



SYNERGY NORTH CORPORATION

2026 ELECTRICITY DISTRIBUTION RATE APPLICATION

EB-2025-0008

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ONTARIO ENERGY BOARD

IN THE MATTER OF the Ontario Energy Board Act, 1998, being Schedule B to the Energy Competition Act, 1998, S.O. 1998, c.15;

AND IN THE MATTER OF an Application by Synergy North Corporation to the Ontario Energy Board for an Order or Orders approving or fixing just and reasonable rates and other service charges for the distribution of electricity as of May 1, 2026.

TITLE OF PROCEEDING: An Application by Synergy North Corporation for an Order or Orders approving or fixing just and reasonable distribution rates and other charges, effective May 1, 2026.

Application – Relief sought

1. Synergy North Corporation (“SNC”) is a distributor as defined in, and is licensed as such under the *Ontario Energy Board Act, 1998* (the “Act”). SNC holds Electricity Distribution Licence ED-2018-0233.
2. SNC hereby applies to the Ontario Energy Board (the “Board”), pursuant to section 78 of the Act, for an Order or Orders approving or fixing just and reasonable rates for distribution services effective May 1, 2026. This Application is made in accordance with the Board’s update to Chapter 3 of the *Filing Requirements for Electricity Distribution Rate Applications – 2025 Edition for 2026 Rate Applications*, issued on June 19, 2025, and using the October 13, 2016, *Handbook for Utility Rate Applications (the Handbook) IR methodology*, including the following:
 - a. An adjustment to the retail transmission service rates as provided in the Board’s *Guideline: Electricity Distribution Retail Transmission Service Rates and Low Voltage Charges*, issued March 31, 2025.
 - b. An adjustment to the Price Cap Index as determined by the Board.
 - c. An adjustment to SNC’S current 2025 distribution rates by applying the OEB’s adjustment mechanism of the Price Cap Index to establish 2026 electricity distribution rates, effective May 1, 2026.
 - d. Election to dispose of the Group 1 account balances, per *Section 3.2.6 of Chapter 3 of the Filing Requirements for Electricity Distribution Rate Applications*, issued on June 19, 2025.
 - e. Continuation of existing Specific Service Charges and Loss Factors as approved in SNC’s 2024 Cost-of-Service rate application (EB-2023-0052).

3. If the Board is unable to provide a Decision and Order in this Application for implementation by the Applicant as of May 1, 2026, SNC requests that the Board issue an Interim Rate Order declaring the current Distribution Rates and Specific Service Charges as interim until the decided implementation date of the approved 2026 distribution rates.
4. If the effective date does not coincide with the Board's decided implementation date for 2026 distribution rates and charges, SNC requests permission to recover the incremental revenue from the effective date to the implementation date.
5. SNC has used the Board's Excel Model: 2026 IRM Rate Generator ("2026 Rate Model") posted July 17, 2025, for this application. The rates for which approval is sought, including rate riders by zone (if applicable), are shown on Tab 20 'Final Tariff Schedule' of the 2026 Rate Model in the "SN" Model.
6. This Application is supported by the written evidence comprising of a Manager's Summary, excel models, and one SNC 2026 tariff sheet. SNC may amend or supplement this written evidence prior to or during the Board's hearing of this Application.

3.1 Manager's Summary

3.1 Introduction

SNC is a corporation amalgamated under the laws of Ontario, with its head office in the City of Thunder Bay. SNC carries on the business of distributing electricity within the City of Thunder Bay, Fort William First Nation, and the City of Kenora. Synergy North Corporation is the name of the amalgamated corporation combining Thunder Bay Hydro Electricity Distribution Inc. and Kenora Hydro Electric Corporation Ltd. effective January 1, 2019. The amalgamation was approved by the Ontario Energy Board as documented in the MAAD Application (EB-2018-0124). The applicant has rebased as an amalgamated company effective May 1, 2024 in EB-2023-0052, and maintains one tariff of rates and charges which includes zonal rate riders (if applicable). Group 1 SNC balances will be disposed of based on December 31, 2024 balances, to all customers. Account 1595 – Vintage Years, will continue to be tracked by zone and be available for disposal as each year's balance becomes eligible for disposal.

SNC submits herein a complete application (the "Application") for proposed distribution and transmission rates effective May 1, 2026. SNC has filed its 2026 Distribution Rate Application under the Price Cap Incentive Rate adjustment option.

This application has been prepared in accordance with the Board’s updated *Chapter 3 of the Filing Requirements for Electricity Distribution Rate Applications, – 2025 edition for 2026 Rate Applications*, issued June 19, 2025 (“2026 Filing Requirements”).

SNC requests that this Application be disposed of by way of a written hearing.

