachment Variance               | (\$639,779)        | (\$56,321)      | (\$696,100)        | YES                  | -                       | YES                      | Account not required after final disposition. |
| 1508                            | IFRS Implementation Costs                  | \$21,183           | \$3,790         | \$24,973           | YES                  | -                       | YES                      | Account not required after final disposition. |
| 1508                            | Merger Capital Policies                    | \$114,507          | \$13,142        | \$127,648          | YES                  | -                       | YES                      | Account not required after final disposition. |
| 1518                            | RCVA Retail                                | \$14,127           | \$2,998         | \$17,125           | YES                  | -                       | NO                       | Remain for future deferrals.                  |
| 1522                            | OPEB                                       | \$0                | \$0             | \$0                | YES                  | -                       | NO                       | Remain for future deferrals.                  |
| 1532                            | Renewable Connection OM&A Deferral         | \$22,929           | \$5,632         | \$28,562           | YES                  | -                       | YES                      | Account not required after final disposition. |
| 1535                            | Smart Grid OM&A Deferral                   | \$1,845            | \$456           | \$2,302            | YES                  | -                       | YES                      | Account not required after final disposition. |
| 1548                            | RCVA STR                                   | \$5,373            | \$787           | \$6,159            | YES                  | -                       | NO                       | Remain for future deferrals.                  |
| 1555/1556                       | Smart Meter Capital, OM&A and Stranded Met | \$35,997           | \$26,038        | \$62,035           | YES                  | -                       | YES                      | Account not required after final disposition. |
| 1576                            | Accounting Changes Under CGAAP - Kenora    | (\$9,764)          | (\$538)         | (\$10,302)         | YES                  | -                       | YES                      | Account not required after final disposition. |
| 1592                            | Shared Tax Savings                         | (\$13,768)         | \$0             | (\$13,768)         | YES                  | -                       | YES                      | Account not required after final disposition. |
| 1592                            | PILs & Tax Variance - PST Deferral         | (\$8,788)          | (\$1,115)       | (\$9,903)          | YES                  | -                       | YES                      | Account not required after final disposition. |
|                                 | <b>Total Group 2 Accounts</b>              | <b>(\$398,270)</b> | <b>\$1,991</b>  | <b>(\$396,280)</b> |                      |                         |                          |   |
| <b>GROUP 2 DISPOSAL REQUEST</b> |  | <b>(\$398,270)</b> | <b>\$1,991</b>  | <b>(\$396,280)</b> |                      |                         |                          |   |
| <b>TOTAL PROPOSED DISPOSALS</b> |  | <b>(\$114,603)</b> | <b>\$11,610</b> | <b>(\$102,992)</b> |                      |                         |                          |   |

3

4 *SNC Zone (All customers):*

5 Three Group 2 accounts identified as “SNC Zone” are being requested for disposal in this application.

6 These accounts consist of deferral balances that have occurred post-merger, and the resulting riders are

7 to be returned to all SNC customers in this application.

8 The following SNC Group 2 Accounts are being proposed for discontinuation:

- 9 • 1508 - Customer Choice Initiative. This account will have no further activity after its disposal in
- 10 this application.
- 11 •

- 1592 - Accelerated CCA. This account will have no further activity after its disposal in this application.

#### TABLE 9-7: SNC ZONE (ALL CUSTOMERS) USofA ACCOUNT DISPOSITION AND DISCONTINUATION

*SNC Zone (All customers):*

| USoA                            | Description  | Principal            | Interest           | Total                | Proposed Disposition | Explanation if NO | Proposed Closing Account | Explanation                                   |
|---------------------------------|--|----------------------|--------------------|----------------------|----------------------|-------------------|--------------------------|---|
| <b>GROUP 2</b>                  |  |                      |                    |                      |                      |                   |                          |   |
| 1508                            | Other Regulatory Assets - Customer Choice Initiative | \$28,312             | \$2,568            | \$30,880             | YES                  | -                 | YES                      | Account not required after final disposition. |
| 1508                            | Other Regulatory Assets - Green Button Initiative    | \$35,000             | \$2,500            | \$37,499             | YES                  | -                 | NO                       | Remain for future deferrals.                  |
| 1592                            | Other Regulatory Assets - Accelerated CCA            | (\$1,865,284)        | (\$129,360)        | (\$1,994,644)        | YES                  | -                 | YES                      | Account not required after final disposition. |
| <b>TOTAL PROPOSED DISPOSALS</b> |  | <b>(\$1,801,973)</b> | <b>(\$124,292)</b> | <b>(\$1,926,264)</b> |                      |                   |                          |   |

### 9.3.1 BALANCES REQUESTED FOR DISPOSAL

SNC is requesting a net disposition of \$(231,900) as a return to Thunder Bay Zone customers, a net disposition of \$(102,992) to Kenora Zone customers, and a net disposition of \$(1,926,264) to all SNC customers. Disposals are based on the 2022 year end balances less amounts approved through the 2023 IRM (EB-2022-0063), and the draft amounts for disposal in the Bifurcated (EB-2023-0106) models as at August 4, 2023, along with any timing adjustments noted in this application, for each account. Details of each account disposition request, including timing adjustments, are discussed in detail in Section 9.4 and Section 9.5.

#### TABLE 9-8: BALANCES FOR DISPOSITION: SUMMARY OF AMOUNTS

*Thunder Bay Zone:*

| Description                              | Total              |
|--|--------------------|
| Group 1 Disposal (No GA or CBR Balances) | \$2,463,022        |
| Group 1 GA Only Disposal                 | (\$29,741)         |
| Group 1 WMS - CBDR Disposal              | (\$111,908)        |
| Group 2 Disposal                         | (\$2,553,273)      |
| <b>Total Net Balance for Disposition</b> | <b>(\$231,900)</b> |

*Kenora Zone:*

| Description                              | Total              |
|--|--------------------|
| Group 1 Disposal (No GA Balance)         | \$332,400          |
| Group 1 GA Only Disposal                 | (\$39,112)         |
| Group 2 Disposal                         | (\$396,280)        |
| <b>Total Net Balance for Disposition</b> | <b>(\$102,992)</b> |

*SNC Zone:*

| Description                              | Total                |
|--|----------------------|
| Group 2 Disposal                         | (\$1,926,264)        |
| <b>Total Net Balance for Disposition</b> | <b>(\$1,926,264)</b> |

### 9.3.2 ADJUSTMENTS TO DEFERRAL AND VARIANCE ACCOUNTS

Through Bifurcated IRM application EB-2023-0106, Account 1588 balances previously disposed of on a final basis were requested for adjustment for the Thunder Bay zone. In the Decision and Order July 6, 2023, the OEB approved a retroactive claim of \$631,946 as a debit to Account 1588 for the Thunder Bay Zone. This correction related to errors in Account 1588 and settlements with the IESO. At the time of filing of this application, the Draft Rate Order has not been approved by the OEB, as such the amounts requested for disposal and the anticipated balances in Accounts 1588 and 1589 were used in this application. Any subsequent changes to the Bifurcated Model, resulting in changes to the December 31, 2021, balances requested for disposal, will require this application to be updated.

## 9.4 GROUP ONE ACCOUNT ANALYSIS

SNC last disposed of Group 1 account balances for both Zones in its 2023 IRM Rate Application (EB-2022-0063) and in the pending approval of the Bifurcated Application (EB-2023-0106). Filing Requirement's specify that the continuity schedule should show the balance details from the last disposition. Accordingly, SNC has entered continuity data into Tab 2. Continuity Schedule of the Board Model 2024\_DVA\_Continuity\_Schedule\_CoS\_1.0.

The following sections provide details about the Group 1 accounts utilized by SNC and the respective disposition requests. All Group 1 Deferred Variance Account ("DVA") December 31, 2022, balances before adjustments and forecasted interest match the 2022 Audited Financial Statements.

#### 9.4.1 ACCOUNT 1551: RSVA – SMART METERING ENTITY (“SME”)

This account is used to record the difference between the Smart Meter Entity amounts billed to SNC customers and the charges paid to the IESO. SNC uses the accrual method. The Board prescribed interest rates are used to calculate the carrying charges and it is recorded in a sub-account.

SNC requests disposition of Account 1551 – SME for:

- Thunder Bay Zone \$(153,291) as a refund to customers, including interest to April 30, 2024.
- Kenora Zone \$(15,401) as a refund to customers, including interest to April 30, 2024.

#### TABLE 9-9: ACCOUNT 1551 SME - DISPOSITION BALANCE

##### *Thunder Bay Zone:*

| Description                               | Principal          | Interest          | Total              |
|---|--------------------|-------------------|--------------------|
| December 31, 2022 Balance                 | (\$165,308)        | (\$1,939)         | (\$167,247)        |
| Less: 2023 IRM Disposition (EB-2022-0063) | (\$22,434)         | (\$919)           | (\$23,353)         |
| Adjustments                               | \$0                | \$0               | \$0                |
| <b>Balance for Disposition</b>            | <b>(\$142,874)</b> | <b>(\$1,019)</b>  | <b>(\$143,893)</b> |
| Interest January to December 2023         |                    | (\$7,026)         | (\$7,026)          |
| Interest January through April 2024       |                    | (\$2,372)         | (\$2,372)          |
| <b>Total Claim</b>                        | <b>(\$142,874)</b> | <b>(\$10,417)</b> | <b>(\$153,291)</b> |

##### *Kenora Zone:*

| Description                               | Principal         | Interest       | Total             |
|---|-------------------|----------------|-------------------|
| December 31, 2022 Balance                 | (\$17,685)        | (\$219)        | (\$17,904)        |
| Less: 2023 IRM Disposition (EB-2022-0063) | (\$3,276)         | (\$175)        | (\$3,451)         |
| Adjustments                               | \$0               | \$0            | \$0               |
| <b>Balance for Disposition</b>            | <b>(\$14,409)</b> | <b>(\$44)</b>  | <b>(\$14,454)</b> |
| Interest January to December 2023         |                   | (\$709)        | (\$709)           |
| Interest January through April 2024       |                   | (\$239)        | (\$239)           |
| <b>Total Claim</b>                        | <b>(\$14,409)</b> | <b>(\$992)</b> | <b>(\$15,401)</b> |

#### 9.4.2 ACCOUNT 1580: RSVA – WHOLESALE MARKET SERVICES

This account is used to record the difference between the amounts charged by the IESO for wholesale market services and the amount billed to SNC customers using the Board Approved rates. SNC uses the accrual method. The Board prescribed interest rates are used to calculate the carrying charges and it is recorded in a sub-account.

SNC requests disposition of Account 1580 (excluding CBR Class A and Class B) for:



- Thunder Bay Zone \$1,781,379 to be charged to customers, including interest to April 30, 2024.
- Kenora Zone \$224,638 to be charged to customers, including interest to April 30, 2024.

**TABLE 9-10: ACCOUNT 1580 WMS - DISPOSITION BALANCE**

*Thunder Bay Zone:*

| Description                               | principal          | Interest         | Total              |
|---|--------------------|------------------|--------------------|
| December 31, 2022 Balance                 | \$2,248,112        | \$33,529         | \$2,281,641        |
| Less: 2023 IRM Disposition (EB-2022-0063) | \$585,871          | \$23,725         | \$609,596          |
| Adjustments                               | \$0                | \$0              | \$0                |
| <b>Balance for Disposition</b>            | <b>\$1,662,241</b> | <b>\$9,805</b>   | <b>\$1,672,046</b> |
| Interest January to December 2023         |                    | \$81,741         | \$81,741           |
| Interest January through April 2024       |                    | \$27,593         | \$27,593           |
| <b>Total Claim</b>                        | <b>\$1,662,241</b> | <b>\$119,139</b> | <b>\$1,781,380</b> |

*Kenora Zone:*

| Description                               | principal        | Interest        | Total            |
|---|------------------|-----------------|------------------|
| December 31, 2022 Balance                 | \$283,738        | \$4,263         | \$288,001        |
| Less: 2023 IRM Disposition (EB-2022-0063) | \$73,169         | \$4,044         | \$77,213         |
| Adjustments                               | \$0              | \$0             | \$0              |
| <b>Balance for Disposition</b>            | <b>\$210,569</b> | <b>\$219</b>    | <b>\$210,788</b> |
| Interest January to December 2023         |                  | \$10,355        | \$10,355         |
| Interest January through April 2024       |                  | \$3,495         | \$3,495          |
| <b>Total Claim</b>                        | <b>\$210,569</b> | <b>\$14,069</b> | <b>\$224,638</b> |

Wholesale Market Service Sub-Account: Capacity Based Demand Response ("CBR")

In May 2015, the IESO introduced a new wholesale market service charge to recover costs associated with contracted demand response providers active in the wholesale energy market. The program is known as CBR.

