



EB-2014-0090

IN THE MATTER OF the *Ontario Energy Board Act*,
1998, S.O. 1998, c. 15, (Schedule B);

AND IN THE MATTER OF an application by
Lakefront Utilities Inc. for an order approving just and
reasonable rates and other charges for electricity
distribution to be effective May 1, 2015.

BEFORE: Marika Hare
Presiding Member

Allison Duff
Member

DECISION and RATE ORDER
March 19, 2015

Lakefront Utilities Inc. (“Lakefront”) filed an application with the Ontario Energy Board (the “Board”) on November 4, 2014 under section 78 of the *Ontario Energy Board Act*, seeking approval for changes to the rates that Lakefront charges for electricity distribution, effective May 1, 2015 (the “Application”).

Lakefront last appeared before the Board with a cost of service application for the 2012 rate year in the EB-2011-0250 proceeding. To adjust its 2015 rates, Lakefront selected the Price Cap Incentive Rate-setting option (the “Price Cap IR”) which provides for a mechanistic and formulaic adjustment to distribution rates and charges in the period between cost of service proceedings. The Application met the Board’s filing requirements¹ for filings by rate-regulated electricity distributors (“distributors”) applying for annual rate adjustments under Price Cap IR.

¹ Report of the Board: Renewed Regulatory Framework for Electricity Distributors: A Performance-Based Approach (October 18, 2012); and Filing Requirements for Electricity Distribution Rate Applications (July 25, 2014)

The Board conducted a written hearing and Board staff participated in the proceeding. No letters of comment were received.

While the entire record in this proceeding has been considered by the Board, this decision will make reference only to such evidence as is necessary to provide context to the Board's findings. The following issues are addressed in this Decision and Rate Order:

- Price Cap Index Adjustment;
- Rural or Remote Electricity Rate Protection Charge;
- Revenue-to-Cost Ratio Adjustments;
- Shared Tax Savings Adjustments;
- Retail Transmission Service Rates; and
- Review and Disposition of Group 1 Deferral and Variance Account Balances.

Price Cap Index Adjustment

The Price Cap IR option is a streamlined regulatory process designed to provide distributors with sufficient revenue to cover cost increases due to inflation while providing an incentive structure to drive productivity improvements.

Under the Price Cap IR methodology², distribution rates are adjusted by an inflation factor, less the sum of a productivity factor and a stretch factor. Based on its established method³, the Board has set the inflation factor for 2015 rates at 1.6% and the productivity factor at zero percent. Based on the analysis of the Board's consultant, PEG, the stretch factor is assigned based on a distributor's cost evaluation ranking, and ranges from 0.0% to 0.6%. This stretch factor ranking is indicative of a distributor's cost performance relative to other distributors in Ontario. What this means is that a distributor considered to be the most efficient, based on the cost evaluation ranking, would be assigned the lowest stretch factor of 0.0%. In this case, the Board assigned Lakefront a stretch factor of 0.15% based on the updated benchmarking study for use for rates effective in 2015⁴.

² Report on Rate Setting Parameters and Benchmarking under the Renewed Regulatory Framework for Ontario's Electricity Distributors (December 4, 2013)

³ As outlined in the Report cited at footnote 2 above

⁴ Report to the Ontario Energy Board – "Empirical Research in Support of Incentive Rate-Setting: 2013 Benchmarking Update." Pacific Economics Group LLC. July, 2014

As a result, the net price cap index adjustment for Lakefront is 1.45% (i.e. 1.6 % - (0% + 0.15%)). The price cap index adjustment applies to distribution rates (fixed and variable charges) uniformly across all customer classes. The price cap index adjustment does not apply to the components of delivery rates set out in the list below:

- Rate Riders;
- Rate Adders;
- Low Voltage Service Charges;
- Retail Transmission Service Rates;
- Wholesale Market Service Rate;
- Rural or Remote Electricity Rate Protection Charge;
- Standard Supply Service – Administrative Charge;
- Transformation and Primary Metering Allowances;
- Loss Factors;
- Specific Service Charges;
- MicroFit Charge; and
- Retail Service Charges.

