

Scorecard - Synergy North Corporation

10/22/2021

Performance Outcomes	Performance Categories	Measures	2016	2017	2018	2019	2020	Trend	Target		
									Industry	Distributor	
Customer Focus Services are provided in a manner that responds to identified customer preferences.	Service Quality	New Residential/Small Business Services Connected on Time	100.00%	100.00%	99.00%	99.67%	98.74%		90.00%		
		Scheduled Appointments Met On Time	100.00%	100.00%	100.00%	100.00%	100.00%		90.00%		
		Telephone Calls Answered On Time	94.00%	95.00%	95.00%	90.86%	87.51%		65.00%		
	Customer Satisfaction	First Contact Resolution	A+	A+	A+	A+	A+				
		Billing Accuracy	100.00%	100.00%	100.00%	99.92%	99.96%		98.00%		
		Customer Satisfaction Survey Results	A	A	A	A	A				
Operational Effectiveness Continuous improvement in productivity and cost performance is achieved; and distributors deliver on system reliability and quality objectives.	Safety	Level of Public Awareness	82.00%	83.00%	83.00%	83.00%	84.00%				
		Level of Compliance with Ontario Regulation 22/04 ¹	C	C	C	C	C			C	
		Serious Electrical Incident Index	Number of General Public Incidents	0	0	0	0	0			0
			Rate per 10, 100, 1000 km of line	0.000	0.000	0.000	0.000	0.000			0.000
	System Reliability	Average Number of Hours that Power to a Customer is Interrupted ²	1.58	1.85	2.12	1.41	0.75			1.77	
		Average Number of Times that Power to a Customer is Interrupted ²	2.48	2.94	2.61	2.25	1.85			2.49	
	Asset Management	Distribution System Plan Implementation Progress	On Track	106.13	101.14	100.00	95.60				
	Cost Control	Efficiency Assessment	3	3	3	3	3				
		Total Cost per Customer ³	\$655	\$652	\$678	\$675	\$641				
		Total Cost per Km of Line ³	\$28,686	\$29,252	\$30,585	\$30,199	\$28,793				
Public Policy Responsiveness Distributors deliver on obligations mandated by government (e.g., in legislation and in regulatory requirements imposed further to Ministerial directives to the Board).	Connection of Renewable Generation	Renewable Generation Connection Impact Assessments Completed On Time					100.00%				
		New Micro-embedded Generation Facilities Connected On Time	100.00%	100.00%	100.00%	100.00%			90.00%		
Financial Performance Financial viability is maintained; and savings from operational effectiveness are sustainable.	Financial Ratios	Liquidity: Current Ratio (Current Assets/Current Liabilities)	1.53	1.82	1.70	1.79	1.99				
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	0.72	0.84	0.78	0.76	0.79				
		Profitability: Regulatory Return on Equity	Deemed (included in rates)	7.26%	8.84%	8.84%	8.85%	8.85%			
			Achieved	1.80%	3.01%	8.11%	9.71%	7.98%			

1. Compliance with Ontario Regulation 22/04 assessed: Compliant (C); Needs Improvement (NI); or Non-Compliant (NC).

2. An upward arrow indicates decreasing reliability while downward indicates improving reliability.

3. A benchmarking analysis determines the total cost figures from the distributor 's reported information.

Legend:

5-year trend
 up down flat
 Current year
 target met target not met

2020 Scorecard Management Discussion and Analysis (“2020 Scorecard MD&A”)

The link below provides a document titled “Scorecard - Performance Measure Descriptions” that has the technical definition, plain language description and how the measure may be compared for each of the Scorecard’s measures in the 2020 Scorecard MD&A:

[http://www.ontarioenergyboard.ca/OEB/ Documents/scorecard/Scorecard Performance Measure Descriptions.pdf](http://www.ontarioenergyboard.ca/OEB/Documents/scorecard/Scorecard%20Performance%20Measure%20Descriptions.pdf)

Scorecard MD&A - General Overview

Synergy North Corporation (“SYNERGY NORTH”) owns, operates and manages the assets associated with the distribution of electrical power to approximately 56,000 customers in Northwestern Ontario communities. On January 1, 2019, SYNERGY NORTH was incorporated through Ontario Energy Board approval in a merger, amalgamation, acquisition, and divestiture (MAAD) application (EB-2018-0124) seeking approval to merge the two distribution companies and operate under the new distribution license ED-2018-0233.

