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January 25, 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-2011-0180
2012 IRM3 – Responses to Board Staff Interrogatories**

Lakeland Power Distribution Ltd is submitting its responses to Board staff Interrogatories for its application for the 2012 Distribution Rates utilizing the 2012 IRM3 methodology.

A copy of the responses will be filed on RESS and sent to any intervenors of record and Board secretary by email. Two hard copies will be sent via mail also.

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

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Margaret Maw".

**Margaret Maw
CFO
Lakeland Holding Ltd.**

Responses to Board Staff Interrogatories

2012 Electricity Distribution Rates Lakeland Power Distribution Ltd. ("Lakeland") EB-2011-0180

2012 Shared Tax Savings Workform

1. Ref: A portion of Sheet "3. Re-Based Bill Det & Rates is reproduced below.

Last COS Re-based Year was in 2009						
Rate Group	Rate Class	Fixed Metric	Vol Metric	Rate ReBal Base Service Charge D	Rate ReBal Base Distribution Volumetric Rate kWh E	Rate ReBal Base Distribution Volumetric Rate kW F
RES	Residential	Customer	kWh	15.21	0.0138	
GSLT50	General Service Less Than 50 kW	Customer	kWh	36.31	0.0083	
GSGT50	General Service 50 to 4,999 kW	Customer	kW	514.32		1.4891
USL	Unmetered Scattered Load	Connection	kWh	17.91	0.0081	
Sen	Sentinel Lighting	Connection	kW	3.62		12.5649
SL	Street Lighting	Connection	kW	3.46		10.5958

Board staff is unable to reconcile the Rate ReBal Base Service Charge (Column D), Rate ReBal Base Distribution Volumetric Rate kWh (Column E) and Rate ReBal Base Distribution Volumetric Rate kW (Column F) with Lakeland's 2009 cost of service decision. Please provide evidence supporting these figures. If necessary, Board staff will make the corrections.

In Lakeland's 2009 Cost of Service decision, the tariff sheet for rates included \$1.00 per metered customer/month in the fixed charge and an amount for Low Voltage in the variable charge. As these are not part of distribution revenue, they were separated out. The table below is an extract from the Draft Rate Order EB-2008-0234 dated June 8, 2009, page 10.

Lakeland Power Distribution Ltd

ED-2002-0540

2009 Rate Application

EB-2008-0234

Rate Schedule - 2009 Test Year Rates

FOR 2009 TEST YEAR	2009 Test Year Core Distribution Rates				Low Voltage		2009 Test Year Distribution Rates Before SM Adder				2009 Total Customer Rate	
Customer Class	Connection	Customer	kW	kWh	kW	kWh	Connection	Customer	kW	kWh	Smart Meter Rate Rider (\$) per Metered Cust./Mont	Customer Rate including Smart Meter Adder
Residential		\$15.2100		\$0.0138		\$0.0024		\$15.2100		\$0.0161	\$1.0000	\$16.2100
GS <50 kW		\$36.3100		\$0.0083		\$0.0021		\$36.3100		\$0.0104	\$1.0000	\$37.3100
GS>=50 kW		\$514.3200	\$1.4891		\$0.8393			\$514.3200	\$2.3284		\$1.0000	\$515.3200
Street Light	\$3.4600		\$10.5958		\$0.6488		\$3.4600		\$11.2446			
Sentinel	\$3.6200		\$12.5649		\$0.6624		\$3.6200		\$13.2273			
Unmetered Scattered Load	\$17.9100			\$0.0081		\$0.0021	\$17.9100			\$0.0102		
Transformer Discount			(\$0.6000)						(\$0.6000)			

2. Proposed Rate Riders Sentinel Lighting and Street Lighting

Ref: 2012 IRM3 Rate Generator

A portion of Sheet "14. Proposed Rate_Riders" of the workform is reproduced below.

Sentinel Lighting			
Low Voltage Service Rate	\$/kW	0.66240	
Rate Rider for Tax Adjustments	\$/kW		-0.22910
			April 30, 2013
Street Lighting			
Low Voltage Service Rate	\$/kW	0.64880	
Rate Rider for Tax Adjustments	\$/kW		-0.21440
			April 30, 2013

A portion of Sheet "6. Calc Tax Chg RRider Var" is reproduced below.

Rate Class	Distribution Volumetric Rate kWh Rate Rider F = C / D	Distribution Volumetric Rate kW Rate Rider G = C / E
Sentinel Lighting		-\$0.2292
Street Lighting		-\$0.2146

- a) Board staff notes that on Sheet 14 of the Rate Generator Workform, the Rate Riders for Tax Adjustments for the Sentinel Lighting and Street Lighting rate classes do not reconcile with Sheet 6 of the Shared Tax Savings workform.

If this is an error, Board staff will make the necessary corrections.

This is a data entry error, Sheet '6' Calc Tx Chg RRider Var is correct. The value of the change is below.

	Sheet 6	Sheet 14	Diff.	Volume-kW	Annual Total \$
Sentinel	-\$0.2292	-\$0.2291	-\$0.0001	115	\$0.01
Street Lighting	-\$0.2146	-\$0.2144	-\$0.0002	5336	\$1.07

2012 IRM3 Rate Generator

3. Ref: A portion of Sheet "10 - Billing Deter. For Def_Var" is reproduced below.

Rate Class	Unit	Metered kWh	Metered kW	Billed kWh for Non-RPP Customers	Estimated kW for Non-RPP Customers	Distribution Revenue ¹
Residential	\$/kWh	82,722,597		11,892,653	-	2,578,659
General Service Less Than 50 kW	\$/kWh	44,672,868		10,300,485	-	1,082,654
General Service 50 to 4,999 kW	\$/kW	84,181,833	208,067	79,774,402	197,173	852,392
Unmetered Scattered Load	\$/kWh	165,657		5,312	-	11,677
Sentinel Lighting	\$/kW	41,068	97	2,776	7	3,269
Street Lighting	\$/kW	1,872,584	5,075	407,750	1,105	141,987
Total		213,656,607	213,239	102,383,378	198,285	4,670,638

Board staff was unable to reconcile Distribution Revenue with those in the 2009 cost of service decision for all customer classes.