Rural or Remote Electricity Rate Protection Charge

The Board has determined that the Rural or Remote Electricity Rate Protection (“RRRP”) benefit and charge for 2015 shall remain \$0.0013 per kWh⁵. The draft Tariff of Rates and Charges flowing from this Decision and Rate Order reflects this RRRP charge.

Revenue-to-Cost Ratio Adjustments

Revenue-to-cost ratios measure the relationship between the revenues expected from a class of customers and the level of costs allocated to that class. The Board has established target ratio ranges for electricity distributors⁶.

Pursuant to the Board-approved Settlement Agreement in Lakefront’s 2012 cost of service application EB-2011-0250, Lakefront proposed to increase the revenue-to-cost ratio for General Service 3,000 to 4,999 kW.

⁵ Decision with Reasons and Rate Order, EB-2014-0347

⁶ Application of Cost Allocation for Electricity Distributors (November 28, 2007); and Review of Electricity Distribution Cost Allocation Policy (March 31, 2011)

The additional revenues from these adjustments would be used to reduce the revenue-to-cost ratio for General Service 50 to 2,999 kW.

The table below outlines the proposed revenue-to-cost ratios.

Current and Proposed Revenue-to-Cost Ratios

Rate Class	Current 2014 Ratio	Proposed 2015 Ratio
Residential	0.90	0.90
General Service Less Than 50 kW	1.00	1.00
General Service 50 to 2,999 kW	1.34	1.32
General Service 3,000 to 4,999 kW	0.69	0.74
Unmetered Scattered Load	0.82	0.82
Street Lighting	1.12	1.12
Sentinel Lighting	1.17	1.17

Board staff submitted that the proposed revenue-to-cost ratio adjustments were in accordance with the Board's decision in Lakefront's 2012 cost of service proceeding.

The Board agrees that the proposed revenue-to-cost ratios are consistent with the decision arising from the 2012 cost of service proceeding and approves the revenue-to-cost ratios as filed.

Shared Tax Savings Adjustments

The Board has determined that a 50/50 sharing of the impact of legislated tax changes between shareholders and ratepayers is appropriate and that the tax reduction will be allocated to customer rate classes on the basis of the Board-approved distribution revenue from an applicant's last cost of service proceeding⁷.

⁷ Supplemental Report of the Board on 3rd Generation Incentive Regulation for Ontario's Electricity Distributors (September 17, 2008)

The Application, as originally filed, included a tax sharing credit of \$0.00. In response to Board staff interrogatory #2, Board staff corrected the taxable capital, regulatory taxable income, tax impact and grossed up tax amount used to calculate the savings, and updated this amount to a debit of \$8,068.

Board staff submitted the amount should be recorded in the variance Account 1595 for disposition in a future application given the associated rate riders are negligible, Lakefront agreed. Accordingly, the Board directs Lakefront to record the tax sharing refund of \$4,034 in variance Account 1595 by June 30, 2015 for disposition at a future date.

Retail Transmission Service Rates

Electricity distributors are charged for transmission costs at the wholesale level and then pass on these charges to their distribution customers through their Retail Transmission Service Rates (“RTSRs”). Variance accounts 1584 and 1586 are used to capture differences in the rate that a distributor pays for wholesale transmission service relative to the retail rate that the distributor is authorized to charge when billing its customers.

The Board has issued guidelines⁸ which outline the information that the Board requires electricity distributors to file in order to adjust their RTSRs for 2015. The RTSR guideline requires electricity distributors to adjust their RTSRs based on a comparison of historical transmission costs adjusted for the new Uniform Transmission Rates (“UTR”) and the revenues generated under existing RTSRs. Similarly, embedded distributors, such as Lakefront must adjust their RTSRs to reflect any changes to the applicable RTSRs of their host distributor, which in this case is Hydro One Networks Inc.

The Board has not yet established Hydro One’s sub-transmission class rates for 2015, including the retail transmission service rates for this class. The Board will therefore approve the RTSRs as adjusted in this Application so that they reflect those which currently apply to this class, as shown in the following table. The differences arising from the new 2015 rates, once approved, will be captured in Accounts 1584 and 1586 for future disposition.

