

LakelandPower

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January 29, 2009

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-2008-0234
2009 Electricity Distribution Rate Application
Responses to OEB Board Staff Supplemental Interrogatories

Please find enclosed the response to the supplemental interrogatories of the Ontario Energy Board Staff in the above-noted proceeding.

Respectfully submitted,



Margaret Maw
CFO
Lakeland Holding Ltd.

Board Staff Supplemental Interrogatories
2009 Electricity Distribution Rates
Lakeland Power Distribution Ltd. ("Lakeland")
EB-2008-0234

As per Procedural Order #3 dated January 21, 2009.
Responses to Board Staff Supplemental Interrogatories
By Lakeland Power Distribution Ltd.
January 29, 2009

OM&A

1. Ref: Board Staff Interrogatory #6 d)

Board staff requests additional information on the response to Board staff interrogatory #6d) regarding costs for the International Financial Reporting Standards conversion. Please provide a table that:

- a) Itemizes the estimated costs for IFRS conversion that Lakeland would like added to their application,
- b) Lists separately capital expenditures and OM&A expenses, and
- c) Shows the year that these expenditures will take place.

| Description | OM&A | Capital | Year of Expense |
|-----------------------------------|--------|---------|-----------------|
| Training | 5,000 | | 2009 |
| Consulting (KPMG)- Phase 1 & 2 | 35,000 | | 2009 |
| Consulting –Phase 3 & 4 | 70,000 | | 2009 |
| Additional audit fees | 10,000 | | 2010 |

2. Ref: Board Staff Interrogatory #7

The table that Lakeland provided in response to Board staff Interrogatory #7 discloses a \$2,119 transfer from 2008 into 2009 – 2011. Please explain the nature of the costs being transferred and the reason.

It was a methodology to spread the costs evenly over the 4 years at approximately \$70,000 per year as requested in the application. The line that reads 'reallocate rate application costs' was used to average out the costs over four years to show how they were applied in the application.

Load Forecast

3. Ref: Board Staff Interrogatory #23a

With respect to the response provided to this Interrogatory, please explain how, and to what extent, the anticipated effect of Lakeland's CDM activities is represented by the formula on (Exh3/Tab2/Sch2) page 3 that is used to forecast future consumption.

Since there is not a explanatory variable in the prediction formula directly related to the CDM activities Lakeland is not able to quantify the anticipated effect of Lakeland's CDM activities. As per response to Board Staff Interrogatory #23a if such a variable did exist it is Lakeland's opinion the effect would be minimal.

4. Ref: Lakeland Preamble to Board Staff Load Forecast Interrogatories

Lakeland re-filed the load forecasted in Exh3/Tab2/Sch2/Appendix A. Though no reduction is forecast for the number of customers in the GS >50 to 999kW class or in the GS > 1000 to 4999 kW class, a significant drop in kWh load is forecast. Please explain, by industry type or major customer or other appropriate descriptor, how this is expected to occur.

In the original filed load forecast provided in Exh3/Tab2/Sch2/Appendix A the total weather normalized purchased amount in 2009 was simply calculated incorrectly as the proper cell references were not used in the original forecast. In the re-filed load forecast this error was corrected which meant the purchased weather normalized purchases decline by 0.16%. This in turn impacted the weather normalized billed amount which was then distributed to the weather sensitive rate class. As a result, the Residential and General Service < 50 kW classes billed kWhs declined by 0.21% and the General Service > 50 kW to 999 kW class billed kWhs declined by 0.12%. In summary there is no reason for the change in the billed amounts other than an error was corrected.

5. Ref: Board Staff Interrogatory # 22 and VECC Interrogatory #4

With regard to the response to VECC IR#4: "The Applicant summarizes the results of a regression analysis based on alternate explanatory variables and notes "The load forecast as updated in OEB #22 has been revised..." and "The following table outlines the revised Summary of Forecast Data..."

Please:

- a) provide the Adjusted R-Squared value for the new regression analysis,
- b) confirm that "OEB Interrogatory #22" is the intended reference, and
- c) identify the referenced "following table".

