Lakefront Utilities Inc.

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Board Secretary
Ontario Energy Board
2300 Yonge Street
27th Floor
Toronto, ON M4P 1E4

February 20, 2012

Dear Ms. Walli,

Re: Lakefront Utilities Inc. Interrogatory Responses to VECC in the proceeding EB-2011-0250

Lakefront Utilities Inc. (LUI) hereby submits its responses to VECC Interrogatories to the Ontario Energy Board ("the Board")

Please find attached to this cover letter:

- 2 paper copies of the Interrogatory Responses to VECC in proceeding EB-2011-0250;
- 1 electronic copy of the Interrogatory Responses to VECC in proceeding EB-2011-0250

A copy of the Interrogatory Responses to VECC has also been filed through the Web Portal and 1 paper copy and electronic copies forwarded to all intervenors in EB-2011-0250.

In the event of any additional information, questions or concerns, please contact Jennifer Theoret, Director, Finance and Compliance, at jtheoret@lusi.on.ca or (905) 372-2193.

Sincerely,

{Original Signed By}

Jennifer Theoret, CA
Director, Finance and Compliance
Lakefront Utilities Inc.

Cc: Dereck Paul, President, LUI
James C. Sidlofsky, Borden Ladner Gervais, LLP
Intervenors in proceeding EB-2011-0250

RATE BASE

1. Reference:Exhibit 2,page 10, Table 2-0B

a) Please explain the reasons for the significant difference between the 2009 depreciation expense and the 2008 expense.

LUI's RESPONSE:

LUI confirms that the significant difference in accumulated depreciation from 2008 to 2009 is due to the fully depreciated assets that were written off in 2009.

b) If this change is related to the $3,631,020 of fully depreciated assets written off in 2009 (Exhibit 2, page 24), then please explain the nature of the assets written off and the reasons for the large onetime write-off.

LUI's RESPONSE:

The assets that were written off in 2009 were grouped (or pooled) assets that were fully depreciated and had been retired. LUI undertook the task of analyzing their asset base in both 2008 and 2009 to ensure that any fully depreciated assets that were retired assets, were removed from our asset base at that time. The majority of the assets that were fully depreciated and removed from our rate base, were poles, towers & fixtures (account 1850).

2. Reference : Exhibit 2, page 18, Tables 2-4A and 2-4B

a) Please confirm that in Table 2-4A the figures for 2008 through 2011 have been restated in MIFRS format.

LUI's RESPONSE:

LUI has not restated the figures for 2008 through 2011 in Table 2-4A in MIFRS format. The only figures in this table that have been restated in MIFRS format are the 2012 Test Year. For the purpose of this question, the Table 2-4A could be (should be) referred to hereforth as Table 2-4A Rate Base Variances (2012 MIFRS only)

b) In respect to Table 2-4B (CGAAP), please explain how the variance in accumulated depreciation is calculated as between 2008 Board approved and 2008 Actuals ($18,939,65). Specifically why is this figure significantly different than the equivalent period variance shown in MIFRS Table 2-4A (i.e., $-310,688).

LUI's RESPONSE:

LUI has determined that the formula used to calculate Accumulated Depreciation in Table 2-4B was erroneous. The formula is adding the two figures in the previous columns, whereas it should be subtracting the 2008 OEB Approved figure from the 2008 Actual. Doing so would result in a figure of $342,785, which is the same figure as in Table 2-4A. Please note that the variance in the equivalent period in MIFRS Table 2-4A is $342,785 for Accumulated Depreciation, not $310,688 as per last line of part b).

3. Reference:Exhibit 2, page 12, pages 30 - 89

a) LUI states that its capital budget is segregated into four categories: Asset Management; Developer Driven; Municipal Driven and Other. Please create a table which restates the actual and forecast capital budget figures (pages 30-89) on a CGAAP basis using these categories and includes a category for smart meter projects. For this table please provide the actual (or updated) 2011 capital costs. The Table would take the form:

	2008 Board	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Forecast
Asset Management						
Developer Driven						
Municipal Driven						
Smart Meter						
Total Capital budget						
Contributions						
Total – Net of Contributions						

LUI's RESPONSE:

LUI's capital budget is segregated into the following categories:

- Asset Management Capital Expenditures
- Developer-Driven (Growth related) Capital Expenditures
- Municipal Driven Capital Expenditures
- Other Capital Expenditures

LUI has provided a table below which outlines to the best capability the segregated categories. Often there may be a cross function of capital developments, or restoration. An example can be a project of asset management in which a street is required to be restored to a new existing municipal plan (i.e Underground Lines in a historic area.)

	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Forecast	2008 Board
Asset Management	1,127,698	918,520	1,151,410	1,599,683	1,808,000	908,753
Developer Driven	292,376	204,219	550,898	131,747	244,000	-
Municipal Driven	76,592	72,725	341,264	95,922	97,000	-
Smart Meter	19,737	15,362	4,147	261,550	50,000	-
Total Capital Budget	**1,516,403**	**1,210,826**	**2,047,719**	**2,088,902**	**2,199,000**	**908,753**
Contributions	271,735	100,595	555,681	100,000	100,000	-
Total Net of Contributions	**1,244,668**	**1,110,231**	**1,492,038**	**1,988,902**	**2,099,000**	**908,753**

LUI would like to emphasize that the 2008 Board Approved figure of $908,753 was revised, based on EB-2008-0277, whereas LUI requested and was approved for an additional $325,000 capital expenditures in the 2008 year, however was to be reflected in the rates for May 1, 2009.

4. Reference:Exhibit 2, page 12, pages 30 - 89

a) Please provide the SAIDI, SAIFI and CAIDI results showing both with and excluding (Hydro One) supply.

LUI's RESPONSE:

SAIDI, SAIFI and CAIDI results pertaining to all interruptions, can be found in Exhibit 2, page 101-103.

For comparative purposes however, I have attached below, 3 tables. The first table contains (on the left) SAIDI including all interruptions, and (on the right) Excluding Loss of Supply. The second table contains SAIFI tables, in the same format as SAIFI, and the third table, CAIDI, in the same format as SAIDI as well.

SAIDI:

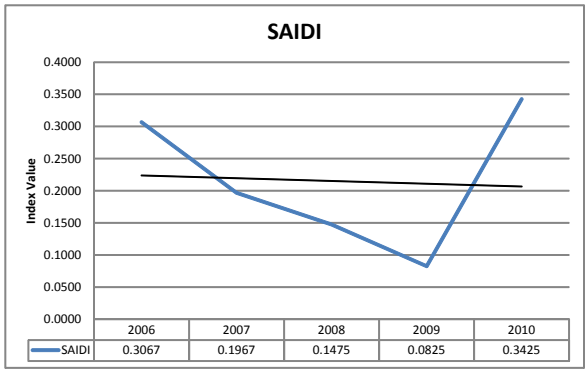
All interruptions

	2010	2009	2008	2007	2006
January	0.01	0.01	0.14	0.04	0.43
February	0.000	0.000	0.000	0.02	0.1
March	0.24	0.01	0.01	0.05	0.05
April	1.07	0.22	0.03	0.08	0.06
May	0.000	0.05	0.000	0.46	0.02
June	0.01	0.01	0.07	0.25	0.19
July	1.97	0.02	0.01	0.58	0.39
August	0.37	0.59	0.01	0.26	0.46
September	0.26	0.15	0.12	0.01	0.12
October	0.01	0.000	0.01	0.6	0.37
November	0.16	0.000	0.3	0.000	0.08
December	0.01	0.41	1.07	0.01	1.41
	0.3425	**0.1225**	**0.1475**	**0.1967**	**0.3067**

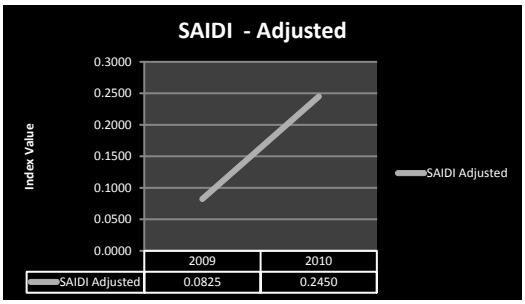
SAIDI - Excluding Loss of Supply

Column1	2010	2009
January	0.01	0.01
February	0.000	0
March	0.13	0.01
April	0.01	0.22
May	0.000	0.05
June	0.01	0.01
July	1.97	0.02
August	0.37	0.11
September	0.26	0.15
October	0.01	0
November	0.16	0
December	0.01	0.41
	0.2450	**0.0825**

System Average Duration Performance



System Average Duration Performance - Adjusted



SAIFI

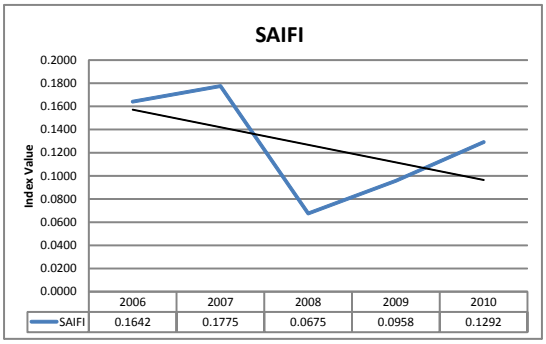
Including Loss of Supply

	2010	2009	2008	2007	2006
January	0.0000	0.0000	0.09	0.05	0.24
February	0.0000	0.0000	0.0000	0.03	0.03
March	0.21	0.01	0.0000	0.12	0.03
April	0.43	0.11	0.01	0.07	0.04
May	0.0000	0.05	0.01	0.43	0.01
June	0.01	0.01	0.08	0.28	0.19
July	0.57	0.01	0.01	0.53	0.5
August	0.53	0.46	0.01	0.25	0.24
September	0.19	0.18	0.02	0.0000	0.08
October	0.01	0.0000	0.01	0.36	0.39
November	0.11	0.0000	0.03	0.01	0.02
December	0.01	0.32	0.54	0.0000	0.2
	0.1725	0.0958	0.0675	0.1775	0.1642

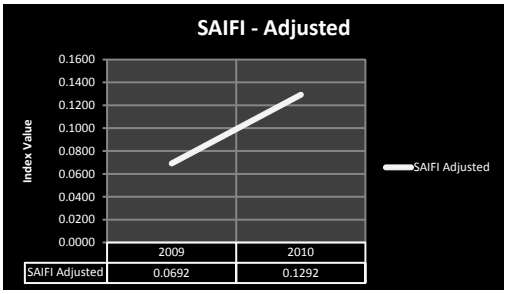
SAIFI - Excluding Loss of Supply

January	0	0
February	0.000	0
March	0.11	0.01
April	0.01	0.11
May	0.000	0.05
June	0.01	0.01
July	0.57	0.01
August	0.53	0.14
September	0.19	0.18
October	0.01	0
November	0.11	0
December	0.01	0.32
	0.1292	0.0692

System Average Outage Frequency Performance



System Average Outage Frequency Performance - Adjusted



CAIDI:

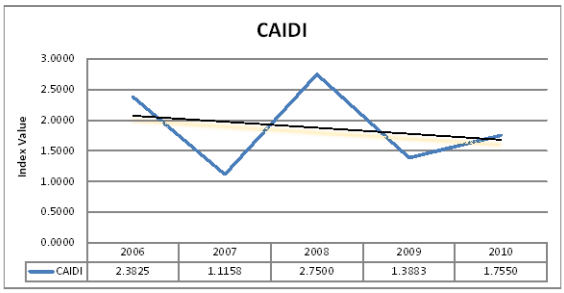
Including Loss of Supply

	2010	2009	2008	2007	2006
January	2.5	3	1.54	0.78	1.77
February	4	0	1.52	0.56	3.06
March	1.13	1.15	1.91	0.38	1.78
April	2.47	2.01	5.18	1.14	1.44
May	0.55	1.06	0.76	1.06	3.11
June	1.18	1.69	0.84	0.88	0.99
July	3.45	1.24	1.26	1.09	0.79
August	0.7	1.27	1.04	1.05	1.94
September	1.37	0.85	6.03	1.5	1.57
October	1.01	1.62	0.95	1.67	0.93
November	1.49	1.5	9.97	0.51	4.27
December	1.21	1.27	2	2.77	6.94
	1.755	1.3883	2.75	1.1158	2.3825

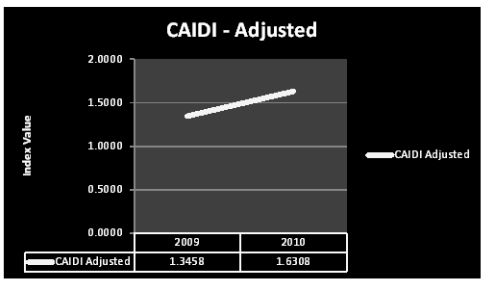
CAIDI Excluding Loss of Supply

Column1	2010	2009
January	2.5	3
February	4.000	0.000
March	1.25	1.15
April	0.86	2.01
May	0.550	1.060
June	1.18	1.69
July	3.45	1.24
August	0.7	0.76
September	1.37	0.85
October	1.01	1.62
November	1.49	1.5
December	1.21	1.27
	1.6308	1.3458

Customer Average Interruption Duration Index



Customer Average Interruption Duration Index - Adjusted



b) Please explain the decrease in reliability figures in 2010.

