

# LakelandPower

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October 3, 2012

VIA MAIL and E-MAIL

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street  
Toronto, ON  
M4P 1E4

Dear Ms. Walli:

**RE: Lakeland Power Distribution Ltd.  
EB-2012-0145  
2013 Cost of service rate Application**

Lakeland Power Distribution Ltd submitted an application for the 2013 Distribution Rates utilizing the 2013 Cost of Service methodology, on September 6, 2012. On October 2, 2012, LPDL received a letter from the Board outlining items that were incomplete in the application. The following information addresses those omissions. This will also be filed on RESS and paper copies submitted to Board Secretary. We apologize for the omissions.

If you have any further questions, please do not hesitate to contact me.

Respectfully submitted,



Margaret Maw  
CFO  
Lakeland Holding Ltd.

## **Chapter 2 Filing Requirement Reference – Page 11**

Statement as to which publication the applicant proposes that notice should appear, whether it is a paid publication or not and the readership and circulation numbers.

LPDL intends on publishing the notice regarding this application in The Weekender. The Weekender is a paid publication that reaches the largest number of households in LPDL's service territory. The current circulation is 25,000 prints with a readership rate of 1.8 people per print. It is also available online at [http://www.metroland.com/Communities/100312/District\\_Weekender](http://www.metroland.com/Communities/100312/District_Weekender)

## **Chapter 2 Filing Requirement Reference – Page 13**

Reference to the applicant's Conditions of Service.

LPDL's Conditions of Service are posted on its website under [www.lakelandpower.on.ca](http://www.lakelandpower.on.ca) Customer Information-Business Policies. LPDL confirms that this is the most current version. Section 2.4 references tariffs and schedules of charges that are posted as a separate document on the website. No specific dollar value is referenced in the Conditions of Service.

## **Chapter 2 Filing Requirement Reference – Page 26**

All data used to determine the forecasts should be presented and filed in live MS Excel spreadsheet format.

LPDL will upload the Load Forecast file to RESS in excel format. File name is Lakeland\_2013\_Load Forecast Data\_20121003.xls for the raw data from 2002-2011.

## **Chapter 2 Filing Requirement Reference – Page 32**

Table 4.2.23 and 4.2.25 variance in depreciation calculation is not explained.

When the tables were combined into word, a number of columns were cut off. Below the tables have been reformatted to include the explanation as well as more specific detail on the calculation related to the opening asset balances for LPDL.

**Table 4.2.23 (a) – Variance Analysis on 2011 Depreciation Calculation**

<b>Account</b>	<b>Description</b>	<b>Variance <sup>2</sup></b> <b>(m) = (h) - (l)</b>
1611	Computer Software (Formally known as Account 1925)	\$ 2,273.44
1611	Computer Software (Formally known as Account 1925) - Smart Meters	
1612	Land Rights (Formally known as Account 1906)	\$ -
1805	Land	\$ -
1808	Buildings	\$ 964.33
1810	Leasehold Improvements	\$ -
1815	Transformer Station Equipment >50 kV	\$ -
1820	Distribution Station Equipment <50 kV	-\$ 17,084.52
1825	Storage Battery Equipment	\$ -
1830	Poles, Towers & Fixtures	-\$ 56,330.64
1835	Overhead Conductors & Devices	-\$ 2,762.72
1840	Underground Conduit	-\$ 16,580.70
1845	Underground Conductors & Devices	-\$ 1,061.48
1850	Line Transformers	-\$ 57,522.14
1855	Services (Overhead & Underground)	\$ 1.06
1860	Meters	-\$ 701.93
1860	Meters (Stranded Meters)	\$ 40,273.95
1860	Meters (Smart Meters)	
1905	Land	\$ -
1908	Buildings & Fixtures	-\$ 328.13
1910	Leasehold Improvements	\$ -
1915	Office Furniture & Equipment (10 years)	\$ 0.45
1915	Office Furniture & Equipment (5 years)	\$ -
1920	Computer Equipment - Hardware	\$ -
1920	Computer Equip.-Hardware(Post Mar. 22/04)	\$ 3,441.97
1920	Computer Equip.-Hardware(Post Mar. 19/07)	-\$ 0.93
1920	Computer Equip.-Hardware(Post Mar. 19/07) - Smart Meters	
1930	Transportation Equipment	\$ 191.60
1935	Stores Equipment	-\$ 0.15
1940	Tools, Shop & Garage Equipment	\$ 0.27
1945	Measurement & Testing Equipment	\$ -
1950	Power Operated Equipment	\$ -
1955	Communications Equipment	\$ 0.35
1955	Communication Equipment (Smart Meters)	\$ -
1960	Miscellaneous Equipment	\$ -
1975	Load Management Controls Utility Premises	\$ -
1980	System Supervisor Equipment	\$ -
1985	Miscellaneous Fixed Assets	\$ -
1995	Contributions & Grants	-\$ 3.66
etc.		\$ -
		\$ -
	<b>Total</b>	<b>-\$ 105,229.57</b>