⁸ Guideline G-2008-0001 - Electricity Distribution Retail Transmission Service Rates, revision 4.0 (June 28, 2012)

2014 Sub-Transmission RTSRs

Network Service Rate	\$3.23 per kW
<u>Connection Service Rates</u>	
Line Connection Service Rate	\$0.65 per kW
Transformation Connection Service Rate	\$1.62 per kW

The Board finds that these 2014 Sub-Transmission class RTSRs are to be incorporated into the filing module to adjust the RTSRs that Lakefront will charge its customers accordingly.

Review and Disposition of Group 1 Deferral and Variance Account Balances

The Board's policy on deferral and variance accounts⁹ provides that, during the IRM plan term, the distributor's Group 1 account balances will be reviewed and disposed if the preset disposition threshold of \$0.001 per kWh, whether in the form of a debit or credit, is exceeded. The onus is on the distributor to justify why any account balance in excess of the threshold should not be disposed. If the balances are below this threshold, the distributor may propose to dispose of balances.

In the Board's decision on Lakefront's 2014 IRM application (EB-2013-0148), the Board disposed of Lakefront's Group 1 balances on an interim basis pending the audit by the Board's Audit and Performance Assessment group. Following the audit, Lakefront made all necessary adjustments to the accumulated Group 1 accounts as at December 31, 2012 and filed the revised amounts.

Lakefront's corrected 2012 actual year-end total balance for Group 1 accounts including interest projected to April 30, 2015 is a debit of \$1,342,323. This amount results in a total debit claim of \$0.0054 per kWh, which does exceed the preset disposition threshold. Lakefront proposes to dispose of this debit amount over a three-year period due to the total bill impacts that the disposition of the Group 1 accounts has on the General Service 50 to 2999 kW customer class.

The Board finds that the debit balance should be collected as soon as possible to avoid inter-generation inequities. With a two-year disposition period, Lakefront's bill impacts

⁹ Report of the Board on Electricity Distributors' Deferral and Variance Account Review Initiative (July 31, 2009)

for each customer class are below the Board's 10% threshold. Therefore the Board finds that a two-year disposition period is appropriate, not three years as proposed by Lakefront.

Lakefront is not seeking disposition of the 2013 balances of its Group 1 accounts as it was still analyzing and adjusting the 2013 transactions following the audit in October 2014.

The table below identifies the principal and interest amounts which the Board approves for disposition.

Group 1 Deferral and Variance Account Balances

Account Name	Account Number	Principal Balance (\$) A	Interest Balance (\$) B	Total Claim (4) C = A + B
LV Variance Account	1550	1,477	(658)	819
Smart Meter Entity Variance Charge	1551	0	0	0
RSVA - Wholesale Market Service Charge	1580	2,275	(423)	1,852
RSVA - Retail Transmission Network Charge	1584	558	2,166	2,724
RSVA - Retail Transmission Connection Charge	1586	(1,007)	1,889	882
RSVA - Power	1588	133,371	38,266	171,637
RSVA - Global Adjustment	1589	251,890	9,138	261,028
Recovery of Regulatory Asset Balances	1590	0	0	0
Disposition and Recovery of Regulatory Balances (2009)	1595	(301,714)	675,248	373,534
Disposition and Recovery of Regulatory Balances (2010)	1595	(483,122)	11,893	(471,229)
Disposition and Recovery of Regulatory Balances (2011)	1595	939,915	61,159	1,001,074
Total Group 1 Excluding Global Adjustment – Account 1589		291,753	789,544	1,081,296
Total Group 1		543,643	798,678	1,342,323

The Board approves the disposition of a debit balance of \$1,342,323 as of December 31, 2012, including interest as of April 30, 2015 for Group 1 accounts. These balances are to be disposed over a two-year period from May 1, 2015 to April 30, 2017.

