



**Lakefront
Utilities
Inc.**

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

March 26, 2012

Dear Ms. Walli,

Re: Lakefront Utilities Inc. Interrogatory Round 2 Responses to Board Staff in the proceeding EB-2011-0250

Lakefront Utilities Inc. (LUI) hereby submits its responses to Board Staff Interrogatories Round 2 to the Ontario Energy Board ("the Board").

Please find attached to this cover letter:

- 1 electronic copy of the Interrogatory Round 2 Responses to Board Staff in proceeding EB-2011-0250

A copy of the Interrogatory Round 2 Responses to the Board has also been filed through the Web Portal and electronic copies were 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}

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

**Lakefront Utilities Inc. ("LUI")
2012 Electricity Distribution Rates
EB-2011-0250
Board Staff Supplementary Interrogatories**

61. Schedule of Proposed Rates and Charges

Ref: Board staff interrogatory #5

Board staff notes that the following rates are missing in the Proposed Tariff of Rates and Charges provided by Lakefront in response to Board staff's interrogatory #5.

- Service Charge pertaining to the microFIT Generator rate class
- Retail Transmission Rate – Network Service Rate and Retail Transmission Rate – Line and Transformation Connection Service Rate pertaining to all applicable rate classes
- Allowances (Transformer Ownership and Primary Metering)
- Retail Service Charges
- Loss Factors

Please re-file the Proposed Tariff of Rates and Charges to include these missing elements.

LUI's RESPONSE:

LUI has updated the Proposed Tariff of Rates and Charges to include all of the missing elements, summarized in Q#61 above.

SCHEDULE OF PROPOSED RATES AND CHARGES

Lakefront Utilities Services Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2012

Residential	\$	12.25
Loss Factor		1.0565
Distribution Volumetric Rate	\$/kwh	0.0177
LRAM and SSM Rate Rider	\$/kwh	0.0002
Low Voltage Service Rate	\$/kwh	0.0013
Rate Rider For Global Adjustment Sub-Account Disposition Non-RPP	\$/kwh	(0.0002)
Rate Rider for Deferral Variance Account Disposition	\$/kwh	(0.0009)
Retail Transmission Rate-Network Service Rate	\$/kwh	0.0055
Retail Transmission Rate-Line and Transformation Connection Service Rate	\$/kwh	0.0044
Wholesale Market Service Rate	\$/kwh	0.0052
Stranded meter rate rider	per month	2.3699
Smart Meter Rate Rider	per month	(0.11)
Rural Rate Protection Charge	\$/kwh	0.0013
Standard Supply Service-Administrative Charge Of applicable)	\$	

SCHEDULE OF PROPOSED RATES AND CHARGES

Lakefront Utilities Services Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2012

GS< 50 KW Service Charge	\$	28.02
Loss Factor		1.06
Distribution Volumetric Rate	\$/kwh	0.0101
LRAM and SSM Rate Rider	\$/kwh	0.0002
Low Voltage Service Rate	\$/kwh	0.0012
Rate Rider For Global Adjustment Sub-Account Disposition Non-RPP	\$/kwh	(0.0002)
Rate Rider for Deferral Variance Account Disposition	\$/kwh	(0.0009)
Retail Transmission Rate-Network Service Rate	\$/kwh	0.0050
Retail Transmission Rate-Line and Transformation Connection Service Rate	\$/kwh	0.0040
Wholesale Market Service Rate	\$/kwh	0.0052
Stranded meter rate rider	per month	2.3699
Smart Meter Rate Rider	per month	(0.11)
Rural Rate Protection Charge	\$/kwh	0.0013

SCHEDULE OF PROPOSED RATES AND CHARGES

Lakefront Utilities Services Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2012

GS 50-2999 Service Charge	\$	181.20
Loss Factor		1.06
Distribution Volumetric Rate	\$/kwh	3.3764
LRAM and SSM Rate Rider	\$/kwh	0.0069
Low Voltage Service Rate	\$/kwh	0.4778
Rate Rider For Global Adjustment Sub-Account Disposition Non-RPP	\$/kwh	(0.0723)
Rate Rider for Deferral Variance Account Disposition	\$/kwh	(0.3374)
Retail Transmission Rate-Network Service Rate	\$/kwh	2.0534
Retail Transmission Rate-Line and Transformation Connection Service Rate	\$/kwh	1.5822
Wholesale Market Service Rate	\$/kwh	0.0052
Stranded meter rate rider	per month	2.3699
Smart Meter Rate Rider	per month	(0.11)
Rural Rate Protection Charge	\$/kwh	0.0013
Standard Supply Service-Administrative Charge Of applicable)	\$	
Transformer Allowance	per month	(0.60)

SCHEDULE OF PROPOSED RATES AND CHARGES

Lakefront Utilities Services Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2012

GS 3000-4999 kW Service Charge	\$	2617.84
Loss Factor		1.06
Distribution Volumetric Rate	\$/kwh	1.2323
LRAM and SSM Rate Rider	\$/kwh	0.0149
Low Voltage Service Rate	\$/kwh	0.5635
Rate Rider For Global Adjustment Sub-Account Disposition Non-RPP	\$/kwh	(0.0828)
Rate Rider for Deferral Variance Account Disposition	\$/kwh	(0.3157)
Retail Transmission Rate-Network Service Rate	\$/kwh	2.2965
Retail Transmission Rate-Line and Transformation Connection Service Rate	\$/kwh	1.8660
Wholesale Market Service Rate	\$/kwh	0.0052
Stranded meter rate rider	per month	2.3699

Rural Rate Protection Charge	\$/kwh	0.0013
Standard Supply Service-Administrative Charge Of applicable)	\$	
Transformer Allowance	per month	(0.60)

SCHEDULE OF PROPOSED RATES AND CHARGES

Lakefront Utilities Services Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2012

Sentinel Light Service Charge	\$	4.30
Loss Factor		1.06
Distribution Volumetric Rate	\$/kwh	10.5767
LRAM and SSM Rate Rider	\$/kwh	0.0000
Low Voltage Service Rate	\$/kwh	0.3771
Rate Rider For Global Adjustment Sub-Account Disposition Non-RPP	\$/kwh	(0.0733)
Rate Rider for Deferral Variance Account Disposition	\$/kwh	(0.0634)
Retail Transmission Rate-Network Service Rate	\$/kwh	1.5563
Retail Transmission Rate-Line and Transformation Connection Service Rate	\$/kwh	1.2486
Wholesale Market Service Rate	\$/kwh	0.0052
Stranded meter rate rider	per month	
Smart Meter Rate Rider	per month	
Rural Rate Protection Charge	\$/kwh	0.3754
Standard Supply Service-Administrative Charge Of applicable)	\$	

SCHEDULE OF PROPOSED RATES AND CHARGES

Lakefront Utilities Services Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2012

Street Light Service Charge	\$	3.26
Loss Factor		1.06
Distribution Volumetric Rate	\$/kwh	20.6590
LRAM and SSM Rate Rider	\$/kwh	0.0000
Low Voltage Service Rate	\$/kwh	0.3694
Rate Rider For Global Adjustment Sub-Account Disposition Non-RPP	\$/kwh	(0.0740)
Rate Rider for Deferral Variance Account Disposition	\$/kwh	0.8418
Retail Transmission Rate-Network Service Rate	\$/kwh	1.5487
Retail Transmission Rate-Line and Transformation Connection Service Rate	\$/kwh	1.2486
Wholesale Market Service Rate	\$/kwh	0.0052
Stranded meter rate rider	per month	
Smart Meter Rate Rider	per month	
Rural Rate Protection Charge	\$/kwh	0.0013
Standard Supply Service-Administrative Charge Of applicable)	\$	

SCHEDULE OF PROPOSED RATES AND CHARGES

Lakefront Utilities Services Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2012

USL Service Charge	\$	15.79
Loss Factor		1.06
Distribution Volumetric Rate	\$/kwh	0.0412
LRAM and SSM Rate Rider	\$/kwh	0.0000
Low Voltage Service Rate	\$/kwh	0.0015
Rate Rider For Global Adjustment Sub-Account Disposition Non-RPP	\$/kwh	(0.0002)
Rate Rider for Deferral Variance Account Disposition	\$/kwh	-
Retail Transmission Rate-Network Service Rate	\$/kwh	0.0059
Retail Transmission Rate-Line and Transformation Connection Service Rate	\$/kwh	0.0049
Wholesale Market Service Rate	\$/kwh	0.0052
Stranded meter rate rider	per month	

RATES SCHEDULE (Part 2)

Schedule of Distribution Rates and Charges

Effective May 1, 2012

Item Description	Calculation Basis	Rate (\$)
Arrears certificate	Standard	15.00
Statement of account	Standard	15.00
Pulling post dated cheques	Standard	15.00
Request for other billing information	Standard	15.00
Easement letter	Standard	15.00
Income tax letter	Standard	15.00
Credit reference/credit check (plus credit agency costs)	Standard	15.00
Returned cheque charge (plus bank charges)	Standard	15.00
Legal letter charge	Standard	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	Standard	30.00
Special meter reads	Standard	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	Standard	30.00
Collection of account charge - no disconnection	Standard	30.00
Collection of account charge - no disconnection - after regular hours	Standard	165.00
Disconnect/Reconnect at meter - during regular hours	Standard	65.00
Disconnect/Reconnect at meter - after regular hours	Standard	185.00
Disconnect/Reconnect at pole - during regular hours	Standard	185.00
Disconnect/Reconnect at pole - after regular hours	Standard	415.00
Install/Remove load control device - during regular hours	Standard	65.00
Install/Remove load control device - after regular hours	Standard	185.00
Service call - customer-owned equipment	Standard	30.00
Service call - after regular hours	Standard	165.00
Temporary service install & remove - overhead - no transformer	Standard	500.00
Temporary service install & remove - underground - no transformer	Standard	300.00
Temporary service install & remove - overhead - with transformer	Standard	1,000.00
Specific Charge for Access to the Power Poles \$/pole/year	Standard	22.35
Interval Meter Load Management Tool Charge \$/month	Standard	110.00
Service charge for onsite interrogation of interval meter due to customer phone line failure -required weekly until line repaired	Standard	60.00
Service Charge - MicroFit Monthly Charge	Standard	5.25

Lakefront Utilities Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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

RETAIL SERVICE CHARGES (if applicable)

APPLICATION

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

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

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

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity	
One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$100.00
Monthly Fixed Charge, per retailer	\$20.00
Monthly Variable Charge per customer per retailer	\$/Cust. 0.50
Distributor Consolidated billing charge per customer per retailer	\$/Cust. 0.30
Retailer consolidated billing credit, per customer per retailer	\$/Cust. -0.30
Service Transaction Request	
Request fee, per request, applies to the requesting party	\$0.25
Processing fee, per request, applied to the requesting party	\$0.50
Request for customer information as outlined in Section 10.6.3 and chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the electronic business transaction EBT system applied to the requesting party	
Up to twice a year	no charge
More than twice a year per request plus incremental delivery costs	\$2.00
If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.	
Total Loss Factor - Secondary Metered Customer < 5000kw	1.0565
Total Loss Factor - Primary Metered Customer < 5000kw	1.0465