CBR – Class A

In correspondence dated March 29, 2016, the Board indicated that since the WMS rate is based on a forecast and CBR costs vary, distributors who serve Class A customers that are not market participants need to take steps during each settlement period to ensure that Class A customers pay the amounts which more closely reflect their proportion of costs. As directed by the Board, SNC has tracked CBR revenues and expenses for Class A customers separately. SNC complied with this direction. SNC understands that it is to settle those amounts as appropriate directly with the Class A customer. Class A WMS – CBR Account

does not contain a balance at December 31, 2022. Kenora Zone did not have Class A customers during the period.

CBR – Class B

As directed by the Board, SNC has tracked CBR revenues and expenses for Class B customers separately.

The Board prescribed interest rates are used to calculate the carrying charges and it is recorded in a sub-account.

During 2022 there was one customer that transitioned from Class B Non-RPP to Class A. This customer has an allocated amount for the portion of the disposal that relates to when this customer was a Class B Non-RPP customer. The specific customer amount is calculated in the Continuity Workform and is presented in Table 9-8, at \$(167). It is proposed to credit this customer once for the full amount due to its immaterial amount.

SNC requests disposition of CBR Class B for:

- Thunder Bay Zone \$(111,741) as a refund to Class B customers, including interest to April 30, 2024.
- Kenora Zone \$(14,197) as a refund to customers, including interest to April 30, 2024.

#### **TABLE 9-11: ACCOUNT 1580 WMS - DISPOSITION BALANCE – CBR B**

*Thunder Bay Zone:*

| Description  | Principal          | Interest         | Total              |
|--|--------------------|------------------|--------------------|
| December 31, 2022 Balance                                  | (\$196,559)        | (\$4,216)        | (\$200,775)        |
| Less: 2023 IRM Disposition (EB-2022-0063)                  | (\$91,899)         | (\$3,852)        | (\$95,751)         |
| Adjustments  | \$0                | \$0              | \$0                |
| <b>Balance for Disposition</b>                             | <b>(\$104,660)</b> | <b>(\$364)</b>   | <b>(\$105,024)</b> |
| Interest January to December 2023                          |                    | (\$5,147)        | (\$5,147)          |
| Interest January through April 2024                        |                    | (\$1,737)        | (\$1,737)          |
| <b>Total Claim</b>   | <b>(\$104,660)</b> | <b>(\$7,248)</b> | <b>(\$111,908)</b> |
| <b>Allocated to Class B Transition to Class A Customer</b> |                    |                  | <b>(\$167)</b>     |
| <b>To Allocate to Class B Customers</b>                    |                    |                  | <b>(\$111,741)</b> |

1 *Kenora Zone:*

| Description                               | Principal         | Interest       | Total             |
|---|-------------------|----------------|-------------------|
| December 31, 2022 Balance                 | (\$25,610)        | (\$523)        | (\$26,133)        |
| Less: 2023 IRM Disposition (EB-2022-0063) | (\$12,166)        | (\$654)        | (\$12,820)        |
| Adjustments                               | \$0               | \$0            | \$0               |
| <b>Balance for Disposition</b>            | <b>(\$13,444)</b> | <b>\$132</b>   | <b>(\$13,313)</b> |
| Interest January to December 2023         |                   | (\$661)        | (\$661)           |
| Interest January through April 2024       |                   | (\$223)        | (\$223)           |
| <b>Total Claim</b>                        | <b>(\$13,444)</b> | <b>(\$753)</b> | <b>(\$14,197)</b> |

3 **9.4.3 ACCOUNT 1584: RSVA – RETAIL TRANSMISSION NETWORK**

4 This account is used to record the net of the amount charged by the IESO, based on the settlement invoice  
5 for transmission network services, and the amount billed to customers using the OEB-approved Retail  
6 Transmission Rate for network services. SNC uses the accrual method. The Board prescribed interest rates  
7 are used to calculate the carrying charges and the interest is recorded in a sub-account.

8 SNC requests disposition of Account 1584 – Network for:

- 9 • Thunder Bay Zone \$641,022 as a charge to customers, including interest to April 30, 2024.
- 10 • Kenora Zone \$98,196 as a charge to customers, including interest to April 30, 2024.

11 **TABLE 9-12: ACCOUNT 1584 NW - DISPOSITION BALANCE**

12 *Thunder Bay Zone:*

| Description                               | Principal        | Interest         | Total            |
|---|------------------|------------------|------------------|
| December 31, 2022 Balance                 | \$1,162,364      | \$19,239         | \$1,181,603      |
| Less: 2023 IRM Disposition (EB-2022-0063) | \$556,805        | \$23,606         | \$580,411        |
| Adjustments                               | \$0              | \$0              | \$0              |
| <b>Balance for Disposition</b>            | <b>\$605,558</b> | <b>(\$4,367)</b> | <b>\$601,192</b> |
| Interest January to December 2023         |                  | \$29,778         | \$29,778         |
| Interest January through April 2024       |                  | \$10,052         | \$10,052         |
| <b>Total Claim</b>                        | <b>\$605,558</b> | <b>\$35,464</b>  | <b>\$641,022</b> |

13

*Kenora Zone:*

| Description                               | Principal       | Interest         | Total           |
|---|-----------------|------------------|-----------------|
| December 31, 2022 Balance                 | \$179,635       | \$2,995          | \$182,630       |
| Less: 2023 IRM Disposition (EB-2022-0063) | \$85,875        | \$4,726          | \$90,600        |
| Adjustments                               | \$0             | \$0              | \$0             |
| <b>Balance for Disposition</b>            | <b>\$93,760</b> | <b>(\$1,731)</b> | <b>\$92,029</b> |
| Interest January to December 2023         |                 | \$4,611          | \$4,611         |
| Interest January through April 2024       |                 | \$1,556          | \$1,556         |
| <b>Total Claim</b>                        | <b>\$93,760</b> | <b>\$4,436</b>   | <b>\$98,196</b> |

#### 9.4.4 ACCOUNT 1586: RSVA – RETAIL TRANSMISSION CONNECTION

This account is used to record the net of the amount charged by the IESO, based on the settlement invoice for transmission connection services and the amount billed to customers using the Board approved Retail Transmission Rate for connection services. SNC uses the accrual method. The Board prescribed interest rates are used to calculate the carrying charges and the interest is recorded in a sub-account.

SNC requests disposition of Account 1586 - Connection for:

- Thunder Bay Zone \$370,515 as a collection from customers, including interest to April 30, 2024.
- Kenora Zone \$17,622 as a collection from customers, including interest to April 30, 2024.

#### TABLE 9-13: ACCOUNT 1586 CN - DISPOSITION BALANCE

*Thunder Bay Zone:*

| Description                               | Principal        | Interest        | Total            |
|---|------------------|-----------------|------------------|
| December 31, 2022 Balance                 | \$499,904        | \$9,043         | \$508,947        |
| Less: 2023 IRM Disposition (EB-2022-0063) | \$154,973        | \$6,147         | \$161,120        |
| Adjustments                               | \$0              | \$0             | \$0              |
| <b>Balance for Disposition</b>            | <b>\$344,931</b> | <b>\$2,896</b>  | <b>\$347,827</b> |
| Interest January to December 2023         |                  | \$16,962        | \$16,962         |
| Interest January through April 2024       |                  | \$5,726         | \$5,726          |
| <b>Total Claim</b>                        | <b>\$344,931</b> | <b>\$25,584</b> | <b>\$370,515</b> |

1 *Kenora Zone:*

| Description                               | Principal       | Interest       | Total           |
|---|-----------------|----------------|-----------------|
| December 31, 2022 Balance                 | \$11,851        | \$70           | \$11,922        |
| Less: 2023 IRM Disposition (EB-2022-0063) | (\$4,376)       | (\$257)        | (\$4,633)       |
| Adjustments                               | \$0             | \$0            | \$0             |
| <b>Balance for Disposition</b>            | <b>\$16,228</b> | <b>\$327</b>   | <b>\$16,555</b> |
| Interest January to December 2023         |                 | \$798          | \$798           |
| Interest January through April 2024       |                 | \$269          | \$269           |
| <b>Total Claim</b>                        | <b>\$16,228</b> | <b>\$1,394</b> | <b>\$17,622</b> |

2

3 **9.4.5 ACCOUNT 1588: RSVA – POWER**

4 This account is used to recover the net difference between the energy amount billed to customers and  
5 the energy charged to SNC using the settlement invoice from the IESO. SNC uses the accrual method.

6 Balances at December 31, 2021, for both zones, were approved for disposition on a final basis in IRM  
7 Application EB-2023-0106.

8 The Board prescribed interest rates are used to calculate the carrying charges and the interest is recorded  
9 in a sub-account.

10 SNC requests disposition of Account 1588 - Power for:

- 11 • Thunder Bay Zone \$(149,637) as a payment to customers, including interest to April 30, 2024.
- 12 • Kenora Zone \$21,541 as a collection from customers, including interest to April 30, 2024.

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1 **TABLE 9-14: ACCOUNT 1588 POWER - DISPOSITION BALANCE**

2 *Thunder Bay Zone:*

| Description   | Principal          | Interest          | Total              |
|---|--------------------|-------------------|--------------------|
| December 31, 2022 Balance Before Bifurcation A                    | \$609,345          | (\$31,889)        | \$577,455          |
| Adjustments needed to DVA Schedule (Column BF)                    |                    |                   |                    |
| These will be recorded in 2023. Remove from Claim.                |                    |                   |                    |
| Remove DR balance in 2023 GL for 2016-2018 Errors                 | \$129,731          |                   |                    |
| Remove DR balance in 2023 GL for Disallowed Portion of Claim      | \$47,088           |                   |                    |
| Subtotal of DR's to Remove from Principal (DVA Column BF)         | \$176,819          |                   |                    |
| (included in DVA Schedule as Principal Adjustment Column BF )     |                    |                   |                    |
| Reconciliation from 2021 Bifurcated Balance to Dec 2022 A - B = C | \$432,526          | (\$31,889)        | \$400,637          |
| Balance Dec 31 2022 (columns BG & BL in 2024 DVA Schedule)        | \$432,526          | (\$31,889)        | \$400,637          |
| Check   | \$0                | \$0               | \$0                |
| Dec 2021 Balance Before Bifurcation D                             | (\$80,302)         | (\$9,208)         | (\$89,510)         |
| Total Principal Errors Requested for Disposal E                   | \$679,034          |                   | \$679,034          |
| Portion of Claim Disallowed F                                     | (\$47,088)         |                   | (\$47,088)         |
| <b>SUBTOTAL = DEC 2021 BALANCE FOR DISPOSAL G</b>                 | <b>\$551,644</b>   |                   | <b>\$542,436</b>   |
| <b>Balance for Disposition C - G = H</b>                          | <b>(\$119,119)</b> | <b>(\$22,681)</b> | <b>(\$141,800)</b> |
| Interest January to December 2023                                 |                    | (\$5,859)         | (\$5,859)          |
| Interest January through April 2024                               |                    | (\$1,978)         | (\$1,978)          |
| <b>Total Claim Matches DVA Schedule Column BT</b>                 | <b>(\$119,119)</b> | <b>(\$30,518)</b> | <b>(\$149,637)</b> |

4 *Kenora Zone:*

| Description  | Principal       | Interest          | Total           |
|--|-----------------|-------------------|-----------------|
| Dec 31, 2021 DVA Balance Per Bifurcated Model              | \$84,897        | \$3,643           |                 |
| 2022 DR Transactions in Account 1588                       | \$31,064        | (\$8,336)         |                 |
| OEB Disposal from 2021 IRM                                 | (\$22,499)      | (\$876)           |                 |
| Dec 2022 Balance A   | <b>\$93,462</b> | <b>(\$5,569)</b>  | \$87,893        |
| Reconciliation from 2021 Bifurcated Balance to Dec 2022    | \$93,462        | (\$5,569)         | \$87,893        |
| Balance Dec 31 2022 (columns BG & BL in 2024 DVA Schedule) | \$93,462        | (\$5,569)         | \$87,893        |
| Check  | \$0             | \$0               | \$0             |
| Dec 2021 Balance Disposed in 2022 IRM EB-2023-0106 B       | \$62,408        | \$5,987           | \$68,395        |
| <b>Balance for Disposition A - B = C</b>                   | <b>\$31,054</b> | <b>(\$11,556)</b> | <b>\$19,498</b> |
| Interest January to December 2023                          |                 | \$1,527           | \$1,527         |
| Interest January through April 2024                        |                 | \$515             | \$515           |
| <b>Total Claim Matches DVA Schedule Column BT</b>          | <b>\$31,054</b> | <b>(\$9,513)</b>  | <b>\$21,541</b> |

#### 9.4.6 ACCOUNT 1589: RSVA – GLOBAL ADJUSTMENT

This account is used to recover the net difference between the Global Adjustment amount billed to non-RPP customers and the GA adjustment charge to SNC based upon a calculated number based on the allocation between RPP and Non RPP from the IESO. SNC uses the accrual method. The Board prescribed interest rates are used to calculate the carrying charges and the interest is recorded in a sub-account.

