

Colm Boyle
T: 416-367-7273
cboyle@blg.com

John Vellone
T: 416-367-6730
jvellone@blg.com

Borden Ladner Gervais LLP
Bay Adelaide Centre, East Tower
22 Adelaide Street West
Toronto ON M5H 4E3
Canada
T 416-367-6000
F 416-367-6749
blg.com



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BY EMAIL & RESS
registrar@oeb.ca

Nancy Marconi
Ontario Energy Board
PO Box 2319, 27th Floor
2300 Yonge Street
Toronto, ON M4P1E4

Dear Ms. Marconi:

**Re: Synergy North Corporation (“Synergy North”) – 2024 Cost of Service Application (“Application”)
OEB File No. EB-2023-0052 (“Proceeding”)
Corrections to Bill Impacts in Settlement Proposal**

On December 22, 2023, Synergy North filed a Settlement Proposal with the Ontario Energy Board (“OEB”) reflecting a complete settlement of all issues in the Proceeding. Subsequent to filing the Settlement Proposal, Synergy North uncovered an error in the logic of the Tariff Schedule and Bill Impact Models (“**the Models**”) for both the Thunder Bay and Kenora Rate Zones (“**Logic Error**”). Synergy North raised the issue with OEB Staff on January 16, 2024. A second error with the Models was uncovered regarding the grouping of rate riders for the Thunder Bay Rate Zone on or about February 2, 2024 (“**Rider Grouping Error**”). None of the parties in the Proceeding identified the Logic Error or the Rider Grouping Error before entering into the Settlement Proposal. OEB staff did not identify the errors before making its submission on the settlement proposal.

Synergy North regrets that these errors despite significant work and scrutiny of Synergy North’s cost of service application.

This letter, the revised Bill Impact Models for both the Thunder Bay and Kenora Rate Zones and the revised Settlement Proposal have been agreed to by Synergy North, the Association of Major Power Consumer in Ontario, the Consumers Council of Canada, the School Energy Coalition and the Vulnerable Energy Consumers Coalition. The Models, and all the resulting changes, have since been corrected, as described below.

1. Description of the Bill Impact

On August 16, 2023, Synergy North filed its Application for 2024 rates. The Application included a version of the Model from May 1, 2023, which did not include the Logic Error. The Model was

manually updated in November to reflect the August 1, 2023 Tariff Sheet. It was at this time that the Logic Error was made. The Model containing the Logic Error was used by Synergy North when responding to interrogatories on November 10, 2023 and in preparing the Settlement Proposal that was filed on December 22, 2023.

The Logic Error relates to:

- i. A non-RPP global adjustment (“GA”) rate rider of $\$(0.0057)/\text{kWh}$ being applied on RPP customers in the Current OEB Approved Column. As a result it appears as though this negative rider was ending causing a significant rate increase;
- ii. For non-RPP customer classes the same GA rate rider $\$(0.0057)/\text{kWh}$ being coded to the wrong line in the Current OEB-Approved model. Erroneously, this GA rate rider was being calculated for non-RPP customers based on demand when it should have been calculated based on consumption. This unit rate was being calculated based on incorrect volumes; and
- iii. there was a rate rider disposition of account 1588 included in an incorrect row of the Model. However, this did not affect the output of bill impacts in the Model.

The Rider Grouping Error was identified in the groupings of the rate riders in Thunder Bay Bill Impacts Tab for the Settlement Proposal titled and filed on the OEB website as “TB_2024_Tarriff_Schedule_and_Bill_Impact_Model_20231222” and the interrogatory responses titled and filed on the OEB website as “TB_2024_Tarriff_Schedule_and_Bill_Impact_Model_20231110”. The riders noted as “Group 2” should be in the A subtotal. Correcting the presentment of the riders in Tab 4 between A and B does not impact the total dollar value or percentage change in any class. When corrected, there is a shift in dollars between subtotals A and B. Subtotal A changes. Subtotals B (which equals A + B) and subtotal C remain unchanged.

2. Revisions/Corrections to the Models

The revised Models attached to this letter correct both of the Logic Error and the Rider Grouping Error. The Models also account for the mitigation proposed for the Street Lighting rate class.

Correcting the Logic Error and the Rider Grouping Error in the Models alone resulted in the Thunder Bay Street Lighting Service Classification having a bill impact of greater than 10%. As such Synergy North is proposing additional mitigation for this classification, by using the same approach that was previously agreed to as part of the Settlement Agreement. The revenue surplus from increasing the Street Lighting revenue-to-cost ratio continues to be fully offset by reducing the ratio for the GS<50kW class as this is the class with the highest status quo ratio. In 2025, the Street Lighting revenue-to-cost ratio is increased to the 80% floor with the revenue surplus again offset by reducing the ratio of the GS<50kw Class.