Executive Summary Table

Description / Item	Summary of Request
Annual Adjustment Mechanism	Yes
Revenue-to-Cost Ratio Adjustments	Yes
Shared Tax Adjustments	No
Retail Transmission Service Rates	Yes
Low Voltage Service Rates	No
Group 1 Deferral and Variance Accounts Disposition/Recovery	Yes
Lost Revenue Adjustment Mechanism Variance Account (LRAMVA)	No
Group 2 Deferral and Variance Accounts Disposition/Recovery	No
Residential Rate Design (i.e., transitioning to fully fixed rates)	No
Z-factor claims	No
Incremental Capital Module / Advanced Capital Module	No
Rate Year Alignment	No
Requests for new utility-specific DVAs	No
Renewable Generation and/or Smart Grid Funding Adder	No
Correction to Previously Disposed DVA Balances	No
Non-mechanistic changes (e.g., creation or addition of a new rate class)	No
Rate design where bill mitigation plans need consideration	No
Other Items/Requests of Note	No

3.1.1 Grouping for Filings

The OEB has assigned distributors seeking IRM rate adjustments effective May 1, 2026, to one of four application groupings based on the expected level of complexity of the application. SNC was assigned the filing date of November 20, 2025, in Tranche 4, as per the OEB direction to all distributors in the letter dated June 20, 2025 “Tranche Assignments and Filing Due Dates for 2026 Incentive Rate-setting Mechanism (IRM) Electricity Distributor Applications”.

3.1.2 Components of the Application Filing

SNC has included in this application the following:

1. Managers Summary.
2. Contact Information.

3. Completed Revenue to Cost Ratio Adjustment Model.
4. Completed Rate Generation Model for each zone (Tracking / Disposing of Account 1595 Vintage year balance by zone).
5. Completed Rate Generation Model for SNC (calculates distribution and RTSR, and Group 1 SNC riders applicable to all customers).
6. Copy of the current 2025 tariff sheet.
7. Supporting documentation, validated reporting record keeping requirements, and other data referred to in the application.
8. A statement of who will be affected by the application and particular bill impacts.
9. Confirmation of the Applicants internet address.
10. Statement of confirmation related to accuracy of the billing determinants.
11. Text searchable Adobe PDF format for all documents.
12. The 2026 IRM Checklist.
13. Certification of accuracy, consistency and completeness by a senior officer.

3.1.2.1 Contact Information

The following is the contact information for SNC in this proceeding:

Applicant's Address for Service: 34 Cumberland St. N.
Thunder Bay, Ontario
P7A 4L3

Primary Contact for Electricity Distribution Licence:

Aaron Blazina, CPA, CA	Phone:	807-343-1118
Vice President, Finance	Fax:	807-343-1009
	Email:	ablazina@synergynorth.ca

Primary Contacts for the Application:

Janice Robertson, CPA, CA	Phone:	807-467-8014
Manager, Financial &	Fax:	807-343-1009
Regulatory Affairs, Kenora	Email:	jrobertson@synergynorth.ca

3.1.2.2 / 3.1.2.3 List of Attachments

The final page of this document lists the electronic files which have been uploaded along with this application.

3.1.2.4 Supporting Documentation

SNC confirms that it has provided supporting documentation where appropriate as support to the models mentioned in the 3.1.2.3 List of Attachments. SNC has also confirmed it has validated any references to the 2024 year-end RRR reporting record keeping requirements and other data referred to in the application for both zones.

3.1.2.5 Notice of Application

SNC recognizes that all customer classes will be affected by the outcome of this rate application.

3.1.2.6 Confirmation of Application

SNC will provide its customers a link to the website where the application (EB-2025-0008) will be posted. If a customer requires a physical copy to accommodate special needs or by specific request SNC will provide one, as well as publish any updates directly to its public website for purposes of viewing the application, previous applications and related documents.

SNC's Public Website Address: <https://synergynorth.ca/>

3.1.2.7 Certification of Evidence

SNC's Vice President of Finance certifies that the evidence filed in its 2026 IRM Rate Applications are accurate to the best of his knowledge. Filed as attachment "SN_EB2025-0008_Certificate of Evidence_20251120.pdf"

3.1.3 Applications and Electronic Models

SNC has used the Board's 2026 IRM Rate Generator as updated by the Board July 17, 2025, and the Board's Commodity Accounts Analysis Work Form released March 31, 2025. SNC has completed the 2026 Rate Models in accordance with the Board staff instructions. SNC does not have any unique rate classes.

SNC confirms that the tariff of rates and charges is accurate, as included in Tab 2. 'Current Tariff Schedule' of the rate generator model. SNC confirms the accuracy of the pre-populated billing determinates, customer counts for Residential and General Service <50kW Classes and customer volume, as included in Tab 4. 'Billing Det. For Def Var' of the models. Additionally, SNC has completed Tab 3. 'Continuity Schedule' and

confirms the entries in column “BV”, representing Group 1 Deferral and Variance Account balances as of December 31, 2024, are accurate.

SNC confirms that it has not diverged from the Board’s model concept or modified the 2026 Rate Models to be different than the OEB published models.

3.2 Elements of the Price Cap IR and the Annual IR Index Plan

3.2.1 Annual Adjustment Mechanism

The annual adjustment mechanisms follow OEB-approved formulas that include components for inflation and the OEB’s expectations of efficiency and productivity gains.

SNC is on Price Cap IR. In calculating 2026 rates, the Price Cap Index Adjustment of 3.40% has been applied to its 2025 Distribution Rates, which are the rate-setting parameters provided by the Board’s 2026 Rate Generator Model (Stretch Factor Group 3).

3.2.1.1 Application of the Annual Adjustment Mechanism

SNC has achieved Stretch Factor Group assignment ranking of “III” or 0.30% in the “PEG Empirical Research in Support of Incentive Rate-Setting: 2024 Benchmarking Update Report to the Ontario Energy Board” issued August 2025.