- a) Please confirm the figures for Distribution Revenue for all customer classes are those established in EB-2008-0234. If not, please provide the source and rationale for the figures provided.

Lakeland confirms that the figures are the Distribution Revenue for all customer classes established in EB-2008-0234. The table below is an extract from the Draft Rate Order EB-2008-0234 dated June 8, 2009, page 11.

Billing Determinants and Allocators:

2009 Load Forecast - Billing Determinants For 2009					
Class	kWh	kW	Annualized Customers (Average)	Annualized Connections (Average)	Distribution Revenue
Residential	87,027,546	0	90,744	0	2,578,659
GS <50 kW	49,211,450	0	18,588	0	1,082,654
GS ≥50 kW	87,383,887	209,041	1,164	0	852,392
Street Light	2,007,912	5,336	7	24,696	141,987
Sentinel	41,511	115	0	504	3,269
Unmetered Scatt	249,040	0	45	540	11,677
Back-up/Standby	0	0	0	0	0
TOTALS	225,921,346	214,492	110,548	25,740	4,670,638

2009 Allocator					
Class	kWh	kW	Customer Number	Connections	Revenue
Residential	38.52%	0.00%	82.09%		55.21%
GS <50 kW	21.78%	0.00%	16.81%		23.18%
GS ≥50 kW	38.68%	97.46%	1.05%		18.25%
Street Light	0.89%	2.49%	0.01%		3.04%
Sentinel	0.02%	0.05%	0.00%		0.07%
Unmetered Scatt	0.11%	0.00%	0.04%		0.25%
TOTALS	100.0%	100.0%	100.0%	0.0%	100.0%

4. Ref: Manager's Summary, p. 8

Lakeland noted that the billing determinants used in the Rate Generator are the 2009 RRR data. Lakeland also presented the 2010 RRR data.

- a) Please explain why Lakeland chose the 2009 RRR data as appropriate billing determinants instead of 2010 RRR on the 2009 Board approved volumetric forecast.

As noted in the application, Lakeland chose to use the 2009 RRR data as the 2010 RRR data was materially different and Lakeland felt this would not be accepted by Board staff. Lakeland is more than agreeable to change the billing determinants and use the most recent 12-month volumetric data from the 2010 RRR filing. This would allow Lakeland to effectively recover the deferral amounts in the recovery period. The table below reproduces the rate riders using the 2010 RRR filing data.

Rate Class	Accounts Allocated by kWh/kW (RPP) or Distribution Revenue	Volumetric Billing Determinant	Billed kWh	Billed kW	Distribution Volumetric Rate Rider	
Residential	\$24,819	kWh	77,894,336		\$0.0003	\$/kWh
General Service Less Than 50 kW	\$12,402	kWh	41,668,843		\$0.0003	\$/kWh
General Service 50 to 4,999 kW	\$19,533	kW		203,252	\$0.0961	\$/kW
Unmetered Scattered Load	\$71	kWh	141,050		\$0.0005	\$/kWh
Sentinel Lighting	\$19	kW		113	\$0.1681	\$/kW
Street Lighting	\$832	kW		5,087	\$0.1636	\$/kW
Total	\$57,676					

**Responses to Board Staff Interrogatories
2012 IRM3 Electricity Distribution Rates
Lakeland Power Distribution Ltd.
EB-2011-0180**

Account 1521 – Special Purpose Charge (“SPC”)

5. Ref: Manager’s Summary, Table 1, Page 7 of 690

- a) Please confirm Lakeland’s SPC assessment amount and provide a copy of the original SPC invoice.

See below

- b) Please complete the following table related to the SPC.

SPC Assessment (Principal balance)	Amount recovered from customers in 2010	Carrying Charges for 2010	December 31, 2010 Year End Principal Balance	December 31, 2010 Year End Carrying Charges Balance	Amount recovered from customers in 2011	Carrying Charges for 2011	Forecasted December 31, 2011 Year End Principal Balance	Forecasted December 31, 2011 Year End Carrying Charges Balance	Forecasted Carrying Charges for 2012 (Jan.1 to Apr.30)	Total for Disposition (Principal & Interest)
\$85,594.00	\$44,188.08	\$366.45	\$41,405.92	\$366.45	\$38,134.60	\$183.22	\$3,271.32	\$549.67	\$16.00	\$3,836.99

Revised Invoice
Ministry of Energy and Infrastructure
Conservation and Renewable Energy Program Costs

To: Lakeland Power Distribution Ltd.
5 - 45 Cairns Crescent
Huntsville, ON P1H 2M2
Attn: C. Litschko, President & CEO

Item Description:

Assessment for Ministry of Energy and Infrastructure Conservation and Renewable Energy Program Costs.

Quote-part pour les coûts des programme de conservation et d'énergie renouvelable du ministère de l'Énergie et de l'Infrastructure.