LAKEFRONT UTILITIES INC.
License Number ED-2002-0545, File Number EB-2011-0250

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RATES SCHEDULE (Part 1)
Schedule of Distribution Rates and Charges
Effective May 1, 2012

Customer Class	Item Description	Unit	Rate (\$)
Residential			
	Monthly Service Charge	per month	12.25
	Distribution Volumetric Rate	per kWh	0.0177
	Low Voltage Rider	per kWh	0.0013
	LRAM and SSM Rate Rider	per kWh	0.0002
	Stranded meter Rate Rider	per month	2.37
	Smart Meter Rate Rider	per month	0.05
	Deferral and Variance Account Rider	per kWh	(0.0009)
GS < 50 kW			
	Monthly Service Charge	per month	28.02
	Distribution Volumetric Rate	per kWh	0.0101
	Low Voltage Rider	per kWh	0.0012
	LRAM and SSM Rate Rider	per kWh	0.0002
	Stranded Meter Rate Rider	per month	2.37
	Smart Meter Rate Rider	per month	0.05
	Deferral and Variance Account Rider	per kWh	(0.0009)
GS 50-2999			
	Monthly Service Charge	per month	181.20
	Distribution Volumetric Rate	per kW	3.3764
	Low Voltage Rider	per kW	0.4778
	LRAM and SSM Rate Rider	per kWh	0.0069
	Stranded Meter Rate Rider	per month	2.37
	Smart Meter Rate Rider	per month	0.05
	Deferral and Variance Account Rider	per kW	(0.3374)
GS 3000 - 4999			
	Monthly Service Charge	per month	2,617.84
	Distribution Volumetric Rate	per kW	1.2323
	Low Voltage Rider	per kW	0.5635
	LRAM and SSM Rate Rider	per kW	0.0149
	Stranded Meter Rate Rider	per month	2.37
	Smart Meter Rate Rider	per month	0.05
	Deferral and Variance Account Rider	per kW	(0.3157)
Sentinel Lights			
	Monthly Service Charge	per month	4.30
	Distribution Volumetric Rate	per kW	10.5767
	Low Voltage Rider	per kW	0.3771
	LRAM and SSM Rate Rider	per kW	0.0000
	Deferral and Variance Account Rider	per kW	(0.0634)
Street Lighting			
	Monthly Service Charge	per month	3.26
	Distribution Volumetric Rate	per kW	20.6590
	Low Voltage Rider	per kW	0.3694
	LRAM and SSM Rate Rider	per kW	0.0000
	Deferral and Variance Account Rider	per kW	0.8418
USL			
	Monthly Service Charge	per month	15.79
	Distribution Volumetric Rate	per kWh	0.0412
	Low Voltage Rider	per kWh	0.0015
	LRAM and SSM Rate Rider	per kWh	0.0000
	Deferral and Variance Account Rider	per kWh	0.0000

RATES SCHEDULE (Part 2)
Schedule of Distribution Rates and Charges
Effective May 1, 2012

Item Description	Calculation Basis	Rate (\$)
Arrears certificate	Standard	15.00
Statement of account	Standard	15.00
Pulling post dated cheques	Standard	15.00
Request for other billing information	Standard	15.00
Easement letter	Standard	15.00
Income tax letter	Standard	15.00
Credit reference/credit check (plus credit agency costs)	Standard	15.00
Returned cheque charge (plus bank charges)	Standard	15.00
Legal letter charge	Standard	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	Standard	30.00
Special meter reads	Standard	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	Standard	30.00
Collection of account charge - no disconnection	Standard	30.00
Collection of account charge - no disconnection - after regular hours	Standard	165.00
Disconnect/Reconnect at meter - during regular hours	Standard	65.00
Disconnect/Reconnect at meter - after regular hours	Standard	185.00
Disconnect/Reconnect at pole - during regular hours	Standard	185.00
Disconnect/Reconnect at pole - after regular hours	Standard	415.00
Install/Remove load control device - during regular hours	Standard	65.00
Install/Remove load control device - after regular hours	Standard	185.00
Service call - customer-owned equipment	Standard	30.00
Service call - after regular hours	Standard	165.00
Temporary service install & remove - overhead - no transformer	Standard	500.00
Temporary service install & remove - underground - no transformer	Standard	300.00
Temporary service install & remove - overhead - with transformer	Standard	1,000.00
Specific Charge for Access to the Power Poles \$/pole/year	Standard	22.35
Interval Meter Load Management Tool Charge \$/month	Standard	110.00
Service charge for onsite interrogation of interval meter due to customer phone line failure -required weekly until line repaired	Standard	60.00

2012 Rates											
Customer Class	Other Charges per kWh (\$)				Other Charges per kW (\$)				Cost of Power Commodity per kWh (\$)		Loss Adjustmen t Factor
	Retail Transmissio n Rate	Wholesale Market Service Rate	Debt Retirement Charge	Total	Retail Transmission Rate (from 8-6)	Wholesale Market Service Rate	Debt Retirement Charge	Total	First Block	Balance Block	2012
	per kWh	per kWh	per kWh	per kWh	per kW	per kW	per kW	per kW	per kWh	per kWh	
Residential	0.0099	0.0065	0.0066	0.0231	0.0000				0.0650	0.0750	1.0565
GS < 50 kW	0.0090	0.0065	0.0066	0.0221	0.0000				0.0650	0.0750	1.0565
GS 50-2999		0.0065	0.0066	0.0131	3.6356			3.6356	0.0650	0.0750	1.0565
GS 3000 - 4999		0.0065	0.0066	0.0131	4.1625			4.1625	0.0650	0.0750	1.0565
Sentinel Lights		0.0065	0.0066	0.0131	2.8048			2.8048	0.0650	0.0750	1.0565
Street Lighting		0.0065	0.0066	0.0131	2.7718			2.7718	0.0650	0.0750	1.0565
USL	0.0108	0.0065	0.0066	0.0239	0.0000				0.0650	0.0750	1.0565
0		0.0000	0.0000	0.0000	0.0000			0.0000	0.0000	0.0000	0.0000
0		0.0000	0.0000	0.0000	0.0000			0.0000	0.0000	0.0000	0.0000

62. Updated RRWF

Ref: Board staff interrogatory #3

In its response to Board staff IR # 3, Lakefront updated the RRWF. However, this appears to have been done incorrectly, as Lakefront has overwritten the data in column E on sheet "3. Data Input Sheet". Instead, Lakefront should use the middle column M, or the adjustment column I to show what has changed from the original application. The original application column should not change.

- a. Please revise and file the updated RRWF in working Microsoft Excel format.

LUI's RESPONSE:

LUI was unable to locate any intentional or unintentional overwritten cells in the updated RRWF from Board Staff IR #3.

- b. If, as a result of this round of supplementary interrogatories, there are further changes to Lakefront's proposed revenue requirement, please provide an updated RRWF showing the further adjustments in columns M and I of sheet 3. Please file the updated RRWF in working Microsoft Excel format.

LUI's RESPONSE:

LUI has included as Appendix K, the updated RRWF as per changes made in this round of interrogatories, in excel format.

63. OM&A Cost Drivers

Ref: Board staff interrogatory #8

Please provide actual dollar amounts for cost driver categories 'B' to 'N' and 'O' for the 2010 Actual, 2011 Bridge and 2012 Test columns in Table 4.14 in Exhibit 4/p. 25.

LUI's RESPONSE:

ACTUALS 03.12.2012
I.R.ROUND 2 OEB

		2008 Actual vs. Approved	2009 Actual	2010 Actual	2011 Bridge	2012 Test
	Cost Driver					
	Opening Balance	\$ 1,942,957.00	\$ 1,884,617.34	\$ 1,855,223.61	\$ 2,099,690.21	\$ 2,200,795.21
	Distribution					
B	Third Party Services	\$ 131,315	\$ 55,119	\$ 7,800	\$ 3,295	\$ 81,883
C	Non-Union Wage Adjustments	\$ 38,851	\$ 36,593	\$ 88,028	\$ 9,128	\$ 114,542
D	Tree Trimming	\$ 6,217	\$ 15,679	\$ 29,292	\$ 46,781	\$ 22,631
E	Meter Maintenance	\$ 4,261	\$ 27,247	\$ 39,631	\$ 20,691	\$ 93,725
F	Meter Reading	\$ 563	\$ 1,192	\$ 888	\$ 23,006	\$ 116,999
G	Regulatory Fees	\$ 1,137	\$ 5,175	\$ 11,808	\$ 1,881	\$ 3,163
H	Consulting Regulatory Fees	\$ 542	\$ 14,430	\$ 14,925	\$ 37,316	\$ 5,016
I	Legal Regulatory Fees	\$ 1,544	\$ 33,702	\$ 972	\$ 1,309	\$ 10,231
J	Over Head Distribution Labour	\$ 37,699	\$ 69,790	\$ 7,463	\$ 92,330	\$ 56,813
K	Capital Maintenance	\$ 11,058	\$ 5,687	\$ 13,298	\$ 14,983	\$ 109,033
L	Collections	\$ 338	\$ 4,966	\$ 11,055	\$ 4,505	\$ 31,051
M	Software Maintenance	\$ 194	\$ 22,047	\$ 6,183	\$ 9,137	\$ 98,988
N	Bad Debts	\$ 8,349	\$ 16,403	\$ 9,391	\$ 25,696	\$ 25,560
	Sub Total Closing Balance	1,737,144	1,845,863	2,065,642	2,226,520	2,736,432
O	Other Ad Hoc Increase/ Decrease	147,473	9,360	34,048	25,725	330,881
	% Over Closing Balance	7.8%	0.5%	1.6%	1.2%	10.8%
	Closing Balance	1,884,617	1,855,224	2,099,690	2,200,795	3,067,314

64. Service Quality and Reliability

Ref: Board staff interrogatory #14

a. Please update the response to Board staff interrogatory #14 to show 2011 data.

LUI's RESPONSE:

Please find below, a table that includes data from 2006 through 2011, as this specific range of data/information was requested in a 2nd Round VECC IR.