Balances at December 31, 2021, for both zones, were approved for disposition on a final basis in IRM Application EB-2023-0106.

SNC has completed 2024 GA Analysis Workforms for both Zones, to support the claim for disposition of Account 1589. The GA analysis work form includes the tab Principal Adjustments.

During 2022 there was one customer that transitioned from Class B Non-RPP to Class A. This customer has an allocated amount for the portion of the disposal that relates to when this customer was a Class B Non-RPP customer. The specific customer amount is calculated in the Continuity Workform and is presented in Table 9-15, at \$(134). It is proposed to credit this customer once for the full amount rather than a monthly credit, due to its immaterial amount.

SNC requests disposition of Account 1589 – GA for:

- Thunder Bay Zone \$(29,607) as a refund to Class B Non-RPP customers, including interest to April 30, 2024.
- Kenora Zone \$(39,112) as a refund to Class B Non-RPP customers, including interest to April 30, 2024.

#### TABLE 9-15: ACCOUNT 1589 GA - DISPOSITION BALANCE

*Thunder Bay Zone:*

| Description  | Principal         | Interest        | Total             |
|--|-------------------|-----------------|-------------------|
| December 31, 2022 Balance                                  | (\$1,044,768)     | (\$20,051)      | (\$1,064,819)     |
| Less: 2023 IRM Bifurcated Disposition (EB-2023-0106)       | (\$996,194)       | (\$42,079)      | (\$1,038,273)     |
| Adjustments  | \$0               | \$0             | \$0               |
| <b>Balance for Disposition</b>                             | <b>(\$48,574)</b> | <b>\$22,028</b> | <b>(\$26,546)</b> |
| Interest January to December 2023                          |                   | (\$2,389)       | (\$2,389)         |
| Interest January through April 2024                        |                   | (\$806)         | (\$806)           |
| <b>Total Claim</b>   | <b>(\$48,574)</b> | <b>\$18,833</b> | <b>(\$29,741)</b> |
| <b>Allocated to Class B Transition to Class A Customer</b> |                   |                 | <b>(\$134)</b>    |
| <b>To Allocate to Class B Customers</b>                    |                   |                 | <b>(\$29,607)</b> |

*Kenora Zone:*

| Description                               | Principal         | Interest       | Total             |
|---|-------------------|----------------|-------------------|
| December 31, 2022 Balance                 | (\$144,099)       | (\$2,223)      | (\$146,322)       |
| Less: 2023 IRM Disposition (EB-2022-0063) | (\$104,010)       | (\$5,837)      | (\$109,847)       |
| Adjustments                               | \$0               | \$0            | \$0               |
| <b>Balance for Disposition</b>            | <b>(\$40,089)</b> | <b>\$3,614</b> | <b>(\$36,475)</b> |
| Interest January to December 2023         |                   | (\$1,971)      | (\$1,971)         |
| Interest January through April 2024       |                   | (\$665)        | (\$665)           |
| <b>Total Claim</b>                        | <b>(\$40,089)</b> | <b>\$977</b>   | <b>(\$39,112)</b> |

#### 9.4.7 ACCOUNT 1595:– DISPOSITION AND RECOVERY OF REGULATORY BALANCES

This account includes the regulatory asset or liability balances authorized by the Board for recovery in rates or payments/credits made to customers. Separate sub-accounts are maintained for expenses, interest, and recovery amounts for each Board-approved recovery.

The amounts requested for disposition relates to residual balances from Account 1595 - 2019 rate riders, which had a sunset date of April 30, 2020. 2018 balances were disposed of in the 2023 IRM (EB-2022-0063), the disposition of which concludes April 30, 2024. The 2020, 2021, and 2022 Account 1595 balances will not be disposed of in this application, as the two-year period after the end of the applicable rider has not yet elapsed. SNC uses the accrual method. The Board prescribed interest rates are used to calculate carrying charges and is recorded in a sub-account.

The Kenora Zone did not apply for Group 1 rate riders in its 2019 IRM Application (EB-2018-0046) as the balance did not exceed the OEB set materiality threshold in the IRM model. As such, there is no balance for Account 1595 disposition in the Kenora Zone.

SNC requests disposition of Account 1595 – RA Balances for:

- Thunder Bay Zone \$(26,967) as a refund to customers, including interest to April 30, 2024.



# TABLE 9-16: ACCOUNT 1595 RA - DISPOSITION BALANCE

## Thunder Bay Zone:

| Description                                      | Principal        | Interest           | Total             |
|--|------------------|--------------------|-------------------|
| December 31, 2022 Balance                        | \$561,886        | (\$605,992)        | (\$44,106)        |
| Balance Comprised of:                            |                  |                    |                   |
| 2018 Balance                                     | \$172,094        | (\$140,041)        | \$32,053          |
| 2019 Balance                                     | \$382,585        | (\$434,717)        | (\$52,132)        |
| 2020 Balance                                     | (\$1,543)        | \$8,674            | \$7,131           |
| 2021 Balance                                     | \$25,942         | \$1,023            | \$26,965          |
| 2022 Balance                                     | (\$17,192)       | (\$40,931)         | (\$58,123)        |
| <b>2019 Balance to be Disposed</b>               | <b>\$382,585</b> | <b>(\$434,717)</b> | <b>(\$52,132)</b> |
| <b>Requested Disposal</b>                        | <b>\$382,585</b> | <b>(\$434,717)</b> | <b>(\$52,132)</b> |
| Check Should Be 0                                | \$0              | \$0                | \$0               |
| 2019 Balance Interest January to December 2023   |                  | \$18,814           | \$18,814          |
| 2019 Balance Interest January through April 2024 |                  | \$6,351            | \$6,351           |
| <b>Total Claim</b>                               | <b>\$382,585</b> | <b>(\$409,552)</b> | <b>(\$26,967)</b> |

## Kenora Zone:

| Description                         | Principal  | Interest   | Total      |
|-------------------------------------|------------|------------|------------|
| December 31, 2022 Balance           | (\$15,847) | \$2,021    | (\$13,826) |
| Balance Comprised of:               |            |            |            |
| 2018 Balance                        | \$2,477    | (\$3,813)  | (\$1,336)  |
| 2019 Balance                        | \$0        | \$0        | \$0        |
| 2020 Balance                        | (\$6,735)  | (\$2,982)  | (\$9,717)  |
| 2021 Balance                        | (\$3,756)  | (\$1,474)  | (\$5,230)  |
| 2022 Balance                        | (\$7,833)  | \$10,290   | \$2,457    |
| <b>2019 Balance to be Disposed</b>  | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |
| <b>Requested Disposal</b>           | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |
| Check should be \$0                 | \$0        | \$0        | \$0        |
| Interest January to December 2023   |            | \$0        | \$0        |
| Interest January through April 2024 |            | \$0        | \$0        |
| <b>Total Claim</b>                  | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |

## 9.5 GROUP TWO ACCOUNT ANALYSIS

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SNC's predecessor KHEC last disposed of Group 2 accounts as part of its 2011 COS Application (EB-2010-0135). Its predecessor TBHEDI last disposed of Group 2 accounts as part of its 2017 COS Application (EB-2016-0105). SNC is seeking recovery for all Group 2 account balances over a one-year period, using the rate riders calculated in the DVA Continuity Schedule.

The following sections provide details of each Group 2 accounts and the amounts requested for disposition by Zone. SNC has entered details of the December 31, 2022, balances into the continuity data tab of the 2024\_DVA\_Continuity\_Schedule\_CoS\_1.0, one Schedule for each Zone.

### 9.5.1 ACCOUNT 1508: OTHER REGULATORY ASSETS

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This account includes one-time incremental costs or revenues for each of the following sub-accounts of Account 1508:

#### OEB Cost Assessment Deferral

The Board issued guidance on February 9, 2016, and April 1, 2016, permitting the use of Account 1508 Other Regulatory Assessments - Sub-Account OEB Cost Assessment Variance to record any material differences between OEB cost assessments currently built into rates and cost assessments that will result from the application of the new Cost Assessment Model ("CAM").

TBHEDI tracked the OEB CAM for three quarters of 2016, and one quarter of 2017 when updated COS rates came into effect, and no further amounts were included in Account 1508 CAM. For the Kenora zone, SNC has continued to track the difference between the approved amount in 2011 and actual annual OEB invoices. The 2011 COS amount has been increased each year from 2011 by the IRM inflation rate less stretch factor for Kenora annually to calculate the annual variance.

SNC requests disposition of Sub-Account 1508 - OEB Cost Assessment for:

- Thunder Bay Zone \$120,862 as a collection from customers, including interest to April 30, 2024.
- Kenora Zone \$64,988 as a collection from customers, including interest to April 30, 2024.

**TABLE 9-17: ACCOUNT 1508 OEB COST ASSESSMENT - DISPOSITION BALANCE**

*Thunder Bay Zone:*

| Description                               | Principal        | Interest        | Total            |
|---|------------------|-----------------|------------------|
| December 31, 2022 Balance                 | \$104,216        | \$9,791         | \$114,007        |
| Less: 2023 IRM Disposition (EB-2022-0063) | \$0              | \$0             | \$0              |
| Adjustments                               | \$0              | \$0             | \$0              |
| <b>Balance for Disposition</b>            | <b>\$104,216</b> | <b>\$9,791</b>  | <b>\$114,007</b> |
| Interest January to December 2023         |                  | \$5,125         | \$5,125          |
| Interest January through April 2024       |                  | \$1,730         | \$1,730          |
| <b>Total Claim</b>                        | <b>\$104,216</b> | <b>\$16,645</b> | <b>\$120,862</b> |

| Year | OEB Assessment Invoice | 2015 COS Approved | Variance         |
|------|------------------------|-------------------|------------------|
| 2016 | \$172,221              | \$94,947          | \$77,274         |
| 2017 | \$59,148               | \$32,206          | \$26,942         |
|      | <b>\$231,369</b>       | <b>\$127,153</b>  | <b>\$104,216</b> |

*Kenora Zone:*

| Description                               | Principal       | Interest       | Total           |
|---|-----------------|----------------|-----------------|
| December 31, 2022 Balance                 | \$57,867        | \$3,315        | \$61,182        |
| Less: 2023 IRM Disposition (EB-2022-0063) | \$0             | \$0            | \$0             |
| Adjustments                               | \$0             | \$0            | \$0             |
| <b>Balance for Disposition</b>            | <b>\$57,867</b> | <b>\$3,315</b> | <b>\$61,182</b> |
| Interest January to December 2023         |                 | \$2,846        | \$2,846         |
| Interest January through April 2024       |                 | \$961          | \$961           |
| <b>Total Claim</b>                        | <b>\$57,867</b> | <b>\$7,121</b> | <b>\$64,988</b> |

| Year | OEB Assessment Invoice | 2011 COS Approved + Inflation | Variance        |
|------|------------------------|-------------------------------|-----------------|
| 2016 | \$19,080               | \$11,321                      | \$7,759         |
| 2017 | \$25,592               | \$15,290                      | \$10,302        |
| 2018 | \$23,667               | \$15,382                      | \$8,285         |
| 2019 | \$23,889               | \$15,521                      | \$8,368         |
| 2020 | \$23,671               | \$15,738                      | \$7,933         |
| 2021 | \$22,881               | \$15,990                      | \$6,891         |
| 2022 | \$24,750               | \$16,421                      | \$8,329         |
|      | <b>\$163,530</b>       | <b>\$105,663</b>              | <b>\$57,867</b> |

**Wireline Attachment Deferral**

In its letter, Accounting Guidance on Wireline Pole Attachment Charges, dated July 20, 2018, the OEB created a new variance account, Account 1508 – Sub-Account – Pole Attachment Revenue Variance to be

used for recording the incremental revenue arising from the changes to the pole attachment charge. KHEC's pole attachment rate underpinning its rates, was set as part of its 2011 COS application (EB-2010-0135) at \$22.35 per year per pole. TBHEDI's pole attachment rate underpinning its rates, was set as part of its 2017 COS application (EB-2016-0105) at \$22.35 per year per pole. In contrast, the rates utilized since the 2018 OEB letter are as follows:

| Effective Date of Rate Change | Per Attachment per Year |
|-------------------------------|-------------------------|
| September 1, 2018             | \$28.09                 |
| January 1, 2019               | \$43.63                 |
| January 1, 2020               | \$44.50                 |
| January 1, 2022               | \$34.76                 |
| January 1, 2023               | \$36.05                 |

Outlined in Table 9-16 below are the calculations used and the resultant incremental revenue by year since September 1, 2018. The 2023 forecasted balance is based on the 2023 OEB approved rate with the known number of poles to which it will apply. The 2024 forecasted amount is based on the 2023 pole attachment rate, increased by the 2024 inflation value of 4.8%. Pole attachment counts have been increased by 35 attachments in the Kenora zone, and 315 attachments in the Thunder Bay zone, consistent with the 2024 budget. While these amounts will not have been audited, they can be determined with reasonable accuracy and SNC submits the balance to be disposed of in this application.