SYNERGY NORTH currently has two rate zones which are divided into:

- 1) Thunder Bay Rate Zone serving Thunder Bay and Fort William First Nations;
- 2) Kenora Rate Zone serving Keewatin and Kenora.

The scorecard results discussed herein relate to the merged 2020 results as well as merged historical results. SYNERGY NORTH monitors the scorecard measures on an ongoing basis and continuously seeks opportunities to improve its performance. The company is committed to meeting the needs of its customers both today and in the future and discovering synergies within its company. SYNERGY NORTH is confident that its focus on customer outcomes will allow the company to continue to meet or exceed performance targets. SYNERGY NORTH is committed to continuous year over year performance improvement for 2020 and into the future.

Service Quality

- **New Residential/Small Business Services Connected on Time - Industry Target Exceeded**

The Ontario Energy Board's Distribution System Code (DSC 7.2) requires electricity distributors to connect and complete a new service request for low voltage (<750 volts) within five business days from the day on which all applicable service conditions are satisfied.

Over the 2016 to 2020 period, SYNERGY NORTH has achieved excellent results connecting our new residential, micro fit, and small business customers on time. This is consistently above the OEB's industry standard of 90% for all Distribution Companies in Ontario. In 2020 SYNERGY NORTH achieved a result of 98.74% of all its new residential/small business services connected within five business days in both of its rate districts.

- **Scheduled Appointments Met on Time - Industry Target Exceeded**

The Ontario Energy Board's Distribution System Code (DSC 7.4) requires that for appointments during regular business hours, the electricity distributor must offer a window of time that is no longer than four hours. The distributor must then arrive for the appointment within the scheduled time frame 90% of the time on an annual basis.

SYNERGY NORTH exceeded the industry target and achieved a result of 100% in 2020. SYNERGY NORTH has consistently performed far better than the Ontario Energy Board industry quality standard of at least 90% of the time on an annual basis in both rate districts. SYNERGY NORTH has demonstrated strong performance throughout the years 2016 to 2020 achieving a service level of 100% appointments met on time. SYNERGY NORTH aims to continue meeting all new service connections and appointments 100% of the time across both rate districts in the future.

- **Telephone Calls Answered on Time - Industry Target Exceeded**

The Ontario Energy Board's Distribution System Code (DSC 7.6) requires that customer calls must be answered within a 30 second window 65% of the time. This measure can be highly influenced by factors such as the amount of power outages in a year and front-line staffing levels, which can fluctuate greatly throughout the year. In 2020, as a response to the COVID-19 pandemic SYNERGY NORTH facilitated a safe work environment for its customers and staff by closing the customer service office to the public and implementing a phone system that optimized a safe work-from home environment. SYNERGY NORTH successfully maintained its high standard for telephone calls answered on time during this transition period and enabled our staff to have the tools necessary in their home offices to

answer SYNERGY NORTH customer calls in a timely manner.

SYNERGY NORTH has consistently performed better than the Ontario Energy Board quality standard of answering 65% of external calls that it receives within 30 seconds. For 2020, SYNERGY NORTH is pleased to report that it has achieved a rate of calls answered of 87.51% in fewer than 30 seconds, which is a decrease from 2019's performance measure of 90.86%. SYNERGY NORTH aims to maintain an internal key performance indicator above the OEB mandated rate ensuring that the company not only meets the mandated Board target of 65% but that it is exceeded every year by a wide margin.

Customer Satisfaction

- **First Contact Resolution - Industry Target Not Yet Established**

First Contact Resolution is a measure of a distributor's effectiveness at satisfactorily addressing customers' complaints and inquiries. SYNERGY NORTH aims to minimize and address customer complaints as quickly as possible and at the first point of contact with an employee of the utility. In doing so, the organization tracks and monitors service inquiries.

When a customer from either rate district contacts SYNERGY NORTH, they expect to have their issue resolved within one call or interaction. SYNERGY NORTH recognizes this customer satisfaction measure, and closely monitors the incoming call types and escalations for each customer interaction. Using this knowledge SYNERGY NORTH is regularly performing internal training for customer service and front-line representatives, to be able to answer customer inquiries at the first point of contact. SYNERGY NORTH also finds it extremely effective to update front line staff of industry changes related to billing, industry news, conservation measures, or internal operations to quickly and efficiently respond at the first point of contact.

In 2020 SYNERGY NORTH has achieved a first contact resolution score of 99.93% inquiries resolved at first point of contact which equates to a high ranking of "A+" on SYNERGY NORTH's scorecard. This result is consistent between the years 2016 – 2020 and is the standard of customer service that Synergy North Corporation will aim to maintain on future score cards.