When the 5 LDCs merged to form LPDL, the gross asset was set up using net book value with accumulated amortization as zero as per CGAAP. The useful life was then set using the remaining useful life which was lower than the guidelines in the APH. The table below shows the NBV used in 2000 when the assets were set up and the difference that is generated due to the difference in useful life.

**Table 4.2.23 (b) – Explanation of Variance on 2011 Depreciation**

Account	Description	Variance <sup>2</sup>  (m) = (h) - (l)	Reason For variance	2000 Merged	Using APH life	Using	Difference	Rounding & Half year at end & other
				Value		Remaining life		
1611	Computer Software (Formally known as Account 1925)	\$ 2,273.44	half year on final year of 2006 additions					\$ 2,273.44
1611	Computer Software (Formally known as Account 1925) - Smart Meters							
1612	Land Rights (Formally known as Account 1906)	\$ -						
1805	Land	\$ -						
1808	Buildings	\$ 964.33	2000 Merged opening NBV - 38 years not 30 years	\$ 137,347.07	\$ 4,578.24	\$ 3,614.40	\$ 963.84	\$ 0.49
1810	Leasehold Improvements	\$ -						
1815	Transformer Station Equipment >50 kV	\$ -						
1820	Distribution Station Equipment <50 kV	-\$ 17,084.52	2000 Merged opening NBV - 17 years not 25 years	\$ 907,649.85	\$ 36,305.99	\$ 53,391.17	-\$ 17,085.17	\$ 0.65
1825	Storage Battery Equipment	\$ -						
1830	Poles, Towers & Fixtures	-\$ 56,330.64	2000 Merged opening NBV - 17 years not 25 years	\$ 3,140,701.37	\$ 125,628.05	\$ 184,747.14	-\$ 59,119.08	\$ 2,788.44
1835	Overhead Conductors & Devices	-\$ 2,762.72	2000 Merged opening NBV - 24 years not 25 years	\$ 1,659,193.92	\$ 66,367.76	\$ 69,133.08	-\$ 2,765.32	\$ 2.60
1840	Underground Conduit	-\$ 16,580.70	2000 Merged opening NBV - 21 years not 25 years	\$ 2,536,199.65	\$ 101,447.99	\$ 117,962.77	-\$ 16,514.79	-\$ 65.91
1845	Underground Conductors & Devices	-\$ 1,061.48	2000 Merged opening NBV - 24 years not 25 years	\$ 637,415.16	\$ 25,496.61	\$ 26,558.97	-\$ 1,062.36	\$ 0.88
1850	Line Transformers	-\$ 57,522.14	2000 Merged opening NBV - 15 years not 25 years	\$ 2,005,164.26	\$ 80,206.57	\$ 138,287.19	-\$ 58,080.62	\$ 558.48
1855	Services (Overhead & Underground)	\$ 1.06	rounding					\$ 1.06
1860	Meters	-\$ 701.93	2000 Merged opening NBV - 17 years not 25 years	\$ 34,756.43	\$ 1,390.26	\$ 2,044.50	-\$ 654.24	-\$ 47.69
1860	Meters (Stranded Meters)	\$ 40,273.95	no depreciation taken for 2011 - plus merged value diff	\$ 715,977.92	\$ 28,639.12	\$ 35,550.05	-\$ 6,910.93	\$ 47,184.88
1860	Meters (Smart Meters)							
1905	Land	\$ -						
1908	Buildings & Fixtures	-\$ 328.13	2000 Merged opening NBV - 27 years not 30 years	\$ 83,641.81	\$ 2,788.06	\$ 3,062.68	-\$ 274.62	-\$ 53.51
1910	Leasehold Improvements	\$ -						
1915	Office Furniture & Equipment (10 years)	\$ 0.45	rounding					\$ 0.45
1915	Office Furniture & Equipment (5 years)	\$ -						
1920	Computer Equipment - Hardware	\$ -						
1920	Computer Equip.-Hardware(Post Mar. 22/04)	\$ 3,441.97	half year on final year of 2006 additions					\$ 3,441.97
1920	Computer Equip.-Hardware(Post Mar. 19/07)	-\$ 0.93	rounding					-\$ 0.93
1920	Computer Equip.-Hardware(Post Mar. 19/07) - Smart Meters							
1930	Transportation Equipment	\$ 191.60	rounding					\$ 191.60
1935	Stores Equipment	-\$ 0.15	rounding					-\$ 0.15
1940	Tools, Shop & Garage Equipment	\$ 0.27	rounding					\$ 0.27
1945	Measurement & Testing Equipment	\$ -						
1950	Power Operated Equipment	\$ -						
1955	Communications Equipment	\$ 0.35	rounding					\$ 0.35
1955	Communication Equipment (Smart Meters)	\$ -						
1960	Miscellaneous Equipment	\$ -						
1975	Load Management Controls Utility Premises	\$ -						
1980	System Supervisor Equipment	\$ -						\$ -
1985	Miscellaneous Fixed Assets	\$ -						
1995	Contributions & Grants	-\$ 3.66	rounding					-\$ 3.66
etc.		\$ -						\$ -
		\$ -						
	<b>Total</b>	-\$ 105,229.57					-\$ 161,503.30	\$ 56,273.73