SNC requests disposition of Sub-Account 1508 Wireline Attachment for:

- Thunder Bay Zone \$(2,860,291) as a refund to customers, including interest to April 30, 2024.
- Kenora Zone \$(696,100) as a refund to customers, including interest to April 30, 2024.

**TABLE 9-18: ACCOUNT 1508 WIRELINE ATTACHMENT - DISPOSITION BALANCE**

*Thunder Bay Zone:*

| Description  | Principal            | Interest           | Total                |
|--|----------------------|--------------------|----------------------|
| December 31, 2022 Balance                          | (\$2,114,950)        | (\$61,500)         | (\$2,176,450)        |
| Less: 2023 IRM Disposition (EB-2022-0063)          | \$0                  | \$0                | \$0                  |
| Adjustment to Project Balance to Dec 31, 2023      | (\$371,763)          |                    | (\$371,763)          |
| Adjustment to Project Balance Jan - April 30, 2024 | (\$139,348)          |                    | (\$139,348)          |
| <b>Balance for Disposition</b>                     | <b>(\$2,626,062)</b> | <b>(\$61,500)</b>  | <b>(\$2,687,561)</b> |
| Interest January to December 2023                  |                      | (\$129,137)        | (\$129,137)          |
| Interest January through April 2024                |                      | (\$43,593)         | (\$43,593)           |
| <b>Total Claim</b>                                 | <b>(\$2,626,062)</b> | <b>(\$234,230)</b> | <b>(\$2,860,291)</b> |

*Kenora Zone:*

| Description  | Principal          | Interest          | Total              |
|--|--------------------|-------------------|--------------------|
| December 31, 2022 Balance                          | (\$513,838)        | (\$14,240)        | (\$528,078)        |
| Less: 2023 IRM Disposition (EB-2022-0063)          | \$0                | \$0               | \$0                |
| Adjustment to Project Balance to Dec 31, 2023      | (\$91,434)         |                   | (\$91,434)         |
| Adjustment to Project Balance Jan - April 30, 2024 | (\$34,507)         |                   | (\$34,507)         |
| <b>Balance for Disposition</b>                     | <b>(\$639,779)</b> | <b>(\$14,240)</b> | <b>(\$654,018)</b> |
| Interest January to December 2023                  |                    | (\$31,461)        | (\$31,461)         |
| Interest January through April 2024                |                    | (\$10,620)        | (\$10,620)         |
| <b>Total Claim</b>                                 | <b>(\$639,779)</b> | <b>(\$56,321)</b> | <b>(\$696,100)</b> |

**TABLE 9-19: ACCOUNT 1508 WIRELINE ATTACHMENT - ANNUAL INCREMENTAL REVENUE**

*Thunder Bay Zone:*

| Year         | TB COS<br>2017 Rate | OEB<br>Approved<br>Rate<br>During<br>Year | Incremental<br>Change | No. of<br>Attachments<br>Billed | Incremental<br>Revenue |
|--------------|---------------------|---|-----------------------|---------------------------------|------------------------|
| 2018         | \$22.35             | \$28.09                                   | (\$5.74)              | 24,667                          | (\$48,826)             |
| 2019         | \$22.35             | \$43.63                                   | (\$21.28)             | 25,538                          | (\$543,474)            |
| 2020         | \$22.35             | \$44.50                                   | (\$22.15)             | 26,121                          | (\$578,580)            |
| 2021         | \$22.35             | \$44.50                                   | (\$22.15)             | 26,470                          | (\$609,535)            |
| 2022         | \$22.35             | \$34.76                                   | (\$12.41)             | 26,778                          | (\$334,536)            |
| 2023         | \$22.35             | \$36.05                                   | (\$13.70)             | 26,778                          | (\$371,763)            |
| 2024         | \$22.35             | \$37.78                                   | (\$15.43)             | 27,093                          | (\$139,348)            |
| <b>Total</b> |                     |   |                       |                                 | <b>(\$2,626,062)</b>   |

1 *Kenora Zone:*

| Year         | KN COS<br>2011 Rate | OEB<br>Approved<br>Rate<br>During<br>Year | Incremental<br>Change | No. of<br>Attachments<br>Billed | Incremental<br>Revenue |
|--------------|---------------------|---|-----------------------|---------------------------------|------------------------|
| 2018         | \$22.35             | \$28.09                                   | (\$5.74)              | 4,834                           | (\$9,274)              |
| 2019         | \$22.35             | \$43.63                                   | (\$21.28)             | 5,804                           | (\$123,458)            |
| 2020         | \$22.35             | \$44.50                                   | (\$22.15)             | 5,804                           | (\$128,559)            |
| 2021         | \$22.35             | \$44.50                                   | (\$22.15)             | 6,674                           | (\$169,723)            |
| 2022         | \$22.35             | \$34.76                                   | (\$12.41)             | 6,674                           | (\$82,824)             |
| 2023         | \$22.35             | \$36.05                                   | (\$13.70)             | 6,674                           | (\$91,434)             |
| 2024         | \$22.35             | \$37.78                                   | (\$15.43)             | 6,709                           | (\$34,507)             |
| <b>Total</b> |                     |   |                       |                                 | <b>(\$639,779)</b>     |

3 **CUSTOMER CHOICE INITIATIVE DEFERRAL**

4 In its letter dated September 16, 2020, the OEB issued an accounting order creating a new variance  
5 account, Account 1508 – Sub-Account – Customer Choice Initiative Costs, to be used for recording  
6 incremental costs arising from the changes required to allow customers to opt out of time-of-use prices  
7 and to elect to be charged on the basis of tiered pricing. In 2020, a third-party vendor was engaged to  
8 assist SNC with the implementation. The total incremental implementation cost of \$22,920 has been  
9 recorded in a sub-account of Account 1508.

10 SNC requests disposition of Sub-Account 1508 Customer Choice Initiative for:

- 11 • All SNC customers \$30,880 as a collection from customers, including interest to April 30, 2024.

12 **TABLE 9-20: ACCOUNT 1508 CUSTOMER CHOICE INITIATIVE- DISPOSITION BALANCE**

| Description                               | Principal       | Interest       | Total           |
|---|-----------------|----------------|-----------------|
| December 31, 2022 Balance                 | \$28,312        | \$706          | \$29,018        |
| Less: 2023 IRM Disposition (EB-2022-0063) | \$0             | \$0            | \$0             |
| Adjustments                               | \$0             | \$0            | \$0             |
| <b>Balance for Disposition</b>            | <b>\$28,312</b> | <b>\$706</b>   | <b>\$29,018</b> |
| Interest January to December 2023         |                 | \$1,392        | \$1,392         |
| Interest January to April 2024            |                 | \$470          | \$470           |
| <b>Total Claim</b>                        | <b>\$28,312</b> | <b>\$2,568</b> | <b>\$30,880</b> |

## GREEN BUTTON INITIATIVE DEFERRAL

In its letter, Accounting Order 003-2021 dated November 1, 2021, the OEB created a new deferral account, Account 1508 – Sub-Account – Green Button Initiative Costs, to be used for recording the incremental costs arising from the implementation of this initiative. In 2022, a third-party vendor was engaged to assist with the implementation. The total incremental cost of \$35,000 has been deferred in Account 1508. SNC requests disposal of this balance and notes that this sub-account will be maintained to track future qualifying Green Button deferral amounts for disposal at a later date.

SNC requests disposition of Sub-Account 1508 Green Button Deferral for:

- All SNC customers \$37,499 as a collection from customers, including interest to April 30, 2024.

**TABLE 9-21: ACCOUNT 1508 GREEN BUTTON - DISPOSITION BALANCE**

| Description                               | Principal       | Interest       | Total           |
|---|-----------------|----------------|-----------------|
| December 31, 2022 Balance                 | \$20,417        | \$198          | \$20,614        |
| Less: 2023 IRM Disposition (EB-2022-0063) | \$0             | \$0            | \$0             |
| Adjustments - Include 2023 Expense        | \$14,583        | \$0            | \$14,583        |
| <b>Balance for Disposition</b>            | <b>\$35,000</b> | <b>\$198</b>   | <b>\$35,197</b> |
| Interest January to December 2023         |                 | \$1,721        | \$1,721         |
| Interest January to April 2024            |                 | \$581          | \$581           |
| <b>Total Claim</b>                        | <b>\$35,000</b> | <b>\$2,500</b> | <b>\$37,499</b> |

## GAIN ON NON-DEPRECIABLE PROPERTY SOLD DEFERRAL

In accordance with the OEB's Accounting Order in EB-2016-0105, SNC has recorded the excess realized on the sale of two non-depreciable properties identified in the Accounting Order.

SNC requests disposition of Sub-Account 1508 Gain on Sale of Non-Depreciable Property for:

- Thunder Bay Zone for \$(35,066) as a refund to customers, including interest to April 30, 2024.

**TABLE 9-22: ACCOUNT 1508 GAIN ON NON-DEPRECIABLE ASSETS SOLD - DISPOSITION BALANCE**

*Thunder Bay Zone:*

| Description                               | Principal         | Interest         | Total             |
|---|-------------------|------------------|-------------------|
| December 31, 2022 Balance                 | (\$111,063)       | (\$12,814)       | (\$123,877)       |
| Less: 2023 IRM Disposition (EB-2022-0063) | \$0               | \$0              | \$0               |
| Adjustments                               | \$78,742          | \$12,194         | \$90,936          |
| <b>Balance for Disposition</b>            | <b>(\$32,321)</b> | <b>(\$620)</b>   | <b>(\$32,941)</b> |
| Interest January to December 2023         |                   | (\$1,589)        | (\$1,589)         |
| Interest January through April 2024       |                   | (\$537)          | (\$537)           |
| <b>Total Claim</b>                        | <b>(\$32,321)</b> | <b>(\$2,746)</b> | <b>(\$35,066)</b> |

**TABLE 9-23: ACCOUNT 1508 GAIN ON NON-DEPRECIABLE ASSETS SOLD – COMPUTATION**

| Computation of Excess Realized Gain on Sale of Non-Depreciable Property              |          |                   |
|--|----------|-------------------|
| PROPERTY 1   |          |                   |
| Estimated After Tax Gain on Disposal   |          | \$39,642          |
| Proceeds from Sale of Property   | \$69,610 |                   |
| Less: Transaction Costs (Realtor and Legal)  | \$4,031  |                   |
| Net Proceeds of Disposition  |          | \$65,579          |
| Less: Tax Impact on Proceeds   |          | \$11,822          |
| <b>Net After Tax Gain on Disposal</b>  |          | <b>\$53,757</b>   |
| <b>Excess Realized Gain Over Estimated After Tax Gain</b>                            |          | <b>(\$14,115)</b> |
| PROPERTY 2   |          |                   |
| Estimated After Tax Gain on Disposal   |          | \$39,100          |
| Proceeds from Sale of Property   | \$74,108 |                   |
| Less: Transaction Costs (Realtor and Legal)  | \$4,199  |                   |
| Net Proceeds of Disposition  |          | \$69,909          |
| Less: Tax Impact on Proceeds   |          | \$12,603          |
| <b>Net After Tax Gain on Disposal</b>  |          | <b>\$57,306</b>   |
| <b>Excess Realized Gain Over Estimated After Tax Gain</b>                            |          | <b>(\$18,206)</b> |
| <b>Excess Gain on Sale of Non-Depreciable Properties to Return to TBay Customers</b> |          | <b>(\$32,321)</b> |

**DEFERRED IFRS TRANSITION COSTS**

KHEC incurred travel and training costs of \$3,733 in 2009, to send staff to Toronto for IFRS training. In 2015, KHEC engaged an external accounting firm to assist with the transition to IFRS financial statements, \$15,750 was invoiced to KHEC in 2016 for those services. An additional \$1,700 was paid to KHEC's Actuary for a sensitivity analysis for year-end presentation requirements for the Post Employment Benefits accrual. This incremental work is attributed to additional transitional reporting requirements needed under IFRS. Total incremental expenditures for IFRS Transition were \$21,183, plus carrying charges \$3,790 to April 2024. All expenses have been audited as part of the annual audited financial statements in the year in which they were incurred.



