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EXHIBIT 9 – DEFERRAL AND VARIANCE ACCOUNTS

OEB STAFF

9- STAFF- 66

Ref 1: Prescribed interest rates | Ontario Energy Board (oeb.ca)

Preamble:

The OEB has recently published its prescribed interest rate for deferral and variance account balances for Q4 2023 of 5.49%.

Question(s):

- a) Please update the IRM Models for both rate zones to reflect the updated total balance and carrying charges.

SNC Response:

- a) SNC has updated the DVA Continuity schedules for the prescribed interest of 5.49% for Q4 2023 and has used 5.49% to calculate the projected interest from January to April 30, 2024.

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Thunder Bay Rate Zone

Ref 1: TB_2024_DVA_Continuity_Schedule_CoS_20230816.xlsb, Tab 2a (Cell BF31)

Ref 2: TB_2024_GA_Analysis_Workform_Updated_20230921.xlsb, Tab 1588 (Cell D20) & Tab Principal Adjustments (Cell V63)

Preamble:

Principal Adjustment of \$176,819 for Account 1588 during 2022 in Reference 1 does not agree to the Principal Adjustments of Nil in Reference 2.

Question(s):

- a) Please reconcile the difference and revise the schedule as needed.
- b) Please explain the nature of the principal adjustment(s) of \$176,819.
- c) Please confirm if the principal adjustment(s) of \$176,819 impact the account 1589 GA. If not, why not.

SNC Response:

- a) The principal adjustment of \$176,819 relates to amounts from the Bifurcated Application EB-2023-0106. The adjustments did not impact the 2022 transactions; rather, they are recorded as prior period adjustments. Therefore, it did not impact the total activity in the 2022 Calendar year (Account 1588 cell D20 or E20). For this reason, the adjustment did not appear in the Tab "Principal Adjustments."

The amount was shown in the DVA continuity schedule as a "Principal Adjustment," as it does impact the principal; however, SNC agrees that it should be taken into the principal by altering the opening balance, not as an adjustment. This change has been made in the DVA Continuity Schedule, the opening balance (cell AV31) has been revised, and the Principal Adjustment in cell BF31 has been removed.

- b) The principal adjustment credit of \$(176,819) is an adjustment to a) remove recorded prior period error corrections (errors that occurred in 2016-2018) that were deemed not to be collected from customers and b) a disallowed portion of the claim that was approved and detailed in the Bifurcated Application EB-2023-0106. Prior to the OEB's decision on the Application, the full amount of the error applied for (to be claimed from customers) was posted as a prior period adjustment to Account 1588 (debit to principal \$129,731). For the prior period adjustments, there was no impact on activity for the 2022 year's cost of power or current year activity in Account 1588, but rather an adjustment to the prior period's cost of power (2021 and prior). The remaining balance of the \$(176,819) was a required adjustment of \$(47,088) credit to Account 1588 for the disallowed portion of the claim for the errors in the same Bifurcated Application. The adjustments are considered prior period adjustments (errors occurred prior to 2022).

- c) As noted in part a), the error impacted only the general ledger accounts used for settlement with the IESO for the cost of power and Account 1588. Account 1589 GA was not impacted by the error.

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Account 1508 – Green Button Initiative Costs

Ref 1: SNC 2024 COS Application, Exhibit 9, p31, Table 9-21

Ref 2: SNC 2024 COS Application, Exhibit 4, p13, Table 4-6

Preamble:

Reference 1 notes that this sub-account will be maintained to track future qualifying Green Button deferral amounts for disposal at a later date.