- **Billing Accuracy – Industry Target Exceeded**

The OEB prescribes a measurement of billing accuracy which must be used by all electricity distributors. The uniform measure for billing accuracy is defined and calculated as:

Percentage of bills inaccurately issued = (total number of bills issued for the year - number of **inaccurate** bills issued for the year) / the

total number of bills issued for the year.

In 2020 SYNERGY NORTH issued 685,979 measurable bills and achieved billing accuracy rate of 99.96%. SYNERGY NORTH over the last five years has continued to exceed the Ontario Energy Board prescribed benchmark target of 98%. SYNERGY NORTH will continue this trend and be committed to providing customers with accurate and timely bills and aims for this measure to achieve a rating of 100%.

- **Customer Satisfaction Survey Results – Industry Target Not Yet Established**

Ontario Energy Board introduced the ‘Customer Satisfaction Survey Results’ measure beginning in 2013. As a minimum, distributors are required to measure and report a customer satisfaction result every other year. At this time the OEB is allowing electricity distributors the discretion as to how they implement this measure.

SYNERGY NORTH’s primary objective is to obtain valuable, unbiased, and statistically sound data that will support internal discussions for improving customer care at every level in the company. During 2019 SYNERGY NORTH participated in the ‘Utility Pulse 21st Electric Utility Customer Satisfaction Survey’, conducted by a 3rd party, ‘Utility PULSE’. ‘Utility PULSE’ then conducted telephone interviews, surveying randomly sampled residential and small to medium sized business customers using a full customer listing supplied to them by SYNERGY NORTH for both rate districts. This report returned results to our utility late 2019 based on early 2019 performance. As the results are collected on a biennial basis the results from the 2019 Survey are reported on SYNERGY NORTH’S 2019 and 2020 Scorecard.

The survey findings covered multiple categories grouped into 6 sections: (1) Customer Satisfaction: Initial, (2) Customer Satisfaction: Post, (3) Overall Satisfaction, (4) Customer Experience Performance Rating: CEPr, (5) Customer Centric Engagement Index: CCEI, and (6) Credibility & Trust Index. For each of these six performance measures SYNERGY NORTH scored very highly, and successfully met the provincial average or better in customers’ opinion.

The Utility ‘PULSE’ report card yielded an overall ranking of ‘A’ for SYNERGY NORTH in the 2019 study which is consistent with the ranking of ‘A’ achieved in the 2017 survey results. This is an exceptionally satisfying result for SYNERGY NORTH as the provincial average of other distributors surveyed by ‘Utility Pulse’ yields a ‘B’ ranking which is a decrease from its 2017 survey results of ‘B+’.

SYNERGY NORTH has maintained a very high level of performance with respect to service quality and customer satisfaction results and is consistently seeking improvements and efficiencies. This customer survey and other customer engagement practices will continue in the future for both of SYNERGY NORTH rate districts.

Safety

- **Public Safety**

In 2015, the OEB introduced measures in the Safety performance category for reporting. The Public Safety measure is generated by the Electrical Safety Authority and is comprised of three components: (A) Public Awareness of Electrical Safety, (B) Compliance with Ontario Regulation 22/04, and (C) Serious Electrical Incident Index. A breakdown of the three components is as follows:

- **Component A – Public Awareness of Electrical Safety – Industry Target Not Yet Established**

The Public Electrical Safety Awareness survey measures the level of awareness of key electrical safety precautions among the public within the electricity distributor's service territory. The Ontario Energy Board has indicated that the performance target for public awareness of electrical safety will be established once three years of data is gathered.

To produce a statistically sound survey SYNERGY NORTH as its predecessor companies separately engaged a third-party service 'Utility PULSE' to perform the Public Awareness of Electrical Safety Report in March of 2020. The results for the Public Awareness of Electrical Safety Survey are to be used on a bi-annual basis and Utility PULSE results are based on a telephone survey (Random Digit Dialing) among 400 members of the general public, 18 years of age or older, within the distributors geographic service territory. The data has been statistically weighted according to 2016 Canadian census figures for age, gender and region.