The final Price Cap Index is determined using the following formula:

Price Escalator	3.70%	Productivity Factor	0.00%
Choose Stretch Factor Group	III	Price Cap Index	3.40%
Associated Stretch Factor Value	0.30%		

SNC confirms the Price Cap Index adjustment of 3.40% has been applied to distribution rates (fixed and variable) uniformly across all customer rate classes and that the index adjustment has not been applied to the following components of distribution rate components.

- Rate Adders
- Rate Riders
- Low Voltage Service Rate
- Retail Transmission Rates
- Wholesale Market Service Rates
- Rural and Remote Rate Protection Benefit and Charge
- Standard Supply Service – Administrative Charge
- Capacity Based Recovery
- Microfit Service Charge
- Specific Service Charges
- Smart Metering Entity Charge
- Loss Factors
- Transformation and Primary Metering Allowances

3.2.2 Revenue-to-Cost Ratio Adjustments

SNC's revenue-to-cost ratio adjustments were approved in its 2024 Cost-of-Service Rate Application (EB-2023-0052). As per SNC's Settlement Proposal & Agreement issued March 28, 2024 (EB-2023-0052, page 50), SNC revenue-to-cost ratios were appropriate with the following adjustment:

Synergy North Corporation
 EB-2023-0052
 Settlement Proposal

5. Cost Allocation, Rate Design, and Other Charges

5.1 Are the proposed cost allocation methodology, allocations, and revenue-to-cost ratios, appropriate?

Complete Settlement: The Parties agree that SNC’s proposals on cost allocation methodology, allocations, and revenue-to-cost ratios are appropriate, with the following adjustments:

- The weighting factors for Billing and Collecting were revised based on the response to Clarification Question VECC-75
- For the purpose of rate mitigation, the revenue surplus created by SNC’s proposed increases in the revenue-to-cost ratio for the Street Lighting class will be offset entirely by reducing the ratio for the GS<50 kW class over two years as this is the class with the highest status quo ratio.

The revenue-to-cost ratios are reproduced below in Table 5.1A.

**Table 5.1A
 Revenue to Cost Ratios**

Rate Class	Revenue to Cost Ratios Resulting from Cost Allocation Model	Proposed Revenue to Cost Ratio (2024)	Proposed Revenue to Cost Ratio (2025-2028)	OEB Target Low	OEB Target High
Residential	99.5%	99.5%	99.5%	85%	115%
GS<50 kW	117.5%	117.1%	115.5%	80%	120%
GS 50 to 999 kW	87.7%	87.7%	87.7%	80%	120%
Intermediate	104.9%	104.9%	104.9%	80%	120%
Street Lighting	64.7%	67.7%	80.0%	80%	120%
Sentinel Lighting	90.4%	90.4%	90.4%	80%	120%
Unmetered Scattered Load	107.9%	107.9%	107.9%	80%	120%

SNC has submitted a revenue-to-cost ratio adjustment model, “SN-EB-2025-0008_IRM Revenue Cost Ratio Adjustment Model_1.0_20251120”, to provide the rate impacts arising following direction from the Decision and Order for adjusting revenue-to-cost ratios for 2026. As directed in EB-2023-0052, the revenue-to-cost ratio for the Street Lighting class has moved to 80%, with the offset adjustment to the ratio for the General Service < 50 kW class, bringing it to 115%. This movement is the final adjustment to bring the Street Lighting class to the OEB Target Low ratio of 80%. The impact of the revenue-to-cost ratio movement has not resulted in any class with a greater than 10% bill impact, see Bill Impacts Tables 5 and 6 on pages 20 & 21.

Table 1 details the proposed movement for Street Lighting and General Service < 50 kW classes.

Table 1: Proposed Revenue-to-Cost Ratios

Proposed Revenue Cost Ratio Adjustment

Rate Class	Adjusted Revenue	Current Revenue Cost Ratio	Re-Allocated Cost	Proposed Revenue Cost Ratio	Final Adjusted Revenue	Dollar Change	Percentage Change
	A	B	C = A / B	D	E = C * D	F = E - C	G = (E / C) - 1
RESIDENTIAL	\$ 21,779,275	1.00	\$ 21,888,718	1.00	\$ 21,779,275	\$ 0	0.0%
GENERAL SERVICE < 50 KW	\$ 6,571,863	1.16	\$ 5,665,399	1.15	\$ 6,531,060	-\$40,803	-0.6%
GENERAL SERVICE 50 TO 999 KW	\$ 5,027,246	0.88	\$ 5,732,322	0.88	\$ 5,027,246	-\$ 0	0.0%
GENERAL SERVICE 1,000 KW OR GREATER	\$ 2,289,094	1.05	\$ 2,182,168	1.05	\$ 2,289,094	\$ 0	0.0%
UNMETERED SCATTERED LOAD	\$ 117,642	1.08	\$ 109,029	1.08	\$ 117,642	-\$ 0	0.0%
SENTINEL LIGHTING	\$ 17,785	0.90	\$ 19,673	0.90	\$ 17,785	-\$ 0	0.0%
STREET LIGHTING	\$ 503,233	0.74	\$ 680,045	0.80	\$ 544,036	\$40,803	8.1%
	<u>\$ 36,306,138</u>		<u>\$ 36,277,354</u>		<u>\$ 36,306,138</u>	<u>\$ 0</u>	<u>0.0%</u>

Out of Balance -

Final ?