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
Balance for Disposition	\$35,000	\$198	\$35,197
Interest January to December 2023		\$1,721	\$1,721
Interest January to April 2024		\$581	\$581
Total Claim	\$35,000	\$2,500	\$37,499

TABLE 4-6: OM&A EXPENDITURES 2017 BA PROXY TO 2024 TEST YEAR (FIGURE 4.1 DATA POINTS)

	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals	2021 Actuals	2022 Actuals	2023 Bridge Year	2024 Test Year
Incremental Tree Trimming Costs	\$0	\$0	\$0	\$0	\$0	\$1,350,000	\$1,350,000	\$1,350,000
Cyber Security and Training	\$0	\$0	\$106,643	\$59,514	\$117,169	\$66,007	\$153,725	\$140,893
Green Button Portal	\$0	\$0	\$0	\$0	\$0	\$0	\$49,000	\$76,000
COS costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$139,556
Merger Transaction Costs	\$257,563	\$555,550	\$479,213	\$0	\$0	\$0	\$0	\$0
Normal OM&A Expenses	\$17,690,155	\$17,314,189	\$16,556,289	\$16,356,837	\$16,169,290	\$18,508,503	\$18,808,723	\$19,725,781
Total OM&A (Appendix 2-JA)	\$ 17,947,718	\$ 17,869,739	\$ 17,142,144	\$ 16,416,351	\$ 16,286,459	\$ 19,924,511	\$ 20,361,448	\$ 21,432,230
OEB Inflationary OM&A (less productivity)	\$17,307,644	\$17,475,559	\$17,710,570	\$18,028,794	\$18,388,793	\$18,958,257	\$19,621,189	\$20,562,379

Question(s):

- a) Please confirm that the \$14,583 2023 expenses adjustment noted in Table 9-21 of Reference 1 and the \$49,000 2023 Green Button Portal expenses reported in Table 4-6 of Reference 2 are not being double-counted. If not, please revise the schedules as needed.
- b) Please explain why Synergy North wants to keep this subaccount open despite incurring \$76,000 Green Portal expense in the 2024 test year, as shown in Table 4-6 of Reference 2.

SNC Response:

- a) Table 9-21 of Reference 1, the \$14,583 “Adjustment” recognizes a portion of a 2022 payment that is related to the 2023 year. The full invoice of \$35,000 was paid in 2022, but \$14,583 was a prepaid expense belonging to 2023. Account 1508 Green Button Deferral has been increased by \$27,439 to account for actual Green Button expenses that have been incurred in 2023.

TABLE 9-1: REVISED TABLE 9-21 ACCOUNT 1508 GREEN BUTTON

Description	Principal	Interest	Total
December 31, 2022 Balance	\$20,417	\$198	\$20,614
2022 Prepaid expensed in 2023	\$14,583	\$0	\$14,583
2023 Expense portion of '23/24 Invoice	\$21,000		\$21,000
2023 Additional Invoices received	\$6,439		\$6,439
Balance for Disposition	\$62,439	\$198	\$62,636
Interest January to December 2023		\$3,150	\$3,150
Interest January to April 2024		\$1,143	\$1,143
Total Claim	\$62,439	\$4,490	\$66,929

Table 4-6 of Reference 2, the 2023 Bridge expense of \$49,000 was the original budget for Green Button implementation; this is the balance included in the 1508 account. A revised table 4-6 is provided below.

TABLE 9-2: REVISED TABLE 4-6 OM&A EXPENDITURES 2017 TO 2024 TEST YEAR

	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals	2021 Actuals	2022 Actuals	2023 Bridge Year	2024 Test Year
Incremental Tree Trimming Costs	\$0	\$0	\$0	\$0	\$0	\$1,350,000	\$1,350,000	\$1,350,000
Cyber Security and Training	\$0	\$0	\$106,643	\$59,514	\$117,169	\$66,007	\$153,725	\$140,893
Green Button Portal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$76,000
COS costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$139,556
Merger Transaction Costs	\$257,563	\$555,550	\$479,213	\$0	\$0	\$0	\$0	\$0
Normal OM&A Expenses	\$17,690,155	\$17,314,189	\$16,556,289	\$16,356,837	\$16,169,290	\$18,508,503	\$18,808,723	\$19,725,781
Total OM&A (Appendix 2-JA)	\$ 17,947,718	\$ 17,869,739	\$ 17,142,144	\$ 16,416,351	\$ 16,286,459	\$ 19,924,511	\$ 20,312,448	\$ 21,432,230
OEB Inflationary OM&A (less productivity)	\$17,307,644	\$17,475,559	\$17,710,570	\$18,028,794	\$18,388,793	\$18,958,257	\$19,621,189	\$20,562,379

- b) SNC proposes to keep the Green Button deferral account open. Any differences between the final Green Button expenses approved in the 2024 test year (currently \$76,000) vs actual Green Button costs incurred each year in 2024 and the next rebasing will be tracked annually, and any variance from the 2024 approved amount will be brought forward in the next cost of service for disposal.