Customer No./No du client 3360
Customer Site No./ N° d'emplacement du client 1061040
Invoice Date/Date de la facture April 16, 2010
Invoice No./N° de la facture 50043
Due Date/ Date d'échéance July 30, 2010
Payment Amount/ Montant remis CAD \$ 85,594

Questions related to the remittance should be directed to the Non-Tax Revenue Management Branch Contact Centre at 1-877-535-0554 or Fax (416) 326-5177. Les questions concernant la remise doivent être posées à l'InfoCentre de la Direction de la gestion des revenus non fiscaux au 1 877 535-0554 ou par télécopieur au 416 326-5177.

This assessment was calculated by the Ontario Energy Board, 2300 Yonge St. 27th Floor, P.O. Box 2319, Toronto, ON M4P 1E4. Questions related to the invoice should be directed to the Market Operations Hotline 416-440-7604. La présente quote-part a été fixée par la Commission de l'énergie de l'Ontario, 2300, rue Yonge, 27^e étage, case postale 2319, Toronto (Ontario) M4P 1E4. Les questions relatives à la facture doivent être posées au service de téléassistance du service Activités du marché : 416 440-7604.

*Payments are to be made to the Minister of Finance not the Ontario Energy Board.
Les paiements doivent être faits au ministre des Finances et non à la Commission de l'énergie de l'Ontario.*

Detach here/ Détacher ici



Ministry of Finance/Ministère des Finances
Payment Processing Centre/Centre de traitement des paiements
33 King St. West/33 rue King Ouest
PO Box 647/CP 647
Oshawa, ON L1H 8X3

Please detach and return this portion with your payment in the enclosed envelope. Make your cheque or money order payable to the Minister of Finance. Veuillez détacher et retourner cette partie avec votre remise dans l'enveloppe ci-jointe. Libellez votre chèque ou votre mandat à l'ordre du ministre des Finances.

Lakeland Power Distribution Ltd.
5 - 45 Cairns Crescent
Huntsville, ON P1H 2M2
Attn: C. Litschko, President & CEO

Customer No. / N° du client 3360
Customer Site No./ N° d'emplacement du client 1061040
Invoice No./ N° de la facture 50043
Payment Amount / Montant remis CAD \$.

45 AR 50043

Lost Revenue Adjustment Mechanism (LRAM)

6. Ref: Manager's Summary, pg. 10-12

Ref: Appendix D, LRAM Calculation, pg. 108-112

Lakeland notes that it is seeking LRAM recovery associated with 2006 to 2010 savings from OPA provincial programs that it participated in from 2006 to 2010. The total LRAM claim is for \$109,850. Lakeland also notes that the impact of CDM savings was not reflected in the approved load forecast used to support the approved rates in its 2009 CoS application and that the entire actual load reduction achieved by the OPA sponsored programs is subject to LRAM treatment.

- a) Please confirm that Lakeland used final 2010 program evaluation results from the OPA to calculate its LRAM amount.

Lakeland utilized an estimate of the final 2010 program evaluation results as the final results were not available at the time of the application submission.

- b) If Lakeland did not use final 2010 program evaluation results from the OPA, please explain why and update the LRAM amount accordingly.

See response above. Lakeland is now in receipt of the final 2010 results from OPA. The updated LRAM request is below.

LRAM Rate Rider	LRAM	Interest	Total LRAM Claim	2009 Approved Billing Determinant	UOM	LRAM Rider	
Residential	\$91,929	\$5,448	\$97,377	82,722,597	kWh	0.0012	/(kWh)
General Service Less Than 50 kW	\$8,295	\$492	\$8,787	44,672,868	kWh	0.0002	/(kWh)
General Service 50 to 4,999 kW	\$1,945	\$115	\$2,060	208,067	kW	0.0099	/(kW)
Total	\$102,169	\$6,055	\$108,225				

- c) Please provide the rationale for not filing a Third Party Review.

Lakeland's LRAM claim is based only on OPA results. Information on the OPA website indicates that evaluation reports conducted and prepared by independent third party evaluation contractors have been completed for the 2010 program. The reports consist of OPA-funded Conservation and Demand Management programs evaluated by the EM&V group at the OPA. As a result, since the OPA program results have been prepared by independent third party evaluation contractors it did not appear prudent to Lakeland to incur the cost to conduct another third party review when it has already been completed by the OPA.

- d) Please provide the rationale for not including CDM impacts in Lakeland's last load forecast.

Lakeland's last cost of service application was for 2009 rates which was prepared during the first eight months of 2008. Lakeland's load forecast for 2009 rates was also prepared at the same time. Lakeland's was one of the first medium to smaller size distributors to use a regression analysis to support its load forecast which is commonly used today by a number of distributors in their cost of service rate applications. The process of using the regression analysis to determine Lakeland's 2009 load forecast was very much a learning exercise for all parties involved. The issue of adjusting the load forecast for CDM was raised by Board staff but at time CDM had only recently had an influence on Lakeland's consumption and Lakeland's assessment was the influence would be minimal. In addition, Lakeland believed it did not have enough evidence in the first eight months of 2008 to make a reasonable adjustment to its 2009 load forecast that would be acceptable to all parties. As a result, Lakeland did not make an adjustment to its 2009 load forecast for CDM impacts

- e) Please provide a table that shows the LRAM amounts requested in this application by the year they are associated with and the year the lost revenues took place. Use the table below as an example and continue for all the years LRAM is requested:

Program Years	Years that lost revenues took place					Total
	2006	2007	2008	2008	2010	
2006	\$9,714	\$9,714	\$9,714	\$11,169	\$1,863	\$42,175
2007	\$0	\$8,098	\$4,922	\$5,205	\$4,998	\$23,223
2008	\$0	\$0	\$4,841	\$5,550	\$5,329	\$15,720
2009	\$0	\$0	\$0	\$8,296	\$6,830	\$15,126
2010	\$0	\$0	\$0	\$0	\$6,008	\$6,008
	\$9,714	\$17,812	\$19,478	\$30,220	\$25,028	\$102,252

- f) Please confirm that Lakeland has not received any of the lost revenues requested in this application in the past. If Lakeland has collected lost revenues related to programs applied for in this application, please discuss the appropriateness of this request.