The fixed and variable rate impact of this adjustment is seen in Table 2:

Table 2: Proposed Revenue-to-Cost Ratio Fixed and Variable Impacts

Rate Class Impacted	Adjustment Required to Base Service Charge	Adjustment Required to Base Distribution Volumetric Rate kWh	Adjustment Required to Base Distribution Volumetric Rate kW
General Service < 50 kW	\$(0.25)	\$(0.0001)	-
Street Lighting	\$0.17	-	\$0.8602

This proposed revenue-to-cost ratio movement is the second and final year of adjustments to these classes, as was directed in the Cost-of-Service application. This movement does not result in any rate class being impacted by a greater than 10% increase and as such no rate mitigation is required.

3.2.3 Rate Design for Residential Electricity Customers

On April 2, 2015, the OEB released its Board Policy: A New Distribution Rate Design for Residential Electricity Customers (EB-2014-0210) which stated that electricity distributors are expected to transition to a fully fixed monthly distribution service charge for residential customers and in most cases should be implemented over a period of four years, beginning in 2016. SNC confirms that the fully fixed rate design is applicable only to the residential rate class and to the charges which are specifically related to the distribution of electricity.

3.2.4 Electricity Distribution Retail Transmission Service Rates

SNC has prepared the RTSR using the OEB's 'Guideline: Electricity Distribution Retail Transmission Service Rates (RTSR) and Low Voltage Charges, issued March 31, 2025.' To prepare the analysis SNC has used the 2026 Rate Generator Model, Tabs 10 to 15 to calculate the proposed updates to its RTSRs. SNC has used the most recent wholesale transmission rates (per the Board's Decision in EB-2025-0232, issued October 9, 2025) in its applications for RTSRs.

SNC has confirmed that the cells in Tab 10. 'RTSR Current Rates' have been populated with the data from the most recent 2024 year-end RRR filing, totals for the Corporation. In addition to the figures reported to the OEB, SNC has adjusted the Non-Loss Adjusted Metered kWh, and the Non-Loss Adjusted Metered kW to appropriately split the "General Service 50 to 999 kW Service" Classification between metered, interval metered and interval metered-EV Charging. Specifically, 205,871 kWh and 7,731 kW have been reallocated out of General Service 50 to 999 – Interval Metered, and into General Service 50- 999 – Interval Metered – EV CHARGING. SNC confirms it has used its customer data to determine the split between specific meter data, and the net of the three results in the rate classification total reported in the 2024 RRR year-end filing.

As the RTSR rates were harmonized in the 2024 Cost-of-Service, the 2026 RTSRs have been calculated in the SNC Model.

The proposed adjustments to the Retail Transmission Service Rates are shown in Table 3:

Table 3: SNC RTSR Proposed Adjustments

Rate Class	Units	RTSR Network			RTSR Connection		
		Current	Proposed	Change	Current	Proposed	Change
		\$	\$	\$	\$	\$	\$
Residential	kWh	0.0113	0.0112	(0.0001)	0.0069	0.0068	(0.0001)
General Service < 50 kW	kWh	0.0106	0.0105	(0.0001)	0.0062	0.0061	(0.0001)
General Service > 50 - 999 kW	kW	4.1409	4.0894	(0.0515)	2.6412	2.6184	(0.0228)
General Service > 50-999 kW - EV	kW	0.0000	0.6952	0.6952	0.0000	0.4451	0.4451
General Service > 50 - 999 kW Interval	kW	4.4185	4.3635	(0.0550)	2.6385	2.6157	(0.0228)
General Service > 50-999 kW Interval - EV	kW	0.0000	0.7418	0.7418	0.0000	0.4447	0.4447
General Service 1,000 kW or Greater	kW	4.3927	4.3380	(0.0547)	2.9196	2.8943	(0.0253)
Unmetered Scattered Load	kWh	0.0106	0.0105	(0.0001)	0.0065	0.0064	(0.0001)
Sentinel Lights	kW	3.1389	3.0998	(0.0391)	2.0849	2.0669	(0.0180)
Street Lighting	kW	3.1475	3.1083	(0.0392)	1.9345	1.9178	(0.0167)
New EV Classes							

3.2.5 Low Voltage Service Rates

SNC does not have low voltage service rates.

3.2.6 Review and Disposition of Group 1 Deferral and Variance Account Balances

SNC is applying to dispose of the balances in its Group 1 Deferral and Variance Accounts, as of December 31, 2024. Carrying charges in 2024 were calculated using the Board’s monthly prescribed interest rates. Projected carrying charges from January 1, 2026, to April 30, 2026, are calculated using the Board’s most recent fourth quarter 2025 rate of 2.91%.

In the models for each of Kenora and Thunder Bay, “Tab 3. Continuity”, the Group 1 balances created variances in each account when compared to the 2024 RRR balances. The 2024 RRR balances in Tab 3 are combined balances for SNC. A detailed breakdown by zone of the DVA Continuity schedule balances, reconciled to the 2024 RRR balances by zone, are shown in a separate working paper “SN_EB-2025-0008_DVA Continuity_20251120”.

SNC confirms that no additional adjustments have been made to any deferral and variance account balances which were previously approved by the Board on a final basis.

Thunder Bay Zone

Tab 3. 'Continuity Schedule' of the 2026 "TB" Rate Generator Model shows the balances requested and disposed of in the 2025 IRM, resulting in \$0 balances remaining for disposal in Group 1 Accounts for Thunder Bay, with the exception of the Account 1595 – Vintage 2021 Year balances discussed in Section 3.2.6.3 totalling \$30,522.