As a result of the performed survey, SYNERGY NORTH achieved a Public Safety Awareness Index Score of 84%. The awarded averages were determined using an index score calculation from six core measurement questions. Below are the questions asked to Thunder Bay and Kenora regional consumers and non-consumers, as well as the corresponding knowledge scores;

Six Core Safety Question

- 1) Impact of Touching a Power Line.
- 2) Likelihood to 'Call before you dig'.
- 3) Proximity to overhead power line
- 4) Danger of tampering with electrical equipment.
- 5) Proximity to downed power line.
- 6) Action taken in vehicle contact with wires.

Customer Response

- 97.2% Correct Response, and 2.8% Incorrect Response
86.7% Correct Response, and 13.3 % Incorrect Response
75.9% Correct Response, and 24.1% Incorrect Response
98.7% Correct Response, and 1.3% Incorrect Response
84.8% Correct Response, and 15.2% Incorrect Response
92.3% Correct Response, and 7.7% Incorrect Response

SYNERGY NORTH understands the importance and value of public awareness regarding electrical safety and is committed to actively educating customers and employees of the dangers, and repercussions. SYNERGY NORTH believes in the foundation of early education regarding electrical safety and has engaged local schools in discussions related to electrical safety through the 'Hi-Line Hazard Electrical Safety & Awareness Program' which involves contests, and classroom visits. Other safety programs include Community Electrical Safety Awards, 'Call before you Dig' Campaign, awareness truck decals, Power Line Safety Week (May 14 - 20), 'Why I am committed to Safety' employee video in addition to other collaborative safety video projects, Home Electrical Safety Campaign and safety presentations to community groups.

SYNERGY NORTH recognizes the potential for improvement and aims to increase the public awareness of electrical safety well into the 90th percentile to maintain our reputation as an industry leader in safety.

- **Component B – Compliance with Ontario Regulation 22/04 - Distributor Average Target Met**

The Ontario Energy Board requires all distributors to be in compliance with Ontario Regulation 22/04, which outlines electrical safety requirements for the design, construction, and maintenance of electrical distribution systems.

Section 13 of Ontario Regulation 22/04 mandates that all distributors engage an auditor on an annual basis to review the distributor's compliance with sections 4, 5, 6, 7 and 8 of the above regulation and provide a report of the findings. Audit, Declaration of Compliance, Due Diligence Inspections, Public Safety Concerns and Compliance Investigations make up a level of compliance with Ontario Reg 22/04 component of the score card. Each section is evaluated, and the auditor provides findings in terms of compliant (C), non-compliance (NC), needs improvement (NI) and not applicable (NA).

SYNERGY NORTH has fully met the performance target level of compliance with Ontario Regulation 22/04 attaining a complete 'C'. SYNERGY NORTH continues to strive to maintain full compliancy with the Ontario Regulation 22/04. This is consistent over the 2016 to 2020 reporting period as issued on the scorecard by the Electrical Safety Authority.

SYNERGY NORTH is committed to creating and maintaining a corporate culture where health and safety is the company's top priority. SYNERGY NORTH has continued to enhance communication with employees, providing additional opportunities for staff to participate on committees and revamping communication tools. SYNERGY NORTH has re-branded its internal safety program '*My Safety Matters*' comprising ten guiding principles which emphasize the importance of safety at work and home. As a merged company SYNERGY NORTH has continued this program under the new company name for both rate districts.

SYNERGY NORTH's employees overwhelmingly acknowledge that safety is the company's number one priority.

○ **Component C – Serious Electrical Incident Index – Distributor Average Target Met**

The Serious Electrical Incident Index component of the public safety measure is intended to address the consequential impact of improving public electrical safety on the distribution networks over time. It measures the number and rate of serious electrical incidents occurring on a distributor's assets and is normalized per 10, 100 or 1,000 km of line. Both the number of general public incidents and the rate per km of line are shown on the scorecard.

For the 2020 reporting period (January 1, 2019, to December 31, 2019) there were "0" incidents in SYNERGY NORTH's Thunder Bay and Kenora service territories. SYNERGY NORTH is found to be compliant with the Section 12 of Ontario Regulation 22/04 with regards to the incidents reviewed.

SYNERGY NORTH treats all safety incidents seriously, and safety is SYNERGY NORTH's top priority for both employees and the public. The company regularly promotes powerline safety through social media, its website, on-bill messaging, and community engagement. SYNERGY NORTH will continue to promote its programs "High Line Hazard" and "Call before you Dig" to ensure awareness and promoting knowledge of safety compliance.

Serious Electrical Incident Index on the 2020 scorecard is shown maintaining "0.0" incidents reported from 2016 - 2020. Historical data related to this measure has been tracked by SYNERGY NORTH and the Electrical Safety Authority.