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Account 1508 – Post Merger Capital Policy Impact

Ref 1: SNC 2024 COS Application, Exhibit 9, p33 & p34 Table 9-26

Ref 2: EB-2018-0124 and EB-2018-0233, Decision and Order, p17

Preamble:

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
Balance for Disposition	\$114,507	\$5,610	\$120,117
Interest January to December 2023		\$5,631	\$5,631
Interest January through April 2024		\$1,901	\$1,901
Total Claim	\$114,507	\$13,142	\$127,648

On page 33 of Reference 1, Synergy North states that “ 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.

c) Overheads applied to capital accounts differed between Rate Zones”

Reference 2 notes that:

“The Applicants are required to establish a deferral account to capture the annual difference over the deferred rebasing period between Kenora Hydro’s revenue requirement calculated using the pre-amalgamation accounting policies and the revenue requirement calculated using the new accounting policies. The balances of the deferral account will be disposed of during a future proceeding.”

Question(s):

- a) Please provide a breakdown of the \$114,507 noted in Table 9-26 of Reference 1 by the three cost drivers (value for asset capitalization, smart meters, and overhead capitalization) listed on p33 of Reference 1.
- b) Please reconcile the \$114,507 to the annual differences in revenue requirement arising from Kenora Hydro’s transition to Thunder Bay Hydro’s accounting policies as required in Reference 2.

SNC Response:

- a) The drivers noted are provided in Table 9-3.

TABLE 9-3: ACCOUNT 1508 – POST MERGER CAPITAL POLICY

Cost Driver	2022	2021	2020	2019	
Overhead Capitalization Differences	\$47,161	\$219,071	\$106,957	\$170,040	Lower OH was capitalized = more expense under Tbay Policies
Capitalization Value Difference (\$200 KN, \$1,500)	\$0	\$1,224	\$600	\$4,229	Less additions capitalized = more expense under Tbay Policies
Smart Meters Not Capital in Tbay	\$32,149	\$41,941	\$1,570	\$11,126	Less additions capitalized under = more expense under Tbay Policies
Disposals in Tbay would not be in KN	\$9,158	\$45,687	\$0	\$0	Removed from capital base in Tbay Policies
Amortization expense lower under TB Policies	(\$164,413)	(\$161,824)	(\$141,451)	(\$108,718)	Less amortization expense under Tbay
Principal	\$114,507	(\$75,945)	\$146,099	(\$32,324)	\$76,677
					AR from / (AP) to KN customers
					Higher expense to SN = AR from customers

b) Table 9-4 shows the annual differences in revenue requirements due to the changes in policy.

TABLE 9-4: ACCOUNT 1508 – POST MERGER CAPITAL POLICY

	Balance in Account 1508 Merger Policy Differences	Annual Change in Account 1508 Balance			
		2022	2021	2020	2019
DR (CR) to Account 1508 Merger Policy Differences	\$114,507	(\$75,945)	\$146,099	(\$32,324)	\$76,677

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Accounts 1518/1548 – Retail Cost Variance Account

Ref 1: SNC 2024 COS Application, Exhibit 9, p11 Table 9-5, p13 Table 9-6, p35 Table 9-27

Ref 2: Filing Requirements For Electricity Distribution Rate Applications - 2023 Edition for 2024 Rate Applications, Chapter 2, Cost of Services, p63

Preamble:

TABLE 9-27: ACCOUNT 1518 RCVA - DISPOSITION BALANCE

Description	RCVA Balance Dec 31, 2022 (Total Both Zones)	Thunder Bay Zone			Kenora Zone		
		01-Jan-19	2019-2022 Allocated Activity	Balance Dec 2022	01-Jan-19	2019-2022 Allocated Activity	Balance Dec 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
Balance	\$202,283	\$121,309	\$64,778	\$186,087	\$0	\$16,196	\$16,196
Interest January to December 2023				\$8,642			\$695
Interest January to April 2024				\$2,917			\$235
Total Disposition				\$197,647			\$17,125

Reference 2 notes that “If the balances in Account 1518, Account 1548, or Account 1508 Sub-account Retail Service Charges Incremental Revenue are material, the distributor must also:

- Identify the drivers for the balance(s) in Account 1518 and/or Account 1548.
 - Provide a schedule identifying all revenues and expenses listed by USoA account numbers that are incorporated into the variances recorded in Account 1518, Account 1548 and/or Account 1508.”
- and

“Accounts 1518 and 1548 are to be disposed to ratepayers in a future rate application, and then the accounts are to be closed once the balance up to the end of the incentive rate-setting period is disposed.”

Question(s):

- a) Please identify the drivers and provide a schedule identifying all revenue and expenses related to the \$189,874 in Account 1518 as shown in the above table.
- b) Please explain why Synergy North wants to keep these two subaccounts open, as indicated in Table 9-5 and Table 9-6 in Reference 1, in light of the Reference 2 requirement.

SNC Response:

- a) The drivers of the amounts posted to this account are the monthly revenues and costs as permitted under the Account Procedures Handbook, Account 1518. The revenue in account 1518 includes one-time charges per retailer to establish service agreements, a monthly fixed charge per retailer, a monthly variable charge per retailer, and a distributor-consolidated monthly billing charge per customer per retailer. The expenses in account 1518 include incremental labour hours dedicated to retailers as well as other incremental costs associated with billing, including costs to send invoices as well as market compliance costs.

The schedule below shows all revenue and expenses relating to the \$189,874 in Account 1518.

TABLE 9-5: ACCOUNT 1518 SCHEDULE OF REVENUE AND EXPENSES

1518 RCVA Principal									
USoA	Description	2016	2017	2018	2019	2020	2021	2022	Total
REVENUES									
1518	Retailer Charges - Service Agreement	-	-	100	-	-	-	-	100
1518	Retailer Charges - Service Agreement Fixed	4,020	4,060	4,120	12,920	15,397	15,141	15,916	71,574
1518	Retailer Charges - Service Agreement Variable	10,390	8,444	5,968	8,848	11,082	10,211	9,308	64,249
1518	LDC Bill Ready Charges	6,233	5,066	3,581	5,320	6,629	6,089	5,566	38,484
	Subtotal	20,643	17,570	13,768	27,088	33,108	31,440	30,790	174,407
EXPENSES									
Incremental Labour									
5615	Accounting Department	6,391	6,467	6,676	6,827	4,683	1,444	1,479	33,967
5315	Billing	-	-	-	-	1,508	1,538	6,317	9,363
5315	Finance/Market Compliance Department	4,531	5,035	4,422	4,677	4,866	4,495	4,440	32,465
5065	Metering Department	4,748	5,082	4,924	4,276	4,355	13,971	11,219	48,575
Incremental Other Costs									
5315	Billing	1,212	2,436	1,392	1,449	1,582	(1,202)	807	7,676
5315	Finance/Market Compliance Department	38,025	42,280	36,970	35,350	42,128	33,256	4,251	232,260
5065	Metering Department	-	-	-	-	-	(24)	-	(24)
	Subtotal	54,907	61,300	54,384	52,578	59,121	53,479	28,513	364,282
	Grand Total	(34,264)	(43,730)	(40,616)	(25,490)	(26,012)	(22,039)	2,277	(189,875)

- b) SNC has updated the balances in Accounts 1518 and 1548, using projected activity and balances to Dec 31, 2023, and projected carrying charges to April 30, 2024. SNC further requests that Accounts 1518 and 1548 be discontinued after this disposal.