Kenora Zone

Tab 3. 'Continuity Schedule' of the 2026 "KN" Rate Generator Model shows the balances requested and disposed of in the 2025 IRM, resulting in \$0 balances remaining for Group 1 for Kenora, with the exception of the Account 1595 – Vintage 2021 Year balances discussed in Section 3.2.6.3 totalling \$(5,749).

SNC

In the 2025 IRM, EB-2024-0055, Group 1 balances by zone were requested and approved for disposal for balances to April 30,2024. Those approved disposals represented the final disposal of Group 1 RSVA accounts tracked by zone.

Decision and Order for the Cost-of-Service rates, effective May 1, 2024, saw the harmonization of rates by zone, effective May 1, 2024. Accordingly, balances accumulating in Group 1 accounts from May 1, 2024 onward, will be disposed of to all SNC customers, with no further tracking or disposing of Group 1 balances by zone. The exception will be the Account 1595 Vintage Year balances that, due to the timeline for balances to qualify for disposal will be maintained and requested for disposal by zone in future IRM applications.

Table 4 below is SNC proposed disposition summary organized by principal and interest:

Table 4: Group One Disposition Claim SNC:

SYNERGY NORTH

Group One Account	Account #	Principal	Interest	Total
RSVA - Smart Metering Entity Account	1551	(45,035)	(2,912)	(47,947)
RSVA - Wholesale Market Service Charge	1580	(485,773)	(28,207)	(513,981)
RSVA - WMS – Sub-account CBR Class B	1580	368,847	19,038	387,886
RSVA - Retail Transmission Network Charge	1584	661,506	34,199	695,705
RSVA - Retail Transmission Connection Charge	1586	(16,613)	70	(16,542)
RSVA - Power	1588	(141,844)	(9,948)	(151,792)
RSVA - Global Adjustment	1589	1,868,650	132,535	2,001,185
Total Disposition		2,209,738	144,776	2,354,513

3.2.6.1 Commodity Accounts 1588 and 1589

The Commodity Accounts Analysis Workform has been populated for SNC for balances from May 1, 2024 (beginning of rate harmonization) to December 31, 2024. No adjustments were required for Account 1588 or 1589 that were previously approved.

Most of SNC’s customers are Class B customers. There was one transition customer that moved from Class A to Class B in 2024. From July 2023 to June 2024, SNC had 12 Class A customers. On July 1, 2024 one Class A customer opted out and became a Class B customer.

Only Non-RPP, Non-Class A customers have contributed to the balance in the RSVA 1589 GA variance account. The balance for disposal of this account has been allocated to Non-RPP Class B customers only, based on Non-RPP, Class B consumption.

SNC has indicated in the IRM Rate Generator Tab 1. ‘Information Sheet’ that it had Class A customers during the period that the Account 1589 GA balances was accumulated (i.e. from the year the balance was last disposed). This is also true for the Account 1580 WMS CBR Balance.

Section 3.2.5.2 of the *2026 Filing Guidelines* requires that distributors propose an approximate allocation for the recovery of the GA variance. Tab 6. ‘Class A Consumption Data’ was completed with inputs to the Billing Determinants by Customer Rate Classification for Class A kWh and kW. These Class A kWh and kW volumes are then stripped from the disposition of 1589 Global Adjustment Disposition, and 1580 WMS – CBR Class B Disposition by rate class, to appropriately allocate the balance of 1589 to Class B customers only, who are the contributors to the variance account.

SNC settles GA with Class A customers monthly and on actual cost. As a result, the customers in the Class A program did not contribute to the balance in RSVA 1589 GA for the period they were Class A customers. Therefore, the entire Class A consumption (full year Class A) is removed from the Total Metered Non-RPP consumption used to develop a GA Rate Rider in Tab 6.1 'GA'.

The RSVA 1589 GA balance has been allocated to the remaining Non-RPP customers based on the total Non-RPP consumption per class, excluding Class A customers. A separate rate rider is used to dispose of the balance of 1589 GA to Class B customers.

Additionally, WMS CBR Class B balance has also been allocated between the remaining Class B customers based on the total Non-RPP consumption per class, excluding Class A customers using the same methodology as described above.

Commodity Accounts Analysis Workform

SNC has completed the OEB's Commodity Accounts Analysis Workform. The analysis aids the OEB in assessing if the balance being requested for disposition in Accounts 1588 and 1589 is reasonable and helps confirm the accuracy of both accounts. SNC confirms that the Consumption Data from Note 2 reflects the RRR data, which was filed April 30, 2025, for 2024 volumes, non-loss adjusted.

SNC confirms that it uses the first estimate of global adjustment to bill all Class B customers and is trued-up to the final rate posted by the IESO. The GA rate used to calculate the unbilled revenue is the same as the one used for the billed revenue in any month.

OEB has indicated that distributors who have a more precise monthly kWh volume data available based on allocation of billing data by calendar/load month may propose to use this data in the Commodity Accounts to calculate the expected GA balance. SNC has chosen to populate the Commodity Accounts Analysis Workform with its Non-RPP Class B consumption with losses. A billing system query produces a report of the monthly "consumed" kWh for each Non-RPP customer. The system pulls the consumption billed between meter read dates, and based on consumption by day, provides a calendar month "consumed" amount. SNC uses the results of this report to true up its estimates once all billing cycles for the month have fully billed out volumes for the month.