	2006		2007		2008		2009		2010		2011	
	Without Code 2	With Code 2	Without Code 2	With Code 2	Without Code 2	With Code 2	Without Code 2	With Code 2	Without Code 2	With Code 2	Without Code 2	With Code 2
SAIDI												
January	0.01	0.43	0.04	0.04	0.16	0.16	0.01	0.01	0.01	0.01	0.05	0.05
February	0.10	0.10	0.02	0.02	0.01	0.01	0.00	0.00	0.00	0.00	0.07	0.07
March	0.05	0.05	0.05	0.05	0.01	0.01	0.01	0.01	0.13	0.24	0.00	0.00
April	0.06	0.06	0.08	0.08	0.03	0.03	0.22	0.22	0.01	1.07	0.17	0.48
May	0.02	0.02	0.00	0.46	0.01	0.01	0.05	0.05	0.00	0.00	0.26	0.26
June	0.19	0.19	0.00	0.25	0.08	0.08	0.01	0.01	0.01	0.01	0.36	0.36
July	0.27	0.39	0.58	0.58	0.02	0.02	0.02	0.02	1.97	1.99	0.21	0.21
August	0.46	0.46	0.27	0.27	0.01	0.01	0.11	0.59	0.37	0.37	0.27	0.27
September	0.12	0.12	0.01	0.01	0.13	0.13	0.15	0.15	0.26	0.26	0.00	0.00
October	0.37	0.37	0.00	0.60	0.01	0.01	0.00	0.00	0.01	0.01	0.34	0.34
November	0.08	0.08	0.00	0.00	0.34	0.34	0.00	0.00	0.16	0.16	0.13	0.13
December	1.41	1.41	0.01	0.01	2.40	2.40	0.41	0.41	0.01	0.01	0.04	0.04
Average	0.26	0.31	0.09	0.20	0.27	0.27	0.08	0.12	0.25	0.35	0.16	0.18
SAIFI												
January	0.01	0.24	0.05	0.05	0.10	0.10	0.00	0.00	0.00	0.00	0.11	0.11
February	0.03	0.03	0.03	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.02
March	0.03	0.03	0.13	0.13	0.00	0.00	0.00	0.01	0.11	0.21	0.00	0.00
April	0.04	0.04	0.07	0.07	0.01	0.01	0.11	0.11	0.01	0.44	0.11	0.22
May	0.01	0.01	0.01	0.31	0.01	0.01	0.05	0.05	0.00	0.00	0.21	0.21
June	0.19	0.19	0.16	0.28	0.09	0.09	0.01	0.01	0.01	0.01	0.33	0.33
July	0.26	0.38	0.53	0.53	0.01	0.01	0.01	0.01	0.57	0.58	0.26	0.26
August	0.24	0.24	0.25	0.25	0.01	0.01	0.14	0.46	0.53	0.53	0.11	0.11
September	0.08	0.08	0.00	0.00	0.02	0.02	0.18	0.18	0.19	0.19	0.00	0.00
October	0.39	0.39	0.00	0.36	0.01	0.01	0.00	0.00	0.01	0.01	0.18	0.18
November	0.02	0.02	0.01	0.01	0.03	0.03	0.00	0.00	0.11	0.11	0.11	0.11
December	0.20	0.20	0.00	0.00	1.99	1.99	0.32	0.32	0.01	0.01	0.02	0.02
Average	0.12	0.15	0.10	0.17	0.19	0.19	0.07	0.10	0.13	0.17	0.12	0.13

- c. Lakefront states that it does not have information on reliability with and without loss of supply prior to 2009. Since the issuance of the 2000 Electricity Distribution Rate Handbook, utilities have been required to track outages by cause code. Cause code 2 is for “loss of supply”. Further information was reflected in the 2006 Electricity Distribution Rate Handbook. Lakefront has been reporting its service quality and reliability statistics since 2000. Please explain why Lakefront does not have the relevant statistics available prior to 2009.

LUI's RESPONSE:

Lakefront tracks outages by cause code in our distribution department. The statement “LUI has this information for 2010 & 2009 and does not have this information dating back any further” was inaccurate. The service quality and reliability report is created by our finance department for OEB reporting. Due to IT server changes, the information was only available in our finance department for 2009 and 2010. This information was available as raw data (by cause code) in our distribution department for all years indicated above.

- c. Board staff notes a sharp increase from 2009 to 2010 in Lakefront's reliability performance indices SAIDI, SAIFI and CAIDI for all interruptions excluding loss of supply, provided in response to Board staff's interrogatory. Please provide reasons for this increase.

LUI's RESPONSE:

In 2010 Lakefront Utilities lost the 44kV supply inside of Lakefront's distribution territory. This was not recorded as a coded 2 outage. New line staff to Lakefront combined with management staff not being available to assist with the outage restoration caused a longer than normal restoration to occur.

- d. Additionally, please comment on whether Lakefront regards these increases as a future trend or within normal year-to-year fluctuation. If the former, please provide details of Lakefront's plans to control the increase.

LUI's RESPONSE:

This was a year-to-year fluctuation and is does not reflect a future trend in Lakefront's reliability.

65. Capital Expenditures

Ref: Board staff interrogatory #6

With respect to Lakefront's capital expenditures in the 2008-2011 period, Board staff notes total actual capital expenditure has been variously stated as follows. Please confirm and identify the correct value for each year.

2008

\$1,255,668 in the response Board staff's interrogatory, Exhibit 2/p. 28, and Exhibit 2/p. 30, and \$114, 483 in Exhibit 2/p. 31.

2009

\$1,110,231 in the response Board staff's interrogatory, Exhibit 2/p. 28 and \$1,133,625 in Exhibit 2/p. 39. In addition, please provide the 2009 Fixed Asset Continuity schedule which Board staff notes is missing in the application.

2010

\$1,492,040 in the response Board staff's interrogatory, Exhibit 2/p. 28, and Exhibit 2/p. 50, and \$340,288 in Exhibit 2/p. 51.

2011

\$1,233,835 in the response Board staff's interrogatory, \$1,245,298 in Exhibit 2/p. 28, \$2,258,901 in Exhibit 2/p. 61 and \$1,988,901 in Exhibit 2/p. 62.

Additionally, Board staff notes that Lakefront's proposed capital expenditures for the test year 2012 has been variously stated as \$1,953,000 in Exhibit 2/p. 74 and \$2,099,000 in Exhibit 2/p.75. Please confirm and identify the correct value.

LUI's RESPONSE:

Please find below, the confirmed amounts reflecting the capital expenditure variance explanation submitted in Board Staff Interrogatory #6, and the Fixed Asset Continuity Schedules. LUI makes note that the formula in Materiality section

of exhibit two did not include all figures and erroneously reported lower figures than actuals. Please see tables below which have been corrected.

2008

LUI point out that Board interrogatory #65 in section 2008 inquires the amount of \$1,255,668 which is not in referenced in any of the pages in exhibit two that this question refers to. LUI does not find any reference to this figure and believe it was erroneous and most likely meant to be \$1,244,668.

\$1,244,668 is the total of the capital expenditures in the year 2008 as per LUI's response in Board Staff interrogatory #6, and as stated in exhibit 2/ page 28, and in exhibit 2/page 30. Please see below for formula correction to Exhibit 2/ page 31 table '**2-11 2008 Actual Capital Projects**'.

[illegible]

2009

\$1,110,231 is the total of the capital expenditures in the year 2009 as per LUI's response in Board Staff interrogatory #6, and as stated in exhibit 2/ page 28. Please see below for formula correction to Exhibit 2/ page 39 table '**2-12 2009 Actual Capital Projects**'.

2009 Actual Capital Projects		1610	1808	1820	1830	1835	1840	1845	1850	1855	1860	1915	1920	1925	1930	1940	1995	
	Type of Project	Other	Building & Fixtures	Distribut	Poles, Towers & Fixtures	O/H Cond & Devices	U/G Conduit	U/G Cond & Device	Line Transform	Services	Meters	Office Equipme	Computer Hardwai	Computer Softwa	Transportatio n Equipme	Tools & Equipme	Contributions & Grants	Total
Capital Contributions	Contributions																-100,595	-100,595
King Street East	Rebuild / Upgrade								1,294									1,294
Colson & Colson - Densmore	Expansion					660			660									1,320
Orange	Rebuild / Upgrade								4,564									4,564
John Street South	Rebuild / Upgrade								5,360									5,360
Durham Street	Rebuild / Upgrade				4,675	1,812												6,487
LeBlanc - Densmore Rd	Expansion								4,766	1,872								6,638
Division & Park	Rebuild / Upgrade								6,858									6,858
Sprague Crescent	Rebuild / Upgrade				7,435													7,435
Marion Street	Rebuild / Upgrade				4,662	5,120												9,781
Burwash Street	Rebuild / Upgrade				9,993													9,993
Computer Hardware	Computer Hardware												10,525					10,525
Porter - Brook Meadows	Expansion								10,676	1,722								12,397
Havelock Street	Rebuild / Upgrade					7,914			4,768									12,682
Sandra Crescent	Rebuild / Upgrade				3,218	7,291			3,570									14,078
Meters	Meters										15,362							15,362
William Street	Rebuild / Upgrade				3,319	12,599			1,875									17,793
Transformers Capital	Expansion								21,543									21,543
Kerr Street and Other	Upgrade			23,373														23,373
New Amherst Subdivision	Expansion						19,106	5,389										24,495
Northumberland Cty - 860	Expansion								27,280									27,280
Harden Crescent	Rebuild / Upgrade				9,500	15,347			2,830									27,676
Ontario Street Elgin to 401	Municipal Initiative					28,075												28,075
Murray Crescent	Rebuild / Upgrade				10,031	12,289			8,489									30,808
Harden Street	Rebuild / Upgrade				9,923	15,073			8,319									33,314
Hayden Crescent	Rebuild / Upgrade				12,240	15,127			9,966									37,333
Office Equipment	Office Equipment											41,318						41,318
Albert St - Division to Third	Municipal Initiative				2,910	3,233			33,078	5,429								44,650
420 King Street Phase 3	Betterment								45,799									45,799
Furnace Street	Rebuild / Upgrade					29,793			19,701									49,493
Transportation Equipment	Transportation														54,788			54,788
VanDyk - Westpark Village	Expansion								57,724	6,241								63,964
Sindair Street	Rebuild / Upgrade				20,263	27,966			19,479									67,707
Densmore Rd - 3 Phase	Rebuild / Upgrade				6,699	42,803		18,854	1,171									69,526
Queen Street Division to	Betterment								70,080									70,080
Equipment	Equipment															73,749		73,749
Office Renovations	Office Renovations		74,242															74,242
Miscellaneous Other Projects	Rebuild / Upgrade	47,200				7,705		3,484	8,309	10,503								77,201
Curtis Subdivision	Expansion						34,372	28,645	10,640	8,184								81,841
ACCOUNT TOTALS		0	74,242	23,373	104,867	225,099	19,106	24,243	369,848	15,264	15,362	41,318	10,525	0	54,788	73,749	-100,595	1,110,231

Please see below where LUI provides table '2-13 2009 Fixed Asset Continuity schedule'.