**TABLE 9-24: ACCOUNT 1508 ONE-TIME INCREMENTAL IFRS TRANSITION COSTS**

| Nature of One-Time Incremental IFRS Transition Costs | Audited Actual Costs Incurred 2009 | Audited Actual Costs Incurred 2016 | Total           |
|--|------------------------------------|------------------------------------|-----------------|
| Professional Accounting & Actuarial Fees             | \$0                                | \$17,450                           | \$17,450        |
| Staff Training & Development                         | \$3,733                            | \$0                                | \$3,733         |
| <b>Total</b>   | <b>\$3,733</b>                     | <b>\$17,450</b>                    | <b>\$21,183</b> |

SNC confirms that no capital costs, ongoing IFRS compliance costs or impacts arising from adopting accounting policy changes are recorded in this sub-account. None of these costs have been previously applied for or approved in rates.

The Board prescribed interest rates are used to calculate the carrying charges and the interest is recorded in a sub-account.

SNC requests disposition of Sub-Account 1508 IFRS Compliance costs for:

- Kenora Zone for \$24,973 as a collection from customers, including interest to April 30, 2024.

**TABLE 9-25: ACCOUNT 1508 ONE-TIME INCREMENTAL IFRS TRANSITION COSTS - DISPOSITION BALANCE**

*Kenora Zone:*

| Description                               | Principal       | Interest       | Total           |
|---|-----------------|----------------|-----------------|
| December 31, 2022 Balance                 | \$21,183        | \$2,397        | \$23,579        |
| Less: 2023 IRM Disposition (EB-2022-0063) | \$0             | \$0            | \$0             |
| Adjustments                               | \$0             | \$0            | \$0             |
| <b>Balance for Disposition</b>            | <b>\$21,183</b> | <b>\$2,397</b> | <b>\$23,579</b> |
| Interest January to December 2023         |                 | \$1,042        | \$1,042         |
| Interest January through April 2024       |                 | \$352          | \$352           |
| <b>Total Claim</b>                        | <b>\$21,183</b> | <b>\$3,790</b> | <b>\$24,973</b> |

#### **MERGER CAPITAL POLICY CHANGES IMPACT**

In accordance with the Decision and Order EB-2018-0124 and EB-2018-0233, the amalgamation of TBHEDI and KHEC, SNC established a deferral account, a sub-account of 1508, to track any changes to capitalization and depreciation occurring as a result of KHEC adopting Policies of the former TBHEDI. The amount is to be disposed of to the Kenora Rate Zone customers during the next rebasing.

Differences tracked in this account include the following items that differed from KHEC's policies:

- Value for asset capitalization was greater than \$200 in Kenora, but greater than \$1,500 in Thunder

Bay.

- Smart meters were capitalized upon purchase in Kenora, inventory in Thunder Bay until installed.
- Overheads applied to capital accounts differed between Rate Zones.

SNC requests disposition of Sub-Account 1508 Merger Capital Policy Changes Impacts for:

- Kenora Zone for \$127,648 as a collection from customers, including interest to April 30, 2024.

**TABLE 9-26: ACCOUNT 1508 MERGER CAPITAL POLICY CHANGES - DISPOSITION BALANCE**

| Description                               | Principal        | Interest        | Total            |
|---|------------------|-----------------|------------------|
| December 31, 2022 Balance                 | \$114,507        | \$5,610         | \$120,117        |
| Less: 2023 IRM Disposition (EB-2022-0063) | \$0              | \$0             | \$0              |
| Adjustments                               | \$0              | \$0             | \$0              |
| <b>Balance for Disposition</b>            | <b>\$114,507</b> | <b>\$5,610</b>  | <b>\$120,117</b> |
| Interest January to December 2023         |                  | \$5,631         | \$5,631          |
| Interest January through April 2024       |                  | \$1,901         | \$1,901          |
| <b>Total Claim</b>                        | <b>\$114,507</b> | <b>\$13,142</b> | <b>\$127,648</b> |

## 9.5.2 ACCOUNT 1518: RCVA - RETAIL

This account is used to recover the net differences between the revenues for establishing service agreements, distributor-consolidated billing, and retail-consolidated billing, and the cost of managing the retailer contracts, including cost of entering into Service Agreements, and related contract administration, monitoring, and other expenses necessary to maintain the contract, as well as the incremental costs incurred to provide the services. As such, SNC confirms that the variances are the incremental costs of providing retail services.

SNC confirms that it has followed Article 490 of the *Accounting Procedures Handbook* when determining these costs. The Board prescribed interest rates are used to calculate the carrying charges and the interest is recorded in a sub-account.

Principal and interest balance accrued to the end of December 2018 (pre-merger balances) have been attributed to the customers of the Thunder Bay Zone. Annual incremental changes to the balance of the account each year from 2019 to the end of 2022 (post-merger activity) has been prorated between Zones, based on average number of customers enrolled with retailers each year in each Zone. It is proposed that this basis of disposition best matches the cost causality by Zone.

SNC requests disposition of Account 1518 RCVA Retail for:

- Thunder Bay Zone for \$197,647 as a collection from customers, including interest to April 30, 2024.

- Kenora Zone for \$17,125 as a collection from customers, including interest to April 30, 2024.

**TABLE 9-27: ACCOUNT 1518 RCVA - DISPOSITION BALANCE**

| Description                       | RCVA Balance<br>Dec 31, 2022<br>(Total Both<br>Zones) | Thunder Bay Zone |                                    |                     | Kenora Zone |                                    |                     |
|-----------------------------------|---|------------------|------------------------------------|---------------------|-------------|------------------------------------|---------------------|
|                                   |   | 01-Jan-19        | 2019-2022<br>Allocated<br>Activity | Balance Dec<br>2022 | 01-Jan-19   | 2019-2022<br>Allocated<br>Activity | Balance Dec<br>2022 |
| 1518-RCVA Retail Principal        | \$189,874   | \$118,610        | \$57,137                           | \$175,747           | \$0         | \$14,127                           | \$14,127            |
| 1518-RCVA Interest                | \$12,409  | \$2,699          | \$7,641                            | \$10,340            | \$0         | \$2,069                            | \$2,069             |
| <b>Balance</b>                    | <b>\$202,283</b>                                      | <b>\$121,309</b> | <b>\$64,778</b>                    | <b>\$186,087</b>    | <b>\$0</b>  | <b>\$16,196</b>                    | <b>\$16,196</b>     |
| Interest January to December 2023 |   |                  |                                    | \$8,642             |             |                                    | \$695               |
| Interest January to April 2024    |   |                  |                                    | \$2,917             |             |                                    | \$235               |
| <b>Total Disposition</b>          |   |                  |                                    | <b>\$197,647</b>    |             |                                    | <b>\$17,125</b>     |

### 9.5.3 ACCOUNT 1522: PENSION & OPEB CASH/ACCRUAL DIFFERENTIAL – CARRYING CHARGES

This account tracks the differences between forecasted OPEB amounts recovered in rates and the actual cash payments made for OPEB beginning January 1st, 2018. Both Zones were members of OMERS and as such, no entries related to OMERS pension are posted to this account. The following tables outline the accrued amount of OPEB costs embedded in the Thunder Bay and Kenora Zone's rates, compared to the actual costs each year, with a contra amount recorded in account 1522 and corresponding carrying charges calculated at CWIP for the Thunder Bay Zone. The carrying charges are being requested for disposal for Thunder Bay. The Kenora Zone has experienced actual cash costs greater than those in the Cost of Service, a debit balance exists in the principal account, and no carrying charges have been accrued. No disposition for carrying charges is requested for the Kenora account. SNC requests disposition of Account 1522 OPEB for:

- Thunder Bay Zone for \$(22,325) as a payment to customers, including interest to April 30, 2024.

**TABLE 9-28: ACCOUNT 1522 OPEB - DISPOSITION BALANCE**

*Thunder Bay Zone:*

| Description                               | Principal   | Interest          | Total             |
|---|-------------|-------------------|-------------------|
| December 31, 2022 Balance Principal       | (\$133,252) | (\$13,423)        | (\$146,675)       |
| December 31, 2022 Balance Contra          | \$133,252   | \$0               | \$133,252         |
| Less: 2023 IRM Disposition (EB-2022-0063) | \$0         | \$0               | \$0               |
| Adjustments                               | \$0         | \$0               | \$0               |
| <b>Balance for Disposition</b>            | <b>\$0</b>  | <b>(\$13,423)</b> | <b>(\$13,423)</b> |
| Interest January to December 2023         |             | (\$6,676)         | (\$6,676)         |
| Interest January through April 2024       |             | (\$2,225)         | (\$2,225)         |
| <b>Total Claim</b>                        | <b>\$0</b>  | <b>(\$22,325)</b> | <b>(\$22,325)</b> |

*Kenora Zone:*

| Description                         | Principal  | Interest   | Total      |
|-------------------------------------|------------|------------|------------|
| December 31, 2022 Balance Principal | \$25,617   | \$0        | \$25,617   |
| December 31, 2022 Balance Contra    | (\$25,617) | \$0        | (\$25,617) |
| Adjustments                         | \$0        | \$0        | \$0        |
| <b>Balance for Disposition</b>      | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |
| Interest January to December 2023   |            | \$0        | \$0        |
| Interest January through April 2024 |            | \$0        | \$0        |
| <b>Total Claim</b>                  | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |

**TABLE 9-29: ACCOUNT 1522 OPEB – ANNUAL CARRYING CHARGES**

*Thunder Bay Zone:*

|   | 2018           | 2019             | 2020             | 2021             | 2022              |
|---|----------------|------------------|------------------|------------------|-------------------|
| Annual Principal Difference             | (\$34,311)     | (\$48,159)       | (\$55,497)       | (\$15,104)       | (\$14,493)        |
| Annual Carrying Charges                 | (\$315)        | (\$1,255)        | (\$2,618)        | (\$3,227)        | (\$6,008)         |
| <b>1522 Cumulative Carrying Charges</b> | <b>(\$315)</b> | <b>(\$1,570)</b> | <b>(\$4,188)</b> | <b>(\$7,415)</b> | <b>(\$13,423)</b> |

*Kenora Zone:*

|   | 2018       | 2019       | 2020       | 2021       | 2022       |
|---|------------|------------|------------|------------|------------|
| Annual Principal Difference             | \$8,132    | \$10,615   | \$11,330   | (\$3,828)  | (\$632)    |
| Annual Carrying Charges                 | \$0        | \$0        | \$0        | \$0        | \$0        |
| <b>1522 Cumulative Carrying Charges</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |

## 9.5.4 ACCOUNT 1532: GEA – RENEWABLE CONNECTION OM&A DEFERRAL

In 2009, KHEC engaged a third-party vendor to conduct a Distributed Generation Capacity Review of KHEC's existing distribution system and assess the potential for accommodating future distributed

generation on each of the feeders in the service area. In 2009, \$12,431 and in 2010, \$10,498, was spent to complete the scope of this Review and provide KHEC with a “Distribution Generation Readiness Review” Report. The principal balance of \$22,929 is applied for as a recovery in this application.

Total balance of \$28,562 for Renewable Generation Connection costs is requested for disposal in this application.

The Board prescribed interest rates are used to calculate the carrying charges and the interest is recorded in a sub-account.

SNC requests disposition of Account 1532 - GEA for:

- Kenora Zone for \$28,562 as a collection from customers, including interest to April 30, 2024.

#### TABLE 9-30: ACCOUNT 1532 GEA - DISPOSITION BALANCE

*Kenora Zone:*

| Description                               | Principal       | Interest       | Total           |
|---|-----------------|----------------|-----------------|
| December 31, 2022 Balance                 | \$22,929        | \$4,124        | \$27,054        |
| Less: 2023 IRM Disposition (EB-2022-0063) | \$0             | \$0            | \$0             |
| Adjustments                               | \$0             | \$0            | \$0             |
| <b>Balance for Disposition</b>            | <b>\$22,929</b> | <b>\$4,124</b> | <b>\$27,054</b> |
| Interest January to December 2023         |                 | \$1,128        | \$1,128         |
| Interest January through April 2024       |                 | \$381          | \$381           |
| <b>Total Claim</b>                        | <b>\$22,929</b> | <b>\$5,632</b> | <b>\$28,562</b> |

#### 9.5.5 ACCOUNT 1535: SMART GRID OM&A DEFERRAL

In 2009, KHEC staff travelled to Thunder Bay on two occasions to attend meetings regarding Smart Grid planning: a July meeting with the OPA and an August meeting with the OEB. Total travel expense was \$1,845, which is the principal amount being claimed for recovery.