Unresolved differences as a percent of expected GA payments to the IESO fall below the OEB's instructed 1% threshold: (0.9)% variance for the SNC account.

Unresolved differences as a percent of expected Power payments to the IESO fall below the OEB's instructed 1% threshold: (0.3)% variance for the SNC account.

3.2.6.2 Capacity Based Recovery

SNC confirms that it follows the OEB Accounting Guidance on WMS - CBR, issued by the Board on July 25, 2016.

SNC bills its Class A customers their share of the actual CBR Charge, equal to Charge Type 1350 on the monthly IESO invoice based on the respective percentage related to Peak Demand Factor. Class A customers are billed by the IESO for CBR costs recorded under charge type 1350 for CBR for Class A consumption and are recorded in account 4708 charges – WMS Sub Account CBR Class A.

SNC records WMS – CBR revenues on all consumption for Class B customers, excluding Wholesale Market Participants. Costs recorded under charge type 1351 for CBR Class B consumption are recorded in Accounts 4708 Charges – WMS, Sub Accounts CBR Class B. SNC tracks the variance between the revenue billed to customers for Class B CBR and the costs recorded under Charge Type 1351 for CBR in Account 1580 WMS Sub Account CBR Class B. Carrying charges are applied monthly to opening balances at the Board prescribed rate.

SNC has indicated in the 2026 IRM Rate Generator Tab 1. 'Information Sheet' that it has Class A customers during the period that the Account 1580 WMS - CBR balances was accumulated (i.e. from the year the balance was last disposed).

Section 3.2.6.2 of the *2026 Filing Requirements* requires that distributors propose an approximate allocation for the recovery of the CBR variance. Tab 6. 'Class A Consumption Data' requires input of the Billing Determinants by Customer for kWh and kW. This tab segregates the consumption for the one transition customer who has moved from Class A to Class B during the account accumulation period so that balances may be appropriately applied to those customers that attributed to them.

In the event that the allocated CBR Class B amount results in a volumetric rate rider that rounds to zero at the fourth decimal place in one or more rate classes the entire balance in Account 1580 Sub account CBR Class B will be added to the Account 1580 WMS control account to be disposed through the general-purpose Group 1 DVA rate riders. SNC confirms the volumetric rate riders in one or more classes did not round to zero at the fourth decimal place and therefore is disposed through a separate WMS – CBR rate rider to each customer class.

3.2.6.3 Disposition of Account 1595

Thunder Bay Zone

SNC is not requesting the disposition of the Thunder Bay zone Account 1595 - Vintage Year 2021 in the amount of \$30,522 as at December 31, 2024.

To determine eligibility for disposal of the Account 1595 balance, the threshold test was completed by dividing the total claim \$30,522 by the total Thunder Bay kWh of 851,452,770, yields a result of \$0.00003/kWh which does not exceed the threshold for disposition of \$.001 per kWh (debit or credit). Disposition is not requested in this application for the Account 1595 - Vintage 2021 balance. Carrying charges will continue to accrue on the principal balance until such time as it is approved for disposal. Tab 3 will continue to be populated and submitted annually for the Thunder Bay Account 1595 - Vintage Year balances for disposal to the Thunder Bay zone customers in future rate applications.

Kenora Zone

SNC is not requesting the disposition of the Kenora zone Account 1595 - Vintage 2021 balance of \$(5,749) as at December 31, 2024.

To determine eligibility for disposal of the Account 1595 balance, the threshold test was completed by dividing the total claim \$(5,749) by Kenora's system kWh of 93,532,742, yields a result of \$(0.00006)/kWh which does not exceed the threshold for disposition of \$.001 per kWh (debit or credit). Disposition is not requested in this application for the Account 1595 - Vintage 2021 balance. Carrying charges will continue to accrue on the principal balance until such time as it is approved for disposal. Tab 3 will continue to be populated and submitted annually for the Kenora Account 1595 - Vintage Year balances for disposal to the Kenora zone customers in future rate applications.

SNC

This application does not contain any Account 1595 – Vintage Year balances for SNC, as this application is the first application to request SNC Group 1 Account balances for disposal to all SNC customers and therefore no Account 1595 balances are eligible for disposal for SNC.

3.2.7 Lost Revenue Adjustment Mechanism Variance Account

SNC has no balances for LRAM to claim in this application. The balances were disposed of and the LRAMVA's were closed as a result of the Decision in EB-2023-0074.

3.2.8 Tax Changes

Inputs from the 2024 Cost-of-Service application resulted in no calculated tax changes, no tax sharing is required in this application.

3.2.9 Z-Factor Claims

SNC does not request recovery of costs associated with unforeseen events or extraordinary costs by means of a Z-Factor in this application.

3.2.10 Off Ramps

SNC's 2024 RRR filing included a regulated achieved ROE for 2024 of 4.88% which was not within the 300-basis point dead band from the approved ROE of 9.21%. SNC's under earnings for 2024 were detailed in 2.1.5.6 Under Earning Drivers. SNC does not request an Off Ramp and requests the Price Cap IR Plan be applied in this application.

3.3 Elements Specific Only to the Price Cap IR Plan

3.3.1 / 3.3.2 / 3.3.3 Advanced Capital Module\Incremental Capital Module

SNC is not proposing an Advanced Capital Module or Incremental Capital Module cost recovery in this application. The 2024 Capital Module application for ACM and ICM has not been completed.