LUI's RESPONSE:

LUI had one very large interruption in 2010, which was caused by a 44kV feeder to burn down, which in turn affected 4000 customers, over a 3 hour span. This alone is the reason for the decrease in reliability figures for 2010.

5. Reference:Exhibit 2, pages 70-90

a) Please provide a list and description of each property currently owned and used by LUI for office, corporate or operational purposes. Please provide the capital expenditures on these properties for 2008 through 2015.

Lakefront Utilities Inc. - Property Owned Capital Assets

		ACTUAL AUDITED SPENDING			ACTUAL UNAUDITED		FOR
		2008	2009	2010	2011	2012	2
CAPITAL ASSET ACCOUNT	Capital Asset Description	Additions	Additions	Additions	Additions	Additions	Ad
1808 - Buildings & Fixtures	Operational - Fleet facility & operational staff - 25 Ewart St	1,809.00		19,296.00	311.49	105,000.00	75
1808 - Buildings & Fixtures	Office & Corportate Building - 207 Division St	7,981.22	74,242.39	37,801.03	2,448.00	50,000.00	
1808 - Buildings & Fixtures	Operational - Ontario/Vic Street	13,017.36					
1820 - Distribution Station	Operational - Ewart St 27kV SubStation				115,000.00	175,000.00	500
1820 - Distribution Station	Operational - Victoria St Substation		22,083.03	22,514.47	62,681.00		
1820 - Distribution Station	Operational - D'Arcy St Substation						
1820 - Distribution Station	Operational - Kerr St Substation	6,000.00					
1820 - Distribution Station	Operational - Brook Rd Substation		1,289.52		62,500.00		
1820 - Distribution Station	Operational - Orr St Substation						
1820 - Distribution Station	Operational - Durham St, Colbone Substation						
		28,807.58	97,614.94	79,611.50	242,940.49	330,000.00	575

LUI would like to point out that over the last decade and a half the company has been involved in system conversion from 4kV to 27.6kV to both reduce system losses and systematically upgrade its infrastructure and at this point due to the operating capacity of the existing 27.6kV municipal sub-stations (2) can no longer transfer any additional 4kV load to the 27.6kV system. The planned and approved conversion of the existing inefficient 4kV distribution system requires the completion of a third strategically located 27.6kV municipal sub-station within the next three years to enable the transfer of existing 4kV load and permit the discontinuance of the existing four 4kV municipal sub-stations. The capacity of the existing four 4kV sub-stations is 20MVA.

With the above factors taken into consideration and employing prudent management of capital spending patterns, LUI would like to spread this cost out throughout four years ($115K was spent in 2011 for preliminary sub-station design), with $175K in 2012, $500K in 2013, $800K in 2014 & $900K in 2015.

Management has submitted a five-year budget to the LUI Board for approval and will be communicating with the Ontario Energy Board about this capital project.

In addition to the above, LUI in its future forecasts will require additional wholesale capacity and has engaged Hydro One Distribution to determine the best course of action. In addition to Hydro One, LUI will be speaking to the Ontario Power Authority before informing the Board about this requirement and future potential capital expenditure.

6. Reference:Exhibit 2, page 42

a) Please provide the total costs in each year 2008 through 2015 that LUI spent or expects to spend on projects to move conductors underground.

LUI's RESPONSE:

LUI has incurred the following costs associated with moving conductors underground, due to Town's requirement for Heritage District:

Street Name	2009	2010	2011	2012-2015
Project 1		$147,000	$25,000	
Project 2	$75,000	$120,000	$66,000	$100,000
TOTAL	**$75,000**	**$267,000**	**$91,000**	**$100,000**

a) Please provide a description of how this program operates, for example what criteria is used to determine when overhead wiring is used and when underground conduit is used.

LUI's RESPONSE:

The Town of Cobourg dictates what areas are allowed to be overhead distribution or underground distribution. At present all new subdivisions are also required to be underground distribution. These are funded by the developer, following the regulations set out in the Distribution System Code. Overhead line rebuilds in the Town of Cobourg that are designated "heritage district" are required to be underground during any capital rebuild. Capital rebuilds in other areas are rebuilt on the basis of overhead distribution to overhead distribution.

b) There does not appear to be a discussion of the underground conduit program in LUI's Asset Management Plan. Please explain if the issue of underground conduit was discussed as part of the Asset Management plan.

LUI's RESPONSE:

LUI does not have any discussion on an "underground conduit program", as there is no program in place by LUI. In the Cost of Service Rate Application, line 13-14, page 42 in Exhibit 2, LUI stated "…LUI finds it beneficial to replace the overhead lines…" however this should have read… "LUI is **required** to replace overheads lines as defined by the Town of Cobourg…..".

c) Please provide LUI's the capital contribution policy used when requests are made for using underground conduit.

LUI's RESPONSE:

LUI's policy is as follows:

If the Town of Cobourg requires the distribution to be underground, in the small heritage district, then LUI fully complies and funds this project.

However, LUI requires a capital contribution from a developer for a ew Subdivision using underground requests based on the Distribution System Code.

LOAD FORECAST AND REVENUE OFFSETS

7. Reference:Exhibit 3, pages 7-8

a) Please provide the results of the individual class analyses undertaken (i.e., the models estimated for each class along with the associated regression statistics) as discussed on page 7 (lines 1-6).

LUI's RESPONSE:

LUI has included below, a Table which outlines the results of the individual class analysis, by demonstrating the regression statistics.

Residential Customer Class:

Regression Statistics	
Multiple R	0.923162941
R Square	0.852229816
Adjusted R Square	0.838619405
Standard Error	2694217.062
Observations	84

GS<50 Customer Class

Regression Statistics	
Multiple R	0.668569591
R Square	0.446985298
Adjusted R Square	0.396049733
Standard Error	1077508.31
Observations	84

GS> 50-2999 Customer Class

Regression Statistics	
Multiple R	0.783244414
R Square	0.613471812
Adjusted R Square	0.577870532
Standard Error	2684637.013
Observations	84

GS 3000-4999 Customer Class

Regression Statistics	
Multiple R	0.783244414
R Square	0.613471812
Adjusted R Square	0.577870532
Standard Error	2684637.013
Observations	84

Sentinel Customer Class:

Regression Statistics	
Multiple R	0.783244414
R Square	0.613471812
Adjusted R Square	0.577870532
Standard Error	2684637.013
Observations	84

Streetlights Customer Class:

Regression Statistics	
Multiple R	0.783244414
R Square	0.613471812
Adjusted R Square	0.577870532
Standard Error	2684637.013
Observations	84

USL Customer Class:

Regression Statistics	
Multiple R	0.783244414
R Square	0.613471812
Adjusted R Square	0.577870532
Standard Error	2684637.013
Observations	84

b) At page 7, lines 19-22 the Application makes reference to "adding back" the data for the GS>50-2999 kW customer. However, at lines 22-26, the Application discusses the use of a customer in the GS 3000-4999 class. Please clarify:
   - For which class was a customer removed from the analysis and then subsequently added back in?

LUI's RESPONSE:

LUI removed the historical purchases information for **both** the GS>50-2999 as well as the GS 3000-4999 customer class in order to run the regression analysis.

LUI then added back the historical purchases data for the customer in class GS>50-2999 in order to predict future purchases.

- What were the annual kWhs and kWs for this customer that were "added back" for 2011 and 2012?

LUI's RESPONSE:

LUI added back the following for 2011 & 2012 for GS 3000-4999 which were based on average of usage over 2009 & 2010 previous years.

	2011	2011	**2012**	2012
	kW	kWh	**kW**	kWh
GS 3000-4999	47,442.31	19,295,355.53	47,442.31	19,295,355.53

c) Please confirm that it was the GS >3000-4999 customer that was totally removed from the analysis as it has shut down.

LUI's RESPONSE:

LUI partially confirms that the GS 3000-4999 customer that was removed as it has shut down due to the following explanations: LUI had, in 2008, 2 customers in the GS 3000-4999 customer class. By 2010, one "unnamed" company had been fully shut down. LUI concluded that in order to calculate further kWh and kW demand purchases, this one "unnamed" company would need to be removed from the historical data in order to provide reliable future predicted purchases. Therefore that one "unnamed" customer was fully removed from all data used in the regression analysis and predictions for 2011 & 2012 kW and kWh.

LUI, as of current, has one customer left in this class. LUI performed a preliminary analysis of this customer and determined that their data caused misleading future predictions, and therefore, removed this one customer from the regressions analysis only. LUI then predicted, based on b), the predicated usage, based on 2009 & 2010 average usage, and added this back into the model, to provide reliable future purchases data.

d) Please provide a schedule that sets out the number of smaller GS>50-2999 customers were located in the space of the previous GS >3000-4999 customer as of December 2009, December 2010 and December 2011 (see page 8, lines 7-10).

LUI's RESPONSE:

One customer purchased the majority of the existing space (here forth referred to as space "A") of the previous GS 3000-4999 customer class. One other customer purchased a small building at this same existing location (here forth referred to as space "B).

For space A, this customer is bulk metered and sits in the GS>50-2999 customer class.

For space B, LUI set up a new transformer and service for this customer.

Below is the schedule that sets out the number of smaller customers that occupied the existing space.

	31-Dec-09	31-Dec-10	31-Dec-11
Space A	1	1	1
Space B	1	1	1

8. Reference:Exhibit 3, pages 8-9

a) Please confirm that the historical data set out in Tables 3-1and 3-2 excludes the GS >3000-4999 customer who is now out of business but includes the GS >50-2999 customer with the widely fluctuating monthly usage. If not, please clarify the treatment of these two customers in these tables.

LUI's RESPONSE:

LUI confirms that the historical data set out in Tables 3-1 and 3-2 exclude the GS 3000-4999 customer that is out of business, but does include the GS>50-2999 customer with fluctuating monthly usage.

b) Please confirm that the forecast 2011 and 2012 data in these tables includes the GS >50-2999 customer with the widely fluctuating monthly usage.

LUI's RESPONSE:

LUI confirms that these tables includes the GS>50-2999 customer with fluctuating monthly usage.

c) For purposes of the Regression analysis was the consumption for these two customers simply removed from the monthly purchases? In doing so, was any allowance made for the losses associated with the usage of these two customers?

LUI's RESPONSES:

The consumption was removed from monthly purchases, including the appropriate loss factor associated with each of the customer(s).

d) Given the comments on pages 7 (lines 8-11), did Lakefront have historical data on the actual calendar monthly usage of these two customers for the 2004-2010 period? If not, how were the adjustments to the historical purchase values made?

LUI's RESPONSE:

LUI did have historical data on actual calendar monthly usage of both the GS>50-2999 and GS 3000-4999 customers because they are large interval metered customers and are billed monthly.

e) Are the historical (and projected) customer counts by class in Table 3-2 year end or average annual values?

LUI's RESPONSE:

The historical and projected customers counts by class in Table 3-2 are year-end values.

9. Reference:Exhibit 3, pages 13-14 and Appendix A

a) Appendix A includes historical and projected data for Population. Please confirm that Population was not used as an explanatory variable in the load forecast model.

LUI's RESPONSE:

LUI confirms that Population was not used as an explanatory variable in the load forecast model.

b) Do the "Predicted" and "Actual" purchase values set out in Table 3-6 include the one GS <50-2999 customer but exclude the one GS 3000-4999 customer discussed on pages 7-8?

LUI's RESPONSE:

Yes, the Predicted and Actual purchase values set out in Table 3-6 include both the GS< 50-2999 customer and the GS 3000-4999 customer which were discussed on pages 7-8 as they are expected to continue service in the future. The customer in the GS 3000-4999 that will not return to service was not replaced. Table 3-6 is provided in a version below that excludes all intermediate as per the title "Table 3-6 Intermediate Customer Removed".