SNC requests disposition of Account 1535 Smart Grid Deferral for:

- Kenora Zone for \$2,302 as a collection from customers, including interest to April 30, 2024.

## TABLE 9-31: ACCOUNT 1535 SMART GRID COSTS DEFERRAL - DISPOSITION BALANCE

### *Kenora Zone:*

| Description                               | Principal      | Interest     | Total          |
|---|----------------|--------------|----------------|
| December 31, 2022 Balance                 | \$1,845        | \$335        | \$2,180        |
| Less: 2023 IRM Disposition (EB-2022-0063) | \$0            | \$0          | \$0            |
| Adjustments                               | \$0            | \$0          | \$0            |
| <b>Balance for Disposition</b>            | <b>\$1,845</b> | <b>\$335</b> | <b>\$2,180</b> |
| Interest January to December 2023         |                | \$91         | \$91           |
| Interest January through April 2024       |                | \$31         | \$31           |
| <b>Total Claim</b>                        | <b>\$1,845</b> | <b>\$456</b> | <b>\$2,302</b> |

### 9.5.6 ACCOUNT 1548: RCVA – STR

This account is used to recover the net differences between the revenues recovered from Service Transaction Requests consisting of request fee, processing fee, information request fee, default fee, and other associated costs fees, and the incremental costs of incremental labour, internal information system maintenance costs and delivery costs related to providing these services. As such, SNC confirms that the variances are incremental costs of providing retail service transaction requests.

SNC confirms that it has followed Article 490 of the Accounting Procedures Handbook when determining these costs. The Board prescribed interest rates are used to calculate the carrying charges and the interest is recorded in a Sub-Account of 1548.

Principal and interest balance accrued to the end of December 2018 (pre-merger balances) have been attributed to the customers of the Thunder Bay Zone. Annual incremental changes to the balance of the account each year from 2019 to 2022 (post-merger activity) has been prorated between Zones, based on average number of customers enrolled with retailers each year for each Zone. It is proposed that this basis of disposition best matches the cost causality by Zone.

SNC requests disposition of Account 1548 RCVA Service for:

- Thunder Bay Zone for \$45,901 as a collection from customers, including interest to April 30, 2024.
- Kenora Zone for \$6,159 as a collection from customers, including interest to April 30, 2024.

**TABLE 9-32: ACCOUNT 1548 RCVA - DISPOSITION BALANCE**

| Description                       | RCVA Balance<br>Dec 31, 2022<br>(Total Both<br>Zones) | Thunder Bay Zone |                                    |                     | Kenora Zone |                                    |                     |
|-----------------------------------|---|------------------|------------------------------------|---------------------|-------------|------------------------------------|---------------------|
|                                   |   | 01-Jan-19        | 2019-2022<br>Allocated<br>Activity | Balance Dec<br>2022 | 01-Jan-19   | 2019-2022<br>Allocated<br>Activity | Balance Dec<br>2022 |
| 1548-RCVA Retail Principal        | \$46,514  | \$20,854         | \$20,287                           | \$41,141            | \$0         | \$5,373                            | \$5,373             |
| 1548-RCVA Interest                | \$2,488   | \$473            | \$1,582                            | \$2,054             | \$0         | \$434                              | \$434               |
| <b>Balance</b>                    | <b>\$49,001</b>                                       | <b>\$21,327</b>  | <b>\$21,868</b>                    | <b>\$43,195</b>     | <b>\$0</b>  | <b>\$5,806</b>                     | <b>\$5,806</b>      |
| Interest January to December 2023 |   |                  |                                    | \$2,023             |             |                                    | \$264               |
| Interest January to April 2024    |   |                  |                                    | \$683               |             |                                    | \$89                |
| <b>Total Disposition</b>          |   |                  |                                    | <b>\$45,901</b>     |             |                                    | <b>\$6,159</b>      |

## 9.5.7 ACCOUNT 1555/1556: SMART METER IMPLEMENTATION AND STRANDED ASSETS

### SMART METER CAPITAL AND OPERATION COSTS

In the OEB's Decision and Order of EB-2010-0135, KHEC's most recent Cost of Service Rate Application, smart meter capital costs of \$894,178 to December 31, 2009, were transferred from the Smart Meter Deferral Account, into the rate base. During 2010, the remaining smart meters were deployed, total additional costs of \$32,304 were incurred, and in 2011, \$502, the final cost on the project, brought the deferral account principal balance to \$32,806, which is requested for disposition in this application. The principal balance of \$102,931 for operating costs to implement smart meters was substantially recovered from customers paying the \$3.55/customer rate rider in effect from July 1, 2011, to April 30, 2012. The residual of that principal balance, \$2,101, is requested for recovery in this application. Total principal of \$34,907 proposed for disposition.

### STRANDED ASSETS

In the OEB's Decision and Order of EB-2010-0135, KHEC's most recent Cost of Service Rate Application, the projected NBV of stranded assets at Dec 31, 2011 was \$153,893, comprised of the December 2010 NBV of \$172,867, less the projected 2011 amortization of \$18,974. The amortization expense of \$18,974 for 2011 was removed from the revenue requirement calculation as directed and the total NBV of \$172,867 was collected as a rate rider over a 10-month period, at \$3.12 per customer. Upon expiry of the rate rider April 30, 2012. There was an under collected amount of \$1,090, which is being requested for recovery in this application.

SNC requests disposition of Accounts 1555 & 1556 Smart Metering for:

- Kenora Zone for \$62,035 as a collection from Residential and GS <50 kW class customers, including interest to April 30, 2024.

## TABLE 9-33: ACCOUNT 1555 & 1556 SMART METERING - DISPOSITION BALANCE

*Kenora Zone:*

| Description                               | Principal       | Interest        | Total           |
|---|-----------------|-----------------|-----------------|
| December 31, 2022 Balance                 | \$35,997        | \$23,670        | \$59,667        |
| Less: 2023 IRM Disposition (EB-2022-0063) | \$0             | \$0             | \$0             |
| Adjustments                               | \$0             | \$0             | \$0             |
| <b>Balance for Disposition</b>            | <b>\$35,997</b> | <b>\$23,670</b> | <b>\$59,667</b> |
| Interest January to December 2023         |                 | \$1,770         | \$1,770         |
| Interest January through April 2024       |                 | \$598           | \$598           |
| <b>Total Claim</b>                        | <b>\$35,997</b> | <b>\$26,038</b> | <b>\$62,035</b> |

### 9.5.8 ACCOUNT 1576: ACCOUNTING CHANGES UNDER CGAAP

On July 17, 2012, the Board issued a letter that provided direction to electricity distributors that had elected to defer the adoption of IFRS and remain on CGAAP. In this letter, the Board gave these distributors the option of implementing IFRS-compliant capitalization and depreciation accounting policies in 2012 (i.e., effective January 1, 2012). The letter also specified that these accounting changes were mandatory effective January 1, 2013, regardless of whether the Canadian Accounting Standards Board permitted further IFRS adoption deferrals beyond 2013. The Board established Account 1576, Accounting Changes under CGAAP, for distributors to record the financial differences arising from these accounting changes.

TBHEDI filed its last Cost of Service Application (EB-2016-0105), on the basis of the above direction from the Board, thus, its capital and depreciation policies were in line with IFRS. Accordingly, deferral Account 1576 was not required.

The last rebasing for the former KHEC was in 2011, as such, this application includes a proposal for the disposition of Account 1576, for the former KHEC, for actual amounts that have accumulated from 2011, the time of the last rebasing to the end of 2018, the date of Merger.

Account 1576 is to be used to record financial differences arising as a result of changes to accounting depreciation (i.e., useful lives) or capitalization policies. Distributors that have not reflected changes in their accounting depreciation or capitalization policies as of their last rebasing application are expected to have balances in Account 1576 and to request disposition of this account. The former KHEC has used this account to capture these differences with respect to capital assets for the Kenora service territory.

SNC confirms that no carrying charges are applied to the balance in this account. Filing Guidelines indicate



that a rate of return component, weighted average cost of capital, is to be applied to the balance of 1576. Accordingly, SNC has applied its proposed weighted average cost of capital of 5.51% for the purpose of determining the total disposition amount proposed for Account 1576.

SNC requests disposition of Account 1576 Accounting Changes under CGAAP for:

- Kenora Zone for \$(10,302) as a refund to customers, including an incremental addition of \$(538) for a WACC rate of 5.51%.

#### TABLE 9-34: ACCOUNT 1576 ACCOUNTING CHANGES - DISPOSITION BALANCE

*Kenora Zone:*

| Description                               | Principal        | Interest       | Total             |
|---|------------------|----------------|-------------------|
| December 31, 2022 Balance                 | (\$9,764)        | \$0            | (\$9,764)         |
| Less: 2023 IRM Disposition (EB-2022-0063) | \$0              | \$0            | \$0               |
| Adjustments                               | \$0              | \$0            | \$0               |
| <b>Balance for Disposition</b>            | <b>(\$9,764)</b> | <b>\$0</b>     | <b>(\$9,764)</b>  |
| WACC Rate 5.51%                           |                  | (\$538)        | (\$538)           |
| <b>Total Claim</b>                        | <b>(\$9,764)</b> | <b>(\$538)</b> | <b>(\$10,302)</b> |

### 9.5.9 ACCOUNT 1592: PILS AND HST VARIANCES

Three sub-accounts of 1592 have tracked the following for disposal in this application:

- Shared Tax Savings for the Kenora Zone
- HST Savings for the Kenora Zone
- Accelerated CCA Savings

#### SHARED TAX SAVINGS

The Shared Tax Savings sub-account balance requested for disposal is composed of \$(11,082) for the Kenora Zone's portion of Shared Tax Savings calculated in the IRMs filed annually from 2017 to 2023. As directed, annually half of the calculated amount of Tax Savings from the IRM has been posted to this account. From EB-2022-0063 the calculated Tax Savings of \$(2,682) has been added to table 9-35 for disposition in this application.

SNC requests disposition of Account 1595 – Shared Tax Savings for:

- Kenora Zone \$(13,768) as a refund to customers.

**TABLE 9-35: ACCOUNT 1595 SUB-ACCOUNT SHARED TAX SAVINGS - DISPOSITION BALANCE**

*Kenora Zone:*

| Description                                    | Principal         | Interest   | Total             |
|--|-------------------|------------|-------------------|
| December 31, 2022 Balance                      | (\$11,082)        | \$0        | (\$11,082)        |
| Add: 2023 IRM Shared Tax Amount (EB-2022-0063) | (\$2,686)         | \$0        | (\$2,686)         |
| Adjustments                                    | \$0               | \$0        | \$0               |
| <b>Balance for Disposition</b>                 | <b>(\$13,768)</b> | <b>\$0</b> | <b>(\$13,768)</b> |
| Interest January to December 2023              |                   | \$0        | \$0               |
| Interest January through April 2024            |                   | \$0        | \$0               |
| <b>Total Claim</b>                             | <b>(\$13,768)</b> | <b>\$0</b> | <b>(\$13,768)</b> |

#### HST SAVINGS

This sub-account has tracked calculated HST savings in KHEC from a one-year period, beginning July 2010 when the HST replaced the former Ontario GST and PST. KHEC's rates in effect during 2010 were based on an expenditure level that included expensing the 8% portion of the taxes paid. During the period from July 1, 2010, to July 1, 2011, the savings on expenses incurred which would have formerly had PST but now were eligible for the ITC in full, were tracked by invoice, resulting in the realized saving in this account of \$(17,576). This application requests the disposal to customers of half of the accrued savings, a principal disposition of \$(8,788), plus carrying charges of \$(1,115).

SNC requests disposition of Account 1592 Sub-Account HST Savings for:

- Kenora Zone for \$(9,903) as a refund to customers, including interest to April 30, 2024.