Lakeland confirms that it has not received any of the lost revenues requested in this application in the past.

Lost Revenue Adjustment Mechanism (LRAM) Recovery Rate Rider

LRAM Calculation for 2006 to 2010 based on 2006 to 2010 final results of OPA Program										
Gross KWh saved from OPA program										
Source of Data: 2006-2010 Final OPA CDM Results-Update.Lakeland Power Distribution Ltd										
OPA Initiative Name	Program Year	Results Status	Market	2006 kWh Saved	2007 kWh Saved	2008 kWh Saved	2009 kWh Saved	2010 kWh Saved	Total kWh Saved	
Secondary Refrigerator Retirement Pilot	2006	Final	Consumer	12,172	12,172	12,172	12,172	12,172	60,858	
Cool & Hot Savings Rebate	2006	Final	Consumer	34,257	34,257	34,257	34,257	34,257	171,287	
Every Kilowatt Counts	2006	Final	Consumer	779,641	779,641	779,641	779,641	100,520	3,219,084	
Great Refrigerator Roundup	2007	Final	Consumer	0	40,428	40,428	40,428	40,428	161,711	
Cool & Hot Savings Rebate	2007	Final	Consumer	0	81,577	81,577	81,577	81,577	326,310	
Every Kilowatt Counts	2007	Final	Consumer	0	339,668	334,132	334,132	334,132	1,342,062	
Summer Savings	2007	Final	Consumer	0	2,392,768	403,307	152,658	152,658	3,101,391	
Social Housing Pilot	2007	Final	Consumer Low-Income	0	22,629	22,629	22,629	22,629	90,515	
Great Refrigerator Roundup	2008	Final	Consumer	0	0	155,058	155,058	155,058	465,174	
Cool Savings Rebate	2008	Final	Consumer	0	0	81,389	81,389	81,389	244,166	
Every Kilowatt Counts Power Savings Event	2008	Final	Consumer	0	0	588,614	585,672	585,672	1,759,958	
High Performance New Construction	2008	Final	Business	0	0	690	690	690	2,071	
Great Refrigerator Roundup	2009	Final	Consumer	0	0	0	214,775	214,775	429,550	
Cool & Hot Savings Rebate	2009	Final	Consumer	0	0	0	141,027	141,027	282,055	
Every Kilowatt Counts	2009	Final	Consumer	0	0	0	285,555	258,259	543,814	
High Performance New Construction	2009	Final	Business	0	0	0	21,042	21,042	42,085	
Power Savings Blitz	2009	Final	Business	0	0	0	317,368	317,368	634,736	
Demand Response 1	2009	Final	Business, Industrial	0	0	0	12,817	0	12,817	
Demand Response 2	2009	Final	Business, Industrial	0	0	0	122,007	0	122,007	
Demand Response 3	2009	Final	Business, Industrial	0	0	0	2,330	0	2,330	
Great Refrigerator Roundup	2010	Final	Consumer	0	0	0	0	251,392	251,392	
Cool & Hot Savings Rebate	2010	Final	Consumer	0	0	0	0	25,527	25,527	
Every Kilowatt Counts	2010	Final	Consumer	0	0	0	0	79,077	79,077	
High Performance New Construction	2010	Final	Business	0	0	0	0	67,354	67,354	
Power Savings Blitz	2010	Final	Business	0	0	0	0	201,577	201,577	
Multi-Family Energy Efficiency Rebates	2010	Final	Consumer Low-Income	0	0	0	0	11,231	11,231	
Demand Response 2	2010	Final	Business, Industrial	0	0	0	0	222,816	222,816	
Demand Response 3	2010	Final	Business, Industrial	0	0	0	0	7,897	7,897	
Total				826,070	3,703,140	2,533,894	3,397,225	3,420,526	13,880,854	
Net KWh saved from OPA program										
Source of Data: 2006-2010 Final OPA CDM Results-Update.Lakeland Power Distribution Ltd										
OPA Initiative Name	Program Year	Results Status	Market	2006 kWh Saved	2007 kWh Saved	2008 kWh Saved	2009 kWh Saved	2010 kWh Saved	Total kWh Saved	Free Ridership %
Secondary Refrigerator Retirement Pilot	2006	Final	Consumer	10,954	10,954	10,954	10,954	10,954	54,772	10%
Cool & Hot Savings Rebate	2006	Final	Consumer	27,042	27,042	27,042	27,042	27,042	135,210	21%
Every Kilowatt Counts	2006	Final	Consumer	701,677	701,677	701,677	701,677	90,468	2,897,176	10%
Great Refrigerator Roundup	2007	Final	Consumer	0	16,291	16,291	16,291	16,291	65,164	60%
Cool & Hot Savings Rebate	2007	Final	Consumer	0	41,534	41,534	41,534	41,534	166,138	49%
Every Kilowatt Counts	2007	Final	Consumer	0	248,975	245,930	245,930	245,930	986,765	26%
Summer Savings	2007	Final	Consumer	0	287,132	48,397	18,319	18,319	372,167	88%
Social Housing Pilot	2007	Final	Consumer Low-Income	0	22,629	22,629	22,629	22,629	90,515	0%
Great Refrigerator Roundup	2008	Final	Consumer	0	0	84,178	84,178	84,178	252,533	46%
Cool Savings Rebate	2008	Final	Consumer	0	0	46,753	46,753	46,753	140,259	43%
Every Kilowatt Counts Power Savings Event	2008	Final	Consumer	0	0	237,329	236,297	236,297	709,923	60%
High Performance New Construction	2008	Final	Business	0	0	483	483	483	1,450	30%
Great Refrigerator Roundup	2009	Final	Consumer	0	0	0	114,043	114,043	228,086	47%
Cool & Hot Savings Rebate	2009	Final	Consumer	0	0	0	60,256	60,256	120,511	57%
Every Kilowatt Counts	2009	Final	Consumer	0	0	0	104,775	100,428	205,203	62%
High Performance New Construction	2009	Final	Business	0	0	0	14,730	14,730	29,459	30%
Power Savings Blitz	2009	Final	Business	0	0	0	301,500	301,500	602,999	5%
Demand Response 1	2009	Final	Business, Industrial	0	0	0	12,817	0	12,817	0%
Demand Response 2	2009	Final	Business, Industrial	0	0	0	122,007	0	122,007	0%
Demand Response 3	2009	Final	Business, Industrial	0	0	0	2,330	0	2,330	0%
Great Refrigerator Roundup	2010	Final	Consumer	0	0	0	0	133,944	133,944	47%
Cool & Hot Savings Rebate	2010	Final	Consumer	0	0	0	0	10,635	10,635	58%
Every Kilowatt Counts	2010	Final	Consumer	0	0	0	0	36,594	36,594	54%
High Performance New Construction	2010	Final	Business	0	0	0	0	47,148	47,148	30%
Power Savings Blitz	2010	Final	Business	0	0	0	0	199,561	199,561	1%
Multi-Family Energy Efficiency Rebates	2010	Final	Consumer Low-Income	0	0	0	0	8,273	8,273	26%
Demand Response 2	2010	Final	Business, Industrial	0	0	0	0	222,816	222,816	0%
Demand Response 3	2010	Final	Business, Industrial	0	0	0	0	7,897	7,897	0%
Total				739,673	1,356,235	1,483,198	2,184,545	2,098,703	7,862,354	43%