In addition, LPDL has always used the half year rule and this template does not take that into consideration in the calculation in column (h) in the final year of depreciation.

**Table 4.2.25 (a) – Variance Analysis on 2012 Depreciation Calculation**

<b>Account</b>	<b>Description</b>	<b>Variance 2</b> <b>(m) = (h) - (l)</b>
1611	Computer Software (Formally known as Account 1925)	\$ 1,532.64
1611	Computer Software (Formally known as Account 1925) - Smart Meters	\$ -
1612	Land Rights (Formally known as Account 1906)	\$ -
1805	Land	\$ -
1808	Buildings	\$ 964.13
1810	Leasehold Improvements	\$ -
1815	Transformer Station Equipment >50 kV	\$ -
1820	Distribution Station Equipment <50 kV	-\$ 17,084.48
1825	Storage Battery Equipment	\$ -
1830	Poles, Towers & Fixtures	-\$ 56,331.03
1835	Overhead Conductors & Devices	-\$ 2,762.68
1840	Underground Conduit	-\$ 16,580.37
1845	Underground Conductors & Devices	-\$ 1,061.06
1850	Line Transformers	-\$ 57,522.01
1855	Services (Overhead & Underground)	\$ 0.89
1860	Meters	-\$ 701.94
1860	Meters (Stranded Meters)	\$ -
1860	Meters (Smart Meters)	-\$ 0.00
1905	Land	\$ -
1908	Buildings & Fixtures	-\$ 328.59
1910	Leasehold Improvements	\$ -
1915	Office Furniture & Equipment (10 years)	\$ 0.00
1915	Office Furniture & Equipment (5 years)	\$ -
1920	Computer Equipment - Hardware	\$ -
1920	Computer Equip.-Hardware(Post Mar. 22/04)	\$ -
1920	Computer Equip.-Hardware(Post Mar. 19/07)	\$ 3,342.97
1920	Computer Equip.-Hardware(Post Mar. 19/07) - Smart Meters	-\$ 0.00
1930	Transportation Equipment	\$ 427.54
1935	Stores Equipment	-\$ 0.04
1940	Tools, Shop & Garage Equipment	-\$ 0.46
1945	Measurement & Testing Equipment	\$ -
1950	Power Operated Equipment	\$ -
1955	Communications Equipment	\$ 0.03
1955	Communication Equipment (Smart Meters)	\$ -
1960	Miscellaneous Equipment	\$ -
1975	Load Management Controls Utility Premises	\$ -
1980	System Supervisor Equipment	\$ 0.00
1985	Miscellaneous Fixed Assets	\$ -
1995	Contributions & Grants	-\$ 3.25
etc.		\$ -
		\$ -
	<b>Total</b>	<b>-\$ 146,107.72</b>