**TABLE 9-36: ACCOUNT 1592 SUB-ACCOUNT HST SAVINGS - DISPOSITION BALANCE**

*Kenora Zone:*

| Description                               | Principal        | Interest         | Total            |
|---|------------------|------------------|------------------|
| December 31, 2022 Balance Principal       | (\$17,576)       | (\$1,073)        | (\$18,649)       |
| December 31, 2022 Balance Contra          | \$17,576         | \$0              | \$17,576         |
| Less: 2023 IRM Disposition (EB-2022-0103) | \$0              | \$0              | \$0              |
| Adjustments                               | (\$8,788)        | \$537            | (\$8,251)        |
| <b>Balance for Disposition</b>            | <b>(\$8,788)</b> | <b>(\$537)</b>   | <b>(\$9,325)</b> |
| Interest January to December 2023         |                  | (\$432)          | (\$432)          |
| Interest January through April 2024       |                  | (\$146)          | (\$146)          |
| <b>Total Claim</b>                        | <b>(\$8,788)</b> | <b>(\$1,115)</b> | <b>(\$9,903)</b> |

# **ACCELERATED CCA – PILS SAVINGS**

A sub-account of 1592 has been included for disposition in this application, for the expected PILs savings to the end of 2023, as SN has taken advantage of the accelerated CCA available from 2019 through 2023, as explained in Exhibit 6 – Section 6.5.6. The anticipated savings is calculated at \$(1,865,284), with carrying charges of \$(129,360) to April 2024. SNC requests disposition of Account 1592 Sub-Account Accelerated CCA PILs Savings for:

- All SNC customers for \$(1,994,644) as a refund to customers, including interest to April 30, 2024.

**TABLE 9-37: ACCOUNT 1592 SUB-ACCOUNT ACCELERATED CCA SAVINGS – DISPOSITION BALANCE**

| Description                               | Principal            | Interest           | Total                |
|---|----------------------|--------------------|----------------------|
| December 31, 2022 Balance                 | (\$1,464,375)        | (\$26,385)         | (\$1,490,760)        |
| Less: 2023 IRM Disposition (EB-2022-0063) | \$0                  | \$0                | \$0                  |
| Adjustments - 2023 Projected Savings      | (\$400,909)          | \$0                | (\$400,909)          |
| <b>Balance for Disposition</b>            | <b>(\$1,865,284)</b> | <b>(\$26,385)</b>  | <b>(\$1,891,669)</b> |
| Interest January to December 2023         |                      | (\$72,011)         | (\$72,011)           |
| Interest January to April 2024            |                      | (\$30,964)         | (\$30,964)           |
| <b>Total Claim</b>                        | <b>(\$1,865,284)</b> | <b>(\$129,360)</b> | <b>(\$1,994,644)</b> |

The annual calculation of the principal balance in the CCA Savings account is presented in the table below:

**TABLE 9-38: ACCOUNT 1592 SUB-ACCOUNT ACCELERATED CCA SAVINGS – CALCULATION BY YEAR**

| 2019         |                     |        |                    |                    |                                    |              |                    |  |
|--------------|---------------------|--------|--------------------|--------------------|------------------------------------|--------------|--------------------|--|
| Class        | AIIP Additions      | Rate % | Accel CCA          | CCA (No AIIP)      | CR = CCA Taken Exceeds No AIIP CCA | Tax Rate     | Tax Impact         | Grossed Up Tax Impact = Account 1592 Addition for Year |
| 10           | 322,640             | 30%    | 654,812            | 540,419            | (\$114,393)                        |              |                    |  |
| 8            | 128,841             | 20%    | 268,278            | 242,510            | (\$25,768)                         |              |                    |  |
| 47           | 10,328,052          | 8%     | 6,526,205          | 5,689,349          | (\$836,856)                        |              |                    |  |
| 50           | 462,976             | 55%    | 475,116            | 220,479            | (\$254,637)                        |              |                    |  |
| 17           | 40,996              | 8%     | 21,232             | 17,952             | (\$3,280)                          |              |                    |  |
| <b>Total</b> | <b>\$11,283,505</b> |        | <b>\$7,945,643</b> | <b>\$6,710,708</b> | <b>(\$1,234,934)</b>               | <b>26.5%</b> | <b>(\$327,258)</b> | <b>(\$445,248)</b>                                     |

| 2020         |                    |        |                    |                    |                                    |              |                    |  |
|--------------|--------------------|--------|--------------------|--------------------|------------------------------------|--------------|--------------------|--|
| Class        | AIIP Additions     | Rate % | Accel CCA          | CCA (No AIIP)      | CR = CCA Taken Exceeds No AIIP CCA | Tax Rate     | Tax Impact         | Grossed Up Tax Impact = Account 1592 Addition for Year |
| 10           | 472,297            | 30%    | 622,506            | 512,195            | (\$110,311)                        |              |                    |  |
| 8            | 154,384            | 20%    | 248,053            | 222,330            | (\$25,723)                         |              |                    |  |
| 47           | 6,100,622          | 8%     | 6,323,061          | 5,897,872          | (\$425,189)                        |              |                    |  |
| 50           | 191,109            | 55%    | 244,149            | 279,089            | \$34,940                           |              |                    |  |
| 17           | -                  | 8%     | 17,893             | 18,156             | \$262                              |              |                    |  |
| 1            | 26,061             | 4%     | 105,219            | 104,177            | (\$1,042)                          |              |                    |  |
| <b>Total</b> | <b>\$6,944,473</b> |        | <b>\$7,560,882</b> | <b>\$7,033,818</b> | <b>(\$527,064)</b>                 | <b>26.5%</b> | <b>(\$139,672)</b> | <b>(\$190,030)</b>                                     |

| 2021         |                     |        |                    |                    |                                    |              |                    |  |
|--------------|---------------------|--------|--------------------|--------------------|------------------------------------|--------------|--------------------|--|
| Class        | AIIP Additions      | Rate % | Accel CCA          | CCA (No AIIP)      | CR = CCA Taken Exceeds No AIIP CCA | Tax Rate     | Tax Impact         | Grossed Up Tax Impact = Account 1592 Addition for Year |
| 10           | 689,798             | 30%    | 675,319            | 535,791            | (\$139,528)                        |              |                    |  |
| 8            | 87,404              | 20%    | 209,225            | 202,043            | (\$7,183)                          |              |                    |  |
| 47           | -                   | 8%     | 5,573,192          | 5,674,155          | \$100,964                          |              |                    |  |
| 1            | 11,769,034          | 4%     | 2,206,601          | 1,733,118          | (\$473,483)                        |              |                    |  |
| 50           | 451,753             | 55%    | 430,008            | 302,377            | (\$127,631)                        |              |                    |  |
| 17           | -                   | 8%     | 16,462             | 16,703             | \$241                              |              |                    |  |
| 1            | 44,365              | 4%     | 103,151            | 101,418            | (\$1,733)                          |              |                    |  |
| <b>Total</b> | <b>\$13,042,354</b> |        | <b>\$9,213,958</b> | <b>\$8,565,606</b> | <b>(\$648,352)</b>                 | <b>26.5%</b> | <b>(\$171,813)</b> | <b>(\$233,760)</b>                                     |

| 2022         |                     |        |                     |                    |                                    |              |                    |  |
|--------------|---------------------|--------|---------------------|--------------------|------------------------------------|--------------|--------------------|--|
| Class        | AIIP Additions      | Rate % | Accel CCA           | CCA (No AIIP)      | CR = CCA Taken Exceeds No AIIP CCA | Tax Rate     | Tax Impact         | Grossed Up Tax Impact = Account 1592 Addition for Year |
| 10           | 787,953             | 30%    | 1,157,206           | 596,716            | (\$560,490)                        |              |                    |  |
| 8            | 207,364             | 20%    | 366,004             | 191,111            | (\$174,893)                        |              |                    |  |
| 47           | 10,809,187          | 8%     | 6,424,439           | 5,652,590          | (\$771,848)                        |              |                    |  |
| 1            | -                   | 4%     | 1,888,181           | 1,901,896          | \$13,714                           |              |                    |  |
| 50           | 478,451             | 55%    | 547,723             | 391,876            | (\$155,847)                        |              |                    |  |
| 17           | -                   | 8%     | 15,145              | 15,367             | \$222                              |              |                    |  |
| 1            | 53,959              | 4%     | 101,375             | 99,299             | (\$2,076)                          |              |                    |  |
| <b>Total</b> | <b>\$12,336,914</b> |        | <b>\$10,500,073</b> | <b>\$8,848,855</b> | <b>(\$1,651,218)</b>               | <b>26.5%</b> | <b>(\$437,573)</b> | <b>(\$595,337)</b>                                     |

| 2023         |                     |        |                     |                    |                                    |              |                    |  |
|--------------|---------------------|--------|---------------------|--------------------|------------------------------------|--------------|--------------------|--|
| Class        | AIIP Additions      | Rate % | Accel CCA           | CCA (No AIIP)      | CR = CCA Taken Exceeds No AIIP CCA | Tax Rate     | Tax Impact         | Grossed Up Tax Impact = Account 1592 Addition for Year |
| 10           | 325,000             | 30%    | 583,477             | 584,644            | \$1,167                            |              |                    |  |
| 8            | 277,645             | 20%    | 404,557             | 201,390            | (\$203,167)                        |              |                    |  |
| 47           | 12,645,147          | 8%     | 6,995,533           | 6,138,556          | (\$856,977)                        |              |                    |  |
| 1            | -                   | 4%     | 1,812,654           | 1,825,820          | \$13,166                           |              |                    |  |
| 50           | 473,500             | 55%    | 504,672             | 438,131            | (\$66,541)                         |              |                    |  |
| 17           | -                   | 8%     | 13,933              | 14,138             | \$205                              |              |                    |  |
| 1            | -                   | 4%     | 96,241              | 96,435             | \$194                              |              |                    |  |
| <b>Total</b> | <b>\$13,721,292</b> |        | <b>\$10,411,067</b> | <b>\$9,299,114</b> | <b>(\$1,111,953)</b>               | <b>26.5%</b> | <b>(\$294,668)</b> | <b>(\$400,908)</b>                                     |

## 9.6 ACCOUNT STATUS

### 9.6.1 NEW ACCOUNTS

SNC is not seeking an order to establish any new deferral or variance accounts.

### 9.6.2 CONTINUATION OF ACCOUNTS

#### GROUP ONE ACCOUNTS

SNC plans to continue to utilize existing Group 1 accounts as required, as per the APH and discontinue use of the accounts as detailed in Section 9.3.

#### GROUP TWO ACCOUNTS

SNC plans to continue to utilize Group 2 accounts currently available, as required, as per the APH. SNC will discontinue use of specific accounts, as indicated in Section 9.3, or upon the direction of the OEB on an account-by-account basis.

## 9.7 CALCULATION OF RATE RIDERS

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### 9.7.1 BILLING DETERMINANTS USED

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For the calculation of proposed rate riders, SNC has utilized the billing determinants as follows:

- For Zone specific dispositions, the consumption, demand, and customer count data from the 2024 Load Forecast data by Zone has been used.
- For the SNC Group 2 (all customer disposition), forecasted consumption, demand, and customer count data from the 2024 Forecast data for SNC was used to determine the disposal to be allocated by class, and the resulting rider is presented in Table 9.40.

Section 3.2.3 of the Board's Filing Requirements states:

- "... distributors must establish separate rate riders to recover the balances in the RSVAs from Market Participants ("MPs") who must not be allocated the RSVA account balances related to charges for which the MPs settle directly with the IESO" and,
- "Distributors who serve Class A customers per O. Reg 429/04 (i.e., customers greater than 5 MW) must propose an appropriate allocation for the recovery of the global adjustment variance balance based on their settlement process with the IESO."

As of December 31, 2022, the SNC customers affected by these requirements is described as follows:

- No market participants settle directly with the IESO, therefore, no separate rate riders to recover Retail Settlement Variance Accounts (RSVA's) is required, and
- Twelve Class A customers are in the GS > 1,000 kW class at year end in the Thunder Bay Zone
- One transition customer in 2022, from Class B, opting into the ICI Program effective July 1, 2022, in the Thunder Bay Zone.

Since Account 1589 GA and Account 1580 WMS – Class B CBR proposed balances for disposition relate to the variances created during 2022, SNC proposes the GA and WMS – CBR rate riders be applicable only to

the customers who contributed to those variances. In this case, there is one customer that was not a Class A customer for the entire 2022 year, and as described below, they did contribute to the variance in the GA and WMS – CBR Accounts from January to June 2022, and thus there is a requirement to dispose of that portion of the variance created during the time that the one customer was not a Class A customer during 2022.

#### BILLING DETERMINANTS USED TO DEVELOP RATE RIDERS

The final billing determinants used to calculate the proposed disposition rate rider are shown in each table for each rider in Section 9.7.2 - Proposed Rate Riders.

### **9.7.2 PROPOSED RATE RIDERS**

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SNC is proposing that all rate riders be disposed of on a 12-month basis. Consistent with the DVA model provided by the Board, SNC has calculated the following rate riders by Zone:

- Group One Deferral Dispositions
- Group Two Deferral Dispositions

Each calculation and results will be discussed in the sections below. Balances have been disposed of by customer count, kWh, or kW as appropriate by class, as noted in Table 9-39.