Lost Revenue Adjustment Mechanism (LRAM) Recovery Rate Rider

Rate Class Allocation (kWh)									
Residential (Market - Consumer)				739,673	1,356,235	1,482,714	1,730,678	1,304,568	6,613,869
General Service < 50 kW (Market - Business)				0	0	483	316,713	563,422	880,618
General Service 50 to 4,999 kW (Market - Business, Industrial)				0	0	0	137,154	230,714	367,868
Total				739,673	1,356,235	1,483,198	2,184,545	2,098,703	7,862,354
kWh/kWh ratio from 2009 Load Forecast				0.2596%	0.2596%	0.2596%	0.2596%	0.2596%	0.2596%
General Service 50 to 4,999 kW (Market - Business, Industrial) (Annual kW - without Demand Response)				0	0	0	356	599	955
Net KW saved from OPA program									
Source of Data: 2006-2009 Final OPA CDM Results-Update.Lakeland Power Distribution Ltd									
OPA Initiative Name	Program Year	Results Status	Market	2006 kW Saved	2007 kW Saved	2008 kW Saved	2009 kW Saved	2010 kW Saved	Total kW Saved
Secondary Refrigerator Retirement Pilot	2006	Final	Consumer	2.5	2.5	2.5	2.5	2.5	12.4
Cool & Hot Savings Rebate	2006	Final	Consumer	25.1	25.1	25.1	25.1	25.1	125.3
Every Kilowatt Counts	2006	Final	Consumer	8.3	8.3	8.3	8.3	8.3	41.4
Demand Response 1	2006	Final	Business, Industrial	156.2	0.0	0.0	0.0	0.0	156.2
Loblaw & York Region Demand Response	2006	Final	Business, Industrial	7.6	0.0	0.0	0.0	0.0	7.6
Great Refrigerator Roundup	2007	Final	Consumer	0.0	1.8	1.8	1.8	1.8	7.4
Cool & Hot Savings Rebate	2007	Final	Consumer	0.0	27.7	27.7	27.7	27.7	110.8
Every Kilowatt Counts	2007	Final	Consumer	0.0	9.6	8.7	8.7	8.7	35.8
Summer Savings	2007	Final	Consumer	0.0	160.7	47.9	23.1	23.1	254.8
Social Housing Pilot	2007	Final	Consumer Low-Income	0.0	2.7	2.7	2.7	2.7	10.6
Demand Response 1	2007	Final	Business, Industrial	0.0	520.8	0.0	0.0	0.0	520.8
Loblaw & York Region Demand Response	2007	Final	Business, Industrial	0.0	43.3	0.0	0.0	0.0	43.3
Great Refrigerator Roundup	2008	Final	Consumer	0.0	0.0	9.1	9.1	9.1	27.2
Cool Savings Rebate	2008	Final	Consumer	0.0	0.0	29.6	29.6	29.6	88.8
Every Kilowatt Counts Power Savings Event	2008	Final	Consumer	0.0	0.0	12.9	12.4	12.4	37.7
High Performance New Construction	2008	Final	Business	0.0	0.0	0.6	0.6	0.6	1.7
Demand Response 1	2008	Final	Business, Industrial	0.0	0.0	740.2	0.0	0.0	740.2
Demand Response 3	2008	Final	Business, Industrial	0.0	0.0	143.1	0.0	0.0	143.1
Loblaw & York Region Demand Response	2008	Final	Business, Industrial	0.0	0.0	49.2	0.0	0.0	49.2
Great Refrigerator Roundup	2009	Final	Consumer	0.0	0.0	0.0	18.0	18.0	36.0
Cool Savings Rebate	2009	Final	Consumer	0.0	0.0	0.0	39.7	39.7	79.4
Every Kilowatt Counts Power Savings Event	2009	Final	Consumer	0.0	0.0	0.0	10.6	10.4	21.0
High Performance New Construction	2009	Final	Business	0.0	0.0	0.0	6.5	6.5	12.9
Power Savings Blitz	2009	Final	Business	0.0	0.0	0.0	77.3	77.3	154.6
Demand Response 1	2009	Final	Business, Industrial	0.0	0.0	0.0	291.7	0.0	291.7
Demand Response 2	2009	Final	Business, Industrial	0.0	0.0	0.0	198.1	0.0	198.1
Demand Response 3	2009	Final	Business, Industrial	0.0	0.0	0.0	283.0	0.0	283.0
Loblaw & York Region Demand Response	2009	Final	Business, Industrial	0.0	0.0	0.0	48.6	0.0	48.6
Great Refrigerator Roundup	2010	Estimate	Consumer	0.0	0.0	0.0	0.0	18.0	18.0
Cool Savings Rebate	2010	Estimate	Consumer	0.0	0.0	0.0	0.0	39.7	39.7
Every Kilowatt Counts Power Savings Event	2010	Estimate	Consumer	0.0	0.0	0.0	0.0	10.6	10.6
High Performance New Construction	2010	Estimate	Business	0.0	0.0	0.0	0.0	6.5	6.5
Power Savings Blitz	2010	Estimate	Business	0.0	0.0	0.0	0.0	77.3	77.3
Demand Response 1	2010	Estimate	Business, Industrial	0.0	0.0	0.0	0.0	291.7	291.7
Demand Response 2	2010	Estimate	Business, Industrial	0.0	0.0	0.0	0.0	198.1	198.1
Demand Response 3	2010	Estimate	Business, Industrial	0.0	0.0	0.0	0.0	283.0	283.0
Loblaw & York Region Demand Response	2010	Estimate	Business, Industrial	0.0	0.0	0.0	0.0	48.6	48.6
Total				199.7	802.5	1,109.4	1,124.9	1,276.8	4,513.3
General Service 50 to 4,999 kW (Market - Business, Industrial) (kW)				164	564	932	821	821	3,303
General Service 50 to 4,999 kW (Market - Business, Industrial) (Annual kW - with Demand Response)				1,966	6,769	11,190	9,856	9,856	39,638
Summary Units Lost									
Residential (kWh)				739,673	1,356,235	1,482,714	1,730,678	1,304,568	6,613,869
General Service Less Than 50 kW (kWh)				0	0	483	316,713	563,422	880,618
General Service 50 to 4,999 kW (kWh - with Demand Response)				1,966	6,769	11,190	9,856	9,856	39,638
General Service 50 to 4,999 kW (kWh - without Demand Response)				0	0	0	356	599	955

