



November 10, 2023

Re: SYNERGY NORTH Corporation ("SNC") – Cost of Service Filing – Letters of Comment

A Huzan,

Thank you for your message with respect to SNC's proposed Cost of Service Application for rates effective May 1, 2024. Your feedback and engagement is appreciated.

SNC continues to strive for efficiencies in everything it does. SNC has earned an efficiency rating of cohort 3 annually since inception (2019), based on the OEB cost benchmarking model, which indicates continual performance in line with expected values. SNC anticipates that this ranking will continue in the future, even with additional rate impacts.

SNC is aware of the challenges of a fixed distribution charge on customers, especially residential customers and strives to keep this cost as low as possible. Customers should be aware that SNC does not produce power, as it is a distribution company. Further, SNC, as a distributor, doesn't make or lose money on the sale of power (commodity) and must abide by the ordered pricing decisions.

Ontario Local Distribution Companies (LDC) typically apply to the Ontario Energy Board every 5 years to approve rates for the following year. These applications are on a five-year cycle, with a detailed Cost of Service review in year 1, followed by inflationary adjustments in years 2 to 5.

The Ontario Energy Board will only approve an increase in distribution rates if SNC can provide adequate evidence to support and justify its underlying costs. SNC does take into account the current economic and societal climate as part of its application and operations and an electricity distributor is not immune from the impacts (such as increased capital cost, supply chain issues and inflationary cost pressure) while working to meet customer expectations.

SNC understands that customers have been impacted by the COVID-19 pandemic and increasing inflation and that some are also worried about the cost of electricity. To support customers most impacted, SNC will continue to invest in external communications to increase awareness of existing support programs and resources such as the Ontario Energy Rebate (OER); the Low-Income Energy Assistance Program - Emergency Financial Assistance (LEAP EFA); and Save On Energy programs, as well as future support programs/ resources available. SNC will continue to educate customers on available resources, energy conservation, and customer choice.

Thank you again for your comments and please contact us again should you have questions or require further information.

Respectfully Submitted, Synergy North Corporation.