Table 3-6 Actual vs. Predicted Purchases

Table 3-6

Actual vs. Predicted Purchases (kWh)

Year	Actual	Predicted	% Difference
2004	264,365,121	263,973,437	-0.1%
2005	265,103,480	265,303,309	0.1%
2006	265,431,760	265,079,882	-0.1%
2007	267,650,333	266,595,213	-0.4%
2008	261,227,184	261,564,711	0.1%
2009	257,221,767	259,497,349	0.9%
2010	261,542,031	260,527,776	-0.4%
2011		262,257,591	
2012		264,343,709	

Table 3-6 - Intermediate Customer Removed

Actual vs. Predicted Purchases (kWh)

Year	Actual	Predicted	% Difference
2004	237,756,978	237,365,293	-0.2%
2005	243,277,176	243,477,005	0.1%
2006	240,417,666	240,065,788	-0.1%
2007	245,774,388	244,719,267	-0.4%
2008	241,507,709	241,845,236	0.1%
2009	236,526,799	238,802,381	1.0%
2010	241,473,268	240,459,013	-0.4%
2011		241,871,532	
2012		243,957,650	

c) Provide a table that sets out for 2009 and 2010 the following:

- The actual purchases for each year
- The actual HDD and CDD values for each year
- The "weather normal" HDD and CDD values for each year (as defined by Oshawa)
- The HDD and CDD coefficients per Lakefront's regression model
- The weather normal adjustment for each year based on the product of a) the HDD and CDD coefficients and b) the differences between the actual and "weather normal" values for HDD and CDD respectively.
- The estimated "weather normal purchases" calculated by adjusting actual purchases by the values calculated in the preceding bullet.

(Note: For each year, please treat the reporting of the two customers discussed on page 7-8 the same as was done for Table 3-6)

LUI's RESPONSE:

The following schedule sets out for the years 2009 through 2010 the difference in each year between the actual and "weather normal" HDD and CDD values:

		Weather Actual		Weather Normal		Delta Normal to Actual		Delta Multiplied by Coefficients		6309	
Year	Actual Purchases	HDD	CDD	HDD	CDD	HDD	CDD	HDD	CDD	Sum of Deltas	Purcha
2009	256,940,166	4103.3	105.8	3935	173.4	-168.3	67.6	(1,061,781)	2,063,108	1,001,327	
2010	261,165,488	2974	210.1	3935	173.4	961	-36.7	6,062,814	(1,120,060)	4,942,754	

Coefficients	HDD	6309
	CDD	30519

10. Reference: Exhibit 3, pages 16-17

a) What is the actual 2011 year end customer count by class? Please contrast with the customer count (by class) as of the 2010 year end.

LUI's RESPONSE:

	A	B	C=B-A	D	E=D-C
Code	December-10	December-11	Change	*Table 3-7*	Change
Residential	8,369	8,467	98	8305	162
GS<50	1,069	1,076	7	1067	9
GS>50-2998	132	132	0	132	0
GS 3000-4999	1	1	0	1	0
Streetlights	2,759	2,786	27	2755	31
USL	54	95	41	77	18
Sentinel	54	52	-2	54	-2
Totals:	***12,438***	***12,609***	***173***	***12,391***	***218***

LUI additionally notes that the street lighting customers that LUI has is "two" whereas above streetlights are shown by "connections".

b) Please confirm how the two customers discussed on pages 7-8 were treated for purposes of Table 3-9.

LUI's RESPONSE:

LUI did not exclude customer in class GS > 50-2999 from Table 3-9. This customer was included for the purposes of calculating all historical information. The customer in the GS 3000-4999 was included in this table, but not the customer in the GS 3000-4999 that had shut down in the year 2007 through 2008 and was customer was completely out of service before 2010. Therefore including this customer in this data set would be misleading as a basis for calculating annual kWh usage per customer for any future years.

The customer in the GS>50-2999kW customer class and the other customer is in the GS > 3000-4999 customer class have been allocated into the table 3-9. The method used for the GS> 3000-4999 was by taking the average of the 2010 year billed without loss factor to get the Annual kWh Usage by Customer as it is the only customer in this class. The method used for the GS> 50-2999 kW was by taking the average of the 2010 year billed without loss factor and

dividing the total by the number of customers in this class to get the Annual kWh Usage by Customer.

c) The discussion on page 17 (lines 21-22) suggests that new customers who would typically be USL will now be metered. What adjustments have been made to the other customer class counts (e.g., GS<50) to account for this?

LUI's RESPONSE:

LUI did not make any additional adjustments to the other customer classes, beyond the forecasting methodology based on historical information for the change in USL to metered class. LUI notes that the historical information that has been used is the best indicator /predictor of future customer changes/counts. Since LUI has been attempting over the past few years to ensure that any new customer (where possible), can be metered, LUI feels that the historical pattern justifies the forecast.

11. Reference: Exhibit 3, pages 19-21

a. Please re-do Table 3-11 in order to show the results of purchased power forecast per the regression analysis model and the adjustment made to account for the GS >50-2999 customer.

LUI's RESPONSE:

Table 3-11 currently includes all data relating to the GS>50-2999 customer(s) and therefore has been added appropriately into the predicted purchases forecast data.

b. With respect to Table 3-13, please provide a schedule that shows how the non-normal customer class energy 2012 forecasts were derived.

LUI's RESPONSE:

The non-normalized weather data for customer class energy forecasts were derived by using the forecasted number of customers in the particular class multiplied by the forecasted usage per customer for that class.

c. If the class forecasts in Table 3-13 were adjusted for CDM (per page 19) please indicate how the 2012 CDM target was assigned to classes.

LUI's RESPONSE:

LUI did adjust for CDM based on a seven year average allocated by kwh billed associated to each class. Each customer class was taken in a percentage of the kWh of real consumed data for CDM. For the year of 2012 LUI took an average of prior years to forecast for the consumption data.

d. If the class forecasts in Table 3-13 were not adjusted for CDM, please derive the CDM adjustment by class by re-doing Table 3-13 based on the 2012 forecast of weather normal energy prior to the CDM adjustment and show the difference by class.

LUI's RESPONSE:

Not applicable see answer to part c above.

e. For those classes that are demand billed, what is the implicit CDM savings in billed kW assumed for 2012 associated with each class' assumed 2012 CDM energy savings?

LUI's RESPONSE:

See table below for the classes that are demand billed and the implicit CDM savings in billed KW for 2012 associated with each class assumed 2012 CDM energy savings. LUI is unable due to the forecast method and lack of data to predict CDM savings for the customer in this class.

	General Service 50 - 2,999 kW	Intermediate 3,000 - 4,999 kW	Street Lights	Sentinel Lights	Total
2012 With CDM	303,629		3,343	218	307,190
2012 CDM REMOVED	306,195		3,343	218	309,756
BILLED KW SAVINGS	2,566	0	0	0	2,566

12. Reference: Exhibit 3, page 27

a. With respect to Table 3-20, please confirm that the "Resulting Variable Rate" for the GS >50-2999 and GS 3000-4999 classes includes the recovery of the transformer allowance for each class.

LUI's RESPONSE:

LUI confirms that Table 3-20 includes the recovery of the transformer allowance for each class, as applicable.

13. Reference: Exhibit 3, page 36

a. How many Micro-Fit customers does Lakefront currently have (i.e., year end 2011)? How many are forecast for year-end 2012?

LUI's RESPONSE:

LUI has 15 active Microfit/Fit customers at the December 2011 yearend filing in January 2012. As of January 2012 LUI has set up 4 more customers for billing, and LUI forecasts that there will be between 23 to 30 Microfit/Fit customers by the end of 2012 year end as determined by entry status of applications.

b. Where is the revenue from Micro-Fit service charges captured in Table 3-26?

LUI's RESPONSE:

The revenue from Micro-Fit/Fit Service charges are captured in account 4235 – Miscellaneous Revenue in Table 3-26, Exhibit 3, page 36.

c. Are the only Lakefront revenues from non-utility operations (Account #4375) for 2009-2010 from OPA programs? If not, what other sources of revenue from non-utility operations were there in these years and why is no revenue forecast for 2011 and 2012?

LUI's RESPONSE:

LUI only records OPA program revenues in the account 4375 non-utility operations in 2009-2010. Revenues were not included in the forecasts for years 2011 and 2012 due to the operation of OPA programs expenses as they are related to revenues. Incentive programs are not to be forecasted, as they have no trend or prediction.

GREEN ENERGY PLAN

14. Reference: Exhibit 2, page 109

a. At page 109 references is made to a large solar project LUI has proposed. Please provide details of this project.

LUI's RESPONSE:

LUI has not proposed a solar project; LUI has received a proposal from a customer within their service territory.

15. Reference: Exhibit 2, pages 104 – 112.

a. Please confirm that there are no incremental costs associated with LUI's Green Energy Plan for the years 2012 through 2015.

LUI's RESPONSE:

LUI does not plan to have any additional incremental costs associated with our Green Energy Plan, for the years 2012 through 2015.

OPERATING COSTS

16. Reference: Exhibit 4, page 5

a. Is Table 4.0 (Summary of OM&A Expenses) shown on a CGAAP or MIFRS basis?

LUI's RESPONSE:

LUI has submitted Table 4.0 (Summary of OM&A Expenses) as 2008 to 2011 figures based on CGAAP and the year **2012 is based on MIFRS figures**.

b. IF Table 4.0 is shown on a MIFRS basis please provide the OM&A expenses for 2008 through 2012 on a CGAAP basis.

LUI's RESPONSE:

LUI has provided the table below with figures based on CGAAP for the OM&A expenses for 2008 through **2012**. Please note that there are no significant variances for LUI, between CGAPP and MIFRS. As Amortization is not included in this table calculation, LUI's CGAAP is the same as its MIFRS Expense tables.

Summary of OM&A Expenses						
Description	**2008 Board Approved**	**2008 Actual**	**2009 Actual**	**2010 Actual**	**2011 Bridge Year**	**2012 Test Year**
Operations	$ 620,871	$ 617,177	$ 505,675	$ 415,821	$ 579,609	$ 879,396
Maintenance	$ 104,107	$ 77,337	$ 139,615	$ 225,312	$ 306,219	$ 391,786
Billing &Collecting	$ 428,844	$ 440,285	$ 407,715	$ 425,479	$ 501,542	$ 500,298
Community Relations	$ 19,767	$ 8,053	-$ 4,705	$ 13,355	$ 13,927	$ 14,345
Administrative & General Expense	$ 921,831	$ 741,765	$ 806,924	$ 1,019,724	$ 1,047,829	$ 1,281,488
Total OMN&A	**$ 2,095,420**	**$ 1,884,617**	**$ 1,855,224**	**$ 2,099,690**	**$ 2,449,126**	**$ 3,067,313**
Year by Year Increase		-10%	-2%	13%	17%	25%
Compound Annual Growth Rate from 2008 Approved						10%
Compound Annual Growth Rate from 2008 Actual						13%
Inflation Rate Canada CPI		2.4%	0.3%	1.8%	3.0%	3.0%

17. Reference: Exhibit 4, page 8

a. Please amend Table 4.7 by adding the forecast 2012 OM&A per customer.

LUI's RESPONSE:

LUI has provided in the table below by adding the forecasted OM&A per customer in the column previous to the published 2010 OEB Yearbook (2010 OEB YB) columns.

	2012 Forecast	2010 OEB YB	2010 OEB YB	2010 OEB YB	2010 OEB YB	2010 OEB YB	2010 OEB YB
Comparable Utilities	**Lakefront Utilities**	**Lakefront Utilities**	**Hydro Hawkesbury Inc.**	**Renfrew Hydro Inc.**	**Parry Sound Power Corporation**	**E.L.K Energy Inc.**	**Norfolk Power Distribution**
Efficiency Ranking	**2012 Forecast**	**3**	**1**	**2**	**12**	**14**	**20**
Population Served		**22000**	**10500**	**7846**	**6500**	**21873**	**31500**
Residential Customers	8603	8369	4817	3654	2773	9899	16769
General Service < 50kW Customers	1102	1069	593	442	538	1187	2009
General Service > 50kW Customers	128	133	86	59	66	119	162
B) Total Customers	**9833**	**9571**	**5496**	**4155**	**3377**	**11205**	**18940**
Expenses							
Operating	$ 879,396	$ 415,821	$ 75,104	$ 206,387	$ 198,937	$ 236,550	$ 1,106,741
Maintenance	$ 391,786	$ 225,312	$ 131,509	$ 145,465	$ 163,008	$ 310,300	$ 1,115,511
Administrative	$ 1,281,489	$ 1,458,558	$ 661,075	$ 680,569	$ 679,154	$ 1,536,447	$ 2,696,758
Other	$ 514,643	$ 46,698	$ 15,678	$ -	$ -	$ 31,759	$ 74,556
A)Total OM&A Expenses	**$ 3,067,314**	**$ 2,146,389**	**$ 883,366**	**$1,032,421**	**$1,041,099**	**$ 2,115,056**	**$ 4,993,566**
C) OM&A Per Customer C) = A)/B)	**$ 311.94**	**$ 224.26**	**$ 161**	**$ 248**	**$ 308**	**$ 189**	**$ 264**

18. Reference: Exhibit 4, Table 4.11, page 22

a. Please explain the significant increase in Account 5340 (Miscellaneous Customer Account Expenses).