The balance of each Group 1 account approved for disposition shall be transferred to the applicable principal and interest carrying charge sub-accounts of Account 1595. Such transfer shall be pursuant to the requirements specified in Article 220, Account Descriptions, of the *Accounting Procedures Handbook for Electricity Distributors*, effective January 1, 2012. The date of the transfer must be the same as the effective date for the associated rates, which is, generally, the start of the rate year. Lakefront should ensure these adjustments are included in the reporting period ending June 30, 2015 (Quarter 2).

Rate Model

With this Decision and Rate Order, the Board is providing Lakefront with a rate model, applicable supporting models and a draft Tariff of Rates and Charges (Appendix A). The Board also reviewed the entries in the rate model to ensure that they were in accordance with the 2014 Board-approved Tariff of Rates and Charges. The rate model was adjusted, where applicable, to correct any discrepancies.

THE BOARD ORDERS THAT

1. Lakefront Utilities Inc.'s new distribution rates shall be effective May 1, 2015.
2. Lakefront Utilities Inc. shall review the draft Tariff of Rates and Charges set out in Appendix A and shall file with the Board, as applicable, a written confirmation of its completeness and accuracy, or provide a detailed explanation of any inaccuracies or missing information, within **7 days** of the date of issuance of this Decision and Rate Order.
3. If the Board does not receive a submission from Lakefront Utilities Inc. to the effect that inaccuracies were found or information was missing pursuant to item 2 of this Decision and Rate Order, the draft Tariff of Rates and Charges set out in Appendix A of this Decision and Rate Order will become final. Lakefront Utilities Inc. shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new rates.
4. If the Board receives a submission from Lakefront Utilities Inc. to the effect that inaccuracies were found or information was missing pursuant to item 2 of this

Decision and Rate Order, the Board will consider the submission of Lakefront Utilities Inc. prior to issuing a final Tariff of Rates and Charges.

All filings to the Board must quote the file number, EB-2014-0090 and be made electronically through the Board's web portal at www.pes.ontarioenergyboard.ca/eservice/ in searchable / unrestricted PDF format. Two paper copies must also be filed at the Board's address provided below. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at www.ontarioenergyboard.ca/OEB/Industry. If the web portal is not available parties may email their documents to the address below. Those who do not have internet access are required to submit all filings on a CD in PDF format, along with two paper copies. Those who do not have computer access are required to file 7 paper copies.

All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:45 p.m. on the required date.

ADDRESS

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4
Attention: Board Secretary

E-mail: boardsec@ontarioenergyboard.ca
Tel: 1-888-632-6273 (Toll free)
Fax: 416-440-7656

DATED at Toronto, March 19, 2015

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

Appendix A

To Decision and Rate Order

Draft Tariff of Rates and Charges

Board File No: EB-2014-0090

DATED: March 19, 2015

Lakefront Utilities Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2015

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2014-0090

RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to an account taking electricity at 750 volts or less where the electricity is used exclusively in a separately metered living accommodation. Customers shall be residing in single-dwelling units that consist of a detached house or one unit of a semi-detached, duplex, triplex or quadruplex house, with a residential zoning. Separately metered dwellings within a town house complex or apartment building also qualify as residential customers. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's License or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	10.27
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0148
Low Voltage Service Rate	\$/kWh	0.0013
Rate Rider for Disposition of Deferral/Variance Accounts (2012) - effective until April 30, 2016	\$/kWh	(0.0013)
Rate Rider for Disposition of Global Adjustment Sub-Account (2012) - effective until April 30, 2016 Applicable only for Non-RPP Customers	\$/kWh	(0.0002)
Rate Rider for Disposition of Deferral/Variance Accounts (2015) - effective until April 30, 2017	\$/kWh	0.0022
Rate Rider for Disposition of Deferral/Variance Accounts (2015) - effective until April 30, 2017 Applicable only for Non RPP Customers	\$/kWh	0.0009
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0067
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0047

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Lakefront Utilities Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2015