Lost Revenue Adjustment Mechanism (LRAM) Recovery Rate Rider

Rate Class Distribution Volumetric Rates				Eff: Apr 1, 2005	Eff: May 1, 2006	Eff: Sept 1, 2007	Eff: May 1, 2008	Eff: May 1, 2009	Eff: May 1, 2010		
Residential (/kWh)				0.0132	0.0131	0.0132	0.0131	0.0161	0.0137		
General Service Less Than 50 kW (/kWh)				0.0100	0.0096	0.0097	0.0097	0.0104	0.0083		
General Service 50 to 4999 kW (/kW)				2.6841	2.6376	2.6613	2.6507	2.3284	1.4417		
Rate Class Distribution Volumetric Rates (Annualized)					2006	2007	2008	2009	2010		
Residential (/kWh)					0.0131	0.0131	0.0131	0.0151	0.0145		
General Service Less Than 50 kW (/kWh)					0.0097	0.0096	0.0097	0.0102	0.0090		
General Service 50 to 4,999 kW (/kW)					2.6531	2.6455	2.6542	2.4358	1.7373		
LRAM ()					2006	2007	2008	2009	2010	Total	
Residential (/kWh)					\$9,714	\$17,812	\$19,473	\$26,133	\$18,916	\$92,049	
General Service Less Than 50 kW (/kWh)					\$0	\$0	\$5	\$3,220	\$5,071	\$8,295	
General Service 50 to 4,999 kW (/kW - without Demand response)					\$0	\$0	\$0	\$867	\$1,041	\$1,908	
Total					\$9,714	\$17,812	\$19,478	\$30,220	\$25,028	\$102,252	
LRAM Rate Rider	LRAM	Interest	Total LRAM Claim	2009 Approved Billing Determinant	UOM	LRAM Rider					
Residential	\$92,049	\$5,453	\$97,502	82,722,597	kWh	0.0012	(/kWh)				
General Service Less Than 50 kW	\$8,295	\$491	\$8,787	44,672,868	kWh	0.0002	(/kWh)				
General Service 50 to 4,999 kW	\$1,908	\$113	\$2,021	208,067	kW	0.0097	(/kW)				
Total	\$102,252	\$6,057	\$108,309								
Program Years	Years that lost revenues took place										
	2006	2007	2008	2008	2010	Total					
2006	\$9,714	\$9,714	\$9,714	\$11,169	\$1,863	\$42,175					
2007	\$0	\$8,098	\$4,922	\$5,205	\$4,998	\$23,223					
2008	\$0	\$0	\$4,841	\$5,550	\$5,329	\$15,720					
2009	\$0	\$0	\$0	\$8,296	\$6,830	\$15,126					
2010	\$0	\$0	\$0	\$0	\$6,008	\$6,008					
	\$9,714	\$17,812	\$19,478	\$30,220	\$25,028	\$102,252					