		Cost				Accumulated Depreciation						
CCA Class	OEB	Description	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Net Book Value	
N/A	1610	Intangible Assets	659,200	47,200	106,336	600,064	0			0	600,064	
N/A	1805	Land	219,284			219,284	0			0	219,284	
CEC	1806	Land Rights	11,363	0	11,363	0	0	11,363	11,363	0	0	
47	1808	Buildings and Fixtures	787,877	74,242		862,119	80,340	18,565		98,905	763,214	
13	1810	Leasehold Improvements	0	0		0	0			0	0	
47	1815	Transformer Station Equipment - Normally Prima	0	0		0	0			0	0	
47	1820	Distribution Station Equipment - Normally Prima	2,751,440	23,373		2,774,813	1,454,646	89,262		1,543,908	1,230,905	
47	1825	Storage Battery Equipment	0	0		0	0			0	0	
47	1830	Poles, Towers and Fixtures	4,161,770	104,867	3,461,302	805,335	3,541,337	46,160	3,461,302	126,195	679,140	
47	1835	Overhead Conductors and Devices	3,332,377	232,804		3,565,181	212,728	277,929		490,657	3,074,524	
47	1840	Underground Conduit	446,063	53,478		499,541	125,991	19,683		145,674	353,867	
47	1845	Underground Conductors and Devices	2,815,942	56,372		2,872,314	1,589,757	112,597		1,702,354	1,169,960	
47	1850	Line Transformers	4,391,844	388,797		4,780,641	1,829,447	182,448		2,011,895	2,768,746	
47	1855	Services	419,152	33,951		453,103	106,766	16,959		123,725	329,378	
47	1860	Meters	874,954	15,362		890,316	460,813	35,038		495,851	394,465	
N/A	1865	Other Installations on Customer's Premises	0	0		0	0	0		0	0	
N/A	1905	Land	0	0		0	0	0		0	0	
CEC	1906	Land Rights	0	0		0	0	0		0	0	
47	1908	Buildings and Fixtures	0	0		0	0	0		0	0	
13	1910	Leasehold Improvements	0	0		0	0	0		0	0	
8	1915	Office Furniture and Equipment	83,915	41,318	17,417	107,816	60,155	15,190	17,417	57,928	49,888	
10	1920	Computer Equipment - Hardware	113,886	10,525	6,593	117,818	85,777	21,040	6,593	100,224	17,594	
12	1925	Computer Software	100,071		33,939	66,132	49,046	13,226	33,939	28,333	37,799	
10	1930	Transportation Equipment	630,840	54,788	100,406	585,222	246,223	83,989	100,406	229,806	355,416	
8	1935	Stores Equipment	0			0	0			0	0	
8	1940	Tools, Shop and Garage Equipment	84,981	73,749		158,730	39,573	12,061	2,785	48,849	109,881	
8	1945	Measurement and Testing Equipment	0	0		0	(2,785)	0	(2,785)	0	0	
8	1950	Power Operated Equipment	0	0		0	0	0		0	0	
8	1955	Communication Equipment	0	0		0	0	0		0	0	
8	1960	Miscellaneous Equipment	0	0		0	0	0		0	0	
47	1970	Load Management Controls - Customer Premise	0	0		0	0	0		0	0	
47	1975	Load Management Controls - Utility Premises	0	0		0	0	0		0	0	
47	1980	System Supervisory Equipment	0	0		0	0	0		0	0	
47	1985	Sentinel Lighting Rentals	0	0		0	0	0		0	0	
47	1990	Other Tangible Property	0	0		0	0	0		0	0	
47	1995	Contributions and Grants	(1,501,383)	(100,595)		(1,601,978)	(239,096)	(62,067)		(301,163)	(1,300,815)	
0	2005	Property under Capital Lease	0			0	0			0	0	
		Total before Work in Process	20,383,574	1,110,231	3,737,356	17,756,449	9,640,718	893,443	3,631,020	6,903,141	10,853,308	
WIP		Work in Process	0			0	0			0	0	
		Total after Work in Process	20,383,574	1,110,231	3,737,356	17,756,449	9,640,718	893,443	3,631,020	6,903,141	10,853,308	

2010

\$1,492,040 is the total of the capital expenditures in the year 2010 as per LUI's response in Board Staff interrogatory #6, and as stated in exhibit 2/ page 28, and exhibit 2/ page 50. Please see below for formula correction to Exhibit 2/ page 51 table '2-15 2010 Actual Capital Projects'.

2010 Actual Capital Projects		1808	1820	1830	1835	1840	1845	1850	1855	1860	1915	1920	1925	1930	1940	1945	1995	
	Type of Project	Building & Fixtures	Distribution Station	Poles, Towers & Fixtures	O/H Cond & Devices	U/G Cond	U/G Cond & Devices	Line Transformer	Service	Meter	Office Equipment	Computer Hardware	Computer Software	Transportation Equipment	Tools & Equipment	Measurement Equipment	Contributions & Grants	Total
Orange Street	Rebuild / Upgrade			13,358	23,219			4,565										41,141
Carlisle	Rebuild / Upgrade			2,816														2,816
Maguire Street	Rebuild / Upgrade			48,997	60,927			12,047										121,971
Queen Street	Rebuild / Upgrade					116,188	25,319	73,317										214,824
Albert Street	Rebuild / Upgrade			2,910		91,641	8,662	33,078										136,291
Burnham, William to Heath	Rebuild / Upgrade			2,894														2,894
William Street	Rebuild / Upgrade			2,903	10,408			884										14,195
University Street	Rebuild / Upgrade			392														392
Burnham, Heath - Sprague Street	Rebuild / Upgrade			50,968														50,968
	Rebuild / Upgrade				15,358													15,358
Densmore Rd - 3 Phase	Rebuild / Upgrade				7,202													7,202
Curtis Subdivision	Expansion				2,507	146,330	99,717	44,637	36,399									329,590
Westpark Village Phase 2C	Expansion					13,172	2,807	1,727										17,707
Westpark Village Phase 3A	Expansion					9,186	3,827	2,041										15,055
New Amherst	Expansion						33,545											33,545
ODC - Weston	Expansion			21,083	14,623													35,707
Parkview Hills	Expansion							16,367	12,316									28,683
KPR - Burnham PS	Expansion							7,332										7,332
VanDyk - Carlisle	Expansion					2,693												2,693
VanDyk - Westpark Village	Expansion								2,801									2,801
Porter - Brook Meadows																		
Brook Rd	Expansion								2,815									2,815
LeBlanc - Densmore Rd	Expansion						9,459	17,459	940									27,858
691 King St West - Stallwood Homes	Expansion							10,930										10,930
323 George St	Expansion							28,982										28,982
Distribution Stn <50KV	Equipment		22,514															22,514
Darcy St - Community	Municipal Initiative			145,830	114,180		7,619	73,635										341,264
Capital 09 Albert to Third	Municipal Initiative						1,809											1,809
Measurement Equipment	Measurement Equipment															18,712		18,712
Meters	Meters									4,147								4,147
Office Equipment	Office Equipment										13,957							13,957
Office Upgrades	Office Upgrades	57,097																57,097
Software	Software												47,744					47,744
Hardware	Hardware											8,308						8,308
Transportation Equip	Transportation Equip													364,617				364,617
Miscellaneous Other Projects	Rebuild / Upgrade			9,824	149	193	1,074	3,407	1,154									15,801
Capital Contributions																	-555,681	-555,681
ACCOUNT TOTALS		57,097	22,514	155,654	114,329	193	10,503	77,042	1,154	4,147	13,957	8,308	47,744	364,617	0	18,712	-555,681	1,492,038

2011

\$1,233,835 is the total of the capital expenditures in the year 2011 as per LUI's response in Board Staff interrogatory #6, and this is based on the **unaudited actuals** for the year 2011.

The discrepancy between the submitted figures in exhibit two, and the figure which is submitted in Board Interrogatory #6 is due to LUI completing question 6 to the board requested

“subsequent actual capital expenditures for each year in 2008 to 2011 period”. Discrepancy occurs between forecasted figures and actual incurred expenses.

LUI recognized in Board Interrogatory #43, that the table 2-16 2011 Bridge year fixed asset continuity schedule referenced a previous filing of the revenue requirement model, when in fact should have reference the amended revenue requirement model which was submitted with the board. See below for corresponding forecasted 2011 figures in table 2-16 2011 Bridge year fixed asset continuity schedule – this schedule is CGAAP version.

Fixed Asset Continuity Schedule (Distribution & Operations)											
As at December 31, 2011											
Cost						Accumulated Depreciation					
CCA Class	OEB	Description	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Net Book Value
N/A	1810	Intangible Assets	54,866		54,866	0	0			0	0
N/A	1805	Land	219,284			219,284	0			0	219,284
CEC	1806	Land Rights	0			0	0			0	0
47	1808	Buildings and Fixtures	919,216	75,000		994,216	118,783	21,199		139,982	854,234
13	1810	Leasehold Improvements	0			0	0			0	0
47	1815	Transformer Station Equipment - Normally Prima	0			0	0			0	0
47	1820	Distribution Station Equipment - Normally Prima	2,762,235			2,762,235	1,598,842	121,595		1,720,437	1,041,798
47	1825	Storage Battery Equipment	0			0	0			0	0
47	1830	Poles, Towers and Fixtures	1,107,311	450,000		1,557,311	164,448	53,293		217,741	1,339,571
47	1835	Overhead Conductors and Devices	3,813,754	400,000		4,213,754	761,802	274,521		1,036,323	3,177,431
47	1840	Underground Conduit	878,943	350,000		1,228,943	174,014	42,928		216,943	1,012,000
47	1845	Underground Conductors and Devices	3,066,154			3,066,154	1,819,955	121,478		1,941,432	1,124,721
47	1850	Line Transformers	5,111,049	240,000		5,351,049	2,204,716	203,914		2,408,631	2,942,418
47	1855	Services	509,529	90,000		599,529	142,492	21,695		164,187	435,342
47	1860	Meters	894,462	20,000	688,736	225,726	531,280	35,443	409,085	157,638	68,089
47	1860	Smart Meters	1,566,824	255,355		1,822,179	130,791	112,967		243,758	1,578,421
N/A	1865	Other Installations on Customer's Premises	0			0	0			0	0
N/A	1905	Land	0			0	0			0	0
CEC	1906	Land Rights	0			0	0			0	0
47	1908	Buildings and Fixtures	0			0	0			0	0
13	1910	Leasehold Improvements	0			0	0			0	0
8	1915	Office Furniture and Equipment	57,026	25,000		82,026	7,334	6,953		14,286	67,739
10	1920	Computer Equipment - Hardware	31,199	50,000		81,199	12,705	11,240		23,945	57,254
12	1925	Computer Software	113,876	50,000		163,876	46,334	27,378		73,712	90,164
12	1925	Computer software - Smart Meter	115,160	8,546		123,706	28,589	23,887		52,475	71,231
10	1930	Transportation Equipment	759,705			759,705	149,873	94,963		244,837	514,868
8	1935	Stores Equipment	0			0	0			0	0
8	1940	Tools, Shop and Garage Equipment	158,730	75,000		233,730	48,849	18,931		67,780	165,950
8	1945	Measurement and Testing Equipment	18,712			18,712	936	1,871		2,807	15,905
8	1950	Power Operated Equipment	0			0	0			0	0
8	1955	Communication Equipment	0			0	0			0	0
8	1960	Miscellaneous Equipment	0			0	0			0	0
47	1970	Load Management Controls - Customer Premise	0			0	0			0	0
47	1975	Load Management Controls - Utility Premises	0			0	0			0	0
47	1980	System Supervisory Equipment	0			0	0			0	0
47	1985	Sentinel Lighting Rentals	0			0	0			0	0
47	1990	Other Tangible Property	0			0	0			0	0
47	1995	Contributions and Grants	(2,157,659)	(100,000)		(2,257,659)	(370,049)	(69,693)		(439,742)	(1,817,917)
	2005	Property under Capital Lease	0			0	0			0	0
		Total before Work in Process	20,000,375	1,988,901	743,602	21,245,673	7,571,693	1,124,562	409,085	8,287,170	12,958,503
WIP		Work in Process	0	230,000		230,000	0			0	230,000
		Total after Work in Process	20,000,375	2,218,901	743,602	21,475,673	7,571,693	1,124,562	409,085	8,287,170	13,188,503

LUI Provides the MIFRS version of table 2-16 2011 Bridge year fixed asset continuity schedule