LUI'S RESPONSE:

5340 – Miscellaneous Customer Accounts Expenses: This account includes the cost of labour, materials used and expenses incurred not provided for in other accounts. This account holds the same expenses year after year as can be seen over the actuals between years of 2008-2010. The increase in expense for the 2012 year is primarily accounted to the investment of a new finance system, and the increase in contract fees for Utilismart Services.

LUI forecasts major benefits from updating the current financial system to an updated, and user friendly direct LDC version. Currently LUI uses a finance system which is outdated, and this utilizes a major portion of human capital to produce reports which are recognized in other systems to be automated, and efficiently formatted. This expense has been budgeted and spread over the four year rate application period. LUI intends to incur more costs associated with support services as well as training employees on the new software and developing new reports.

LUI also undertakes the impact of increased contract fees for Utilismart Services. The increases of the Utilismart fees are related to settlement for electric utilities and large users in the deregulated Ontario Electricity Market.

19. Reference: Exhibit 4, Table 4.14, page 28

a. Please provide the forecast of the 2012 KTI/Sensus fees that are referred to in this exhibit.

LUI's RESPONSE:

Smart Meters are driving costs up in operations and maintenance accounts due to the newly assigned costs of Kinetiq and KTI/Sensus fees needed in order for the technician to accurately operate them. KTI /Sensus were approved by PRP International Inc. Fairness Advisory Services as the number one ranking proponents in the request for proposal procurement.

KTI metering equipment and parts are ordered on a required basis. As of the year 2012 LUI has already ordered from KTI 100 meters and some additional parts such as seals for replacement, development, and installation at a cost of $7000 Canadian Dollars. Should LUI require more equipment, or replacement parts for the equipment, it will be ordered from KTI at a same price.

b. Please provide the analysis that was undertaken by LUI in order to determine that the most efficient course of action to maintain smart meters was the hiring of a technician (as opposed to outside consulting/resources).

LUI's RESPONSE:

The analysis that was prepared was qualitative in nature, given the following:
The need for the hiring the combined smart meter / meter technician and technical services technician apprentice (one FTE) is based on the following. The present supervisor of technical service is scheduled for retirement on Oct/31/2014. There are very few available qualified candidates as these positions are specialized to electric utilities only. To train new staff member (apprentice), a qualified meter technician and technical service technician is required. The goal is to hire a recent graduate in the electric discipline and provide the required training before the present qualified staff member retires. The apprentice will work with the present staff members and on his or her own over the next few years to change electric meters, install meters, install complex metering installations, maintain smart meter operation, test and verify metering installations, reduce meter errors, find billing errors, perform system optimization studies, voltage drop calculations, fault level calculations, improve operational processes, work on the GIS system, perform field data asset collection,

outage management, distribution system planning, various capital project designs and estimations, create offer to connects, work order drawing creation, contribute in SCADA deployment, etc.

This position will also eliminate the need for hiring multiple temporary summer help in the technical service and meter department for the next two to three years and fill in as required for vacations of other departmental staff.

c. Is the Technician to be shared with other utilities as part of LIU's CHEC arrangement? If so what offsetting revenues are forecast for this in 2012?

LUI's RESPONSE:

LUI is not sharing this position with the CHEC Group.

20. Reference: Exhibit 4, page 47

a. In respect to account 5605, please provide the costs in 2012 related to the board of directors from the other costs described in the evidence (e.g. EDA fees, president and VP expenses, etc.).

LUI's RESPONSE:

Three members currently occupy LUI's board of directors where account 5605 incurs the salaries and expenses of the board members, president, vice-president, of LUIs organization. Major increases in this account are due to the cost driver inflation, and the increase of meetings scheduled during the transition of presidency within the organization. Due to the change in presidency there is increased focus on internal controls and updating of out-dated policies, this process principally includes the board's decision making. The largest increase in account 5605 was between the year 2008 and 2009 and this is principally due to EDA fees and seminars on smart grid that were required for the executives and board of directors to attend. It is evident in the table below, that the costs include, salary & expenses related to directors and officers, as well as any training/conferences that are required, as well as any additional management fees expenses. It is expected that the board will stay consistent with scheduled meetings and LUI has applied inflation to the forecast for capturing purposes.

In respect to account 5605 the costs in 2012 are broken down in Executive Salaries and Expenses as such:

Account 5605		
Allocation of Costs	**2011**	**2012**
Directors Salary & Expenses	$ 5,785.20	$ 5,958.76
Management Fees Expense	$ 19,717.18	$ 20,308.70
Administrative/Training Costs	$ 22,549.62	$ 23,226.11

21. Reference: Exhibit 4, page 51-52

a. In respect to account 5680 please breakdown the 2012 forecast as between (1) ESA Fees, (2) CHEC fees; (3) other fees

LUI's RESPONSE:

With respect to account 5680 the breakdown of 2012 forecast as between (1) ESA Membership Fees and Dues, (2) CHEC fees and (3) Other Upgrade, Renewal Fees.

5680 - ESA FEES	2011 ACTUAL	2012 BUDGET
CHEC	$ 28,123.95	$ 29,668.00
ESA FEES	$ 10,623.86	$ 14,052.97
OTHER	$ 3,762.84	$ 5,875.73
TOTAL EXPENSES	$ 42,510.65	$ 49,596.69
BUDGETED EXPENSE	$ 41,306.00	$ 47,545.18

b. Please provide a table listing the services provided by CHEC and the costs LUI assigns to those services.

LUI's RESPONSE:

CHEC Association is an incorporated body and is governed by a Board of Directors. The Board of Directors and Executive are voluntary positions from staff of the member LDCs. CHEC's vision is to be is to be recognized as the premier LDC Cooperative in Ontario. CHEC provides the structure necessary to share services, opportunities, knowledge and insights between LDC Members. CHEC is built on a principle of collaboration between LDCs which is achieved through committees, shared documents, specific working groups, combined projects and informal communications between members and staff. CHEC is focused on assisting members to efficiently implement changes required as a result of new regulatory requirements and customer expectations[GE1]. Below is a table listing the services provided by CHEC. Following the table is a brief summary of how LDCs interact with CHEC to use these services.

2012 CHEC Services	
	Service
Regulatory Compliance & Reporting	Preparation of regular reporting based on individual member company data, for OEB OPA, IESO, ESA
	Present consolidated view on behalf of all CHEC member companies to the OEB and other industry associations
	Advocate for changes on behalf of the CHEC membership to the OEB, IESO, OPA, ministry etc.
	Keep up to date on regulatory changes, and inform the CHEC membership as appropriate & Represent CHEC on industry committees
	Periodically, provide a review of member company operations to ensure compliance (ie. Disconnect process)
	Service
Finance	Review and update common financial policies and procedures
	Summarizing changes in the industry related to Financials
	Provide assistance and guidance to the member companies on Financial policies and procedures
	Establish Financial Processes linked with regulatory compliance and reporting timelines
	Maintain a list of non-finance consultants to assist with CHEC members
	Economic Evaluations that can be leveraged by the group (ie. Business case template)
	Prepare Framework for Rate applications and determine system supports to assist LDCs
	Service
Policies and Procedures	Provide review and update to existing procedures using member company volunteers and tendering RFP as required
	Provide consistent implementation of regulations with knowledgeable in-house team
	Provide a standard set of operational policies that encompass regulatory requirements, including general office policies (confidentiality policy etc.)
	Develop standardized forms and letters for use by LDCs (ie. Collections)
	Operations and general management policies and procedures developed when need identified

	Service
ESA Compliance	Maintain a list of engineering contractors to member companies familiar with the ESA standards
	Information Sharing
	Single source for reviewing new information and guidelines and disseminating to member companies
	Develop standardized forms and procedures to ensure ESA compliance

	Service
Health and Safety	Source or/and develop Health and Safety Training programs by geography and negotiate competitive rates –
	Source individual(s) to provide health and safety training to supplement current in-house staff
	Develop health and safety policies and procedures
	Work with the utilities' health and safety committees
	Review current health and safety practices and make recommendations

	Service
CDM Program	CHEC coordinator would manage all CDM programs with local support as necessary.
	Application process
	Promotional activities - find a company in each location to run events, with the CHEC resources preparing information
	Provide Clarification on the CDM programs and training to operational staff.
	CDM program education items
	Develop RFPs as required for CDM Services, evaluate and project administration
	Act as clearing house for CDM issues, contractors and third party opportunities

	Service
Customer Education	Information analysis and dissemination to the member companies (possible e-mail to utilities)
	Preparation and possible delivery of information at community meetings (or town halls)
	Coordination of Printing of communications materials (bill inserts)
	Preparation of communications materials (bill inserts & bill messages)
	Preparation of newspaper articles to inform public on regulatory changes, rate increases, role of retailers, current issues (smart meters) etc....
	Service
Training	Request RFPs for training on operational processes provided
	Source Training via RFP for common needs
	Co-ordinate training sessions and locations
	Service
Communications	Newsletter - informing, and sharing good work CHEC is doing
	Website

• **Regulatory Review and Support:** CHEC is actively participating in the many regulatory issues facing the industry. The Green Energy Act, LEAP and IFRS are merely a few of the issues being worked on by CHEC with a goal of determining combined action that can be taken by members to implement these initiatives when appropriate..

• **Finance Committee and Support:** The Finance Committee meets monthly and is supported by Finance Coordinator and Regulatory & Finance Analyst to review and implement financial changes facing the industry.

• **CDM Overview**: From an overview perspective CHEC maintains a relationship with the OPA to provide details of program operation and problem solving and coordination with the OPA. New programs are reviewed, budgets evaluated and suggested delivery mechanisms recommended and supported to member LDCs.

• **CDM and Marketing Support:** CHEC provides support services for LDCs who require assistance in operating and reporting their CDM programs, progress and marketing plans. CHEC LDCs will be working together in 2012 to review and propose OEB Approved CDM Programs.

• **Request for Proposals:** CHEC has initiated a number of requests for proposals to assist their members to obtain resources to address program needs. The combined requests avoid the time and cost of individual LDCs reviewing, preparing and evaluating each issue and cost advantages by going as a group. RFPs associated with operational studies and services will be moved forward in future.

• **Coordinated Purchasing:** This initiative has focused on purchase of services (through the RFPs) and on marketing material. Member LDCs have developed advertisement copy together, placed combined orders for inserts and safety brochures. The opportunity to expand in this area continues to be of interest.

• **Operations Committee:** CHEC Operations Committee meets twice per year (face to face) and on several webex meetings to address operational issues of common interest to LDCs. Through the Committee staff has the opportunity to develop relationships with other LDCs, work on combined initiatives and identify issues for further follow up.

• **Industry Working Groups:** CHEC, through the staff positions and LDC Staff participate in a number of industry working groups to help provide direction for the industry. In addition staff and members are actively engaged with the OEB, Ministry and OPA on details associated with implementation of initiatives. Participation in these groups allows the concerns and suggestions of the smaller LDCs to be voiced and insight gained which assists with implementation once the direction is set.

• **Guides & Models:** CHEC has developed and will continue to develop guides for member LDCs on specific issues. CHEC currently has common Conditions of Service, a Generation Guide and TRC model. CHEC's Economic Evaluation Tool is available to members and supported by CHEC.

CHEC Working Groups: When an issue is identified which requires more detailed review, working groups are often established. These working groups, which are a collaboration of a smaller subset of CHEC LDCs review the issues, prepare input when appropriate, and make recommendations to the entire group.

c. Please explain why both account 5680 and 5655 appear to include fees paid to the ESA.