The updated Bill impact models based on SNC proposed mitigation is as follows:

Thunder Bay Revised Model, with Mitigation:

(TB_2024_Tariff_Schedule_and_Bill_Impact_Model_20240201)

RATE CLASSES / CATEGORIES <i>(eg: Residential TOU, Residential Retailer)</i>	Units	Sub-Total						Total	
		A		B		C		Total Bill	
		\$	%	\$	%	\$	%	\$	%
RESIDENTIAL SERVICE CLASSIFICATION - RPP	kWh	\$ 2.67	9.6%	\$ 2.77	8.3%	\$ 2.93	6.4%	\$ 2.75	2.2%
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION - RPP	kWh	\$ (19.02)	-15.0%	\$ (12.13)	-12.0%	\$ (12.33)	-9.4%	\$ (11.55)	-3.4%
GENERAL SERVICE 50 TO 999 KW SERVICE CLASSIFICATION - Non-RPP (Other)	kW	\$ 47.81	7.3%	\$ 357.05	73.9%	\$ 382.68	31.9%	\$ 434.85	5.7%
GENERAL SERVICE 1,000 KW OR GREATER SERVICE CLASSIFICATION - Non-RPP	kW	\$ 3,022.50	37.2%	\$ 7,918.70	146.7%	\$ 8,502.14	39.7%	\$ 9,636.72	7.7%
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION - RPP	kWh	\$ 1.44	10.1%	\$ 1.66	9.8%	\$ 1.75	7.5%	\$ 1.64	2.5%
SENTINEL LIGHTING SERVICE CLASSIFICATION - RPP	kW	\$ 1.49	14.3%	\$ 1.55	14.3%	\$ 1.58	13.5%	\$ 1.48	7.8%
STREET LIGHTING SERVICE CLASSIFICATION - Non-RPP (Other)	kW	\$ 4,952.79	19.2%	\$ 7,572.80	31.2%	\$ 7,670.34	25.9%	\$ 8,688.21	9.9%

Kenora Revised Model, with Mitigation:

(KN_2024_Tariff_Schedule_and_Bill_Impact_Model_20240201)

RATE CLASSES / CATEGORIES <i>(eg: Residential TOU, Residential Retailer)</i>	Units	Sub-Total						Total	
		A		B		C		Total Bill	
		\$	%	\$	%	\$	%	\$	%
RESIDENTIAL SERVICE CLASSIFICATION - RPP	kWh	\$ (5.63)	-16.4%	\$ (5.44)	-13.5%	\$ (2.66)	-5.3%	\$ (2.51)	-1.9%
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION - RPP	kWh	\$ 11.22	18.5%	\$ 12.11	16.0%	\$ 19.94	20.3%	\$ 18.65	6.0%
GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION - Non-RPP (Other)	kW	\$ (144.06)	-15.7%	\$ 58.93	7.0%	\$ 280.80	19.8%	\$ 298.25	3.8%
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION - Non-RPP (Retailer)	kWh	\$ (2.83)	-16.2%	\$ (1.43)	-7.7%	\$ 0.18	0.8%	\$ 0.16	0.3%
STREET LIGHTING SERVICE CLASSIFICATION - Non-RPP (Retailer)	kW	\$ (1,537.11)	-53.8%	\$ (1,409.79)	-50.2%	\$ (1,302.92)	-41.4%	\$ (1,484.11)	-20.0%

The bill impact in terms of % for the original settlement filed and with errors corrected is as follows:

Thunder Bay

	Settlement Proposal Bill impact	Corrected Bill Impact
Residential	5.6%	2.2%
GS<50	-0.4%	-3.4%
GS 50-999	1.3%	5.7%
GS>1000	3.4%	7.7%
USL	5.9%	2.5%
SENTINEL	7.8%	7.8%
SL	9.6%	9.9%

Kenora

	Settlement Proposal Bill impact	Corrected Bill Impact
Residential	0.3%	-1.9%
GS<50	8.6%	6.0%
GS 50-4999	0.8%	3.8%
USL	0.3%	0.3%
SL	-19.9%	-20.0%

3. Updated Models Filed with OEB

Synergy North is filing with this letter Models to replace prior versions that were filed in the Proceeding with the Logic Error and Rider Grouping Error, in accordance with the table below.

Filing Date	Model Name	Replacement Model Attached to This Letter
Interrogatory Responses		
Nov 10, 2023	KN_2024_Tariff_Schedule_and_Bill_Impact_Model_20231110	KN_2024_Tariff_Schedule_and_Bill_Impact_Model_Update_20231110
Nov 10, 2023	TB_2024_Tariff_Schedule_and_Bill_Impact_Model__20231110	TB_2024_Tariff_Schedule_and_Bill_Impact_Model_Update_20231110
Settlement Proposal		
Dec 22, 2023	TB_2024_Tariff Schedule_Bill Impact Model_20231222	TB_2024_Tariff_Schedule_and_Bill_Impact_Model_20240201
Dec 22, 2023	KN_2024_Tariff Schedule_Bill Impact Model_20231222	KN_2024_Tariff_Schedule_and_Bill_Impact_Model_20240201
Dec 22, 2023	SNC_2024_Rev Reqt Workform_20231222	SNC_2024_Rev_Reqt_Workform_20240201
Dec 22, 2023	SNC_2024 Tariff Sheet_20231222	SNC_Tariff_Sheet_20240201

Please contact the undersigned with any questions.

Yours truly,

BORDEN LADNER GERVAIS LLP



Colm Boyle

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