#### **GROUP ONE RATE RIDERS**

The Group 1 Rate Riders have been calculated using the DVA Continuity Schedules as provided by the OEB. No deviations from the standard allocators from the DVA Schedule have been made in either zone. All Riders are being requested to be disposed of over a 12-month period.

1 **TABLE 9-39: GROUP 1 ALLOCATORS AND RATE RIDERS**

2 *Thunder Bay Zone:*

**Rate Rider Calculation for Group 1 Deferral / Variance Accounts Balances (excluding Global Adj.)**

*1550, 1551, 1584, 1586, 1595, 1580 and 1588*

| Rate Class<br>(Enter Rate Classes in cells below) | Units | kW / kWh / #<br>of Customers | Allocated Group 1<br>Balance<br>(excluding 1589) | Rate Rider for<br>Deferral/Variance<br>Accounts |
|---|-------|------------------------------|--|---|
| RESIDENTIAL SERVICE                               | kWh   | 341,222,755                  | \$869,942  | <b>\$0.0025</b>                                 |
| GENERAL SERVICE LESS THAN 50 KW                   | kWh   | 144,147,634                  | \$411,952  | <b>\$0.0029</b>                                 |
| GENERAL SERVICE 50 TO 999 KW SERVICE              | kW    | 612,569                      | \$726,422  | <b>\$1.1859</b>                                 |
| GENERAL SERVICE 1,000 KW OR GREATER               | kW    | 473,244                      | \$433,430  | <b>\$0.9159</b>                                 |
| UNMETERED SCATTERED LOAD SERVICE                  | kWh   | 1,919,602                    | \$5,719  | <b>\$0.0030</b>                                 |
| SENTINEL LIGHTING SERVICE                         | kW    | 258                          | \$286  | <b>\$1.1089</b>                                 |
| STREET LIGHTING SERVICE                           | kW    | 14,760                       | \$15,274   | <b>\$1.0348</b>                                 |
| TOTAL FOR DISPOSAL                                |       |                              | <b>2,463,025</b>                                 |   |

3

**Rate Rider Calculation for Account 1580, CBR Class B**

*1580, Sub-account CBR Class B*

| Units                         | Class B kW /<br>kWh / # of<br>Customers | Allocated<br>Sub-<br>account<br>1580 CBR<br>Class B | Rate Rider<br>for Sub-<br>account<br>1580 CBR<br>Class B |
|-------------------------------|---|---|--|
| kWh                           | 341,222,755                             | (\$50,952)  | <b>(\$0.0001)</b>  |
| kWh                           | 144,147,634                             | (\$21,525)  | <b>(\$0.0001)</b>  |
| kW                            | 612,569                                 | (\$36,897)  | <b>(\$0.0602)</b>  |
| kW                            | 24,261                                  | (\$1,287)   | <b>(\$0.0530)</b>  |
| kWh                           | 1,919,602                               | (\$287)   | <b>(\$0.0001)</b>  |
| kW                            | 258                                     | (\$14)  | <b>(\$0.0556)</b>  |
| kW                            | 14,760                                  | (\$779)   | <b>(\$0.0528)</b>  |
|                               |   | <b>(\$111,741)</b>                                  |  |
| Portion to Class B Transition |   | (\$167)   |  |
| Total Disposal Requested      |   | <b>(\$111,908)</b>                                  |  |

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### Rate Rider Calculation for RSVA Global Adjustment

*Balance of Account 1589 Allocated to Non-WMPs*

| Units                         | Class B Non-RPP kWh | Allocated Global Adjustment Balance | Rate Rider for RSVA - Power - Global Adjustment |
|-------------------------------|---------------------|-------------------------------------|---|
| kWh                           | 1,651,357           | (\$210)                             | (\$0.0001)                                      |
| kWh                           | 1,859,961           | (\$236)                             | (\$0.0001)                                      |
| kWh                           | 215,597,434         | (\$27,408)                          | (\$0.0001)                                      |
| kWh                           | 8,616,426           | (\$1,095)                           | (\$0.0001)                                      |
| kWh                           | 17,985              | (\$2)                               | (\$0.0001)                                      |
| kWh                           | 0                   | 0                                   | \$0.0000  |
| kWh                           | 5,148,924           | (\$655)                             | (\$0.0001)                                      |
|                               |                     | (\$29,606)                          |   |
| Portion to Class B Transition |                     | (\$135)                             |   |
| Total Disposal Requested      |                     | (\$29,741)                          |   |

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2 *Kenora Zone:*

### Rate Rider Calculation for Group 1 Deferral / Variance Accounts Balances (excluding Global Adj.)

*1550, 1551, 1584, 1586, 1595, 1580 and 1588*

| Rate Class<br>(Enter Rate Classes in cells below) | Units | kW / kWh / # of Customers | Allocated Group 1 Balance (excluding 1589) | Rate Rider for Deferral/Variance Accounts |
|---|-------|---------------------------|--|---|
| RESIDENTIAL SERVICE                               | kWh   | 38,566,315                | \$57,769                                   | \$0.0015                                  |
| GENERAL SERVICE < 50 KW SERVICE                   | kWh   | 23,895,798                | \$42,052                                   | \$0.0018                                  |
| GENERAL SERVICE 50 TO 4,999 KW SERVICE            | kW    | 93,981                    | \$69,080                                   | \$0.7350                                  |
| STREETLIGHT SERVICE                               | kW    | 1,164                     | \$692                                      | \$0.5949                                  |
| UNMETERED SCATTERED LOAD                          | kWh   | 168,672                   | \$311                                      | \$0.0018                                  |
| TOTAL FOR DISPOSAL                                |       |                           | 169,904                                    |   |

3

### Rate Rider Calculation for RSVA Global Adjustment

*Balance of Account 1589 Allocated to Non-WMPs*

| Units | Class B Non-RPP kWh | Allocated Global Adjustment Balance | Rate Rider for RSVA - Power - Global Adjustment |
|-------|---------------------|-------------------------------------|---|
| kWh   | 156,113             | (\$173)                             | (0.0011)  |
| kWh   | 5,332,940           | (\$5,923)                           | (0.0011)  |
| kWh   | 29,330,676          | (\$32,578)                          | (0.0011)  |
| kWh   | 375,386             | (\$417)                             | (0.0011)  |
| kWh   | 18,639              | (\$21)                              | (0.0011)  |
|       |                     | (\$39,112)                          |   |

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Rate Rider Calculation for WMS - CBR Class B

| Units | kW / kWh / #<br>of Customers | Allocated<br>Group 2<br>Balance | Rate Rider<br>for Group 2<br>Accounts |
|-------|------------------------------|---------------------------------|---------------------------------------|
| kWh   | 38,566,315                   | (\$5,451)                       | (\$0.0014)                            |
| kWh   | 23,895,798                   | (\$3,377)                       | (\$0.0014)                            |
| kWh   | 93,981                       | (\$5,292)                       | (\$0.0563)                            |
| kWh   | 1,164                        | (\$24)                          | (\$0.0456)                            |
| kWh   | 168,672                      | (\$53)                          | (\$0.0001)                            |
|       |                              | (\$14,197)                      |                                       |

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## GROUP TWO RATE RIDERS

SNC has calculated a single rate rider for the disposition of the Group 2 accounts which includes the following accounts and basis of allocation:

Consistent with the Filing Requirements, SNC has calculated the Residential rate rider as a monthly fixed charge rather than the traditional volumetric charge. The remaining balances have been allocated by kWh/kW as appropriate for each class, using the DVA model's allocators. SNC proposes these balances be disposed over a one-year period beginning May 1, 2024. Table 9-40 presents the proposed Group 2 disposition rate riders applicable to Thunder Bay Zone, Kenora Zone and to SNC (all customers).

### TABLE 9-40: PROPOSED GROUP 2 ALLOCATORS AND RATE RIDERS

#### Thunder Bay Zone:

##### Rate Rider Calculation for Group 2 Accounts

| Rate Class<br>(Enter Rate Classes in cells below) | Units     | kW / kWh / #<br>of<br>Customers | Allocated<br>Group 2<br>Balance | Rate Rider<br>for Group<br>2 Accounts |
|---|-----------|---------------------------------|---------------------------------|---------------------------------------|
| RESIDENTIAL SERVICE                               | Customers | 46,447                          | (\$1,491,921)                   | (\$2.68)                              |
| GENERAL SERVICE LESS THAN 50 KW                   | kWh       | 144,147,634                     | (\$463,464)                     | (\$0.0032)                            |
| GENERAL SERVICE 50 TO 999 KW SERVICE              | kW        | 612,569                         | (\$363,995)                     | (\$0.5942)                            |
| GENERAL SERVICE 1,000 KW OR GREATER               | kW        | 473,244                         | (\$189,792)                     | (\$0.4010)                            |
| UNMETERED SCATTERED LOAD SERVICE                  | kWh       | 1,919,602                       | (\$6,481)                       | (\$0.0034)                            |
| SENTINEL LIGHTING SERVICE                         | kW        | 258                             | (\$960)                         | (\$3.7217)                            |
| STREET LIGHTING SERVICE                           | kW        | 14,760                          | (\$36,659)                      | (\$2.4837)                            |
| TOTAL FOR DISPOSAL                                |           |                                 | -\$2,553,272                    |                                       |

#### Kenora Zone:

##### Rate Rider Calculation for Accounts 1575 and 1576

| Rate Class<br>(Enter Rate Classes in cells below) | Units          | kW / kWh /<br># of<br>Customers | Allocated<br>Accounts 1575<br>and 1576<br>Balances | Rate Rider<br>for Accounts<br>1575 and<br>1576 |
|---|----------------|---------------------------------|--|--|
| RESIDENTIAL SERVICE                               | # of Customers | 4,808                           | (\$3,955)  | (\$0.07)                                       |
| GENERAL SERVICE < 50 KW SERVICE                   | kWh            | 23,895,798                      | (\$2,451)  | (\$0.0001)                                     |
| GENERAL SERVICE 50 TO 4,999 KW SERVICE            | kW             | 93,981                          | (\$3,840)  | (\$0.0409)                                     |
| STREET LIGHT                                      | kW             | 1,164                           | (\$38)   | (\$0.0331)                                     |
| UNMETERED SCATTERED LOAD                          | kWh            | 168,672                         | (\$17)   | (\$0.0001)                                     |
| TOTAL FOR DISPOSAL                                |                |                                 | (\$10,301)   |  |

### Rate Rider Calculation for Group 2 Accounts

| Units          | kW / kWh / # of Customers | Allocated Group 2 Balance | Rate Rider for Group 2 Accounts |
|----------------|---------------------------|---------------------------|---------------------------------|
| # of Customers | 4,808                     | (\$261,641)               | (\$4.53)                        |
| kWh            | 23,895,798                | (\$102,541)               | (\$0.0043)                      |
| kW             | 93,981                    | (\$18,169)                | (\$0.1933)                      |
| kW             | 1,164                     | (\$2,760)                 | (\$2.3715)                      |
| kWh            | 168,672                   | (\$870)                   | (\$0.0052)                      |
|                |                           | (\$385,981)               |                                 |

### SNC All Customers:

### Rate Rider Calculation for Group 2 Accounts [DISPOSE TO ALL SN CUSTOMERS]

| Rate Class<br>(Enter Rate Classes in cells below) | Units          | kW / kWh / # of Customers | Allocated Group 2 Balance | Rate Rider for Group 2 Accounts |
|---|----------------|---------------------------|---------------------------|---------------------------------|
| RESIDENTIAL SERVICE                               | # of Customers | 51,255                    | (\$740,665)               | (\$1.20)                        |
| GENERAL SERVICE < 50 KW SERVICE                   | kWh            | 168,043,431               | (\$327,718)               | (\$0.0020)                      |
| GENERAL SERVICE 50 TO 4,999 KW SERVICE            | kW             | 706,551                   | (\$554,920)               | (\$0.7854)                      |
| INTERMEDIATE (no customers in Kenora Zone)        | kW             | 473,245                   | (\$287,794)               | (\$0.6081)                      |
| STREET LIGHT                                      | kW             | 15,924                    | (\$10,907)                | (\$0.6850)                      |
| SENTINEL LIGHT (no customers in Kenora Zone)      | kW             | 258                       | (\$187)                   | (\$0.7265)                      |
| UNMETERED SCATTERED LOAD                          | kWh            | 2,088,274                 | (\$4,073)                 | (\$0.0020)                      |
| TOTAL FOR DISPOSAL                                |                |                           | (\$1,926,264)             |                                 |