TABLE 9-6: UPDATED ACCOUNTS 1518 AND 1548 RCVA DEFERRALS

Description	RCVA Balance Dec 31, 2022	Thunder Bay Zone					Kenora Zone				
		01-Jan-19	2019-2022 Allocated Activity	2023 Allocated Activity	Carrying Charges	Balance April 30, 2024	01-Jan-19	2019-2022 Allocated Activity	2023 Allocated Activity	Carrying Charges	Balance April 30, 2024
1518-RCVA Retail Principal	\$189,874	\$118,610	\$57,137	\$17,317		\$193,064	\$0	\$14,127	\$5,469		\$19,596
1518-RCVA Interest	\$12,409	\$2,699	\$7,641			\$10,340	\$0	\$2,069			\$2,069
Balance	\$202,283	\$121,309	\$64,778	\$17,317	\$0	\$203,404	\$0	\$16,196	\$5,469	\$0	\$21,665
Interest January to December 2023					\$9,740	\$9,740				\$989	\$989
Interest January to April 2024					\$3,533	\$3,533				\$359	\$359
Total Disposition to April 30, 2024					\$13,273	\$216,677				\$1,347	\$23,012

Description	RCVA Balance Dec 31, 2022	Thunder Bay Zone					Kenora Zone				
		01-Jan-19	2019-2022 Allocated Activity	2023 Allocated Activity	Carrying Charges	Balance April 30, 2024	01-Jan-19	2019-2022 Allocated Activity	2023 Allocated Activity	Carrying Charges	Balance April 30, 2024
1548-RCVA Retail Principal	\$46,514	\$20,854	\$20,287	\$6,893		\$48,034	\$0	\$5,373	\$2,177		\$7,549
1548-RCVA Interest	\$2,488	\$473	\$1,582			\$2,054	\$0	\$434			\$434
Balance	\$49,001	\$21,327	\$21,868	\$6,893	\$0	\$50,088	\$0	\$5,806	\$2,177	\$0	\$7,983
Interest January to December 2023					\$2,423	\$2,423				\$381	\$381
Interest January to April 2024					\$879	\$879				\$138	\$138
Total Disposition to April 30, 2024					\$3,302	\$53,391				\$519	\$8,502

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Accounts 1592 – Accelerated CCA

Ref 1: SNC 2024 COS Application, Exhibit 6, p20

Ref 2: Accelerated investment incentive - Canada.ca

Ref 3: Filing Requirements For Electricity Distribution Rate Applications - 2023 Edition for 2024 Rate Applications, Chapter 2, Cost of Service, pp. 41 -42

Preamble:

Reference 1 notes that “SNC is requesting to dispose of the forecasted balance to the end of 2023 plus interest. The difference between actual capital additions and budgeted capital additions, used as the basis for the 2023 CCA amount, will be immaterial and SNC is not requesting to continue to use account 1592 for the accumulated CCA tax variance going forward as it all has been reflected in its 2024 PILs tax calculation.”.

Reference 3 notes that “Distributors may propose a mechanism to smooth the tax impacts over the five-year IRM term. The OEB will assess a distributor’s smoothing proposal on a case-by-case basis. If the OEB approves the smoothing proposal, the distributor’s use of (or access to) Account 1592, to record the impacts of the specific CCA changes contemplated in the smoothing proposal, will no longer be applicable. If PILs is not smoothed over the IRM term, Account 1592 would generally be expected to be used as the AIIP will be phased out starting in 2024.”

Question(s):

- a) Please explain why Synergy North wants to discontinue use of account 1592, despite the fact that the AIIP will be phased out starting in 2024, as stated in Reference 2.
- b) Please confirm if Synergy North plans to record subsequent changes including the expected phase-out of accelerated CCA beginning in 2024 in Account 1592, PILs and Tax Variances, Sub-Account CCA Change.
- c) Please explain if Synergy North has considered smoothing out the tax impacts over the five-year IRM term for the CCA changes. If not, why not? Otherwise, please provide a proposed tax smoothing method.