LUI's RESPONSE:

Account 5680 is the Electrical Safety Authority Fees account which includes the fees which are paid for permits, inspections and test and approvals by the Electrical Safety Authority. Whereas in the Account 5655 Regulatory Expense includes all expenses (except pay of regular employees only incidentally engaged in such work) applicable to utility operating expenses, incurred by the utility in connection with formal cases before the Board or other regulatory bodies, or cases in which such a body is a party, including the **payments made to a regulatory body for fees assessed against the utility for pay and expenses.**

LUI does not expense the "ESA" regulatory cost recovery asset fee to both 5680 and 5655, the regulatory body fee is expensed to account 5655 and all fees which are paid for permits, inspections, and test and approvals by the ESA are expensed in the separate expense account 5680.

AFFILIATE TRANSACTIONS

22. Reference: Exhibit 4, page 68

a. Please explain what services LUSI provides LUI with respect to water and service billing.

LUI's RESPONSE:

LUSI does not provide any services related to water services billing. However LUI provides LUSI billing services through the use of its billing system, as LUI owns the billing system software.

b. Please explain how the $30,000 fee for these services was derived.

LUI's RESPONSE:

LUI performed a cost analysis of the costs incurred for LUI to perform billing services for the Town of Cobourg Waterworks. The cost analysis gave rise to a figure of approximately $30,000.

23. Reference: Exhibit 4, page 68

a. In respect to Street lighting services the evidence suggests that LUSI employs the staff required for maintenance services. Is this correct or are the street light maintenance staff employed by LUI?

LUI's RESPONSE:

With respect to Street lighting services, LUSI employs the streetlight maintenance staff required to maintain streetlight services.

b. Please explain what is meant when it states that "LUSI is charged the actual cost of the trunk by LUI on a straight line pass thru methodology."

LUI's RESPONSE:

This statement should be as follows "LUSI is charged the actual cost of the **truck** by LUI on a straight line pass thru methodology."
This was a spelling error.

c. How are the fibre rental costs split as between LUSI and LUI?

LUI's RESPONSE:

Costs for internet & fibre rental are split 50/50 between LUI and LUSI affiliates respectively.

24. Reference: Exhibit 4, page 69

a. Please provide a breakdown of the Corporate Administration services that are provided to LUI by LUSI.
b. In this breakdown please indicate how many and what type of employees (e.g. administration, executive, human resource) of LUI provide these services

LUI's RESPONSE:

As per questions a and b the breakdown of Corporate Administration services that are provided to LUI by LUSI are management and supervision in account 5610.02.01.10 which is referenced in Table 4-31 in Exhibit 4. The breakdown of responsibilities in this category includes I.T and Technical Services, Meter Supervisor, Operations Planning, Financial and Accounting Services, and Management and Supervision. LUI allocates in percentage of time to this particular account six individual employees in the year 2011, and includes the consulting services expense for the transfer of presidency in January and February.

25. Reference: Exhibit 4, Table 4-36 page 77 Preamble:

In the explanation that accompanies Table 4-36 it appears that LUI has calculated FTE changes as either actual employee increase/decrease or a change in an existing employee status (e.g. change in employee position or allocation of salary - see for example "In 2010 the Accountant position that was created in 2009 in the Finance department was fully allocated throughout the year and shows an increase of +0.25 FTE" -lines 17-18 E4/p 79)

a. In the. If this is correct, and if there is a difference, please re-state the first 3 rows of Table 4-36 to show the FTE for each category Executive/Management; Non-Union; Union) as defined as persons employed full or part time during the year.

LUI's RESPONSE:

Please see the modified Table 4-36 below which separates the percentage allocation of all employees from defined persons employed full or part time during the year.

PERCENTAGE ALLOCATION:

Number of Employees (FTEs including Part Time)	2008 Actual	2009 Actual	2010 Actual	2011 Bridge	2012 Test
Executives & Management	2.50	3.00	3.25	3.25	3.25
Non Union	4.00	4.25	5.00	5.50	5.75
Union	10.00	10.25	10.75	10.75	13.25
Total	**16.50**	**17.50**	**19.00**	**19.50**	**22.25**
Number of Part Time Employees					
Executives & Management					
Non Union	1.00	1.25	1.00	1.00	1.00
Union					
Total	**1.00**	**1.25**	**1.00**	**1.00**	**1.00**

Number of Employees (Full Time)	2008 Actual	2009 Actual	2010 Actual	2011 Bridge	2012 Test
Executives & Management	4.00	5.00	5.00	5.00	5.00
Non Union	6.00	6.00	8.00	10.00	11.00
Union	12.00	14.00	13.00	13.00	17.00
Total	**22.00**	**25.00**	**26.00**	**28.00**	**33.00**
Number of Part Time Employees					
Executives & Management					
Non Union	3.00	7.00	4.00	4.00	4.00
Union					
Total	**3.00**	**7.00**	**4.00**	**4.00**	**4.00**

b. For 2008 through 2012 how many employees in each category had (or will have) their employment costs allocated in part to an affiliate?

LUI's RESPONSE:

For 2008 through 2012 the employees that have responsibilities and duties split between affiliate companies and share resources are as detailed in the table below. All Part Time Employees are split allocations with LUI's affiliate companies.

DEFINED AS PERSONS EMPLOYED:

Defined as Persons Employed					
Number of Employees (Full Time)	**2008 Actual**	**2009 Actual**	**2010 Actual**	**2011 Bridge**	**2012 Test**
Executives & Management	4.00	5.00	5.00	5.00	5.00
Non Union	6.00	6.00	8.00	10.00	11.00
Union	12.00	14.00	13.00	13.00	17.00
Total	**22.00**	**25.00**	**26.00**	**28.00**	**33.00**
Number of Part Time Employees					
Executives & Management					
Non Union	3.00	7.00	4.00	4.00	4.00
Union					
Total	**3.00**	**7.00**	**4.00**	**4.00**	**4.00**

Defined as Persons Employed					
Number of Employees (Full Time 100 % LUI)	**2008 Actual**	**2009 Actual**	**2010 Actual**	**2011 Bridge**	**2012 Test**
Executives & Management	1.00	2.00	1.00	1.00	1.00
Non Union	2.00	2.00	3.00	3.00	4.00
Union	5.00	7.00	5.00	8.00	10.00
Total	**8.00**	**11.00**	**9.00**	**12.00**	**15.00**
Number of Part Time Employees (Full Time 1-75% Affiliate)					
Executives & Management	3.00	3.00	4.00	4.00	4.00
Non Union	4.00	4.00	5.00	7.00	7.00
Union	7.00	7.00	8.00	5.00	7.00
Total	**14.00**	**14.00**	**17.00**	**16.00**	**18.00**
Tota Employees Full Time as Defined by Person	**22.00**	**25.00**	**26.00**	**28.00**	**33.00**

c. LUI is proposing a 35% increase in FTEs from its actual 2008 compliment. Please explain how much of this increase is explained by overlapping positions due to (1) expected retirements; (2) new demands on the utility (e.g. CDM); (3) customer growth; or (4) other – please explain.

LUI's RESPONSE:

Between 2008 Actual and 2012 Test Years LUI can determine that the numbers of employees that increased the roster and for which reason is shown as follows.

Reasons for Hire 2008-2012

	Defined as Allocated Employee
Expected Retirement & Customer Growth	3.25
New Demands	2.50
Total	**5.75**

COST ALLOCATION

26. Reference:Exhibit 7, pages 2-4

a) Please confirm that the load profile used for the GS 3000-4999 class is the same as that for Lakefront's previous cost allocation filing when there were two customers in this class.

LUI's RESPONSE:

LUI confirms that the load profile used for the GS 3000-4999 class is the same load profile as that for our previous cost allocation filing, however the profile has been scaled to reflect the 19 Million kWh customer.

b) For the remaining customer in this class, does Lakefront have the necessary historical meter data to calculate the relevant CP and NCP values? If yes, what are the relevant CP and NCP values for the most recent 12 months for which actual data is available?

LUI's RESPONSE:

LUI has included below, two tables which consist of the data to calculate the 2011 CP and NCP for this particular customer. The first table demonstrates the 2011 CP and NCP for the one customer as requested above, however uses 2011 customer data versus 2004 Lakefront data from the last load profile model, and the second table demonstrates the 2011 CP and NCP versus the 2011 Lakefront load data available in February 2012.

CP

MONTH	2011	2004
Jan	3,339	42,297
Feb	3,538	41,764
Mar	3,956	39,826
Apr	3,901	34,790
May	3,904	33,200
Jun	3,107	34,010
Jul	3,202	37,448
Aug	3,204	34,476
Sep	2,649	34,888
Oct	2,281	35,024
Nov	1,817	38,788
Dec	2,719	40,367

1CP	3,339	42,297
4CP	13,552	164,255
12CP	37,615	446,879

GS 3000-4999kW TOTAL for LDC

NCP

MONTH	2011	2004
Jan	3,339	42,297
Feb	3,538	41,764
Mar	3,956	39,826
Apr	3,901	34,790
May	3,904	33,200
Jun	3,107	34,010
Jul	3,202	37,448
Aug	3,204	34,476
Sep	2,649	34,888
Oct	2,281	35,024
Nov	1,817	38,788
Dec	2,719	40,367

1CP	3,956	42,297
4CP	15,299	164,255
12CP	37,615	446,879

GS 3000-4999kW TOTAL for LDC

CP	2011	20112
MONTH	Customer	Lakefront Total
Jan	3,339	44,452.2
Feb	3,538	42,656.6
Mar	3,956	41,376.5
Apr	3,901	38,258.7
May	3,904	36,996.8
Jun	3,107	39,230.2
Jul	3,202	44,011.0
Aug	3,204	41,147.9
Sep	2,649	38,097.7
Oct	2,281	35,342.3
Nov	1,817	38,538.2
Dec	2,719	40,597.9

1	3,339	44,452.2
4	14,035	172,496.3
12	37,615	480,706.0

NCP	2011	2011
Month	Customer	Lakefront Total
Jan	3,339	44,452.2
Feb	3,538	42,656.6
Mar	3,956	41,376.5
Apr	3,901	38,258.7
May	3,904	36,996.8
Jun	3,107	39,230.2
Jul	3,202	44,011.0
Aug	3,204	41,147.9
Sep	2,649	38,097.7
Oct	2,281	35,342.3
Nov	1,817	38,538.2
Dec	2,719	40,597.9

1	3,956	44,452.2
4	15,299	172,496.3
12	37,615	480,706.0

c) Please confirm that Lakefront has used the updated version of the Board's cost allocation model.

LUI's RESPONSE:

LUI confirms that we have used the updated version for the Board's cost allocation model.

d) Please provide schedule that set out the weighting factors (by customer class) used for: i) Meter Reading; ii) Billing & Collecting; and iii) Services in the current CA Model and contrast them with those used in the previous CA filing. Please provide an explanation for the values currently used in each instance.

LUI's RESPONSE:

Weighting Factor		Residential	General Service Less Than 50 kW	General Service 50 to 2,999 kW	General Service 3,000 to 4,999 kW	Street Lighting	Sentinel Lighting	Unmetered Scattered Load
Services	Current CA filing	1	2	10	10	1	1	1
	Previous CA filing	1	2	10	10	1	1	1
Billing & Collecting	Current CA filing	1	2	7	7	1	0.1	5
	Previous CA filing	1	2	7	7	1	0.1	5
Meter Reading	Current CA filing	1	1	6.87	49	0	0	0
	Previous CA filing	1	2.71	6.28	45.73	0	0	0

LUI has maintained the same weighting factors from the previous CA filing to the current CA filing, for both services, as well as Billing & Collecting. LUI's professional consultants, based on their experience, determined that the weighting factors used represent the level of effort involved in LUI's Services, Billing and Collection activities. LUI believes that the weighting factors used are an accurate for LUI's service area. LUI is lacking better information at this time to be able to provide a different weighting factor than the defaults in previous CA filing.

LUI used slightly different meter reading weighting factors in this CA filing, due to Smart Meter implementation. LUI's professional consultants believe, based on their experiences, these new weighting factors represent a more accurate weighting factor, based on LUI's service territory.

e) Do all Residential customers have single-phase smart meters? If not, what other types are used, how many of each and what are the comparable costs relative to the $275 assumed for a residential smart meter in Sheet I7.1?

LUI'S RESPONSE:

Yes, all Residential customers have single-phase smart meters.

f) If necessary, please update Sheet I7.1 of the Cost Allocation model and re-run the model.

LUI's RESPONSE:

LUI did not need to rerun Sheet I7.1 based on part e) above.

27. Reference: Exhibit 7, Tab 1, Schedule 2, page 5

a. Please confirm that the Board's Cost Allocation Guidelines (EB-2007-0667, page 7) state: "Distributors should not move their revenue-to-cost ratios further away from one".