The estimating equation is as follows

Lakeland Monthly Predicted kWh Purchases

**= Heating Degree Days * 9,301
+ Cooling Degree Days *25,232
+ Ontario Real GDP Monthly Index * (92,598)
+ Number of Peak Hours * (3,595)
+ Number of Days in Month *645,917
+ Residential and GS<50 Customers * 4,576
+ GS>50-999 Customers * 8,104
+ GS>1000-4999 Customers * 0
+ Spring Fall Flag * (1,151,818)
+ Blackout Flag * (1,228,589)
+ Constant of (31,086,571)**

The R square value is 91.0% and the Adjusted R Square is 88.5%

The referenced table was inadvertently not included in the original response. The table has been provided below. This table is the forecast referenced in the Preamble under the title of Load Forecasting in the responses to OEB staff interrogatories but revised to assume a real Ontario GDP of 0.1 % for 2008 and 0.7% for 2008 based on the Ontario Ministry of Finance 2008 Ontario Economic Outlook and Fiscal Review dated October 22, 2008.

| | 2008 Weather Normal | 2009 Weather Normal |
|-----------------------------------|---------------------------|---------------------------|
| Actual kWh Purchases | | |
| Predicted kWh Purchases | 234,300,864 | 237,301,466 |
| % Difference | | |
| | | |
| Billed kWh | 228,115,651 | 231,037,042 |
| | | |
| By Class | | |
| Residential | | |
| Customers | 7,498 | 7,562 |
| kWh | 85,755,986 | 89,739,657 |
| | | |
| General Service < 50 kW | | |
| Customers | 1,538 | 1,549 |
| kWh | 49,049,078 | 50,745,067 |
| | | |
| General Service > 50 to 999 kW | | |
| Customers | 91 | 91 |
| kWh | 54,078,166 | 51,526,070 |
| kW | 140,372 | 133,747 |
| | | |
| General Service > 1000 to 4999 kW | | |
| Customers | 6 | 6 |
| kWh | 36,948,556 | 36,727,786 |
| kW | 78,019 | 77,552 |
| | | |
| Streetlights | | |
| Connections | 7 | 7 |
| kWh | 1,986,637 | 2,007,912 |
| kW | 5,280 | 5,336 |
| | | |
| Sentinel Lights | | |
| Connections | 43 | 42 |
| kWh | 41,641 | 41,511 |
| kW | 116 | 115 |
| | | |
| Unmetered Loads | | |
| Connections | 48 | 45 |
| kWh | 255,587 | 249,040 |
| | | |
| Total | | |
| Customer/Connections | 9,231 | 9,303 |
| kWh | 228,115,651 | 231,037,042 |
| kW from applicable classes | 223,786 | 216,751 |

6. Ref: Energy Probe Interrogatory # 20

In Table 14 of its response, the Applicant provides an alternate load forecast and, subsequently, provides a table showing the Total Distribution Revenue that is apparently based on the Table 14 alternate load forecast. The new Total Distribution Revenue table is identical to that in the September 15 filing despite the different load forecast. Please verify that the new Total Distribution Revenue table is indeed based on the alternate load forecast.

To the best of Lakeland's knowledge the only change that would occur to the Total Distribution Revenue from a change in the load forecast would be a change in the working capital component of rate base. However, this would occur when the forecast of purchases changes and in the alternative load forecast, referenced above, the forecast of purchases remains the same, it is only the billed forecast amount that will change. As a result, there will be no difference in the Total Distribution Revenue but it will be assigned to the class differently when the alternative forecast is used. The table that was provided was based on the alternate load forecast.