SNC Response:

- a) SNC no longer proposes discontinuation of Account 1592.
- b) SNC proposes to maintain Account 1592, to record the final phase-out impact of the 2028 year. The enhanced allowance has been incorporated into the 2024 PILs calculation, thereby giving the 2024 benefit of reduced CCA to customers annually for the years 2024 through 2027.
- c) SNC has considered smoothing out the tax impacts over the five-year IRM term for the AIIP CCA changes, however, as there are no anticipated changes to the AIIP CCA rules from 2024 through 2027, and the phase-out impact has been incorporated into the 2024 revenue requirement calculation for those years, SNC proposes that similar to Burlington Hydro’s EB-2020-0007 settlement, the revenue requirement impact of the final year of the phase-out, 2028, be calculated at that time, captured in Account 1592 sub-account CCA Changes, and be presented for disposal during the next rebasing application.

9 – STAFF- 72

Group 1 & Group 2 Accounts for both rate zones

Ref 1: SNC 2024 COS Application, Exhibit 1, page 40

Preamble:

Reference 1 states that “Synergy North is seeking approval of a rate harmonization proposal for Thunder Bay rate zone and Kenora rate zone”.

Question(s):

- a) Please explain whether Synergy North considers combining Group 1 and Group 2 accounts for both rate zones in light of the rate harmonization proposal noted in Reference.
- b) If not, please explain why and Synergy North’s plan for combining Group 1 and 2 accounts.

SNC Response:

- a) SNC has a schedule and timeline to combine Group 1 and Group 2 accounts for efficiency. SNC’s proposed schedule and timeline for combining and disposing of Group 1 and 2 accounts is as follows:
 - Group 1 Accounts:
 - 2023 activity in Group 1 accounts will remain separated by zone. The 2023 ending balances will be brought forward for disposal in the 2024 IRM by zone. Rate Rider(s) will be applied to customers of each zone as applicable beginning May 1, 2025.
 - Beginning January 1, 2024, activity in Group 1 accounts will be combined, and on December 31, 2024, balances will be brought forward for disposal in the 2025 IRM. Rate Rider(s) applicable to all customers of SNC, beginning May 1, 2026.
 - Group 2 Accounts:
 - Group 2 accounts approved for disposition in this application will be cleared with rider(s) by zone, rates effective May 1, 2024.

- Any current Group 2 accounts that will remain open and have activity, and any new Group 2 accounts that will be allowed by the OEB during Q4 2023 and beyond, will be combined for tracking and balances will be brought forward for disposal to all customers of SNC. The timing of disposals during IRM or next COS, in accordance with OEB's direction for each Group 2 account.

b) N/A.

SCHOOL ENERGY COALITION

9-SEC-31

[Ex.9, p.31]

With respect to the Gain on Non-Depreciable Property Sold Deferral Account:

- a) Please identify which property is Property #1 and which is Property #2.
- b) Please provide details of the date of sale.
- c) The Accounting Order in EB-2016-0105 listed four properties. Please explain what happened to the other four properties.

SNC Response:

- a) Property #1 is 493 John Street. Property #2 is 137 Brock Street.
- b) Property #1 sold May 31, 2021. Property # 2 was sold on November 1, 2021.
- c) Please see Exhibit 1, page 35, lines 1-17.

9-SEC-32

Please provide details of all other properties, including the net proceeds of disposition that were disposed of since either predecessor utility last rebased.

SNC Response:

No other disposals of land have occurred in Thunder Bay or Kenora since its last rebasing.

VULNERABLE ENERGY CONSUMERS COALITION (VECC)

9.0 –VECC -71

Reference: Exhibit 9, page 11

- a) SNC is proposing to maintain the OEB cost assessment account. Given the account was originally established to address a change in the Board's assessment methodology which has now been completed what is the rationale for its continuation?