LUI's RESPONSE:

LUI confirms that the Board's Cost Allocation Guidelines states "Distributors should not move their revenue –to-cost ratios further away from one". However LUI notes that in order to mitigate negative impacts of obtaining a revenue – to –cost ratio for one class within the Board Approved range, slight changes away from one for other classes, however still within the Board Approved range, were required.

b. Why is Lakefront proposing to increase the revenue to cost ratio for the GS <50 class from 102.6% to 107.43% and move it further away from 100%?

LUI's RESPONSE:

During the 2011 IRM process, LUI pointed out the issue of revenue-to-cost ration calculations, where a **New Starting Point** was created from the Board released "***2010 3GIRM Supplementary Filing Module Sheet B2.2 CA Information and Sheet B2.3 New Starting Point***," by extrapolating the figures associated with transformer allowance. LUI's GS <50 class revenue-to-cost ratios were therefore recalculated as 112.95% for 2010 and adjusted down to 107.43% in 2011. We are therefore not recommending any movement in the customer class from the 2012 Board Approved revenue-to-cost ratio.

c. Why is Lakefront proposing to move the ratio for Street Lighting from 108.32% to 80% (i.e. from above to below 100% and further away in absolute terms)?

LUI's RESPONSE:

Similar to the answer to question #27 b above, the Board Approved revenue-to-cost ratio for Street Lighting in 2011 is 70.06% and LUI is moving this class ratio closer to one. LUI Street Lighting class has seen a significant increase to rates over the last four years due to anomalies in the previous Cost Allocation model that LUI (and other utilities across the Province) interpreted differently than intended and the current Cost Allocation model corrected the issue. This is reflected in the fact that the new model recommends a revenue-to-cost ratio of 108.32% (which would be a jump of over 38.32%) and highlight the point that LUI may have been overbilling that class at some points in the last four

years. The 80% from 70.06% is movement towards zero incrementally over a four year period.

d. Why is Lakefront proposing to move the ratio for Sentinel Lighting from 113.32% to 90% (i.e., from above to below 100%)?

LUI's RESPONSE:

Similar to the answer to question #27 b above, LUI's Sentinel Lighting class revenue-to-cost ratios were recalculated as 70.06% for 2010 and adjusted down to 70% in 2011. We are therefore recommending a movement from 70% in the 2011 Board Approved revenue-to-cost ratio for this class to 90% in this 2012 COS Application.

e. What would be the outstanding revenue shortfall/surplus if only the following changes were made for 2012;
   i. USL ratio increased to 80% (from 76.95%)
   ii. GS 3000-4999 ratio is increased to 50.5% as proposed
   iii. GS >50-2999 ratio is decreased to 120%?

LUI's RESPONSE:

The revenue shortfall would be $5,322 in the USL class and a surplus of $87,801 in the GS > 50 class. Please keep in mind that the starting percentage ratios that must be considered is the approved 2011 Board Approved figures.

f. Please indicate the reason for not proposing a greater increase in the GS 3000-4999 ratio for 2012. If rate impact considerations, please indicate the total bill impact for this class based on Lakefront's overall application.

LUI's RESPONSE:

There are two reasons why a greater increase in the GS 3000-4999 ratio for 2012 was not proposed. The 2011 Board Approved revenue-to-cost ratios were 20.05% so there is already a movement of 30% to get to the recommended 50.5%. Secondly, any further adjustment towards 100% could potentially have a detrimental impact, and as there is only one customer in this class. Factors that have to be considered include the political impact to possible job loss in a small community in this economic climate. This is a good example of LDCs having to consider mitigating factors unique to their service territory and circumstances.

g. What is Lakefront's understanding as to the likely timing of its next rebasing application after 2012?

LUI's RESPONSE:

LUI intends on rebasing again in 2016.

RATE DESIGN

28. Reference: Exhibit 8, page 5

a. With respect to Table 8-3, please provide a schedule that sets out the calculation of the current fixed variable split for each customer class based on 2011 rates and 2012 billing determinants. For the GS>50 classes, please calculate the split using the variable revenue reduced for the transformer allowance.

LUI's RESPONSE:

LUI has provided below, the table that provides the calculation of current fixed variable split for each customer class based on 2011 rate and 2012 billing determinants, using the variable revenue reduced for the transformer allowance.

Forecast Class Billing Determinants for 2012 Test Year Based on Existing Class Revenue Proportions
Revenue At Existing Rates

Class	Annual kWh	Annual kW For Dx	Annualized Customers	Annualized Connections	Fixed Distribution Revenue	Variable Distribution Revenue	Dist. Rev. Including Transformer	Transformer Allowance	Dist. Rev. Excluding Transformer	Dist Rev At Existing Rates %
Residential	73,125,152		103,239		959,095	979,877	1,938,971.56		1,938,972	48.37%
GS < 50 kW	35,160,634		13,223		297,522	284,801	582,322.67		582,323	14.53%
GS 50-2999	120,608,902	303,629	1,525		280,441	1,038,442	1,318,883.30	120,237.13	1,198,646	29.90%
GS 3000 - 4999	19,295,356	47,442	12		21,203	48,714	69,916.56	28,465.39	41,451	1.03%
Sentinel Lights	78,431	218		644.3743	3,003	2,500	5,502.50		5,503	0.14%
Street Lighting	1,215,575	3,343		33,644	129,195	81,381	210,575.96		210,576	5.25%
USL	716,623		921		10,334	20,997	31,330.67		31,331	0.78%
0		0			0	0	0		0	0.00%
0	0	0	0		0	0	0		0	0.00%
	250,200,674	354,633	118,921	34,289	1,700,791	2,456,712	4,157,503	148,703	4,008,801	100%

29. Reference: Exhibit 8, page 8

a. Please re-calculate the RTSRs for 2012 using the Board's model and the approved 2012 UTRs.

LUI's RESPONSE:

LUI has recalculated the RTSR's for 2012 using the Board's model and the approved 2012 UTR's, as attached in Appendix 29A. **Appendix 29A** contains the final 2012 RTS Rates has been modified with the approved 2012 Uniformed Transmission Rates. Sub Transmission UTR rates for Hydro One have not been updated, as of this date. The sub transmission rates are typically set by the Board in Hydro One's distribution rate application which is scheduled to be filed this year.

30. Reference: Exhibit 8, page 9

a. How was the forecasted LV total cost of $313,690.80 determined?

LUI's RESPONSE:

LUI calculated the forecasted LV cost of $313,690.80 based on LUI's 2012 projected kWh or kW, determined from the weather regression model, allocated based on low voltage rates as approved in LUI's 2011 rate order (EB-2010-0095)

Low Voltage					
Class per Load Forecast			**2012**		
Residential			73,125,152	$0.0013	$95,063
General Service < 50 kW			35,160,634	$0.0012	$42,193
General Service 50 to 2,999 kW			303,629	$0.4864	$147,685
Intermediate 3,000 to 4,999 kW			47,442	$0.5570	$26,425
Street Lighting			3,343	$0.3708	$1,240
Sentinel Lighting			218	$0.3754	$82
Unmetered Scattered Load			716,623	$0.0014	$1,003
TOTAL					**$313,691**

LRAM

31. Reference: Exhibit 10, page 12

a. Did the rates used in the LRAM calculations for the GS>50 classes take into account the transformer ownership allowance? If not, please re-calculate.

LUI's RESPONSE:

LUI confirms that the rates used in the LRAM calculations for the GS>50 classes do take into account the transformer ownership allowance.

Appendix A – Update RTSR (Reference #29)


V2.0

Ontario Energy Board

RTSR WORK FORM FOR ELECTRICITY DISTRIBUTORS

Choose Your Utility:
Kitchener-Wilmot Hydro Inc.
Lakefront Utilities Inc.

Application Type: CoS
OEB Application #:
LDC Licence #: ED-2002-0545

Last COS OEB Application #: EB-2007-0761
Last COS Re-Basing Year: 2008

Application Contact Information

Name:	Jennifer Theoret
Title:	Director, Finance and Compliance
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Email Address:	jtheoret@lusi.on.ca

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Ontario Energy Board

RTSR WORK FORM FOR ELECTRICITY DISTRIBUTORS

Lakefront Utilities Inc. - - CoS

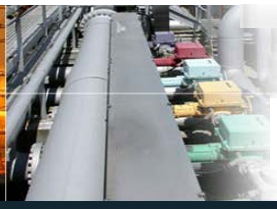
Ontario Energy Board

RTSR WORK FORM FOR ELECTRICITY DISTRIBUTORS

Lakefront Utilities Inc. - - CoS

1. Select the appropriate rate classes that appear on your most recent Board-Approved Tariff of Rates and Charges.
2. Enter the RTS Network and Connection Rate as it appears on the Tariff of Rates and Charges

Rate Class	Unit	RTSR - Network	RTSR - Connection
Residential	kWh	$ 0.0054	$ 0.0043
General Service Less Than 50 kW	kWh	$ 0.0049	$ 0.0039
General Service 50 to 2,999 kW	kW	$ 1.9987	$ 1.5466
General Service 3,000 to 4,999 kW	kW	$ 2.2353	$ 1.8241
Unmetered Scattered Load	kWh	$ 0.0057	$ 0.0048
Sentinel Lighting	kW	$ 1.5148	$ 1.2205
Street Lighting	kW	$ 1.5074	$ 1.1956
Choose Rate Class	kWh		



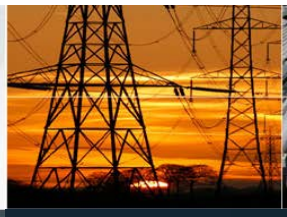
Ontario Energy Board

RTSR WORK FORM FOR ELECTRICITY DISTRIBUTORS

Lakefront Utilities Inc. - - CoS

In the green shaded cells, enter the most recent reported RRR billing determinants. Please ensure that billing determinants are non-loss adjusted.

Rate Class	Unit	Non-Loss Adjusted Metered kWh	Non-Loss Adjusted Metered kW	Applicable Loss Factor	Load Factor	Loss Adjusted Billed kWh	Billed kW
Residential	kWh	71,617,895		1.0541		75,492,423	-
General Service Less Than 50 kW	kWh	34,136,417		1.0541		35,983,197	-
General Service 50 to 2,999 kW	kW	120,251,065	300,323		54.88%	120,251,065	300,323
General Service 3,000 to 4,999 kW	kW	19,165,415	46,435		56.57%	19,165,415	46,435
Unmetered Scattered Load	kWh	718,651		1.0541		757,530	-
Sentinel Lighting	kW	46,220	128		49.49%	46,220	128
Street Lighting	kW	1,222,485	3,396		49.34%	1,222,485	3,396



Ontario Energy Board

RTSR WORK FORM FOR ELECTRICITY DISTRIBUTORS

Lakefront Utilities Inc. - - CoS

Uniform Transmission Rates	Unit	Effective	Effective	Effective
Rate Description		**Rate**	**Rate**	**Rate**
Network Service Rate	kW	$ 2.97	$ 3.22	$ 3.22
Line Connection Service Rate	kW	$ 0.73	$ 0.79	$ 0.79
Transformation Connection Service Rate	kW	$ 1.71	$ 1.77	$ 1.77

Hydro One Sub-Transmission Rates	Unit	Effective	Effective	Effective
Rate Description		**Rate**	**Rate**	**Rate**
Network Service Rate	kW	$ 2.65	$ 2.65	$ 2.65
Line Connection Service Rate	kW	$ 0.64	$ 0.64	$ 0.64
Transformation Connection Service Rate	kW	$ 1.50	$ 1.50	$ 1.50
Both Line and Transformation Connection Service Rate	kW	$ 2.14	$ 2.14	$ 2.14

Hydro One Sub-Transmission Rate Rider 6A	Unit	Effective	Effective	Effective
Rate Description		**Rate**	**Rate**	**Rate**
RSVA Transmission network – 4714 – which affects 1584	kW	$ 0.0470	$ 0.0470	$ 0.0470
RSVA Transmission connection – 4716 – which affects 1586	kW	-$ 0.0250	-$ 0.0250	-$ 0.0250
RSVA LV – 4750 – which affects 1550	kW	$ 0.0580	$ 0.0580	$ 0.0580
RARA 1 – 2252 – which affects 1590	kW	-$ 0.0750	-$ 0.0750	-$ 0.0750
Hydro One Sub-Transmission Rate Rider 6A	kW	$ 0.0050	$ 0.0050	$ 0.0050

Ontario Energy Board

RTSR WORK FORM FOR ELECTRICITY DISTRIBUTORS

Lakefront Utilities Inc. - - CoS

In the green shaded cells, enter billing detail for wholesale transmission for the same reporting period as the billing determinants on Sheet "4. RRR Data". For Hydro One Sub-transmission Rates, if you are charged a *combined* Line and Transformer connection rate, please ensure that both the line connection and transformer connection columns are completed.