Distribution Revenue Table based on Alternate Load Forecast– EP#20

| Revenue Type | 2006 Board Approved | 2006 Actual | Variance from 2006 Board Approved | 2007 Actual | Variance from 2006 Actual | 2008 Bridge | Variance from 2007 Actual | 2009 Test | Variance from 2008 Bridge |
|------------------------------------|------------------------|--------------------|-----------------------------------------|--------------------|------------------------------|--------------------|------------------------------|--------------------|------------------------------|
| Distribution Revenue | | | | | | | | | |
| Residential | \$2,097,743 | \$2,111,263 | \$13,520 | \$2,110,986 | (\$277) | \$2,189,379 | \$78,393 | \$2,774,726 | \$585,347 |
| GS <50 kW | \$852,652 | \$868,022 | \$15,370 | \$857,802 | (\$10,221) | \$883,234 | \$25,433 | \$1,166,638 | \$283,404 |
| GS>=50 kW | \$808,874 | \$834,924 | \$26,050 | \$846,611 | \$11,687 | \$836,905 | (\$9,706) | \$671,848 | (\$165,057) |
| Street Light | \$33,395 | \$40,413 | \$7,018 | \$39,855 | (\$558) | \$40,099 | \$245 | \$305,767 | \$265,668 |
| Sentinel | \$1,133 | \$1,318 | \$185 | \$1,270 | (\$47) | \$1,264 | (\$7) | \$6,815 | \$5,551 |
| Unmetered Scattered Load | \$15,402 | \$9,936 | (\$5,466) | \$12,889 | \$2,953 | \$10,467 | (\$2,422) | \$32,171 | \$21,704 |
| Total Distribution Revenue | \$3,809,199 | \$3,865,876 | \$56,677 | \$3,869,413 | \$3,537 | \$3,961,348 | \$91,936 | \$4,957,965 | \$996,616 |
| Other Revenue | | | | | | | | | |
| Rent From Electric Property | \$57,663 | \$135,529 | \$77,866 | \$108,611 | (\$26,918) | \$110,000 | \$1,389 | \$110,000 | |
| Late Payment Charges | \$91,290 | \$92,487 | \$1,197 | \$118,045 | \$25,558 | \$120,406 | \$2,361 | \$122,814 | \$2,408 |
| Specific Service Charges | \$80,330 | \$76,839 | (\$3,491) | \$97,728 | \$20,889 | \$85,000 | (\$12,728) | \$86,522 | \$1,522 |
| Other Revenue | \$95,858 | \$113,753 | \$17,895 | \$183,741 | \$69,988 | \$85,500 | (\$98,241) | \$88,000 | \$2,500 |
| Total Other Revenue | \$325,141 | \$418,608 | \$93,467 | \$508,125 | \$89,517 | \$400,906 | (\$107,219) | \$407,336 | \$6,430 |
| Total Operating Revenue | \$4,134,340 | \$4,284,484 | \$150,144 | \$4,377,538 | \$93,054 | \$4,362,254 | (\$15,283) | \$5,365,301 | \$1,003,046 |

Income Tax

7. Ref: Board Staff Interrogatory # 21

- a) Please confirm the total PILs amount for Rate Purposes that Lakeland Power is requesting.

In the original submission, Lakeland was unaware of the reduction on the first \$500,000 of taxable income and used the combined rate on the entire balance. Lakeland would like to adjust its PILs calculation for this adjustment. The result, \$332,121.72 in Income Tax plus \$10,498.84 in Capital Tax for a Total PILs amount for Rate Purposes of \$342,620.56.

- b) Please provide the income tax rates that have been used in the PILs calculation, Federal and Ontario Rate. If Lakeland has used a Total Corporate Income Tax Rate other than 28.87%, please provide reasons for doing so.

The original application submitted on September 15, 2008 used a Total Corporate Income Tax rate of 33% resulting in a PILs amount for rate purposes of \$390,132.26 (Capital Tax plus Income Tax). The current request uses a blended rate of 28.87% giving rise to a total PILs amount of \$342,620.56.

Smart Meters

8. Ref: Board Staff Interrogatory # 20

Please confirm the Smart Meter Rate Adder that Lakeland is seeking for the 2009 Test Year. Also, please provide the estimated date when Lakeland will be filing the indicated separate smart meter application.

Lakeland is seeking \$.25 per metered customer per month for the 2009 Test Year. Lakeland will be filing a separate smart meter application when the process of this rate application is complete as the same resource will be completing both.

Deferral and Variance Accounts

9. Ref: Board Staff Interrogatory # 38a

Some discrepancies were noticed in the Lakeland response to Board staff Interrogatory #38a:

- i) The December 31, 2004 principal and interest balances for account 1586 and 1525 in the Lakeland 2006 EDR filing are not the same as the beginning balances on January 1, 2005 in this interrogatory response.
- ii) The interest amounts on January 1, 2005 do not match the December 31, 2004 interest amounts.
- iii) In the 2006 EDR application, the total of the transfer of Board approved amounts to 1590 (\$3,952,103) does not agree with the 2006 transfers total in account 1590 filed in the interrogatory response.