License Number: ED-1999-0047
Effective Date: May 1, 2012
Version : 1.0

Lost Revenue Adjustment Mechanism (LRAM) Recovery Rate Rider

Interest	Date	Opening	Int. Rate	Interest
	Jan-06	\$810	6.76%	\$5
	Feb-06	\$1,619	6.76%	\$9
	Mar-06	\$2,429	6.76%	\$14
	Apr-06	\$3,238	4.14%	\$11
	May-06	\$4,048	4.14%	\$14
	Jun-06	\$4,857	4.14%	\$17
	Jul-06	\$5,667	4.59%	\$22
	Aug-06	\$6,476	4.59%	\$25
	Sep-06	\$7,286	4.59%	\$28
	Oct-06	\$8,095	4.59%	\$31
	Nov-06	\$8,905	4.59%	\$34
	Dec-06	\$9,714	4.59%	\$37
	Jan-07	\$11,199	4.59%	\$43
	Feb-07	\$12,683	4.59%	\$49
	Mar-07	\$14,167	4.59%	\$54
	Apr-07	\$15,652	4.59%	\$60
	May-07	\$17,136	4.59%	\$66
	Jun-07	\$18,620	4.59%	\$71
	Jul-07	\$20,105	4.59%	\$77
	Aug-07	\$21,589	4.59%	\$83
	Sep-07	\$23,073	4.59%	\$88
	Oct-07	\$24,558	5.14%	\$105
	Nov-07	\$26,042	5.14%	\$112
	Dec-07	\$27,526	5.14%	\$118
	Jan-08	\$29,149	5.14%	\$125
	Feb-08	\$30,773	5.14%	\$132
	Mar-08	\$32,396	5.14%	\$139
	Apr-08	\$34,019	4.08%	\$116
	May-08	\$35,642	4.08%	\$121
	Jun-08	\$37,265	4.08%	\$127
	Jul-08	\$38,888	3.35%	\$109
	Aug-08	\$40,511	3.35%	\$113
	Sep-08	\$42,135	3.35%	\$118
	Oct-08	\$43,758	3.35%	\$122
	Nov-08	\$45,381	3.35%	\$127
	Dec-08	\$47,004	3.35%	\$131
	Jan-09	\$49,522	2.45%	\$101
	Feb-09	\$52,041	2.45%	\$106
	Mar-09	\$54,559	2.45%	\$111
	Apr-09	\$57,077	1.00%	\$48
	May-09	\$59,596	1.00%	\$50
	Jun-09	\$62,114	1.00%	\$52
	Jul-09	\$64,633	0.55%	\$30
	Aug-09	\$67,151	0.55%	\$31
	Sep-09	\$69,669	0.55%	\$32
	Oct-09	\$72,188	0.55%	\$33
	Nov-09	\$74,706	0.55%	\$34
	Dec-09	\$77,224	0.55%	\$35
	Jan-10	\$79,310	0.55%	\$36
	Feb-10	\$81,396	0.55%	\$37
	Mar-10	\$83,481	0.55%	\$38
	Apr-10	\$85,567	0.55%	\$39
	May-10	\$87,653	0.55%	\$40
	Jun-10	\$89,738	0.55%	\$41
	Jul-10	\$91,824	0.89%	\$68
	Aug-10	\$93,909	0.89%	\$70
	Sep-10	\$95,995	0.89%	\$71
	Oct-10	\$98,081	1.20%	\$98
	Nov-10	\$100,166	1.20%	\$100
	Dec-10	\$102,252	1.20%	\$102
	Jan-11	\$102,252	1.47%	\$125
	Feb-11	\$102,252	1.47%	\$125
	Mar-11	\$102,252	1.47%	\$125
	Apr-11	\$102,252	1.47%	\$125
	May-11	\$102,252	1.47%	\$125
	Jun-11	\$102,252	1.47%	\$125
	Jul-11	\$102,252	1.47%	\$125
	Aug-11	\$102,252	1.47%	\$125
	Sep-11	\$102,252	1.47%	\$125
	Oct-11	\$102,252	1.47%	\$125
	Nov-11	\$102,252	1.47%	\$125
	Dec-11	\$102,252	1.47%	\$125
	Jan-12	\$102,252	1.47%	\$125
	Feb-12	\$102,252	1.47%	\$125
	Mar-12	\$102,252	1.47%	\$125
	Apr-12	\$102,252	1.47%	\$125
				\$6,057

Account 1562 – Deferred Payments in Lieu (PILs)

7. PILS Recovery

Ref: PILs Recoveries worksheet

- a) Unmetered scattered load (USL) is not listed as one of the components of the billing and recovery in PILs revenue worksheet, although the 2002, 2004, and 2005 Board decisions include USL as one of the rate categories. USL was billed using the GS<50kW rate which included PILs fixed and variable charge slivers.

Please explain why the USL connections and energy (kWhs) and the associated rate slivers classified under GS<50kW rate class were not used in the calculation of PILs recoveries from ratepayers. Please correct the PILs recovered worksheets.

Lakeland did not have a USL rate category until the 2006 Rate application process. As such, USL is part of GS<50 kW in prior years and was not tracked as a separate customer class. The data is not available prior to 2006.

8. Interest Expense

Ref: 2001 to 2005 SIMPIL models

Interest Portion of True-up

When the actual interest expense, as reflected in the financial statements and tax returns, exceeds the maximum deemed interest amount approved by the Board, the excess amount is subject to a claw-back penalty and is shown in sheet TAXCALC as an extra deduction in the true-up calculations.