IESO

	Network			Line Connection			Transformation Connection			Total Line
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January		$0.00			$0.00			$0.00		$ -
February		$0.00			$0.00			$0.00		$ -
March		$0.00			$0.00			$0.00		$ -
April		$0.00			$0.00			$0.00		$ -
May		$0.00			$0.00			$0.00		$ -
June		$0.00			$0.00			$0.00		$ -
July		$0.00			$0.00			$0.00		$ -
August		$0.00			$0.00			$0.00		$ -
September		$0.00			$0.00			$0.00		$ -
October		$0.00			$0.00			$0.00		$ -
November		$0.00			$0.00			$0.00		$ -
December		$0.00			$0.00			$0.00		$ -
Total	-	$ -	$ -	-	$ -	$ -	-	$ -	$ -	$ -

HYDRO ONE

	Network			Line Connection			Transformation Connection			Total Line
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	43,204	$2.24	$ 96,777	43,204	$0.60	$ 25,922	43,204	$1.39	$ 60,054	$ 85,976
February	41,809	$2.24	$ 93,652	41,809	$0.60	$ 25,085	41,809	$1.39	$ 58,115	$ 83,200
March	39,317	$2.24	$ 88,070	39,317	$0.60	$ 23,590	39,317	$1.39	$ 54,651	$ 78,241
April	36,164	$2.30	$ 83,188	36,164	$0.61	$ 21,911	36,164	$1.41	$ 50,853	$ 72,764
May	40,939	$2.65	$ 108,488	40,939	$0.64	$ 26,201	40,939	$1.50	$ 61,409	$ 87,609
June	42,723	$2.65	$ 113,216	42,723	$0.64	$ 27,343	42,723	$1.50	$ 64,085	$ 91,427
July	45,480	$2.65	$ 120,522	45,480	$0.64	$ 29,107	45,480	$1.50	$ 68,220	$ 97,327
August	44,365	$2.65	$ 117,567	44,365	$0.64	$ 28,394	44,365	$1.50	$ 66,548	$ 94,941
September	41,672	$2.65	$ 110,431	41,672	$0.64	$ 26,670	41,672	$1.50	$ 62,508	$ 89,178
October	35,080	$2.65	$ 92,962	35,080	$0.64	$ 22,451	35,080	$1.50	$ 52,620	$ 75,071
November	39,259	$2.65	$ 104,036	39,259	$0.64	$ 25,126	39,259	$1.50	$ 58,889	$ 84,014
December	44,309	$2.65	$ 117,419	44,309	$0.64	$ 28,358	44,309	$1.50	$ 66,464	$ 94,821
Total	494,321	$ 2.52	$ 1,246,329	494,321	$ 0.63	$ 310,158	494,321	$ 1.47	$ 724,412	$ 1,034,571

TOTAL

	Network			Line Connection			Transformation Connection			Total Line
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	43,204	$2.24	$ 96,777	43,204	$0.60	$ 25,922	43,204	$1.39	$ 60,054	$ 85,976
February	41,809	$2.24	$ 93,652	41,809	$0.60	$ 25,085	41,809	$1.39	$ 58,115	$ 83,200
March	39,317	$2.24	$ 88,070	39,317	$0.60	$ 23,590	39,317	$1.39	$ 54,651	$ 78,241
April	36,164	$2.30	$ 83,188	36,164	$0.61	$ 21,911	36,164	$1.41	$ 50,853	$ 72,764
May	40,939	$2.65	$ 108,488	40,939	$0.64	$ 26,201	40,939	$1.50	$ 61,409	$ 87,609
June	42,723	$2.65	$ 113,216	42,723	$0.64	$ 27,343	42,723	$1.50	$ 64,085	$ 91,427
July	45,480	$2.65	$ 120,522	45,480	$0.64	$ 29,107	45,480	$1.50	$ 68,220	$ 97,327
August	44,365	$2.65	$ 117,567	44,365	$0.64	$ 28,394	44,365	$1.50	$ 66,548	$ 94,941
September	41,672	$2.65	$ 110,431	41,672	$0.64	$ 26,670	41,672	$1.50	$ 62,508	$ 89,178
October	35,080	$2.65	$ 92,962	35,080	$0.64	$ 22,451	35,080	$1.50	$ 52,620	$ 75,071
November	39,259	$2.65	$ 104,036	39,259	$0.64	$ 25,126	39,259	$1.50	$ 58,889	$ 84,014
December	44,309	$2.65	$ 117,419	44,309	$0.64	$ 28,358	44,309	$1.50	$ 66,464	$ 94,821
Total	494,321	$ 2.52	$ 1,246,329	494,321	$ 0.63	$ 310,158	494,321	$ 1.47	$ 724,412	$ 1,034,571

Ontario Energy Board

RTSR WORK FORM FOR ELECTRICITY DISTRIBUTORS

Lakefront Utilities Inc. - - CoS

The purpose of this sheet is to calculate the expected billing when current 2011 Uniform Transmission Rates are applied against historical 2010 transmission units.

IESO

Month	Network Units Billed	Network Rate	Network Amount	Line Connection Units Billed	Line Connection Rate	Line Connection Amount	Transformation Connection Units Billed	Transformation Connection Rate	Transformation Connection Amount	Total Line Amount
January	-	$ 3.2200	$ -	-	$ 0.7900	$ -	-	$ 1.7700	$ -	$ -
February	-	$ 3.2200	$ -	-	$ 0.7900	$ -	-	$ 1.7700	$ -	$ -
March	-	$ 3.2200	$ -	-	$ 0.7900	$ -	-	$ 1.7700	$ -	$ -
April	-	$ 3.2200	$ -	-	$ 0.7900	$ -	-	$ 1.7700	$ -	$ -
May	-	$ 3.2200	$ -	-	$ 0.7900	$ -	-	$ 1.7700	$ -	$ -
June	-	$ 3.2200	$ -	-	$ 0.7900	$ -	-	$ 1.7700	$ -	$ -
July	-	$ 3.2200	$ -	-	$ 0.7900	$ -	-	$ 1.7700	$ -	$ -
August	-	$ 3.2200	$ -	-	$ 0.7900	$ -	-	$ 1.7700	$ -	$ -
September	-	$ 3.2200	$ -	-	$ 0.7900	$ -	-	$ 1.7700	$ -	$ -
October	-	$ 3.2200	$ -	-	$ 0.7900	$ -	-	$ 1.7700	$ -	$ -
November	-	$ 3.2200	$ -	-	$ 0.7900	$ -	-	$ 1.7700	$ -	$ -
December	-	$ 3.2200	$ -	-	$ 0.7900	$ -	-	$ 1.7700	$ -	$ -
Total	-	$ -	$ -	-	$ -	$ -	-	$ -	$ -	$ -

HYDRO ONE

Month	Network Units Billed	Network Rate	Network Amount	Line Connection Units Billed	Line Connection Rate	Line Connection Amount	Transformation Connection Units Billed	Transformation Connection Rate	Transformation Connection Amount	Total Line Amount
January	43,204	$ 2.6970	$ 116,521	43,204	$ 0.6150	$ 26,570	43,204	$ 1.5000	$ 64,806	$ 91,376
February	41,809	$ 2.6970	$ 112,759	41,809	$ 0.6150	$ 25,713	41,809	$ 1.5000	$ 62,714	$ 88,426
March	39,317	$ 2.6970	$ 106,038	39,317	$ 0.6150	$ 24,180	39,317	$ 1.5000	$ 58,976	$ 83,155
April	36,164	$ 2.6970	$ 97,534	36,164	$ 0.6150	$ 22,241	36,164	$ 1.5000	$ 54,246	$ 76,487
May	40,939	$ 2.6970	$ 110,412	40,939	$ 0.6150	$ 25,177	40,939	$ 1.5000	$ 61,409	$ 86,586
June	42,723	$ 2.6970	$ 115,224	42,723	$ 0.6150	$ 26,275	42,723	$ 1.5000	$ 64,085	$ 90,359
July	45,480	$ 2.6970	$ 122,660	45,480	$ 0.6150	$ 27,970	45,480	$ 1.5000	$ 68,220	$ 96,190
August	44,365	$ 2.6970	$ 119,652	44,365	$ 0.6150	$ 27,284	44,365	$ 1.5000	$ 66,548	$ 93,832
September	41,672	$ 2.6970	$ 112,389	41,672	$ 0.6150	$ 25,628	41,672	$ 1.5000	$ 62,508	$ 88,136
October	35,080	$ 2.6970	$ 94,611	35,080	$ 0.6150	$ 21,574	35,080	$ 1.5000	$ 52,620	$ 74,194
November	39,259	$ 2.6970	$ 105,882	39,259	$ 0.6150	$ 24,144	39,259	$ 1.5000	$ 58,889	$ 83,033
December	44,309	$ 2.6970	$ 119,501	44,309	$ 0.6150	$ 27,250	44,309	$ 1.5000	$ 66,464	$ 93,714
Total	494,321	$ 2.70	$ 1,333,184	494,321	$ 0.62	$ 304,007	494,321	$ 1.50	$ 741,482	$ 1,045,489

TOTAL

Month	Network Units Billed	Network Rate	Network Amount	Line Connection Units Billed	Line Connection Rate	Line Connection Amount	Transformation Connection Units Billed	Transformation Connection Rate	Transformation Connection Amount	Total Line Amount
January	43,204	$ 2.70	$ 116,521	43,204	$ 0.62	$ 26,570	43,204	$ 1.50	$ 64,806	$ 91,376
February	41,809	$ 2.70	$ 112,759	41,809	$ 0.62	$ 25,713	41,809	$ 1.50	$ 62,714	$ 88,426
March	39,317	$ 2.70	$ 106,038	39,317	$ 0.62	$ 24,180	39,317	$ 1.50	$ 58,976	$ 83,155
April	36,164	$ 2.70	$ 97,534	36,164	$ 0.62	$ 22,241	36,164	$ 1.50	$ 54,246	$ 76,487
May	40,939	$ 2.70	$ 110,412	40,939	$ 0.62	$ 25,177	40,939	$ 1.50	$ 61,409	$ 86,586
June	42,723	$ 2.70	$ 115,224	42,723	$ 0.62	$ 26,275	42,723	$ 1.50	$ 64,085	$ 90,359
July	45,480	$ 2.70	$ 122,660	45,480	$ 0.62	$ 27,970	45,480	$ 1.50	$ 68,220	$ 96,190
August	44,365	$ 2.70	$ 119,652	44,365	$ 0.62	$ 27,284	44,365	$ 1.50	$ 66,548	$ 93,832
September	41,672	$ 2.70	$ 112,389	41,672	$ 0.62	$ 25,628	41,672	$ 1.50	$ 62,508	$ 88,136
October	35,080	$ 2.70	$ 94,611	35,080	$ 0.62	$ 21,574	35,080	$ 1.50	$ 52,620	$ 74,194
November	39,259	$ 2.70	$ 105,882	39,259	$ 0.62	$ 24,144	39,259	$ 1.50	$ 58,889	$ 83,033
December	44,309	$ 2.70	$ 119,501	44,309	$ 0.62	$ 27,250	44,309	$ 1.50	$ 66,464	$ 93,714
Total	494,321	$ 2.70	$ 1,333,184	494,321	$ 0.62	$ 304,007	494,321	$ 1.50	$ 741,482	$ 1,045,489

Ontario Energy Board

RTSR WORK FORM FOR ELECTRICITY DISTRIBUTORS

Lakefront Utilities Inc. - - CoS

The purpose of this sheet is to calculate the expected billing when forecasted 2012 Uniform Transmission Rates are applied against historical 2010 transmission units.