3.4 Specific Exclusions from Applications

SNC confirms that it is not seeking any specifically excluded items in this rate application process.

3.5 Bill Impacts

The service and rate classifications, and the associated electricity distribution rates included in the 2026 IRM models, are those approved by the Board in its Decision and Order in SNC's 2025 IRM (EB-2025-0055).

Three IRM Rate Generator Models have been filed with this application:

- The “SN” Model calculates the distribution rates, RTSRs and Group 1 Riders applicable to all SNC customers. This Model also produces the SNC Tariff of Rates and Charges applicable to all customers. This SN Model does not provide the bill impacts by zone, as explained below.
- The “TB” Model provides the Thunder Bay Group 1 Continuity Schedule and tracking, presentation and potential disposal of the Thunder Bay Account 1595 – Vintage Year balances. This TB Model is for tracking and future disposal of the 1595 Accounts only. This Model does not provide the bill impacts by zone, as explained below.
- The “KN” Model provides the Kenora Group 1 Continuity Schedule and tracking, presentation and potential disposal of the Kenora Account 1595 – Vintage Year balances. This KN Model is for tracking and future disposal of the 1595 Accounts only. This Model does not provide the bill impacts by zone, as explained below.

SNC

RTSR Rates:

Each customer class requires the LDC to explain the greater than 10% increase in the RTSR – Network charge in this rate application. Tab “15. RTSR Rates to Forecast”, which produces the final charge for Network RTSR, allowed no LDC inputs. The model produces RTSR rates based on OEB inputs and calculations. There are no customer classes experiencing a greater than 10% increase in the RTSR rates in this application.

Thunder Bay Zone

Bill Impacts:

Although rate harmonization has been in effect since May 1, 2024, and there are no riders unique to the zones proposed for disposal in this application for 2026, the rate impact tables for Thunder Bay zone customers must consider the impact to customer rates of the 2025 rate riders specific to the Thunder Bay customers which will end on April 30, 2026. To see the rate impacts for Thunder Bay customers, the final SNC model has been saved as “SN_EB2025-0008_TB BILL IMPACTS_20251120” and Tab 21. Bill Impacts tables have been updated with the 2025 Thunder Bay zone specific riders in the “Current Rates” column “F”.

The total bill impact to a Thunder Bay Residential Regulated Price Plan customer in the Thunder Bay zone with a monthly electricity consumption of 750 kWh's is an increase of \$1.72 or 1.3% per month (incl. HST and 13.1% Ontario Electricity Rebate).

The total bill impact to a Thunder Bay "General Service < 50 kW Service Classification" Regulated Price Plan in the Thunder Bay zone customer with a monthly electricity consumption of 2,000 kWh's is an increase of \$3.50 or 1.0% per month (Incl. HST and 13.1% Ontario Electricity Rebate).

The total bill impact to a Thunder Bay Street Lighting customer is \$9,070.76, a 6.6% increase per month which includes the revenue-to-cost-ratio adjustment for the Street Lighting class.

Table 5 includes a summary of the bill impacts for each rate class based on the outcomes of the detailed bill impacts in Tab 21 of the 2026 IRM Rate Generator Model for the Thunder Bay zone.

Table 5: Thunder Bay Zone 2026 Bill Impact Summary

Thunder Bay Bill Impacts									
RATE CLASSES / CATEGORIES (eg: Residential TOU, Residential Retailer)	Units	Sub-Total						Total	
		A		B		C		Total Bill	
		\$	%	\$	%	\$	%	\$	%
RESIDENTIAL SERVICE CLASSIFICATION - RPP	kWh	\$ 1.20	3.4%	\$ 1.88	4.9%	\$ 1.72	3.3%	\$ 1.72	1.3%
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION - RPP	kWh	\$ 2.52	2.9%	\$ 3.92	4.2%	\$ 3.50	2.7%	\$ 3.50	1.0%
GENERAL SERVICE 50 TO 999 KW SERVICE CLASSIFICATION - Non-RPP (Other)	kW	\$ 30.67	3.4%	\$ 411.02	45.0%	\$ 401.74	22.8%	\$ 453.96	3.8%
GENERAL SERVICE 1000 KW OR GREATER SERVICE CLASSIFICATION - Non-RPP (Other)	kW	\$ 482.19	3.4%	\$ 6,425.57	44.8%	\$ 6,217.57	18.6%	\$ 7,025.85	3.6%
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION - RPP	kWh	\$ 0.62	3.3%	\$ 0.91	4.5%	\$ 0.82	3.0%	\$ 0.82	1.2%
SENTINEL LIGHTING SERVICE CLASSIFICATION - RPP	kW	\$ 0.45	3.4%	\$ 0.50	3.7%	\$ 0.49	3.4%	\$ 0.49	2.2%
STREET LIGHTING SERVICE CLASSIFICATION - Non-RPP (Retailer)	kW	\$4,844.62	12.1%	\$ 8,095.98	20.2%	\$ 8,027.22	17.3%	\$ 9,070.76	6.6%
RESIDENTIAL SERVICE CLASSIFICATION - Non-RPP (Retailer)	kWh	\$ 1.20	3.4%	\$ 6.98	17.2%	\$ 6.82	12.5%	\$ 7.71	3.8%
GENERAL SERVICE 1000 KW OR GREATER SERVICE CLASSIFICATION - Non-RPP (Other)	kWh	\$ 538.63	3.4%	\$ 11,162.53	68.6%	\$10,922.53	28.6%	\$ 12,342.46	3.7%
GENERAL SERVICE 50 TO 999 KW SERVICE CLASSIFICATION - Non-RPP (Retailer)	kWh	\$ 44.24	3.4%	\$ 438.22	33.5%	\$ 423.36	15.9%	\$ 478.40	3.8%

No rate mitigation is required as no rate class will see a greater than 10% total bill impact as a result of this application.