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EB-2014-0090

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification refers to a non residential account taking electricity at 750 volts or less whose monthly average peak demand is less than, or is forecast to be less than, 50 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	23.50
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0084
Low Voltage Service Rate	\$/kWh	0.0012
Rate Rider for Disposition of Deferral/Variance Accounts (2012) - effective until April 30, 2016	\$/kWh	(0.0011)
Rate Rider for Disposition of Global Adjustment Sub-Account (2012) - effective until April 30, 2016 Applicable only for Non-RPP Customers	\$/kWh	(0.0002)
Rate Rider for Disposition of Deferral/Variance Accounts (2015) - effective until April 30, 2017	\$/kWh	0.0022
Rate Rider for Disposition of Deferral/Variance Accounts (2015) - effective until April 30, 2017 Applicable only for Non RPP Customers	\$/kWh	0.0009
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0061
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0043

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Lakefront Utilities Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2015

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EB-2014-0090

GENERAL SERVICE 50 TO 2,999 KW SERVICE CLASSIFICATION

This classification refers to a non residential account whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 3,000 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	76.54
Distribution Volumetric Rate	\$/kW	3.3935
Low Voltage Service Rate	\$/kW	0.4778
Rate Rider for Disposition of Deferral/Variance Accounts (2012) - effective until April 30, 2016	\$/kW	(0.3812)
Rate Rider for Disposition of Global Adjustment Sub-Account (2012) - effective until April 30, 2016 Applicable only for Non-RPP Customers	\$/kW	(0.0723)
Rate Rider for Disposition of Deferral/Variance Accounts (2015) - effective until April 30, 2017	\$/kW	0.8495
Rate Rider for Disposition of Deferral/Variance Accounts (2015) - effective until April 30, 2017 Applicable only for Non RPP Customers	\$/kW	0.3659
Retail Transmission Rate - Network Service Rate	\$/kW	2.4773
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.7193

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Lakefront Utilities Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2015

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EB-2014-0090

GENERAL SERVICE 3,000 TO 4,999 KW SERVICE CLASSIFICATION

This classification refers to a non residential account whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than 3,000 kW, but less than 5,000 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES – Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	5,689.94
Distribution Volumetric Rate	\$/kW	2.2132
Low Voltage Service Rate	\$/kW	0.5635
Rate Rider for Disposition of Deferral/Variance Accounts (2012) - effective until April 30, 2016	\$/kW	(0.3495)
Rate Rider for Disposition of Global Adjustment Sub-Account (2012) - effective until April 30, 2016 Applicable only for Non-RPP Customers	\$/kW	(0.0828)
Rate Rider for Disposition of Deferral/Variance Accounts (2015) - effective until April 30, 2017	\$/kW	0.9257
Rate Rider for Disposition of Deferral/Variance Accounts (2015) - effective until April 30, 2017 Applicable only for Non RPP Customers	\$/kW	0.3746
Retail Transmission Rate - Network Service Rate	\$/kW	2.7706
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.0278

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Lakefront Utilities Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2015

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EB-2014-0090

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification refers to an account taking electricity at 750 volts or less whose monthly average peak demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The customer will provide detailed manufacturer information/ documentation with regard to electrical demand/consumption of the proposed unmetered load. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	13.96
Distribution Volumetric Rate	\$/kWh	0.0364
Low Voltage Service Rate	\$/kWh	0.0015
Rate Rider for Disposition of Deferral/Variance Accounts (2012) - effective until April 30, 2016	\$/kWh	(0.0020)
Rate Rider for Disposition of Global Adjustment Sub-Account (2012) - effective until April 30, 2016 Applicable only for Non-RPP Customers	\$/kWh	(0.0002)
Rate Rider for Disposition of Deferral/Variance Accounts (2015) - effective until April 30, 2017	\$/kWh	0.0022
Rate Rider for Disposition of Deferral/Variance Accounts (2015) - effective until April 30, 2017 Applicable only for Non RPP Customers	\$/kWh	0.0009
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0071
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0054

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Lakefront Utilities Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2015

