



SYNERGY NORTH Security Deposit Policy

This policy is available to SYNERGY NORTH customers for their inspection upon request.

All applicants for electrical service will complete a customer information form or provide personal information (with their authorized consent) for the purpose of collecting information.

Based on this information, SYNERGY NORTH, an electricity distributor, will request an Account Security Deposit, as defined in the Ontario Energy Board's Distribution System Code, from all applicants who are unable to demonstrate a good payment history.

SYNERGY NORTH may use any risk mitigation options available under law to manage customer non-payment risk. SYNERGY NORTH will not discriminate among customers with similar risk profiles or risk related factors except where expressly permitted under the Distribution System Code.

If SYNERGY NORTH has requested an account Security Deposit and the Customer fails payment and/or equal installments are not maintained, a "disconnect/collect trip" may be required. This is a visit to a Customer's premises by an employee, or agent of SYNERGY NORTH, to demand payment of an outstanding amount or to shut off, or limit, the distribution of electricity. The Customer will also be subject to service reconnection fees upon restoration of service.

Where a Customer's service is subject to disconnection, SYNERGY NORTH may conduct a review of the Customer's payment history to determine if a Security Deposit is required, or if the amount of the existing Security Deposit is to be adjusted. SYNERGY NORTH will require the customer to pay this additional amount at the same time as that customer's next regular bill comes due.

Where a Customer's service has been disconnected, or limited, for non-payment, and no Security Deposit is being held, SYNERGY NORTH may request a Security Deposit from the Customer prior to restoring service or at the same time as that Customer's next regular bill comes due.

SYNERGY NORTH may require a Security Deposit, unless:

The Customer has a good payment history of:

- **1 year** - in the case of a residential customer (RS),
- **3 years** - in the case of a non-residential customer in a <50 kW demand rate class (GU) OR,
- **7 years** - in the case of a non-residential customer in any other rate class (*commercial classes other than GU*).

The time period that makes up the good payment history must be the most recent period of time (*as listed above*) and some of that time period must have occurred within the previous two (2) years.

The Customer is deemed to have a good payment history unless, during the relevant time period listed above:

- the Customer has received more than one disconnection notice from a Distributor,
- more than one cheque given to a distributor, by the Customer, has been returned for insufficient funds,
- more than one pre-authorized payment to a Distributor has been returned for insufficient funds
- or a disconnect / collect trip by a Distributor has occurred.

If any of these events (*listed above*) occur, due to an error by SYNERGY NORTH, the Customer's good payment history will not be affected.

SYNERGY NORTH shall not require a Security Deposit where:

- The Customer provides a letter from another Electricity Distributor, or Gas Distributor, in Canada confirming a good payment history with that Distributor for the most recent relevant time period set above where some of the time period which makes up the good payment history has occurred in the previous 24 months, or
- the Customer, other than a customer in a >5000 kW demand rate class, provides a satisfactory credit check made at the Customer's expense from a Credit company such as Equifax, TransUnion or Credit Karma.
- The Residential customer signs up for both equal billing and pre-authorized payments.

Security Deposit Amounts will be based on the following Schedule *:

The maximum amount of a Security Deposit which SYNERGY NORTH may require a Customer to pay shall be calculated, and billed for, in the following manner:

A billing cycle factor x the estimated bill, based on the Customer's average (or highest *), load with SYNERGY NORTH during the most recent 12 consecutive months and within the past two (2) years.

Where relevant usage information is not available for the Customer for 12 consecutive months within the past two years, the Customer's average, or highest, monthly load shall be based on a reasonable estimate made by SYNERGY NORTH as defined in the Distribution System Code.

Where a non-residential Customer, in a >50 kW demand rate class, provides a credit rating from a recognized rating agency, the maximum amount of a Security Deposit, which the Distributor may require from the Customer to pay, will be reduced in accordance to the table in section 2.4.13 of the Distribution System Code.