Please reconcile and explain:

- a) the differences between the ending balance on December 31, 2004 and beginning balances on January 1, 2005 for both the amounts found in the 2006 EDR model and the amounts found in the continuity schedule provided in response to the interrogatory (Board Staff #38a), and

Below is the reconciliation provided in the 2006 EDR at time of submission to move from the original RRR submission to the 2006 EDR Dec. 31, 2004 Balances.

Reconciliation as provided in 2006 EDR

| Account Description | Account Number | Principal as of Dec-31 2004 on RRR | Carrying Chg as of Dec-31 2004 on RRR | Reclassification of Costs (note below) | Reversal of H1 Charges Accrual (note below) | Carrying Charge Recalculation (note below) | Revised Principal as of Dec-31 2004 to Sheet 1 | Revised Carrying Charges as of Dec-31 2004 to Sheet 1 |
|----------------------------------------------|----------------|------------------------------------|---------------------------------------|----------------------------------------|---------------------------------------------|--------------------------------------------|------------------------------------------------|-------------------------------------------------------|
| RSVA - Wholesale Market Service Charge | 1580 | \$ 182,054 | \$ 29,598 | | \$ - | \$ 1,020 | \$ 182,054 | \$ 30,618 |
| RSVA - One-time Wholesale Market Service | 1582 | \$ 33,260 | \$ 4,759 | | \$ - | \$ (2,294) | \$ 33,260 | \$ 2,465 |
| RSVA - Retail Transmission Network Charge | 1584 | \$ (201,735) | \$ (10,335) | | \$ - | \$ 702 | \$ (201,735) | \$ (9,634) |
| RSVA - Retail Transmission Connection Charge | 1586 | \$ 1,567,305 | \$ 178,667 | | \$ (1,542,955) | \$ (160,513) | \$ 24,350 | \$ 18,155 |
| RSVA - Power | 1588 | \$ 97,694 | \$ (9,597) | | \$ - | \$ 1,767 | \$ 97,694 | \$ (7,831) |
| Sub-Totals | | \$ 1,678,578 | \$ 193,091 | \$ - | \$ (1,542,955) | \$ (159,318) | \$ 135,623 | \$ 33,773 |
| Other Regulatory Assets | 1508 | \$ 30,834 | \$ 248 | \$ (13,567) | \$ - | \$ (41) | \$ 17,267 | \$ 207 |
| Retail Cost Variance Account - Retail | 1518 | \$ (30,304) | \$ 2,786 | | \$ - | \$ (5,423) | \$ (30,304) | \$ (2,638) |
| Retail Cost Variance Account - STR | 1548 | \$ 81,338 | \$ (7,294) | | \$ - | \$ 14,819 | \$ 81,338 | \$ 7,524 |
| Misc. Deferred Debits - incl. Rebate Cheques | 1525 | \$ 659 | \$ - | \$ 12,908 | \$ - | \$ 1,901 | \$ 13,567 | \$ 1,901 |
| Pre-Market Opening Energy Variances Total | 1571 | \$ 841,109 | \$ - | | \$ - | \$ 156,895 | \$ 841,109 | \$ 156,895 |
| Extra-Ordinary Event Losses | 1572 | \$ - | \$ - | | \$ - | | \$ - | \$ - |
| Deferred Rate Impact Amounts | 1574 | \$ - | | | | | \$ - | \$ - |
| Other Deferred Credits | 2425 | | | | | | \$ - | \$ - |
| Sub-Totals | | \$ 923,636 | \$ (4,261) | \$ (659) | \$ - | \$ 168,150 | \$ 922,977 | \$ 163,890 |
| Qualifying Transition Costs | 1570 | \$ 409,694 | \$ - | | \$ - | \$ 76,539 | \$ 409,694 | \$ 76,539 |
| Totals per column | | \$ 3,011,908 | \$ 188,830 | \$ (659) | \$ (1,542,955) | \$ 85,371 | \$ 1,468,294 | \$ 274,201 |

Reclassification Notes:

Account 1508 contained all the costs related to Rebate Cheques issued in Dec. 2002 - this has been reclassified to 1525 as per OEB guidelines. \$13,566.55

Account 1525 contained costs related to software that should be reclassified to 1925 - \$658.91

Carrying Charge Notes:

Carrying charges were recalculated based on timing of costs incurred at 7.25% simple interest.