SNC Response:

- a) SNC has updated the Kenora zone Account 1508 OEB Cost Assessment to include the deferrals in the Kenora zone for 2023. The account is being requested for final disposition and is being added to the list of accounts requested to be closed in both zones. Tables 9-5, 9-6 and 9-7 have been updated and are presented below.

TABLE 9-7: UPDATED ACCOUNT 1508 OEB COST ASSESSMENT DEFERRAL

Description	Principal	Interest	Total
December 31, 2022 Balance	\$57,867	\$3,315	\$61,182
Less: 2023 IRM Disposition (EB-2022-0063)	\$0	\$0	\$0
2023 Additions to Deferral	\$10,342	\$0	\$10,342
Balance for Disposition	\$68,209	\$3,315	\$71,524
Interest January to December 2023		\$3,441	\$3,441
Interest January through April 2024		\$1,248	\$1,248
Total Claim	\$68,209	\$8,004	\$76,213

TABLE 9-8: UPDATED TABLE 9-5: THUNDER BAY ZONE DISPOSITION AND DISCONTINUATION

USoA	Description	Principal	Interest	Total	Proposed Disposition	Explanation if NO	Proposed Closing Account	Explanation
GROUP 1								
1551	Smart Metering Entity Charge	(\$142,874)	(\$10,842)	(\$153,716)	YES	-	NO	Remain for future deferrals.
1580	RSVA Wholesale Market Service Charge	\$1,662,241	\$124,084	\$1,786,325	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)	(\$7,559)	(\$112,219)	YES	-	NO	Remain for future deferrals.
1584	RSVA Network Charge	\$605,558	\$37,266	\$642,824	YES	-	NO	Remain for future deferrals.
1586	RSVA Connection Charge	\$344,931	\$26,610	\$371,541	YES	-	NO	Remain for future deferrals.
1588	RSVA Power	(\$119,119)	(\$30,871)	(\$149,989)	YES	-	NO	Remain for future deferrals.
1589	RSVA Global Adjustment	(\$48,574)	\$18,688	(\$29,886)	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	(\$408,414)	(\$25,829)	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.
	Total Group 1 Accounts Including GA	\$2,759,390	(\$422,314)	\$2,337,077				
	Total Group 1 Accounts Excluding GA	\$2,807,964	(\$441,002)	\$2,366,962				
GROUP 1 DISPOSAL REQUEST		\$2,580,089	(\$251,039)	\$2,329,051				
GROUP 2								
1508	Other RA - OEB Cost Assessments	\$104,216	\$16,955	\$121,172	YES	-	YES	Account not required after final disposition.
1508	Wireline Attachment Variance	(\$2,626,062)	(\$235,011)	(\$2,861,073)	YES	-	YES	Account not required after final disposition.
1508	Gain On Disposition of Non-Depreciable Asse	(\$32,321)	(\$2,842)	(\$35,163)	YES	-	YES	Account not required after final disposition.
1518	RCVA Retail	\$193,064	\$23,613	\$216,677	YES	-	YES	Account not required after final disposition.
1522	OPEB	\$0	(\$22,690)	(\$22,690)	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	\$48,034	\$5,357	\$53,391	YES	-	YES	Account not required after final disposition.
	Total Group 2 Accounts	(\$2,286,280)	(\$214,617)	(\$2,500,898)				
GROUP 2 DISPOSAL REQUEST		(\$2,313,068)	(\$214,617)	(\$2,527,686)				
TOTAL PROPOSED DISPOSALS				(\$198,635)				