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2014-0090

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to accounts that are an unmetered lighting load supplied to a sentinel light. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES – Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	4.86
Distribution Volumetric Rate	\$/kW	11.9698
Low Voltage Service Rate	\$/kW	0.3771
Rate Rider for Disposition of Deferral/Variance Accounts (2012) - effective until April 30, 2016	\$/kW	(0.5624)
Rate Rider for Disposition of Global Adjustment Sub-Account (2012) - effective until April 30, 2016 Applicable only for Non-RPP Customers	\$/kW	(0.0733)
Rate Rider for Disposition of Deferral/Variance Accounts (2015) - effective until April 30, 2017	\$/kW	0.6530
Rate Rider for Disposition of Deferral/Variance Accounts (2015) - effective until April 30, 2017 Applicable only for Non RPP Customers	\$/kW	0.3314
Retail Transmission Rate - Network Service Rate	\$/kW	1.8775
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.3568

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Lakefront Utilities Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2015

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2014-0090

STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting operation, controlled by photo cells. The consumption for these customers will be based on the calculated connected load times the required lighting times established in the approved OEB street lighting load shape template. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES – Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	4.00
Distribution Volumetric Rate	\$/kW	25.3328
Low Voltage Service Rate	\$/kW	0.3694
Rate Rider for Disposition of Deferral/Variance Accounts (2012) - effective until April 30, 2016	\$/kW	(0.6354)
Rate Rider for Disposition of Global Adjustment Sub-Account (2012) - effective until April 30, 2016 Applicable only for Non-RPP Customers	\$/kW	(0.0740)
Rate Rider for Disposition of Deferral/Variance Accounts (2015) - effective until April 30, 2017	\$/kW	0.8281
Rate Rider for Disposition of Deferral/Variance Accounts (2015) - effective until April 30, 2017 Applicable only for Non RPP Customers	\$/kW	0.3349
Retail Transmission Rate - Network Service Rate	\$/kW	1.8683
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.3291

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Lakefront Utilities Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2015

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EB-2014-0090

microFIT SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Ontario Power Authority's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	5.40
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Lakefront Utilities Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2015

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ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.60)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

SPECIFIC SERVICE CHARGES

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

Customer Administration

Arrears certificate	\$	15.00
Statement of Account	\$	15.00
Pulling Post Dated Cheques	\$	15.00
Request for other billing information	\$	15.00
Easement Letter	\$	15.00
Income Tax Letter	\$	15.00
Credit Reference/credit check (plus credit agency costs)	\$	15.00
Returned cheque charge (plus bank charges)	\$	15.00
Legal letter charge	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Special meter reads	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00

Non-Payment of Account

Late Payment – per month	%	1.50
Late Payment – per annum	%	19.56
Collection of account charge – no disconnection	\$	30.00
Collection of account charge – no disconnection – after regular hours	\$	165.00
Disconnect/Reconnect at meter – during regular hours	\$	65.00
Disconnect/Reconnect at meter – after regular hours	\$	185.00
Disconnect/Reconnect at pole – during regular hours	\$	185.00
Disconnect/Reconnect at pole – after regular hours	\$	415.00
Install/Remove load control device – during regular hours	\$	65.00
Install/Remove load control device – after regular hours	\$	185.00

Lakefront Utilities Inc.
TARIFF OF RATES AND CHARGES
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Other

Service call – customer owned equipment	\$	30.00
Service call – after regular hours	\$	165.00
Temporary Service – Install & remove – overhead – no transformer	\$	500.00
Temporary Service – Install & remove – underground – no transformer	\$	300.00
Temporary Service – Install & remove – overhead – with transformer	\$	1,000.00
Specific Charge for Access to the Power Poles - \$/pole/year	\$	22.35
Interval Meter Load Management Tool Charge \$/month	\$	110.00
Service Charge for onsite interrogation of interval meter due to customer phone line failure - required weekly until line repaired	\$	60.00

Lakefront Utilities Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2015

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RETAIL SERVICE CHARGES (if applicable)

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity.

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	100.00
Monthly Fixed Charge, per retailer	\$	20.00
Monthly Variable Charge, per customer, per retailer	\$/cust.	0.50
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust.	0.30
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust.	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.25
Processing fee, per request, applied to the requesting party	\$	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year	\$	no charge
More than twice a year, per request (plus incremental delivery costs)	\$	2.00

LOSS FACTORS

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0565
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0465