Carrying charges had not been previously calculated on 1570, 1571, 1525, or 1508 - changed with Dec. 9, 2004 Decision with Reasons

Hydro One Charge Notes:

Hydro One charges were accrued in 2004 based on the correspondence received from the OEB - these have been reversed from the opening and identified by account in the appropriate column on Sheet 1.

| 2006 EDR submission | | Account Number | Principal Amounts as of Dec-31 2004 (see Sheet 6) | Interest to Dec31-04 (see Sheet 6) | Interest Jan-1 to Dec31-05 | Interest Jan1-06 to Apr30-06 | Hydro One charges (if applicable) to Dec31-03 | Interest on Hydro One charges - Apr1-05 to Apr30-06 | Hydro One charges (if applicable) Jan 1-04 to Apr 30-06 | Total Claim |
|----------------------------------------------|--|----------------|------------------------------------------------------|---------------------------------------|----------------------------|------------------------------|-----------------------------------------------|-----------------------------------------------------|---------------------------------------------------------|--------------|
| Account Description | | | | | | | | | | |
| RSVA - Wholesale Market Service Charge | | 1580 | \$ 182,054 | \$ 30,618 | \$ 13,199 | \$ 4,400 | \$ - | \$ - | \$ 5,002 | \$ 235,273 |
| RSVA - One-time Wholesale Market Service | | 1582 | \$ 33,260 | \$ 2,465 | \$ 2,411 | \$ 804 | \$ - | \$ - | \$ 10,295 | \$ 49,235 |
| RSVA - Retail Transmission Network Charge | | 1584 | \$ (201,735) | \$ (9,634) | \$ (14,626) | \$ (4,875) | \$ (52,285) | \$ (4,107) | \$ (67,320) | \$ (354,581) |
| RSVA - Retail Transmission Connection Charge | | 1586 | \$ 24,349 | \$ 18,155 | \$ 1,765 | \$ 588 | \$ 941,193 | \$ 73,923 | \$ 1,114,981 | \$ 2,174,954 |
| RSVA - Power | | 1588 | \$ 97,694 | \$ (7,831) | \$ 7,083 | \$ 2,361 | | | | \$ 99,307 |
| Sub-Totals | | | \$ 135,622 | \$ 33,773 | \$ 9,833 | \$ 3,278 | \$ 888,908 | \$ 69,816 | \$ 1,062,958 | \$ 2,204,188 |
| Other Regulatory Assets | | 1508 | \$ 17,267 | \$ 207 | \$ 993 | \$ 331 | | | \$ 62,950 | \$ 81,748 |
| Retail Cost Variance Account - Retail | | 1518 | \$ (30,304) | \$ (2,638) | \$ (2,197) | \$ (732) | | | | \$ (35,871) |
| Retail Cost Variance Account - STR | | 1548 | \$ 81,338 | \$ 7,524 | \$ 5,897 | \$ 1,966 | | | | \$ 96,725 |
| Misc. Deferred Debits - incl. Rebate Cheques | | 1525 | \$ 13,567 | \$ 1,901 | \$ 984 | \$ 328 | \$ 33,305 | \$ 2,616 | | \$ 52,700 |
| Pre-Market Opening Energy Variances Total | | 1571 | \$ 841,109 | \$ 156,895 | \$ 60,980 | \$ 20,327 | | | | \$ 1,079,312 |
| Extra-Ordinary Event Losses | | 1572 | \$ - | | | | | | | \$ - |
| Deferred Rate Impact Amounts | | 1574 | \$ - | | | | | | | \$ - |
| Other Deferred Credits | | 2425 | | | | | | | | \$ - |
| Sub-Totals | | | \$ 922,977 | \$ 163,890 | \$ 66,657 | \$ 22,219 | \$ 33,305 | \$ 2,616 | \$ 62,950 | \$ 1,274,613 |
| Qualifying Transition Costs | | 1570 | \$ 409,694 | \$ 76,539 | \$ 29,703 | \$ 9,901 | \$ 55 | | | \$ 525,892 |
| Totals per column | | | \$ 1,468,293 | \$ 274,201 | \$ 106,192 | \$ 35,397 | \$ 922,268 | \$ 72,432 | \$ 1,125,908 | \$ 4,004,692 |

