



December 14, 2023

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

John Jonassen,

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 is aware of the financial challenges facing our 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, as a distributor, SNC doesn’t make or lose money on the sale of power (commodity) and must abide by the ordered pricing decisions. SNC has presented the average overall bill impacts to the average user, as we feel this is the best representation of final impact to the customer, especially given the variety of rate options available. This overall bill impact includes both the “Delivery” ie. Distribution charges, in which SNC has control over (ie. It’s capital investment and operating expenses), and Cost of Power and Transmission Charges in which SNC does not have control over (includes the amount given to power generation companies, the government and regulatory agencies.) In addition, SNC does provide further details on rate changes on its website www.synergynorth.ca.

Ontario Local Distribution Companies (LDC) typically apply to the Ontario Energy Board every 5 years to approve distribution rates for the following year. The distribution rates 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.