For the tax years 2001 to 2005:

- a) Did Lakeland have interest expense related to liabilities other than debt that is disclosed as interest expense in its financial statements?

In the 2001 to 2005, Lakeland posted interest expense on debt and customer deposits in the interest expense account as well as IMO standby fees, interest penalties and carrying charges on regulatory liabilities.

- b) Did Lakeland net interest income against interest expense in deriving the amount it shows as interest expense in its financial statements and tax returns? If yes, please provide details to what the interest income relates.

Lakeland did not include any interest income in deriving the amount showing for interest expense

- c) Did Lakeland include interest expense on customer security deposits in interest expense for purposes of the interest true-up calculation?

Lakeland included interest expense on customer security deposits in the interest expense. See table below

Year	Interest on Customer Deposits
2001	\$351
2002	\$251
2003	\$1,163
2004	\$5,198
2005	\$4,565

- d) Did Lakeland include interest income on customer security deposits in the disclosed amount of interest expense in its financial statements and tax returns?

Lakeland did not include interest income on customer security deposits in the disclosed amount of interest expense.

- e) Did Lakeland include interest expense on IESO prudentials in interest expense?

Lakeland included standby fees on IESO prudentials in interest expense up until the first quarter of 2005 after which, it was no longer a IESO market participant.

Year	Stand by Fees IMO
2001	
2002	\$6,023
2003	\$6,097
2004	\$5,448
2005	\$997

- f) Did Lakeland include interest carrying charges on regulatory assets or liabilities in interest expense?

Lakeland did include interest carrying charges on Regulatory liabilities in interest expense as per the chart below.

Year	Interest on Reg Liabilities
2001	
2002	\$5,536
2003	\$18,506
2004	\$11,842
2005	\$10,980

- g) Did Lakeland include the amortization of debt issue costs, debt discounts or debt premiums in interest expense? If the answer is yes, did Lakeland also include the difference between the accounting and tax amortization amounts in the interest true-up calculations? Please explain.

Lakeland did not have any debt issue costs, discounts, or premiums so they were not included in interest expense

- h) Did Lakeland deduct capitalized interest in deriving the interest expense disclosed in its financial statements? If the answer is yes, did Lakeland add back the capitalized interest to the actual interest expense amount for purposes of the interest true-up calculations? Please explain.

Lakeland does not capitalize interest.

- i) Please provide Lakeland's views on which types of interest income and interest expense should be included in the excess interest true-up calculations.

Lakeland does not have excess interest and has no view on the inclusions.

- j) Please provide a table for the years 2001 to 2005 that shows all of the components of Lakeland's interest expense and the amount associated with each type of interest.

Year	Interest on Debt	Interest on Customer Deposits	Interest on Reg Liabilities	Stand by Fees IMO	Penalty	Total Interest Expense
2001	\$62,794	\$351				\$63,145
2002	\$233,388	\$251	\$5,536	\$6,023		\$245,198
2003	\$250,752	\$1,163	\$18,506	\$6,097	\$56	\$276,574
2004	\$219,836	\$5,198	\$11,842	\$5,448	\$29	\$242,353
2005	\$162,733	\$4,565	\$10,980	\$997	\$5,213	\$184,487
no longer a market participant - prudential charges stopped in 2005						

9. Treatment of Regulatory Assets and Liabilities in the Tax Returns

Ref: 2001 to 2005 Tax Returns

- a) It appears from the evidence that Lakeland retained regulatory assets and liabilities on the balance sheet and did not adjust the tax returns for the annual movements or changes in the balances of regulatory assets and liabilities.

Please explain why the Ministry of Finance allowed this tax treatment for Lakeland.

Lakeland's auditors submitted the tax returns based on the Regulatory audited financial statements and they were accepted without question from the Ministry of Revenue.

10.1562 Balance Reported in RRR

Reference: PILs Continuity Schedule

- a) Lakeland has reported a balance in account 1562 of - \$467,896 at the end of December 2010 in its RRR filing 2.1.7. The 2010 balance according to the PILs continuity schedule is a debit balance of \$15,316 consisting of principal of - \$11,499 and interest of \$26,815.

Please explain the reason for the differences between the 2010 RRR balance and the evidence filed in this case.

Lakeland made the revenue entries for Oct/01-May/04 into 1562 utilizing estimated volumes and average annual customer counts and used the wrong rate in June 2004. The 2001 PILs proxy was never booked in 1562 nor an offset into 1563. Also, after May 2006, Lakeland continued to make an entry to estimate the portion of PILs in distribution revenue up until July 2007, when the reversal entry was made, it was short \$33 K. Finally, the SIMPIL reconciliation amounts were different than those calculations in the Halton Hills versions, \$(19) K. See table below for breakdown.

Description of Correction	Principal	Carry Charges	Total	Comments
Balance as at Dec. 31, 2010	-\$398,373	-\$69,523	-\$467,896	
True up on old method vs new (Halton Hills)	-\$19,496		-\$19,496	- \$62,345 versus -\$81,841
2001 PILs Proxy not booked	\$183,800		\$183,800	
June/04 Revenue- used wrong rate	\$57,268		\$57,268	multiplied residential volume by GS <50 rate
Oct/01-May/04 revenue used estimates	\$198,064		\$198,064	used one customer count for full period and average annual volume for all months
Continued booking beyond May/06	-\$32,762		-\$32,762	Booked rev & proxy until July/07 then reversed wrong amount
Interest calculated on incorrect balances		\$96,338	\$96,338	
Total as per application	-\$11,499	\$26,815	\$15,316	

The offset to all amounts were booked to Account 1563 - no P&L impact