		Cost				Accumulated Depreciation						
		2010 CLOSE BALANCE CGAAP										
CCA Class	OEB	Description	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Net Book Value	
N/A	1610	Intangible Assets	54,866		54,866	0	0			0	0	
N/A	1805	Land	219,284			219,284	0			0	219,284	
CEC	1806	Land Rights	0			0	0			0	0	
47	1808	Buildings and Fixtures	919,216	75,000		994,216	118,783	25,246		144,029	850,187	
13	1810	Leasehold Improvements	0			0	0			0	0	
47	1815	Transformer Station Equipment - Normally Prima	0			0	0			0	0	
47	1820	Distribution Station Equipment - Normally Prima	2,762,235			2,762,235	1,598,842	51,720		1,650,563	1,111,673	
47	1825	Storage Battery Equipment	0			0	0			0	0	
47	1830	Poles, Towers and Fixtures	1,107,311	450,000		1,557,311	164,448	39,114		203,562	1,353,749	
47	1835	Overhead Conductors and Devices	3,813,754	400,000		4,213,754	761,802	88,085		849,887	3,363,867	
47	1840	Underground Conduit	878,943	350,000		1,228,943	174,014	27,895		201,909	1,027,034	
47	1845	Underground Conductors and Devices	3,066,154			3,066,154	1,819,955	77,252		1,897,207	1,168,947	
47	1850	Line Transformers	5,111,049	240,000		5,351,049	2,204,716	147,371		2,352,088	2,998,961	
47	1855	Services	509,529	90,000		599,529	142,492	9,014		151,506	448,023	
47	1860	Meters	894,462	20,000	688,736	225,726	531,280	37,321	409,085	159,515	66,211	
47	1860	Smart Meters	1,566,824	255,355		1,822,179	130,791	111,086		241,877	1,580,302	
N/A	1865	Other Installations on Customer's Premises	0			0	0			0	0	
N/A	1905	Land	0			0	0			0	0	
CEC	1906	Land Rights	0			0	0			0	0	
47	1908	Buildings and Fixtures	0			0	0			0	0	
13	1910	Leasehold Improvements	0			0	0			0	0	
8	1915	Office Furniture and Equipment	57,026	25,000		82,026	7,334	5,823		13,157	68,869	
10	1920	Computer Equipment - Hardware	31,199	50,000		81,199	12,705	14,314		27,019	54,180	
12	1925	Computer Software	113,876	50,000		163,876	46,334	27,560		73,894	89,982	
12	1925	Computer software - Smart Meter	115,160	8,546		123,706	28,589	18,168		46,757	76,949	
10	1930	Transportation Equipment	759,705			759,705	149,873	94,308		244,181	515,523	
8	1935	Stores Equipment	0			0	0			0	0	
8	1940	Tools, Shop and Garage Equipment	158,730	75,000		233,730	48,849	19,260		68,109	165,621	
8	1945	Measurement and Testing Equipment	18,712			18,712	936	1,871		2,807	15,905	
8	1950	Power Operated Equipment	0			0	0			0	0	
8	1955	Communication Equipment	0			0	0			0	0	
8	1960	Miscellaneous Equipment	0			0	0			0	0	
47	1970	Load Management Controls - Customer Premise	0			0	0			0	0	
47	1975	Load Management Controls - Utility Premises	0			0	0			0	0	
47	1980	System Supervisory Equipment	0			0	0			0	0	
47	1985	Sentinel Lighting Rentals	0			0	0			0	0	
47	1990	Other Tangible Property	0			0	0			0	0	
47	1995	Contributions and Grants	(2,157,659)	(100,000)		(2,257,659)	(370,049)	(77,693)		(447,742)	(1,809,917)	
	2005	Property under Capital Lease	0			0	0			0	0	
		Total before Work in Process	20,000,375	1,988,901	743,602	21,245,673	7,571,693	717,715	409,085	7,880,324	13,365,350	
WIP		Work in Process	0	230,000		230,000	0			0	230,000	
		Total after Work in Process	20,000,375	2,218,901	743,602	21,475,673	7,571,693	717,715	409,085	7,880,324	13,595,350	

Discrepancies between the forecasted figure \$1,988,901 in Table 2-16 2011 Bridge year fixed asset continuity schedule and \$1,245,298 in exhibit two page 28 is due to the table in exhibit two/ page 28 reflecting the change of additions and disposals in the 2011 column. As can be seen in the calculation below.

CCA Class	OEB	Description	Additions	Disposals	ADDITIONS LESS DISPOSALS
N/A	1610	Intangible Assets		54,866	(54,866)
N/A	1805	Land			0
CEC	1806	Land Rights			0
47	1808	Buildings and Fixtures	75,000		75,000
13	1810	Leasehold Improvements			0
47	1815	Transformer Station Equipment - Normally Primary above 50 kV			0
47	1820	Distribution Station Equipment - Normally Primary below 50 kV			0
47	1825	Storage Battery Equipment			0
47	1830	Poles, Towers and Fixtures	450,000		450,000
47	1835	Overhead Conductors and Devices	400,000		400,000
47	1840	Underground Conduit	350,000		350,000
47	1845	Underground Conductors and Devices			0
47	1850	Line Transformers	240,000		240,000
47	1855	Services	90,000		90,000
47	1860	Meters	20,000	688,736	(668,736)
47	1860	Smart Meters	255,355		255,355
N/A	1865	Other Installations on Customer's Premises			0
N/A	1905	Land			0
CEC	1906	Land Rights			0
47	1908	Buildings and Fixtures			0
13	1910	Leasehold Improvements			0
8	1915	Office Furniture and Equipment	25,000		25,000
10	1920	Computer Equipment - Hardware	50,000		50,000
12	1925	Computer Software	50,000		50,000
12	1925	Computer software - Smart Meter	8,546		8,546
10	1930	Transportation Equipment			0
8	1935	Stores Equipment			0
8	1940	Tools, Shop and Garage Equipment	75,000		75,000
8	1945	Measurement and Testing Equipment			0
8	1950	Power Operated Equipment			0
8	1955	Communication Equipment			0
8	1960	Miscellaneous Equipment			0
47	1970	Load Management Controls - Customer Premises			0
47	1975	Load Management Controls - Utility Premises			0
47	1980	System Supervisory Equipment			0
47	1985	Sentinel Lighting Rentals			0
47	1990	Other Tangible Property			0
47	1995	Contributions and Grants	(100,000)		(100,000)
	2005	Property under Capital Lease			0
		Total before Work in Process	1,988,901	743,602	
WIP		Work in Process	230,000		
		Total after Work in Process	2,218,901	743,602	1,245,299

2012

\$2,099,000 is the total of the capital expenditures in the year 2012.

The discrepancy between exhibit 2 page 74 and exhibit 2 page 75 is due to the updating of the revenue requirement model, and improper referencing. As can be seen in LUI's response to Board Interrogatories # 42 and the amended revenue requirement model, the proper version of exhibit 2 page 74 table 2-18 2012 Test Year Fixed Asset Continuity Schedule is as such coordinating with exhibit 2 page 75.

Fixed Asset Continuity Schedule (Distribution & Operations) As at December 31, 2012											
		Cost				Accumulated Depreciation					
CCA Class	OEB	Description	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Net Book Value
N/A	1810	Intangible Assets	0			0	0			0	0
N/A	1805	Land	219,284			219,284	0			0	219,284
CEC	1806	Land Rights	0			0	0			0	0
47	1808	Buildings and Fixtures	994,216	375,000		1,369,216	139,982	30,853		170,834	1,198,381
13	1810	Leasehold Improvements	0			0	0	-		0	0
47	1815	Transformer Station Equipment - Normally Prima	0			0	0	-		0	0
47	1820	Distribution Station Equipment - Normally Prima	2,762,235			2,762,235	1,720,437	50,094		1,770,531	991,704
47	1825	Storage Battery Equipment	0			0	0	-		0	0
47	1830	Poles, Towers and Fixtures	1,557,311	240,000		1,797,311	217,741	54,060		271,801	1,525,510
47	1835	Overhead Conductors and Devices	4,213,754	209,000		4,422,754	1,036,323	93,002		1,129,324	3,293,429
47	1840	Underground Conduit	1,228,943	160,000		1,388,943	216,943	37,978		254,921	1,134,022
47	1845	Underground Conductors and Devices	3,066,154			3,066,154	1,941,432	75,595		2,017,028	1,049,126
47	1850	Line Transformers	5,351,049	192,000		5,543,049	2,408,631	158,330		2,566,961	2,976,088
47	1855	Services	599,529	24,000		623,529	164,187	10,163		174,351	449,178
47	1860	Meters	225,726	50,000		275,726	157,638	9,018		166,656	109,070
47	1860	Smart Meters	1,822,179			1,822,179	243,758	112,744		356,502	1,465,677
N/A	1865	Other Installations on Customer's Premises	0			0	0	-		0	0
N/A	1905	Land	0			0	0	-		0	0
CEC	1906	Land Rights	0			0	0	-		0	0
47	1908	Buildings and Fixtures	0			0	0	-		0	0
13	1910	Leasehold Improvements	0			0	0	-		0	0
8	1915	Office Furniture and Equipment	82,026	25,000		107,026	14,286	9,453		23,739	83,287
10	1920	Computer Equipment - Hardware	81,199	150,000		231,199	23,945	29,551		53,496	177,703
12	1925	Computer Software	163,876	325,000		488,876	73,712	57,762		131,474	357,402
12	1925	Computer software - Smart Meters	123,706			123,706	52,475	15,829		68,304	55,402
10	1930	Transportation Equipment	759,705	55,000		814,705	244,837	100,463		345,300	469,405
8	1935	Stores Equipment	0			0	0	-		0	0
8	1940	Tools, Shop and Garage Equipment	233,730	394,000		627,730	67,780	49,134		116,914	510,816
8	1945	Measurement and Testing Equipment	18,712			18,712	2,807	1,871		4,678	14,034
8	1950	Power Operated Equipment	0			0	0	-		0	0
8	1955	Communication Equipment	0			0	0	-		0	0
8	1960	Miscellaneous Equipment	0			0	0	-		0	0
47	1970	Load Management Controls - Customer Premise	0			0	0	-		0	0
47	1975	Load Management Controls - Utility Premises	0			0	0	-		0	0
47	1980	System Supervisory Equipment	0			0	0	-		0	0
47	1985	Sentinel Lighting Rentals	0			0	0	-		0	0
47	1990	Other Tangible Property	0			0	0	-		0	0
47	1995	Contributions and Grants	(2,257,659)	100,000		(2,357,659)	(439,742)	79,693		(519,435)	(1,838,225)
	2005	Property under Capital Lease	0			0	0			0	0
		Total before Work in Process	21,245,673	2,099,000	0	23,344,673	8,287,170	816,209	0	9,103,379	14,241,294
WIP		Work in Process	0	100,000		100,000	0			0	100,000
		Total after Work in Process	21,245,673	2,199,000	0	23,444,673	8,287,170	816,209	0	9,103,379	14,341,294

66. System Energy Forecast (Regression Model)

Ref: Response to Board staff interrogatory #21 (b)

In its response, Lakefront provided the coefficients for all the input variables used in the regression model. Board staff is unable to replicate the load forecast based on the model and input variables provided. Please provide an illustrative example which determines the "Predicted Purchases". Please use input variables provided in response to Board staff IR # 21(b) and data provided Exhibit 3 / page 25/ Appendix A. Provide the calculation which demonstrates how the "Predicated Purchases" for the month of January 2004 (i.e. 23,306,673 kWh) and for the month of January 2011 (i.e. 22,877,405 kWh) are calculated.

