

2023 Cost of Service Rate Application Customer Summary

UPCOMING CHANGES TO ELECTRICITY DISTRIBUTION RATES

PUC Distribution Inc. (PUC) has applied to the Ontario Energy Board (OEB) for a change in distribution rates charged to customers effective May 1, 2023.

Customers have told us that reliability, affordability and reducing our carbon footprint were of high importance. We listened.

Through innovative projects, like the Sault Smart Grid, the change in rates will support all of the above, while keeping customer bill impacts minimal. PUC is committed to continually improving customer communications, replacing infrastructure in an effective and prudent manner, and maintaining rates at a reasonable level.

PUC's cost of service application is based on the following main components:



INNOVATION



CUSTOMER EXPERIENCE



PEOPLE & SAFETY



RISK MANAGEMENT



VALUE FOR MONEY



SYSTEM RELIABILITY

ABOUT PUC DISTRIBUTION INC.

Community owned since
1917

Total licenced service area
of **342 sq** kilometers
serving a population of
75,300

Customer base of **33,865**
customers

740 km of local
distribution lines

14 distribution stations

12, 800 distribution poles

www.ssmruc.com

YOUR TRUSTED UTILITY FOR A BRIGHTER TOMORROW

RESPONSIBLE INVESTMENT IN OUR COMMUNITIES FUTURE

PUC's application balances customer preferences, service quality, customer satisfaction, reliability and safety while maintaining an affordable bill for our customers. There are many benefits to the customer experience that will come from a distribution rate change; however, there is an additional cost to customers for implementing those improvements.

As information, distribution rates are based on the following:

- Amount of capital investments made by PUC Distribution Inc.
- Cost to operate and maintain the capital investments
- Cost to run its distribution business
- Regulated return on equity

CUSTOMER BENEFITS

HOW PUC IS MAKING IMPROVEMENTS TO THE CUSTOMER EXPERIENCE

Energy Savings - investments in the Sault Smart Grid (e.g. volt-var optimization) will create new efficiencies, resulting in average energy savings of 2.7 per cent for residential customers.

Increased Reliability - upgrades to PUC's distribution system infrastructure, such as distribution automation at substations, will result in safer and more reliable services. In addition, we are focused on maintaining system performance through proactive replacement and refurbishment of aging poles, and wires.

Improved Communications - improvements to our website, MyPUC App and Outage Management System (OMS) will allow customers to better track energy consumption, navigate our services and find accurate and up to date information on planned and unplanned outages.

The full application can be found on our website at www.ssmruc.com