System Reliability

● **Average Number of Hours that Power to a Customer is Interrupted – Distributor Target Met**

For this measure, the OEB establishes baseline targets based on the average of the distributor's performance for the period 2015 – 2019. SYNERGY NORTH has achieved improved SAIDI metrics below the distributor target; 2020's result of 0.75 is below the target of 1.77. This result is better than 2019's achieved value of 1.41 and this improvement can be attributed to SYNERGY NORTH experiencing an absence of adverse weather events in both of its rate districts during 2020. SYNERGY NORTH continues to view reliability of electricity service as a high priority. SYNERGY NORTH will continue to make progress on its reliability to serve its customers.

- **Average Number of Times that Power to a Customer is Interrupted - Distributor Target Met**

For this measure, the OEB establishes baseline targets calculated as the average of the distributor's performance for the period 2014 – 2019. SYNERGY NORTH has achieved improved SAIFI metrics below the distributor target; 2020's result of 1.85 is below the target of 2.49. This result is better than 2019's value of 2.25 and these improvements can be attributed to SYNERGY NORTH experiencing absence of adverse weather events in both of its rate districts during 2020. SYNERGY NORTH continues to view reliability of electricity service as a high priority. SYNERGY NORTH will continue to make progress on its reliability to serve its customers.

Asset Management

- **Distribution System Plan Implementation Progress - Industry Target Not Yet Established**

The Distribution System Plan ("DSP") outlines forecasted capital expenditures over a five-year period required to maintain and expand SYNERGY NORTH's electricity system to service current and future customers.

The OEB requires that all Distribution System Plans optimize investments and reflect regional and smart grid considerations; services present and future customers; places a greater focus on delivering value for money; aligns the interests of the distributor with those of customers; and supports the achievement of public policy objectives.

SYNERGY NORTH's DSP for its Thunder Bay district was completed in 2016 and approved by the Ontario Energy Board during its 2017 Cost of Service Application (EB-2016-0105) and as a result the approved 2017 total capital budget was \$ 11.526 million.

Previously, SYNERGY NORTH's DSP for Thunder Bay district had reported the DSP metric based on a project planning as it continued to plan and develop the DSP for the OEB approval. In 2017, this was transitioned to reporting the DSP based on actual life to date capital expenditures divided by the total budgeted expenditure. Moving forward this will be reported as a cumulative total. For 2020, which is year four of the Distribution System Plan the accumulative actual capital expenditures exclusive of System Access equates to the reported DSP implementation progress figure of 95.60% total progress of four years (2017-2020) planned spending being achieved.

Although a formal SYNERGY NORTH's DSP for Kenora district has not yet been submitted, SYNERGY NORTH uses consistent methodology and asset management practices to select, approve and perform capital work within the Kenora district. As a formal document has not been submitted, there is no comparator against forecasted expenditures, thus this is considered a Work in Progress for

the Kenora district. SYNERGY NORTH intends to file a consolidated DSP for approval by the Ontario Energy Board during its next Cost of Service Application.

Cost Control

- **Efficiency Assessment**

Total costs for all electricity distribution companies are evaluated based on econometric modeling by the Pacific Economics Group LLC (“PEG”) on behalf of the Ontario Energy Board to produce an efficiency ranking. A “predicted cost” is calculated by the model and the magnitude of the difference between distributor’s actual and predicted costs governs the assignment of a distributor into one of five groups.

2020 results were released on August 27th, 2021, and as the second reporting year as a merged utility with merged statistics and financial OEB reporting data; SYNERGY NORTH was placed in Group 3, which is defined as having actual costs in excess of +/- 10 to 25 percent of predicted costs and receiving a stretch factor of 0.30%.

As per the OEB Consultant’s PEG formula, SYNERGY NORTH’s decrease in Operating Maintenance and Administrative Costs was (5.34%) and Capital Costs was decreased by (4.60%). Total Cost has decreased by (4.93%) which is compiled with 3 years’ worth of merged data. The Total Cost input variables are entered into an industry wide calculation to output benchmarking results. Actual cost over predicted cost is averaged over the last 3 years results to receive an assignment into one of the five groupings.

Group 3 is considered industry average efficiency ranking and in 2020, 27 out of the 59 reported electricity distribution companies fell into this grouping with SYNERGY NORTH. In other words, SYNERGY NORTH’s costs are considered average the original prediction cost range for distributors in the Province of Ontario although merged SYNERGY NORTH is remaining consistent within its board approved capital expenditures. SYNERGY NORTH continues to diligently manage expenditures to ensure efficiencies will be achieved such that the best group ranking will be achieved.