LUI RESPONSE:

LUI's regression model analysis included the following input variables:

VERSION TWO – LUI FILED

	<i>Coefficients</i>
Intercept	-5871891.05
Heating Degree Days	6308.86
Cooling Degree Days	30519.35
Ontario Real GDP Monthly %	61304.30
Number of Days in Month	380927.98
Spring Fall Flag	-895389.50
Number of Peak Hours	9005.31

LUI 's regression model erroneously referenced coefficients from a prior test regression model that included the population and black out flag. As in the filed exhibit above, LUI intended to remove these variables due to their negative impact on the regression. LUI has submitted a model which predicted purchases were multiplied against all eight coefficient variables including population and black flag. The following table shows the coefficients that were referenced in error.

VERSION ONE – LUI ORIGINAL TEST

	<i>Coefficients</i>
Intercept	-6310721.443
Heating Degree Days	6306.450898
Cooling Degree Days	30697.55952
Ontario Real GDP Monthly %	76048.27026
Number of Days in Month	379799.9303
Spring Fall Flag	-892768.346
Population	-78.2115692
Number of Peak Hours	9017.349068
Blackout Flag	-91495.5394

The inclusion of the two variables that were intended to be removed from the regression has overestimated the predicted purchases in the model. Please see LUI's table below which provides a comparative analysis demonstrating the predicted purchases for January 2004 using the various versions of coefficients.

	VERSION ONE - 8 VARIABLES										ADDED BACK TO ANALYSIS	January-04
		INTERCEPT	Heating Degree Days	Cooling Degree Days	Ontario Real GDP Monthly %	Number of Days in Month	Spring Fall Flag	Population	Number of Peak Hours	Blackout Flag	GS 50-2999 PURCHASES kWh	PREDICTED PURCHASES
A	1/1/2004		873	0	128	31	0	17,599	336	0		
B	Coefficients	(6,310,721)	6,306	30,698	76,048	379,800	(892,768)	(78)	9,017	(91,496)		
A*B=	TOTALS	(6,310,721)	5,503,009	0	9,698,749	11,773,798	0	(1,376,445)	3,032,426	0	985,858	23,306,673
	VERSION TWO - 6 VARIABLES											
C	1/1/2004		873	0	128	31	0		336			
D	Coefficients	(5,871,891)	6,309	30,519	61,304	380,928	(895,389)		9,005			
C*D=	TOTALS	(5,871,891)	5,505,114	0	7,818,390	11,808,768	0		3,028,378		985,858	23,274,616

LUI has recognized the unintended reference, and properly referenced version two which excludes the population and black out flag variables. This was the intended submission.

SUMMARY OUTPUT	
<i>Regression Statistics</i>	
Multiple R	0.951589605
R Square	0.905522777
Adjusted R Square	0.898160915
Standard Error	508926.7101
Observations	84
ANOVA	
	<i>df</i>
Regression	6
Residual	77
Total	83
	<i>Coefficients</i>
Purchased including Losses	-5871891.05
Heating Degree Days	6308.863053
Cooling Degree Days	30519.34999
Ontario Real GDP Monthly %	61304.30372
Number of Days in Month	380927.9841
Spring Fall Flag	-895389.4983
Number of Peak Hours	9005.310044

Below LUI provides a comparison of predicted purchases from version one with 8 variables included and version two with 6 variables included.

COMPARISON OF PREDICTED PURCHASES		VERSION TWO - 6 VARIABLES	VERSION ONE - 8 VARIABLES	
DATE		Predicted Purchases	Predicted Purchases	CHANGE IN ANALYSIS
1/1/2004		23,274,616	23,306,673	32,057
2/1/2004		20,977,516	21,010,056	32,540
3/1/2004		20,670,815	20,702,439	31,624
4/1/2004		19,056,615	19,087,204	30,589
5/1/2004		18,272,634	18,300,176	27,542
6/1/2004		18,593,272	18,618,753	25,480
7/1/2004		19,415,001	19,443,695	28,694
8/1/2004		19,314,068	19,340,970	26,902
9/1/2004		17,683,458	17,707,504	24,047
10/1/2004		18,414,155	18,431,084	16,930
11/1/2004		19,477,080	19,493,060	15,980
12/1/2004		21,914,272	21,923,679	9,407
1/1/2005		22,836,998	22,844,129	7,131
2/1/2005		20,699,139	20,708,281	9,142
3/1/2005		21,251,699	21,258,782	7,083
4/1/2005		19,123,139	19,130,045	6,906
5/1/2005		18,881,337	18,885,654	4,317
6/1/2005		19,761,375	19,772,592	11,217
7/1/2005		21,567,446	21,586,987	19,541
8/1/2005		20,876,994	20,798,548	(78,446)
9/1/2005		17,818,443	17,820,569	2,126
10/1/2005		18,807,908	18,803,645	(4,262)
11/1/2005		19,724,445	19,719,661	(4,784)
12/1/2005		22,159,292	22,148,111	(11,181)
1/1/2006		22,095,906	22,083,160	(12,746)
2/1/2006		20,968,906	20,961,611	(7,295)
3/1/2006		21,395,334	21,390,375	(4,959)
4/1/2006		18,986,429	18,984,731	(1,698)
5/1/2006		19,078,862	19,080,483	1,620
6/1/2006		18,922,008	18,926,979	4,971
7/1/2006		20,897,352	20,915,568	18,216
8/1/2006		20,232,162	20,247,733	15,571
9/1/2006		17,717,929	17,729,224	11,295
10/1/2006		19,303,822	19,315,916	12,094
11/1/2006		19,403,806	19,419,423	15,617
12/1/2006		20,997,130	21,010,587	13,458

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1/1/2007	22,690,354	22,706,109	15,755
2/1/2007	21,632,850	21,653,589	20,739
3/1/2007	21,337,041	21,359,898	22,857
4/1/2007	19,526,417	19,552,584	26,167
5/1/2007	19,137,370	19,165,749	28,380
6/1/2007	19,045,764	19,078,218	32,454
7/1/2007	19,937,364	19,975,437	38,073
8/1/2007	21,628,943	21,677,633	48,690
9/1/2007	17,929,631	17,970,434	40,803
10/1/2007	19,032,051	19,071,780	39,729
11/1/2007	20,279,406	20,321,062	41,657
12/1/2007	22,147,740	22,186,774	39,034
1/1/2008	22,304,401	22,341,460	37,059
2/1/2008	21,620,125	21,656,403	36,278
3/1/2008	21,181,084	21,215,018	33,934
4/1/2008	19,286,055	19,319,848	33,794
5/1/2008	18,920,398	18,950,462	30,064
6/1/2008	18,595,265	18,622,156	26,891
7/1/2008	20,328,528	20,360,656	32,128
8/1/2008	19,546,627	19,573,902	27,274
9/1/2008	18,290,832	18,315,012	24,180
10/1/2008	19,542,460	19,559,718	17,258
11/1/2008	19,595,159	19,609,972	14,814
12/1/2008	22,312,228	22,320,629	8,401
1/1/2009	23,401,243	23,401,578	335
2/1/2009	20,476,669	20,472,886	(3,783)
3/1/2009	21,067,107	21,055,617	(11,489)
4/1/2009	18,840,641	18,822,830	(17,811)
5/1/2009	18,670,230	18,643,982	(26,249)
6/1/2009	19,258,210	19,226,736	(31,474)
7/1/2009	19,159,461	19,119,558	(39,903)
8/1/2009	20,058,946	20,018,385	(40,561)
9/1/2009	17,730,260	17,677,616	(52,644)
10/1/2009	19,430,199	19,366,272	(63,927)
11/1/2009	19,080,616	19,010,026	(70,591)
12/1/2009	22,068,049	21,986,895	(81,154)

1/1/2010	22,445,482	22,367,473	(78,010)
2/1/2010	20,450,143	20,379,269	(70,874)
3/1/2010	20,511,160	20,444,388	(66,772)
4/1/2010	18,468,331	18,406,235	(62,096)
5/1/2010	18,596,687	18,539,092	(57,595)
6/1/2010	18,837,220	18,783,681	(53,539)
7/1/2010	21,096,219	21,058,495	(37,724)
8/1/2010	20,958,109	20,922,402	(35,707)
9/1/2010	18,207,849	18,167,650	(40,199)
10/1/2010	18,975,290	18,934,537	(40,753)
11/1/2010	19,685,737	19,650,162	(35,575)
12/1/2010	22,840,671	22,805,629	(35,042)
1/1/2011	22,909,041	22,877,405	(31,637)
2/1/2011	20,996,597	20,971,818	(24,779)
3/1/2011	21,161,033	21,139,811	(21,221)
4/1/2011	19,077,324	19,061,036	(16,288)
5/1/2011	19,079,521	19,067,005	(12,516)
6/1/2011	19,127,619	19,120,391	(7,228)
7/1/2011	20,582,508	20,586,144	3,636
8/1/2011	20,783,527	20,791,294	7,767
9/1/2011	17,927,821	17,933,185	5,364
10/1/2011	19,536,343	19,542,098	5,755
11/1/2011	20,007,291	20,017,919	10,628
12/1/2011	22,112,121	22,122,426	10,305
1/1/2012	23,002,099	23,016,523	14,425
2/1/2012	21,606,634	21,626,737	20,103
3/1/2012	20,989,960	21,014,158	24,198
4/1/2012	19,566,990	19,597,111	30,121
5/1/2012	19,179,879	19,213,241	33,362
6/1/2012	19,371,990	19,411,131	39,141
7/1/2012	21,047,880	21,098,301	50,421
8/1/2012	20,803,708	20,857,676	53,968
9/1/2012	18,441,297	18,492,938	51,641
10/1/2012	19,773,543	19,825,320	51,777
11/1/2012	19,799,105	19,855,164	56,059
12/1/2012	22,610,647	22,667,348	56,701

SUM OF YEAR	VERSION TWO - 6 VARIABLES	VERSION ONE - 8 VARIABLES	CHANGE IN ANALYSIS	
2004	237,063,501	237,365,293	301,792	
2005	243,508,215	243,477,005	(31,211)	
2006	239,999,644	240,065,788	66,144	
2007	244,324,930	244,719,267	394,337	
2008	241,523,162	241,845,236	322,075	
2009	239,241,631	238,802,381	(439,250)	
2010	241,072,900	240,459,013	(613,887)	
2011	243,300,746	243,230,532	(70,214)	MATERIALITY
2012	246,193,731	246,675,650	481,918	0.002

LUI observes that the calculation of difference between versions results in a short fall of 481,918 kWh in a yearly sum for 2012. This redistributes the $481918/246675650 = 0.2$ differential between version two and version one submitted in filing with the board.

Given the insignificant amount of materiality LUI has determined it is unnecessary to adjust the predicted purchases to reflect the removed variables which were intended with the original submission. The effect of this error is miniscule and immaterial. For comparison purposes see Summary of Version One and Version Two below.