“New” SN Customer - Residential Service (RS)

A bi-monthly billing cycle factor of **1.75** x estimated bimonthly bill - based on the Customer's average monthly load at the service location.

“New” SN Customer - Commercial Service

A monthly billing cycle factor of **2.5** x estimated monthly bill - based on the Customer's average monthly load at the service location.

“Existing” SN Customer - Residential Service (RS)*

A bi-monthly billing cycle factor of **1.75** x estimated bimonthly bill - based on the Customer's highest monthly load at the service location.

“Existing” SN Customer – Commercial Service *

A monthly billing cycle factor of **2.5** x estimated monthly bill - based on the Customer's highest monthly load at the service location.

** Where a Customer has a payment history which discloses more than one disconnection notice in a relevant 12 month period, SYNERGY NORTH may use that Customer's highest (actual or estimated) monthly load for the most recent 12 consecutive months within the past two (2) years for the purposes of making the calculation of the maximum amount of Security Deposit.*

Acceptable forms of Payment for Security Deposit are:

The form of payment of a Security Deposit for a residential Customer shall be cash or cheque(s) at the discretion of the Customer or such other form as is acceptable to SYNERGY NORTH.

The form of payment of a security deposit for a non-residential Customer shall be cash, cheque(s) or an automatically renewing, irrevocable letter of credit from a bank – at the discretion of the Customer or such other form as is acceptable to SYNERGY NORTH. SYNERGY NORTH may also accept other forms of security such as surety bonds and third party guarantees.

SYNERGY NORTH shall permit the Customer to provide a Security Deposit in equal installments paid over four months. A Customer may, at their discretion, choose to pay the Security Deposit over a shorter time period.

- Cash, Certified Cheque(s), Money Order(s), Telephone or online banking - which may be made in installments.
- Cheque(s) - which may be made in installments, if acceptable to SYNERGY NORTH.
- An Irrevocable Letter of Credit from a chartered Canadian Bank or Credit Union.

Security Deposits shall be returned to the Customer:

SYNERGY NORTH shall review every Customer's Security Deposit at least once in a calendar year to determine whether the entire amount of the Security Deposit is to be returned to the Customer.

Based on this review, the amount of the Security Deposit is to be adjusted based on a recalculation of the maximum amount of the Security Deposit. Where SYNERGY NORTH determines in conducting a review that the amount of the Security Deposit is to be adjusted upward, SYNERGY NORTH will require the Customer to pay this additional amount at the same time as that Customer's next regular bill comes due.

In the case of a Customer in a > 5000 kW demand rate class, where the Customer is now in a position that it would be exempt from paying a Security Deposit, SYNERGY NORTH is only required to return 50% of the Security Deposit held by SYNERGY NORTH.

A Customer may, no earlier than 12 months after the payment of a Security Deposit or the making of a prior demand for a review, request in writing that SYNERGY NORTH undertake a review to determine whether the entire amount of the Security Deposit is to be returned to the Customer.

Where SYNERGY NORTH determines that some or all of the Security Deposit is to be returned to the Customer, SYNERGY NORTH shall promptly return this amount to the Customer by crediting the Customer's account or by other methods as determined by SYNERGY NORTH.

Interest shall accrue monthly on Security Deposits commencing on receipt of the total deposit required by SYNERGY NORTH. The interest rate shall be at the Prime Business Rate as determined by the Bank of Canada less two (2) percent, updated quarterly. The interest accrued shall be paid out at least once every 12 months, or on return of the Security Deposit, or closure of the account, whichever comes first. This interest may be paid by crediting the account of the Customer or by other methods as determined by SYNERGY NORTH.

SYNERGY NORTH shall promptly return any Security Deposit received from the Customer upon closure of the Customer's account, subject to SYNERGY NORTH's right to use the Security Deposit to set off other amounts owing by the Customer to SYNERGY NORTH. The Security Deposit may be applied to the final bill or refunded as required. The Security Deposit plus applicable interest shall be returned within six weeks of the closure of an account.