- **Total Cost per Customer**

An evaluation by the Pacific Economics Group LLC (“PEG”) on behalf of the Ontario Energy Board produces a cost per customer metric. This measure is the sum of total OEB Consultant’s PEG model calculated capital and operating costs divided by the total number of customers that SYNERGY NORTH services.

Total costs include annual operating and capital costs. Operating costs are the costs associated with the maintenance, operation, billing and collection, and administrative and general expense of SYNERGY NORTH’s distribution assets. Capital costs include enhancements,

betterments and replacement of capital assets that are required each year to maintain a safe and reliable network. Capital costs fluctuate depending on the need to replace existing capital assets and additional infrastructure to support growth and develop.

The change in costs is consistent with ongoing operating activities and distribution system plan to replace, refurbish and modernize the utility's aged distribution system and to connect new customers. SYNERGY NORTH's cost performance result for 2020 has decreased from \$675 per customer in 2019 to \$641 per customer in 2020.

SYNERGY NORTH is dedicated to searching for cost efficiencies in order to operate and maintain a reliable distribution system with the objective of minimizing impacts to customers.

- **Total Cost per Km of Line**

An evaluation by the Pacific Economics Group LLC ("PEG") on behalf of the Ontario Energy Board produces a cost per kilometer of line metric. This measure sums the total capital and operating costs and divides the cost figure by the kilometers of line that SYNERGY NORTH operates to serve our customers.

Total costs include annual operating and capital costs. Operating costs are the costs associated with the maintenance, operation, billing and collection, and administrative and general expense of SYNERGY NORTH's distribution assets. Capital costs include enhancements, betterments and replacement of capital assets that are required each year to maintain a safe and reliable network. Capital costs fluctuate depending on the need to replace existing capital assets and additional infrastructure to support growth and develop.

SYNERGY NORTH's total cost per km of line in 2020 of \$28,793 decreased compared to 2019 of \$30,199 by \$1,406.

SYNERGY NORTH is dedicated to searching for cost efficiencies in order to operate and maintain a reliable distribution system with the objective of minimizing the impacts to customers.

Financial Ratios

- **Liquidity: Current Ratio (Current Assets/Current Liabilities)**

The current ratio is a common way of measuring the financial health of a company. Current Ratio measures whether a firm has enough resources (assets) on hand to pay its debts over the next 12 months. A current ratio that is greater than 1 means good short-term financial strength, as it indicates that short term debts and financial obligations can be met, and that the organization is in good financial health.

At 1.99, SYNERGY NORTH maintains a strong liquidity ratio. This ratio has been relatively consistent over the period 2016 – 2020 and is stronger as a merged entity.

SYNERGY NORTH's target is to maintain a current ratio of greater than 1.1 to 1.

- **Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio**

The OEB uses a deemed capital structure of 60% debt, 40% equity for electricity distributors when establishing rates. This deemed capital mix is equal to a debt to equity ratio of 1.5 (60/40).

SYNERGY NORTH's debt to equity ratio of 0.79 is less than 1.5 and indicates that the organization is less levered than the deemed capital structure.

- **Profitability: Regulatory Return on Equity – Deemed (included in rates)**

The profitability measure is defined as the approved return on equity that is embedded in SYNERGY NORTH's distribution rates. This measure assesses whether distributors are earning a fair return on their investment. SYNERGY NORTH's current approved return on equity is 8.85%, which was awarded in the 2017 Cost of Service Rate Application for Thunder Bay District, and 2013 for the Kenora District and merged through financial ratio calculations.

- **Profitability: Regulatory Return on Equity – Achieved**

In 2020 SYNERGY NORTH achieved a merged entity return on equity value of 7.98% which is within the 300 basis points of the current approved return on equity of 8.85%.

Note to Readers of 2020 Scorecard MD&A

The information provided by distributors on their future performance (or what can be construed as forward-looking information) may be subject to a number of risks, uncertainties and other factors that may cause actual events, conditions or results to differ materially from historical results or those contemplated by the distributor regarding their future performance. Some of the factors that could cause such differences include legislative or regulatory developments, financial market conditions, general economic conditions and the weather. For these reasons, the information on future performance is intended to be management's best judgement on the reporting date of the performance scorecard, and could be markedly different in the future.