| Transition Cost Calculation | | | | | | | | | | | | |
|-----------------------------------|-------|----------------------|-----------------------------------------|-------|--|--|--|--|---|---------------------|----|---------|
| Please indicate choice of review: | | minimum | Lesser of 10 % off or \$60 per customer | | | | | | ⇒ | revised total | \$ | 473,302 |
| 2004 customer numbers | 8,867 | Original \$/customer | \$ | 59.31 | | | | | | Revised \$/customer | \$ | 53.38 |

- b) the difference between the amount approved by Board in 2006 EDR vs. the amount shown in the current application in the "Transfer of Board approved amounts to 1590 per 2006 EDR" column for both principal and interest in the Regulatory Assets Schedule.

The amount transferred to 1590 in the 2006 EDR is \$3,952,103 as indicated in the table above. This is broken down into principal and interest as indicated on the completed Board requested file in the 2009 Cost of Service application.

Principal \$3,475,494
Interest \$ 476,609
Total \$3,952,103

Retail Transmission Service Rates

10. Ref: Board Staff Interrogatory # 36

Lakeland submitted its response to Board Staff Interrogatory # 36 with summary data from 2006 and 2007 together with a calculation of what its wholesale cost would have been if the interim rates (now final) had been in effect through that period. If the interim rates had been charged in 2006, the Network cost would have been approximately 20% less than the actual 2006 cost (\$860,211 compared to \$1,000,503), and approximately 10% less than the actual 2007 cost (\$958,637 compared to \$1,062,907). Comparable comparisons for Connection costs are 15% and 10% for the years respectively. New retail rates are derived that would produce revenue equal to the hypothetical wholesale cost of Network and Connection service. Ref: "Responses to Board Staff Interrogatories", final column of the tables on page 54 of 88.

- a) Is this a correct interpretation of the numbers derived on page 54?

This is the correct interpretation. The rate in the final column of the table was derived using the interim H1 rates with the proposed LPDL loss factor of 1.0614 utilizing the average consumption by month by class (2006 and 2007). The H1 Rates used to derive this data were the ones in effect at the time, \$2.01/kW for Network and \$1.88/kW for Connection.

| | Per unit | At 2.01/ kW Network Rate | At 1.88 /kW Connection Rate |
|---------------------|-----------------|-----------------------------------------|--------------------------------------------|
| Residential | kWh | .0041 | .0038 |
| GS <50 kW | kWh | .0038 | .0034 |
| GS >50 kW | kW | 1.6259 | 1.4489 |
| Streetlight | kW | 1.1842 | 1.0576 |
| Sentinel | kWh | .0033 | .0030 |
| USL | kWh | .0038 | .0034 |

- c) To demonstrate the hypothetical retail rates, please show the wholesale transmission costs for several months in 2008 (later than May) together with the revenues that would have been gained using the retail rates derived in the response to Board staff interrogatory #36.