TABLE 9-9: UPDATED TABLE 9-6: KENORA ZONE DISPOSITION AND DISCONTINUATION

USoA	Description	Principal	Interest	Total	Proposed Disposition	Explanation if NO	Proposed Closing Account	Explanation
GROUP 1								
1551	Smart Metering Entity Charge	(\$14,409)	(\$1,035)	(\$15,444)	YES	-	NO	Remain for future deferrals.
1580	RSVA Wholesale Market Service Charge	\$210,569	\$14,696	\$225,265	YES	-	NO	Remain for future deferrals.
1580	RSVA Wholesale Market - CBDR B	(\$13,444)	(\$793)	(\$14,237)	YES	-	NO	Remain for future deferrals.
1584	RSVA Network Charge	\$93,760	\$4,715	\$98,475	YES	-	NO	Remain for future deferrals.
1586	RSVA Connection Charge	\$16,228	\$1,443	\$17,670	YES	-	NO	Remain for future deferrals.
1588	RSVA Power	\$31,054	(\$9,421)	\$21,633	YES	-	NO	Remain for future deferrals.
1589	RSVA Global Adjustment	(\$40,089)	\$858	(\$39,231)	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.
	Total Group 1 Accounts Including GA	\$267,821	\$12,485	\$280,306				
	Total Group 1 Accounts Excluding GA	\$307,910	\$11,627	\$319,537				
GROUP 1 DISPOSAL REQUEST		\$283,668	\$10,464	\$294,132				
GROUP 2								
1508	Other RA - OEB Cost Assessments	\$68,209	\$8,004	\$76,213	YES	-	YES	Account not required after final disposition.
1508	Wireline Attachment Variance	(\$639,779)	(\$56,483)	(\$696,262)	YES	-	YES	Account not required after final disposition.
1508	IFRS Implementation Costs	\$21,183	\$3,853	\$25,036	YES	-	YES	Account not required after final disposition.
1508	Merger Capital Policies	\$114,507	\$13,482	\$127,989	YES	-	YES	Account not required after final disposition.
1518	RCVA Retail	\$19,596	\$3,416	\$23,012	YES	-	YES	Account not required after final disposition.
1522	OPEB	\$0	\$0	\$0	YES	-	NO	Remain for future deferrals.
1532	Renewable Connection OM&A Deferral	\$22,929	\$5,701	\$28,630	YES	-	YES	Account not required after final disposition.
1535	Smart Grid OM&A Deferral	\$1,845	\$462	\$2,307	YES	-	YES	Account not required after final disposition.
1548	RCVA STR	\$7,549	\$953	\$8,502	YES	-	YES	Account not required after final disposition.
1555/1556	Smart Meter Capital, OM&A and Stranded Meter	\$35,997	\$26,145	\$62,142	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)	(\$1,141)	(\$9,929)	YES	-	YES	Account not required after final disposition.
	Total Group 2 Accounts	(\$380,283)	\$3,853	(\$376,430)				
GROUP 2 DISPOSAL REQUEST		(\$380,283)	\$3,853	(\$376,430)				
TOTAL PROPOSED DISPOSALS		(\$96,615)	\$14,317	(\$82,298)				

TABLE 9-10: UPDATED TABLE 9-7: SNC ZONE DISPOSITION AND DISCONTINUATION

USoA	Description	Principal	Interest	Total	Proposed Disposition	Explanation if NO	Proposed Closing Account	Explanation
GROUP 2								
1508	Other Regulatory Assets - Customer Choice Initiative	\$28,312	\$2,653	\$30,964	YES	-	YES	Account not required after final disposition.
1508	Other Regulatory Assets - Green Button Initiative	\$62,439	\$4,490	\$66,929	YES	-	NO	Remain for future tracking and disposal.
1592	Other Regulatory Assets - Accelerated CCA	(\$1,865,284)	(\$134,398)	(\$1,999,682)	YES	-	NO	Remain for 2028 Tracking and future disposal.
TOTAL PROPOSED DISPOSALS		(\$1,774,533)	(\$127,255)	(\$1,901,788)				

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Reference: Exhibit 9

- SNC is seeking disposition of a number of group 2 accounts which are below its materiality threshold. Why?
- What materiality threshold is SNC applying in the Thunder Bay and Kenora rate zones?

SNC Response:

- SNC has applied for the disposal of all Group 2 accounts in this application. In aggregate, the Group 2 account balances exceed materiality. SNC proposes the disposal of all historic balances for efficiency.
- Exhibit 1, Section 1.4.7 states that SNC has used a “threshold of \$178,000 for assessing materiality for the purposes of this Application”.