IESO

Month	Network Units Billed	Network Rate	Network Amount	Line Connection Units Billed	Line Connection Rate	Line Connection Amount	Transformation Connection Units Billed	Transformation Connection Rate	Transformation Connection Amount	Total Line Amount
January	-	$ 3.2200	$ -	-	$ 0.7900	$ -	-	$ 1.7700	$ -	$ -
February	-	$ 3.2200	$ -	-	$ 0.7900	$ -	-	$ 1.7700	$ -	$ -
March	-	$ 3.2200	$ -	-	$ 0.7900	$ -	-	$ 1.7700	$ -	$ -
April	-	$ 3.2200	$ -	-	$ 0.7900	$ -	-	$ 1.7700	$ -	$ -
May	-	$ 3.2200	$ -	-	$ 0.7900	$ -	-	$ 1.7700	$ -	$ -
June	-	$ 3.2200	$ -	-	$ 0.7900	$ -	-	$ 1.7700	$ -	$ -
July	-	$ 3.2200	$ -	-	$ 0.7900	$ -	-	$ 1.7700	$ -	$ -
August	-	$ 3.2200	$ -	-	$ 0.7900	$ -	-	$ 1.7700	$ -	$ -
September	-	$ 3.2200	$ -	-	$ 0.7900	$ -	-	$ 1.7700	$ -	$ -
October	-	$ 3.2200	$ -	-	$ 0.7900	$ -	-	$ 1.7700	$ -	$ -
November	-	$ 3.2200	$ -	-	$ 0.7900	$ -	-	$ 1.7700	$ -	$ -
December	-	$ 3.2200	$ -	-	$ 0.7900	$ -	-	$ 1.7700	$ -	$ -
Total	-	$ -	$ -	-	$ -	$ -	-	$ -	$ -	$ -

HYDRO ONE

Month	Network Units Billed	Network Rate	Network Amount	Line Connection Units Billed	Line Connection Rate	Line Connection Amount	Transformation Connection Units Billed	Transformation Connection Rate	Transformation Connection Amount	Total Line Amount
January	43,204	$ 2.6970	$ 116,521	43,204	$ 0.6150	$ 26,570	43,204	$ 1.5000	$ 64,806	$ 91,376
February	41,809	$ 2.6970	$ 112,759	41,809	$ 0.6150	$ 25,713	41,809	$ 1.5000	$ 62,714	$ 88,426
March	39,317	$ 2.6970	$ 106,038	39,317	$ 0.6150	$ 24,180	39,317	$ 1.5000	$ 58,976	$ 83,155
April	36,164	$ 2.6970	$ 97,534	36,164	$ 0.6150	$ 22,241	36,164	$ 1.5000	$ 54,246	$ 76,487
May	40,939	$ 2.6970	$ 110,412	40,939	$ 0.6150	$ 25,177	40,939	$ 1.5000	$ 61,409	$ 86,586
June	42,723	$ 2.6970	$ 115,224	42,723	$ 0.6150	$ 26,275	42,723	$ 1.5000	$ 64,085	$ 90,359
July	45,480	$ 2.6970	$ 122,660	45,480	$ 0.6150	$ 27,970	45,480	$ 1.5000	$ 68,220	$ 96,190
August	44,365	$ 2.6970	$ 119,652	44,365	$ 0.6150	$ 27,284	44,365	$ 1.5000	$ 66,548	$ 93,832
September	41,672	$ 2.6970	$ 112,389	41,672	$ 0.6150	$ 25,628	41,672	$ 1.5000	$ 62,508	$ 88,136
October	35,080	$ 2.6970	$ 94,611	35,080	$ 0.6150	$ 21,574	35,080	$ 1.5000	$ 52,620	$ 74,194
November	39,259	$ 2.6970	$ 105,882	39,259	$ 0.6150	$ 24,144	39,259	$ 1.5000	$ 58,889	$ 83,033
December	44,309	$ 2.6970	$ 119,501	44,309	$ 0.6150	$ 27,250	44,309	$ 1.5000	$ 66,464	$ 93,714
Total	494,321	$ 2.70	$ 1,333,184	494,321	$ 0.62	$ 304,007	494,321	$ 1.50	$ 741,482	$ 1,045,489

TOTAL

Month	Network Units Billed	Network Rate	Network Amount	Line Connection Units Billed	Line Connection Rate	Line Connection Amount	Transformation Connection Units Billed	Transformation Connection Rate	Transformation Connection Amount	Total Line Amount
January	43,204	$ 2.70	$ 116,521	43,204	$ 0.62	$ 26,570	43,204	$ 1.50	$ 64,806	$ 91,376
February	41,809	$ 2.70	$ 112,759	41,809	$ 0.62	$ 25,713	41,809	$ 1.50	$ 62,714	$ 88,426
March	39,317	$ 2.70	$ 106,038	39,317	$ 0.62	$ 24,180	39,317	$ 1.50	$ 58,976	$ 83,155
April	36,164	$ 2.70	$ 97,534	36,164	$ 0.62	$ 22,241	36,164	$ 1.50	$ 54,246	$ 76,487
May	40,939	$ 2.70	$ 110,412	40,939	$ 0.62	$ 25,177	40,939	$ 1.50	$ 61,409	$ 86,586
June	42,723	$ 2.70	$ 115,224	42,723	$ 0.62	$ 26,275	42,723	$ 1.50	$ 64,085	$ 90,359
July	45,480	$ 2.70	$ 122,660	45,480	$ 0.62	$ 27,970	45,480	$ 1.50	$ 68,220	$ 96,190
August	44,365	$ 2.70	$ 119,652	44,365	$ 0.62	$ 27,284	44,365	$ 1.50	$ 66,548	$ 93,832
September	41,672	$ 2.70	$ 112,389	41,672	$ 0.62	$ 25,628	41,672	$ 1.50	$ 62,508	$ 88,136
October	35,080	$ 2.70	$ 94,611	35,080	$ 0.62	$ 21,574	35,080	$ 1.50	$ 52,620	$ 74,194
November	39,259	$ 2.70	$ 105,882	39,259	$ 0.62	$ 24,144	39,259	$ 1.50	$ 58,889	$ 83,033
December	44,309	$ 2.70	$ 119,501	44,309	$ 0.62	$ 27,250	44,309	$ 1.50	$ 66,464	$ 93,714
Total	494,321	$ 2.70	$ 1,333,184	494,321	$ 0.62	$ 304,007	494,321	$ 1.50	$ 741,482	$ 1,045,489

Ontario Energy Board

RTSR WORK FORM FOR ELECTRICITY DISTRIBUTORS

Lakefront Utilities Inc. - - CoS

The purpose of this sheet is to re-align the current RTS Network Rates to recover current wholesale network costs.

Rate Class	Unit	Current RTSR - Network	Loss Adjusted Billed kWh	Loss Adjusted Billed kW	Billed Amount	Billed Amount %	Current Wholesale Billing	Adjusted RTSR Network
Residential	kWh	$ 0.0054	75,492,423	-	$ 407,659	31.4%	$ 418,819	$ 0.0055
General Service Less Than 50 kW	kWh	$ 0.0049	35,983,197	-	$ 176,318	13.6%	$ 181,144	$ 0.0050
General Service 50 to 2,999 kW	kW	$ 1.9987	120,251,065	300,323	$ 600,256	46.3%	$ 616,688	$ 2.0534
General Service 3,000 to 4,999 kW	kW	$ 2.2353	19,165,415	46,435	$ 103,796	8.0%	$ 106,638	$ 2.2965
Unmetered Scattered Load	kWh	$ 0.0057	757,530	-	$ 4,318	0.3%	$ 4,436	$ 0.0059
Sentinel Lighting	kW	$ 1.5148	46,220	128	$ 194	0.0%	$ 199	$ 1.5563
Street Lighting	kW	$ 1.5074	1,222,485	3,396	$ 5,119	0.4%	$ 5,259	$ 1.5487
					$ 1,297,659			

Ontario Energy Board

RTSR WORK FORM FOR ELECTRICITY DISTRIBUTORS

Lakefront Utilities Inc. - - CoS

The purpose of this sheet is to re-align the current RTS Connection Rates to recover current wholesale connection costs.

Rate Class	Unit	Current RTSR - Connection	Loss Adjusted Billed kWh	Loss Adjusted Billed kW	Billed Amount	Billed Amount %	Current Wholesale Billing	Adjusted RTSR Connection
Residential	kWh	$ 0.0043	75,492,423	-	$ 324,617	31.8%	$ 332,083	$ 0.0044
General Service Less Than 50 kW	kWh	$ 0.0039	35,983,197	-	$ 140,334	13.7%	$ 143,562	$ 0.0040
General Service 50 to 2,999 kW	kW	$ 1.5466	120,251,065	300,323	$ 464,480	45.4%	$ 475,161	$ 1.5822
General Service 3,000 to 4,999 kW	kW	$ 1.8241	19,165,415	46,435	$ 84,702	8.3%	$ 86,650	$ 1.8660
Unmetered Scattered Load	kWh	$ 0.0048	757,530	-	$ 3,636	0.4%	$ 3,720	$ 0.0049
Sentinel Lighting	kW	$ 1.2205	46,220	128	$ 156	0.0%	$ 160	$ 1.2486
Street Lighting	kW	$ 1.1956	1,222,485	3,396	$ 4,060	0.4%	$ 4,154	$ 1.2231
					$ 1,021,986			

Ontario Energy Board

RTSR WORK FORM FOR ELECTRICITY DISTRIBUTORS

Lakefront Utilities Inc. - - CoS

The purpose of this sheet is to update the re-align RTS Network Rates to recover forecast wholesale network costs.

Rate Class	Unit	Adjusted RTSR - Network	Loss Adjusted Billed kWh	Loss Adjusted Billed kW	Billed Amount	Billed Amount %	Forecast Wholesale Billing	Proposed RTSR Network
Residential	kWh	$ 0.0055	75,492,423	-	$ 418,819	31.4%	$ 418,819	$ 0.0055
General Service Less Than 50 kW	kWh	$ 0.0050	35,983,197	-	$ 181,144	13.6%	$ 181,144	$ 0.0050
General Service 50 to 2,999 kW	kW	$ 2.0534	120,251,065	300,323	$ 616,688	46.3%	$ 616,688	$ 2.0534
General Service 3,000 to 4,999 kW	kW	$ 2.2965	19,165,415	46,435	$ 106,638	8.0%	$ 106,638	$ 2.2965
Unmetered Scattered Load	kWh	$ 0.0059	757,530	-	$ 4,436	0.3%	$ 4,436	$ 0.0059
Sentinel Lighting	kW	$ 1.5563	46,220	128	$ 199	0.0%	$ 199	$ 1.5563
Street Lighting	kW	$ 1.5487	1,222,485	3,396	$ 5,259	0.4%	$ 5,259	$ 1.5487
					$ 1,333,184			

Ontario Energy Board

RTSR WORK FORM FOR ELECTRICITY DISTRIBUTORS

Lakefront Utilities Inc. - - CoS

The purpose of this sheet is to update the re-aligned RTS Connection Rates to recover forecast wholesale connection costs.

Rate Class	Unit	Adjusted RTSR - Connection	Loss Adjusted Billed kWh	Loss Adjusted Billed kW	Billed Amount	Billed Amount %	Forecast Wholesale Billing	Proposed RTSR Connection
Residential	kWh	$ 0.0044	75,492,423	-	$ 332,083	31.8%	$ 332,083	$ 0.0044
General Service Less Than 50 kW	kWh	$ 0.0040	35,983,197	-	$ 143,562	13.7%	$ 143,562	$ 0.0040
General Service 50 to 2,999 kW	kW	$ 1.5822	120,251,065	300,323	$ 475,161	45.4%	$ 475,161	$ 1.5822
General Service 3,000 to 4,999 kW	kW	$ 1.8660	19,165,415	46,435	$ 86,650	8.3%	$ 86,650	$ 1.8660
Unmetered Scattered Load	kWh	$ 0.0049	757,530	-	$ 3,720	0.4%	$ 3,720	$ 0.0049
Sentinel Lighting	kW	$ 1.2486	46,220	128	$ 160	0.0%	$ 160	$ 1.2486
Street Lighting	kW	$ 1.2231	1,222,485	3,396	$ 4,154	0.4%	$ 4,154	$ 1.2231
					$ 1,045,489			

Ontario Energy Board

RTSR WORK FORM FOR ELECTRICITY DISTRIBUTORS

Lakefront Utilities Inc. - - CoS

For Cost of Service Applicants, please enter the following Proposed RTS rates into your rates model.

For IRM applicants, please enter these rates into the 2012 Rate Generator.

Rate Class	Unit	Proposed RTSR Network	Proposed RTSR Connection
Residential	kWh	$ 0.0055	$ 0.0044
General Service Less Than 50 kW	kWh	$ 0.0050	$ 0.0040
General Service 50 to 2,999 kW	kW	$ 2.0534	$ 1.5822
General Service 3,000 to 4,999 kW	kW	$ 2.2965	$ 1.8660
Unmetered Scattered Load	kWh	$ 0.0059	$ 0.0049
Sentinel Lighting	kW	$ 1.5563	$ 1.2486
Street Lighting	kW	$ 1.5487	$ 1.2231