**Table 4.2.25 (b) – Explanation of Variance on 2012 Depreciation**

Account	Description	Variance 2	Reason For variance	2000 Merged Value	Using APH life	Using Remaining life	Difference	Rounding & Half year at end
		(m) = (h) - (l)						
1611	Computer Software (Formally known as Account 1925)	\$ 1,532.64	half year on final year of 2007 additions					\$ 1,532.64
1611	Computer Software (Formally known as Account 1925) - Smart Meters	\$ -						
1612	Land Rights (Formally known as Account 1906)	\$ -						
1805	Land	\$ -						
1808	Buildings	\$ 964.13	2000 Merged opening NBV - 38 years not 30 years	\$ 137,347.07	\$ 4,578.24	\$ 3,614.40	\$ 963.84	\$ 0.29
1810	Leasehold Improvements	\$ -						
1815	Transformer Station Equipment >50 kV	\$ -						
1820	Distribution Station Equipment <50 kV	-\$ 17,084.48	2000 Merged opening NBV - 17 years not 25 years	\$ 907,649.85	\$ 36,305.99	\$ 53,391.17	-\$ 17,085.17	\$ 0.69
1825	Storage Battery Equipment	\$ -						
1830	Poles, Towers & Fixtures	-\$ 56,331.03	2000 Merged opening NBV - 17 years not 25 years	\$ 3,140,701.37	\$ 125,628.05	\$ 184,747.14	-\$ 59,119.08	\$ 2,788.05
1835	Overhead Conductors & Devices	-\$ 2,762.68	2000 Merged opening NBV - 24 years not 25 years	\$ 1,659,193.92	\$ 66,367.76	\$ 69,133.08	-\$ 2,765.32	\$ 2.64
1840	Underground Conduit	-\$ 16,580.37	2000 Merged opening NBV - 21 years not 25 years	\$ 2,536,199.65	\$ 101,447.99	\$ 117,962.77	-\$ 16,514.79	-\$ 65.58
1845	Underground Conductors & Devices	-\$ 1,061.06	2000 Merged opening NBV - 24 years not 25 years	\$ 637,415.16	\$ 25,496.61	\$ 26,558.97	-\$ 1,062.36	\$ 1.30
1850	Line Transformers	-\$ 57,522.01	2000 Merged opening NBV - 15 years not 25 years	\$ 2,005,164.26	\$ 80,206.57	\$ 138,287.19	-\$ 58,080.62	\$ 558.61
1855	Services (Overhead & Underground)	\$ 0.89	rounding					\$ 0.89
1860	Meters	-\$ 701.94	2000 Merged opening NBV - 17 years not 25 years	\$ 34,756.43	\$ 1,390.26	\$ 2,044.50	-\$ 654.24	-\$ 47.70
1860	Meters (Stranded Meters)	\$ -						
1860	Meters (Smart Meters)	-\$ 0.00						
1905	Land	\$ -						
1908	Buildings & Fixtures	-\$ 328.59	2000 Merged opening NBV - 27 years not 30 years	\$ 83,641.81	\$ 2,788.06	\$ 3,062.68	-\$ 274.62	-\$ 53.97
1910	Leasehold Improvements	\$ -						
1915	Office Furniture & Equipment (10 years)	\$ 0.00	rounding					
1915	Office Furniture & Equipment (5 years)	\$ -						
1920	Computer Equipment - Hardware	\$ -						
1920	Computer Equip.-Hardware(Post Mar. 22/04)	\$ -						
1920	Computer Equip.-Hardware(Post Mar. 19/07)	\$ 3,342.97	half year on final year of 2007 additions					\$ 3,342.97
1920	Computer Equip.-Hardware(Post Mar. 19/07) - Smart Meters	-\$ 0.00						
1930	Transportation Equipment	\$ 427.54	rounding					\$ 427.54
1935	Stores Equipment	-\$ 0.04	rounding					-\$ 0.04
1940	Tools, Shop & Garage Equipment	-\$ 0.46	rounding					-\$ 0.46
1945	Measurement & Testing Equipment	\$ -						
1950	Power Operated Equipment	\$ -						
1955	Communications Equipment	\$ 0.03	rounding					\$ 0.03
1955	Communication Equipment (Smart Meters)	\$ -						
1960	Miscellaneous Equipment	\$ -						
1975	Load Management Controls Utility Premises	\$ -						
1980	System Supervisor Equipment	\$ 0.00						\$ 0.00
1985	Miscellaneous Fixed Assets	\$ -						
1995	Contributions & Grants	-\$ 3.25	rounding					-\$ 3.25
etc.		\$ -						\$ -
		\$ -						
	<b>Total</b>	-\$ 146,107.72					-\$ 154,592.37	\$ 8,484.65