Utilizing H1 Network at \$2.01/kW for Network and \$1.88/kW for Connection

| NETWORK CHARGES BILLED \$ - New Rates and New Loss Factor | | | | | | | | | OEB #36 | |
|-----------------------------------------------------------|-----------|-----------|-----------|------------|-----------|-----------|-----------|------------|-----------|-------|
| Class | Jun-08 | Jul-08 | Aug-08 | Sep-08 | Oct-08 | Nov-08 | Dec-08 | TOTAL | Rate | /Unit |
| Residential | \$19,789 | \$21,106 | \$21,739 | \$21,541 | \$22,249 | \$25,206 | \$33,847 | \$165,477 | \$0.00414 | /kWh |
| GS <50 kW | \$11,068 | \$13,345 | \$14,737 | \$14,667 | \$13,782 | \$13,463 | \$15,963 | \$97,023 | \$0.00378 | /kWh |
| GS ≥50 kW | \$28,954 | \$31,744 | \$31,796 | \$31,566 | \$31,206 | \$29,890 | \$31,105 | \$216,261 | \$1.62587 | /kW |
| Street Light | \$0 | \$0 | \$0 | \$250 | \$501 | \$501 | \$501 | \$1,753 | \$1.18419 | /kW |
| Sentinel | \$8 | \$12 | \$11 | \$11 | \$11 | \$12 | \$12 | \$77 | \$0.00325 | /kWh |
| Unmetered Scattered Load | \$2 | \$147 | \$69 | \$69 | \$60 | \$60 | \$60 | \$469 | \$0.00378 | /kWh |
| Back-up/Standby Power | | | | | | | | \$0 | \$ - | /kWh |
| TOTALS | \$59,820 | \$66,354 | \$68,352 | \$68,106 | \$67,809 | \$69,132 | \$81,488 | \$481,061 | | |
| Hydro One Charges | \$ 59,552 | \$ 60,101 | \$ 62,679 | \$ 55,886 | \$ 64,481 | \$ 69,019 | \$ 75,455 | \$ 447,174 | \$2.01000 | /kW |
| Difference | -\$ 268 | -\$ 6,253 | -\$ 5,673 | -\$ 12,219 | -\$ 3,328 | -\$ 112 | -\$ 6,032 | -\$ 33,887 | 8% | |

| CONNECTION CHARGES BILLED \$ - New rates and New Loss Factor | | | | | | | | | OEB #36 | |
|--------------------------------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|-----------|-------|
| Class | Jun-08 | Jul-08 | Aug-08 | Sep-08 | Oct-08 | Nov-08 | Dec-08 | TOTAL | Rate | /Unit |
| Residential | \$17,973 | \$19,169 | \$19,744 | \$19,564 | \$20,207 | \$22,892 | \$30,740 | \$150,289 | \$0.00376 | /kWh |
| GS <50 kW | \$9,896 | \$11,932 | \$13,177 | \$13,115 | \$12,323 | \$12,038 | \$14,274 | \$86,756 | \$0.00338 | /kWh |
| GS ≥50 kW | \$25,801 | \$28,288 | \$28,334 | \$28,130 | \$27,808 | \$26,636 | \$27,719 | \$192,717 | \$1.44886 | /kW |
| Street Light | \$0 | \$0 | \$0 | \$224 | \$447 | \$447 | \$447 | \$1,566 | \$1.05758 | /kW |
| Sentinel | \$7 | \$11 | \$10 | \$10 | \$10 | \$11 | \$11 | \$70 | \$0.00295 | /kWh |
| Unmetered Scattered Load | \$2 | \$132 | \$62 | \$62 | \$54 | \$54 | \$54 | \$419 | \$0.00338 | /kWh |
| Back-up/Standby Power | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$ - | /kWh |
| TOTALS | \$53,679 | \$59,532 | \$61,327 | \$61,104 | \$60,850 | \$62,078 | \$73,244 | \$431,816 | | |
| Hydro One Charges | \$ 55,701 | \$ 56,214 | \$ 58,611 | \$ 52,272 | \$ 60,310 | \$ 64,555 | \$ 70,575 | \$ 418,238 | \$1.88000 | /kW |
| Difference | \$ 2,021 | -\$ 3,318 | -\$ 2,716 | -\$ 8,833 | -\$ 540 | \$ 2,477 | -\$ 2,669 | -\$ 13,578 | 3% | |

Customer Classification

11. Ref: AMPCO Interrogatory # 3

AMPCO requested a breakdown of General Service customers larger than 50 kW by size. There were no customers in the size category 3001 – 5000 kW, and the table contains no row for customers larger than 5000 kW. At Exhibit 9/Tab1/Schedule 6, Lakeland indicates that it intends to provide information supporting the establishment of a large user class in the future.

- a) Are there are also no customers larger than 5000 kW? Or if not zero, how many are there?

Lakeland has used this note as a placeholder should a larger user come into its area. At this point in time, there are no customers larger than 3001 to 5000 kW nor are there any customers larger then 5000 kW.

- b) Is there any reason to be concerned about the validity of the revenue to cost ratios calculated in the Informational Filing EB-2006-0247 due to the absence of a Large user class in that model?

There has never been a Large user in Lakeland's service territory to date and as such all data used in the Informational Filing was related to current customer count and classes.