VERSION ONE SUMMARY – 8 REGRESSION VARIABLES

Lakefront Utilities Inc. Weather Normal Load Forecast for 2012 Rate Application									
	2004 Actual	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Weather Normal	2012 Weather Normal
Actual kWh Purchases	237,756,978	243,277,176	240,417,666	245,774,388	241,507,709	236,526,799	241,473,268	241,871,532	243,957,650
Predicted kWh Purchases	237,365,293	243,477,005	240,065,788	244,719,267	241,845,236	238,802,381	240,459,013	241,871,532	243,957,650
% Difference	-0.2%	0.1%	-0.1%	-0.4%	0.1%	1.0%	-0.4%		
Loss factor Actual/Billed	0.949492638	0.990806847	0.979160782	0.975919544	0.969444522	0.973181071	0.973340091	1.05652677	1.05652677
Billed kWh	250,404,235	245,534,411	245,534,411	251,838,780	249,119,680	243,045,006	248,087,251	228,930,812	230,905,318
The first 4 rows of data below have been added and adjusted to add the GS 3000-4999 kW customer back into the totals of each year									
Table 3-17									
	2004 Actual	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Weather Normal	2012 Weather Normal
Actual kWh Purchases	261,687,032	263,306,493	263,372,319	265,862,340	259,738,603	255,556,738	260,002,105	262,257,591	264,343,709
Predicted kWh Purchases	261,295,348	263,506,322	263,020,440	264,807,220	260,076,130	257,832,320	258,987,850	262,257,591	264,343,709
% Difference	-0.1%	0.1%	-0.1%	-0.4%	0.1%	0.9%	-0.4%		
Billed kWh	275,607,226	265,749,569	273,173,245	272,422,395	267,925,185	262,599,372	267,123,596	248,226,168	250,200,674
By Class									
Residential									
Customers	7,472	7,539	7,717	7,835	7,942	8,196	8,305	8,453	8,603
kWh	71,606,528	72,668,912	70,342,664	72,101,355	72,186,004	71,936,998	72,645,801	65,038,994	73,125,152
General Service < 50 kW									
Customers	968	1,010	1,041	1,044	1,044	1,061	1,067	1,084	1,102
kWh	31,362,518	31,761,066	32,373,170	34,122,931	34,456,796	34,488,946	34,124,597	30,909,877	35,160,634
General Service 50 - 2,999 kW									
Customers	146	146	141	133	133	130	132	129	127
kWh	119,715,730	118,356,603	120,975,702	122,417,181	121,003,376	114,875,960	120,290,733	112,815,249	120,608,902
kW	291,092	295,106	297,477	300,809	298,912	290,143	299,041	283,044	303,629
Intermediate 3,000 - 4,999 kW									
Customers	1	1	1	1	1	1	1	1	1
kWh	25,202,991	20,215,158	23,443,190	20,583,615	18,805,505	19,554,367	19,036,344	19,295,356	19,295,356
kW	49,683	45,661	48,479	46,227	40,464	49,629	45,256	47,442	47,442
Street Lights									
Connections	2,612	2,641	2,678	2,710	2,793	2,770	2,755	2,779	2,804
kWh	1,904,781	1,913,253	1,923,811	1,931,928	1,867,000	1,350,902	1,194,280	1,204,881	1,215,575
kW	5,156	5,195	5,222	5,240	5,091	3,654	3,302	3,307	3,343
Sentinel Lights									
Connections	55	55	59	58	57	53	54	54	54
kWh	71,663	70,344	76,087	76,442	81,012	79,959	78,873	78,652	78,431
kW	199	195	211	212	225	222	219	218	218
Unmetered Loads									
Connections	58	58	70	81	94	95	77	77	77
kWh	540,024	549,075	595,431	605,328	719,986	747,874	716,623	716,623	716,623
Total									
Customer/Connections	11,311	11,450	11,707	11,861	12,063	12,305	12,390	12,577	12,767
kWh	250,404,235	245,534,411	249,730,055	251,838,780	249,119,680	243,045,006	248,087,251	230,059,632	250,200,674
kW from applicable classes	346,130	346,157	351,389	352,488	344,692	343,648	347,817	334,012	354,633

Minister's CDM Adjustments	
2011 calc'd	243,230,531.78
2012 calc'd	246,675,649.84
10% of CDM Directive kWh	1,359,000.00
Thus, 2011 is	241,871,531.78
20% of CDM Directive kWh	2,718,000.00
Thus, 2012 is	243,957,649.84

VERSION TWO SUMMARY – 6 REGRESSION VARIABLES

Lakefront Utilities Inc. Weather Normal Load Forecast for 2012 Rate Application									
	2004 Actual	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Weather Normal	2012 Weather Normal
Actual kWh Purchases	237,756,978	243,277,176	240,417,666	245,774,388	241,507,709	236,526,799	241,473,268		
Predicted kWh Purchases	237,063,501	243,508,215	239,999,644	244,324,930	241,523,162	239,241,631	241,072,900	241,941,746	243,475,731
% Difference	-0.3%	0.1%	-0.2%	-0.6%	0.0%	1.1%	-0.2%		
Loss factor Actual/Billed	0.949492638	0.990806847	0.979160782	0.975919544	0.969444522	0.973181071	0.973340091	1.05652677	1.05652677
Billed kWh	250,404,235	245,534,411	245,534,411	251,838,780	249,119,680	243,045,006	248,087,251	228,997,270	230,449,184
The first 4 rows of data below have been added and adjusted to add the GS 3000-4999 kW customer back into the totals of each year									
Table 3-17									
	2004 Actual	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Weather Normal	2012 Weather Normal
Actual kWh Purchases	261,687,032	263,306,493	263,372,319	265,862,340	259,738,603	255,556,738	260,002,105		
Predicted kWh Purchases	260,993,555	263,537,532	262,954,296	264,412,883	259,754,056	258,271,571	259,601,737	262,327,805	263,861,791
% Difference	-0.3%	0.1%	-0.2%	-0.5%	0.0%	1.1%	-0.2%		
Billed kWh	275,607,226	265,749,569	273,173,245	272,422,395	267,925,185	262,599,372	267,123,596	248,292,625	249,744,539
By Class									
Residential									
Customers	7,472	7,539	7,717	7,835	7,942	8,196	8,305	8,453	8,603
kWh	71,606,528	72,668,912	70,342,664	72,101,355	72,186,004	71,936,998	72,645,801	65,066,139	72,939,149
General Service < 50 kW									
Customers	968	1,010	1,041	1,044	1,044	1,061	1,067	1,084	1,102
kWh	31,362,518	31,761,066	32,373,170	34,122,931	34,456,796	34,498,946	34,124,597	30,922,778	35,071,199
General Service 50 - 2,999 kW									
Customers	146	146	141	133	133	130	132	129	127
kWh	119,715,730	118,356,603	120,975,702	122,417,181	121,003,376	114,875,960	120,290,733	112,841,661	120,428,206
kW	291,092	295,106	297,477	300,809	298,912	290,143	299,041	283,111	303,174
Intermediate 3,000 - 4,999 kW									
Customers	1	1	1	1	1	1	1	1	1
kWh	25,202,991	20,215,158	23,443,190	20,583,615	18,805,505	19,554,367	19,036,344	19,295,356	19,295,356
kW	49,683	45,661	48,479	46,227	40,464	49,629	45,256	47,442	47,442
Street Lights									
Connections	2,612	2,641	2,678	2,710	2,793	2,770	2,755	2,779	2,804
kWh	1,904,781	1,913,253	1,923,811	1,931,928	1,867,000	1,350,902	1,194,280	1,204,881	1,215,575
kW	5,156	5,195	5,222	5,240	5,091	3,654	3,302	3,307	3,343
Sentinel Lights									
Connections	55	55	59	58	57	53	54	54	54
kWh	71,663	70,344	76,087	76,442	81,012	79,959	78,873	78,652	78,431
kW	199	195	211	212	225	222	219	218	218
Unmetered Loads									
Connections	58	58	70	81	94	95	77	77	77
kWh	540,024	549,075	595,431	605,328	719,986	747,874	716,623	716,623	716,623
Total									
Customer/Connections	11,311	11,450	11,707	11,861	12,063	12,305	12,390	12,577	12,767
kWh	250,404,235	245,534,411	249,730,055	251,838,780	249,119,680	243,045,006	248,087,251	230,126,089	249,744,539
kW from applicable classes	346,130	346,157	351,389	352,488	344,692	343,648	347,817	334,078	354,178

Minister's CDM Adjustments	
2011 calc'd	243,300,745.66
2012 calc'd	246,193,731.42
10% of CDM Directive kWh	1,359,000.00
Thus, 2011 is	241,941,745.66
20% of CDM Directive kWh	2,718,000.00
Thus, 2012 is	243,475,731.42

67. System Energy Forecast (Regression Analysis)

Ref: Response to Board staff interrogatory #22 (b)

In its response, Lakefront provided the amount of the “kWh Consumed”, “Billed without Loss Factor”, “kWh Billed”, “kW” for the period from January 2004 to March 2011. However Lakefront did not provide the forecast kWh and kW that have been added back to the **2011 and 2012** load forecast. Please provide the forecast kWh and kW that have been added back to the 2011 and 2012 load forecast and how such kWh and kW are determined.

LUI RESPONSE:

LUI has added back an average of the historical usage as can be seen in the regression model. This ensures that the customer was added back in the forecasted predicted purchases. Averages are determined on a monthly historical basis.

2011 & 2012

Row Labels	Average of billed kWh
Jan	696881.68
Feb	737620.87
Mar	855605.34
Apr	788177.68
May	838320.62
Jun	978573.70
Jul	933458.31
Aug	954389.10
Sep	990389.27
Oct	970403.78
Nov	868183.85
Dec	712992.94
Grand Total	860416.43

68. System Energy Forecast (Heating and Cooling Days)

Ref: Response to Board staff interrogatory #23

In its response, Lakefront indicated that Table 3-4 provides the details of the 10 & 20 Year Trend. However, Board staff is requesting the **load forecast** ("Predicted Purchases") generated by on a 10-year and 20-year trend Heating Degree Days ("HDD") and Cooling Degree Days ("CDD"), not the values of the HDD and CDD. Please provide the load forecasts for 2012 by using the 10 & 20 Year trend HDD and CDD as input variables.

LUI's RESPONSE:

Due to system restrictions LUI is unable to provide an acceptable or logical 10 to 20 year HDD and CDD load forecast. This is due to insufficient load data for power purchases (y variable) as well as insufficient data for included x variables used in the regression. Any regression used on the HDD and CDD basis would be flawed.. LUI had made best efforts to produce a load forecast for the board staff proposal however the results were speculative at best.