Kenora Zone

Bill Impacts:

Although rate harmonization has been in effect since May 1, 2024, and there are no riders unique to the zones in this application for 2026, the rate impact tables for Kenora zone customers must consider the impact to customer rates of the 2025 rate riders specific to the Kenora customers which will end on April

30, 2026. To see the rate impacts for Kenora customers, the final SNC model has been saved as “SN_EB2025-0008_KN BILL IMPACTS_20251120”, and Tab 21. Bill Impact tables have been updated with the 2025 Kenora zone specific riders in the “Current Rates” column “F” .

The total bill impact to a Kenora “Residential Regulated Price Plan” customer in the Kenora zone with a monthly electricity consumption of 750 kWh’s is an increase of \$1.64 or 1.2% per month (incl. HST and 13.1% Ontario Electricity Rebate).

The total bill impact to a Kenora “General Service < 50 kW Service Classification” Regulated Price Plan customer with a monthly electricity consumption of 2,000 kWh’s is an increase of \$3.50 or 1.0% per month (incl. HST and 13.1% Ontario Electricity Rebate).

The total bill impact to a Kenora Street Lighting customer is \$552.66 or 6.3% increase each month, including the revenue-to-cost ratio adjustment.

Table 6 includes a summary of the bill impacts for each rate class in Kenora, based on the outcomes of the detailed bill impacts in Tab 21 of the 2026 IRM Rate Generator Model.

Table 6: Kenora Zone 2026 Bill Impact Summary

Kenora Bill Impacts									
RATE CLASSES / CATEGORIES (eg: Residential TOU, Residential Retailer)	Units	Sub-Total						Total	
		A		B		C		Total Bill	
		\$	%	\$	%	\$	%	\$	%
RESIDENTIAL SERVICE CLASSIFICATION - RPP	kWh	\$ 1.20	3.4%	\$ 1.80	4.7%	\$ 1.64	3.1%	\$ 1.64	1.2%
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION - RPP	kWh	\$ 2.52	2.9%	\$ 3.92	4.2%	\$ 3.50	2.7%	\$ 3.50	1.0%
GENERAL SERVICE 50 TO 999 KW SERVICE CLASSIFICATION - Non-RPP (Other)	kW	\$ 31.58	3.4%	\$452.96	50.7%	\$443.30	25.0%	\$ 500.93	4.3%
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION - Non-RPP (Retailer)	kWh	\$ 0.61	3.3%	\$ 3.80	18.6%	\$ 3.72	13.7%	\$ 4.21	4.1%
STREET LIGHTING SERVICE CLASSIFICATION - Non-RPP (Retailer)	kW	\$ 232.01	12.0%	\$494.67	25.9%	\$489.08	20.2%	\$ 552.66	6.3%
RESIDENTIAL SERVICE CLASSIFICATION - Non-RPP (Retailer)	kWh	\$ 1.20	3.4%	\$ 7.65	19.2%	\$ 7.49	13.9%	\$ 8.47	4.2%

No rate mitigation is required as no rate class will see a greater than 10% total bill impact as a result of this application.

SUPPORTING ELECTRONIC DOCUMENTS / APPENDICES

Electronic files uploaded to the website to support the application:

SN_EB2025-0008_2026 IRM Checklist_20251120: [2026 IRM Checklist](#)

SN_EB2024-0055_2025 Tariff Sheet_20251120: [2025 Schedule of Tariff and Rates](#)

SN_EB2025-0008_2026 Proposed Tariff Sheet_20251120: [PDF Proposed 2026 Schedule of Tariff and Rates](#)

SN_EB2025-0008_IRM Rate Generator Model_20251120: [2026 Synergy North Rate Generator Model \(To calculate 2026 Rates\)](#)

SN_EB2025-0008_IRM Revenue Cost Ratio Adjustment Model_1.0_20251120: [2026 Revenue-to-Cost Ratio Adjustment Model](#)

SN_EB2025-0008_Commodity Accounts Analysis Workform_20251120: [Synergy North Commodity Accounts Analysis Workform](#)

KN_EB2025-0008_IRM Rate Generator Model_20251120: [2026 Kenora Zone Rate Generator Model \(To calculate potential disposal of 1595 Vintage Accounts\)](#)

TB_EB2025-0008_IRM Rate Generator Model_20251120: [2026 Thunder Bay Zone Rate Generator Model \(To calculate potential disposal of 1595 Vintage Accounts\)](#)

SN_EB2025-0008_KN BILL IMPACTS_20251120: [2026 Bill Impacts for Kenora Zone](#)

SN_EB2025-0008_TB BILL IMPACTS_20251120: [2026 Bill Impacts for Thunder Bay Zone](#)

SN_EB-2025-0008_DVA Continuity_20251120: [Reconciliation of 2024 RRR balances to SN Continuity Schedule](#)