Please see below for example:

<i>Regression Statistics</i>	
Multiple R	0.997161739
R Square	0.994331534
Adjusted R Square	0.994030554
Standard Error	687393.7936
Observations	120
<i>ANOVA</i>	
	<i>df</i>
Regression	6
Residual	113
Total	119
<i>Coefficients</i>	

Intercept	-1772902.705
Heating Degree Days	4470.424114
Cooling Degree Days	20601.71585
Ontario Real GDP Monthly %	48440.45661
Number of Days in Month	359818.6354
Spring Fall Flag	-1174293.462
Number of Peak Hours	6535.696119

	<u>Purchased including</u>	<u>Heating</u>	<u>Cooling Degree</u>	<u>Ontario Real</u>	<u>Number of</u>	<u>Spring Fall</u>	<u>Number of</u>	<u>Predicted</u>
	<u>Losses</u>	<u>Degree Days</u>	<u>Days</u>	<u>GDP Monthly %</u>	<u>Days in</u>	<u>Flag</u>	<u>Peak Hours</u>	<u>Purchases</u>
Jan-01	0	657.4	0.0	0.0	0.0	0.0	0.0	1,165,954
Feb-01	0	601.0	0.0	0.0	0.0	0.0	0.0	913,822
Mar-01	0	581.1	0.0	0.0	0.0	0.0	0.0	824,861
Apr-01	0	335.8	0.0	0.0	0.0	0.0	0.0	(271,734)
May-01	0	158.2	0.0	0.0	0.0	0.0	0.0	(1,065,682)
Jun-01	0	51.1	30.8	0.0	0.0	0.0	0.0	(909,931)
Jul-01	0	28.0	46.6	0.0	0.0	0.0	0.0	(687,691)
Aug-01	0	3.0	83.8	0.0	0.0	0.0	0.0	(33,068)
Sep-01	0	80.9	16.9	0.0	0.0	0.0	0.0	(1,063,076)
Oct-01	0	263.8	0.3	0.0	0.0	0.0	0.0	(587,424)
Nov-01	0	368.5	0.0	0.0	0.0	0.0	0.0	(125,551)
Dec-01	0	521.1	0.0	0.0	0.0	0.0	0.0	556,635
Jan-02	0	573.8	0.0	0.0	0.0	0.0	0.0	792,227
Feb-02	0	547.4	0.0	0.0	0.0	0.0	0.0	674,207
Mar-02	0	474.8	0.0	0.0	0.0	0.0	0.0	349,655
Apr-02	0	354.0	0.0	0.0	0.0	0.0	0.0	(190,373)
May-02	0	261.9	2.3	0.0	0.0	0.0	0.0	(554,715)
Jun-02	0	57.8	24.3	0.0	0.0	0.0	0.0	(1,013,890)
Jul-02	0	5.0	91.2	0.0	0.0	0.0	0.0	128,326
Aug-02	0	3.0	85.8	0.0	0.0	0.0	0.0	8,136
Sep-02	0	35.8	38.8	0.0	0.0	0.0	0.0	(813,515)
Oct-02	0	295.9	4.0	0.0	0.0	0.0	0.0	(367,697)
Nov-02	0	446.6	0.0	0.0	0.0	0.0	0.0	223,589
Dec-02	0	617.4	0.0	0.0	0.0	0.0	0.0	987,137
Jan-03	0	832.6	0.0	0.0	0.0	0.0	0.0	1,949,172
Feb-03	0	713.4	0.0	0.0	0.0	0.0	0.0	1,416,298
Mar-03	0	592.2	0.0	0.0	0.0	0.0	0.0	874,482
Apr-03	0	435.4	0.0	0.0	0.0	0.0	0.0	173,520
May-03	0	207.7	0.0	0.0	0.0	0.0	0.0	(844,396)
Jun-03	0	65.4	12.1	0.0	0.0	0.0	0.0	(1,231,256)
Jul-03	0	11.9	37.8	0.0	0.0	0.0	0.0	(940,960)
Aug-03	0	9.7	88.1	0.0	0.0	0.0	0.0	85,472
Sep-03	0	59.9	14.6	0.0	0.0	0.0	0.0	(1,204,339)
Oct-03	0	325.6	0.0	0.0	0.0	0.0	0.0	(317,333)
Nov-03	0	420.5	0.0	0.0	0.0	0.0	0.0	106,911
Dec-03	0	606.4	0.0	0.0	0.0	0.0	0.0	937,962

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Jan-04	23,871,687	872.6	0.0	127.53	31	0	336	22,643,912
Feb-04	20,910,073	636.4	0.0	127.80	29	0	320	20,859,721
Mar-04	20,888,203	519.9	0.0	128.06	31	1	368	20,323,851
Apr-04	18,266,804	372.3	0.0	128.32	30	1	336	19,077,847
May-04	18,021,137	205.4	0.0	128.59	31	1	320	18,616,496
Jun-04	18,180,120	100.8	5.1	128.85	30	0	352	19,296,038
Jul-04	19,198,779	14.7	41.2	129.12	31	0	336	19,932,506
Aug-04	19,397,421	26.9	43.1	129.38	31	0	336	19,786,879
Sep-04	18,753,233	50.3	18.1	129.65	30	1	336	18,100,086
Oct-04	18,546,757	250.1	0.0	129.92	31	1	320	18,658,732
Nov-04	19,666,552	411.0	0.0	130.19	30	1	352	19,364,097
Dec-04	22,056,213	645.2	0.0	130.45	31	0	336	21,664,071
Jan-05	23,291,134	782.8	0.0	130.74	31	0	320	22,370,521
Feb-05	20,193,156	631.3	0.0	131.03	28	0	320	20,570,893
Mar-05	21,217,408	612.1	0.0	131.33	31	1	352	20,733,646
Apr-05	18,028,439	362.5	0.0	131.62	30	1	336	19,120,019
May-05	18,097,091	259.9	0.0	131.91	31	1	336	19,041,850
Jun-05	20,058,286	40.7	52.6	132.20	30	0	352	20,060,448
Jul-05	20,975,305	4.2	116.8	132.50	31	0	320	21,351,444
Aug-05	20,798,548	1.0	87.6	132.79	31	0	352	20,873,673
Sep-05	18,990,700	45.5	16.3	133.09	30	1	336	18,217,552
Oct-05	19,252,661	251.9	0.0	133.38	31	1	320	19,004,610
Nov-05	20,235,767	411.5	0.0	133.68	30	1	352	19,565,605
Dec-05	22,138,682	668.4	0.0	133.98	31	0	320	21,861,553
Jan-06	22,353,672	589.0	0.0	134.25	31	0	336	21,900,166
Feb-06	20,496,667	627.2	0.0	134.53	28	0	320	20,803,249
Mar-06	21,553,232	564.4	0.0	134.81	31	1	368	20,879,785
Apr-06	18,459,427	342.6	0.0	135.08	30	1	304	19,055,326
May-06	18,600,606	192.1	6.3	135.36	31	1	352	19,218,555
Jun-06	19,219,684	40.1	18.0	135.64	30	0	352	19,521,118
Jul-06	20,843,078	5.9	86.9	135.92	31	0	320	20,930,731
Aug-06	20,373,183	6.7	56.4	136.20	31	0	352	20,483,949
Sep-06	18,316,623	103.3	1.3	136.48	30	1	320	18,156,781
Oct-06	19,515,258	296.4	0.0	136.76	31	1	336	19,334,824
Nov-06	19,920,563	390.9	0.0	137.04	30	1	352	19,239,560
Dec-06	20,765,675	505.5	0.0	137.33	31	0	304	20,994,371
Jan-07	22,987,138	669.3	0.0	137.59	31	0	352	22,265,514
Feb-07	21,857,069	728.2	0.0	137.85	28	0	320	21,238,824
Mar-07	22,040,188	578.3	0.0	138.11	31	1	352	20,793,875
Apr-07	19,170,035	401.0	0.0	138.37	30	1	320	19,406,547
May-07	18,185,643	208.1	1.9	138.63	31	1	352	19,249,205
Jun-07	19,516,295	45.4	19.9	138.90	30	0	336	19,613,530
Jul-07	19,530,696	22.4	45.3	139.16	31	0	336	20,270,890
Aug-07	21,202,777	12.1	91.5	139.42	31	0	352	21,481,229
Sep-07	19,037,607	61.8	17.9	139.69	30	1	304	18,278,008
Oct-07	19,430,361	165.8	4.1	139.95	31	1	352	19,182,856
Nov-07	20,663,157	441.5	0.0	140.22	30	1	352	19,981,295
Dec-07	22,153,420	648.3	0.0	140.48	31	0	304	21,841,822
Jan-08	22,589,763	633.3	0.0	140.43	31	0	352	21,909,004
Feb-08	21,600,193	660.6	0.0	140.37	29	0	320	21,296,539
Mar-08	21,847,885	632.3	0.0	140.31	31	1	304	20,628,671
Apr-08	18,632,235	326.3	0.0	140.25	30	1	352	19,199,526
May-08	18,130,713	253.6	0.0	140.19	31	1	336	18,986,681
Jun-08	18,986,788	71.0	2.6	140.13	30	0	336	19,272,228
Jul-08	20,523,230	9.4	50.9	140.07	31	0	352	20,579,846
Aug-08	19,554,027	15.2	40.4	140.02	31	0	320	19,971,199
Sep-08	18,984,401	73.5	16.2	139.96	30	1	336	18,551,673
Oct-08	19,133,121	288.1	0.0	139.90	31	1	352	19,509,566
Nov-08	19,701,425	459.0	0.0	139.84	30	1	304	19,388,478
Dec-08	21,823,926	652.5	0.0	139.78	31	0	336	21,929,327
Jan-09	23,540,708	823.9	0.0	139.38	31	0	336	22,708,410
Feb-09	20,020,878	608.5	0.0	138.98	28	0	304	20,327,352
Mar-09	20,913,286	568.1	0.0	138.58	31	1	352	20,536,435
Apr-09	18,459,204	345.4	0.0	138.18	30	1	320	18,824,658
May-09	17,573,977	231.1	0.0	137.78	31	1	320	18,848,388
Jun-09	18,427,123	86.1	17.4	137.38	30	0	352	19,756,463
Jul-09	18,988,126	41.5	18.2	136.99	31	0	352	19,715,752
Aug-09	20,387,940	15.7	58.6	136.59	31	0	320	20,346,096
Sep-09	18,406,762	70.1	11.6	136.20	30	1	336	18,091,277
Oct-09	19,177,043	313.3	0.0	135.81	31	1	336	19,443,086
Nov-09	19,018,823	361.0	0.0	135.42	30	1	320	19,071,462
Dec-09	21,612,929	638.6	0.0	135.03	31	0	352	21,732,325
Jan-10	23,225,364	718.0	0.0	135.33	31	0	320	22,038,953
Feb-10	20,627,099	597.2	0.0	135.63	28	0	304	20,364,670
Mar-10	22,544,848	459.7	0.0	135.93	31	1	352	22,128,853

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Jan-11	727.0	0.0	139.0	31	0	352	22,360,284
Feb-11	641.3	0.0	139.3	28	0	320	20,743,874
Mar-11	560.8	0.0	139.6	31	1	352	20,631,094
Apr-11	344.7	0.0	139.9	30	1	320	19,041,574
May-11	215.8	2.5	140.2	31	1	352	19,151,603
Jun-11	60.3	18.8	140.5	30	0	336	19,658,903
Jul-11	14.7	64.2	140.8	31	0	336	20,721,552
Aug-11	11.9	65.5	141.1	31	0	352	20,872,744
Sep-11	72.1	13.7	141.4	30	1	304	18,277,108
Oct-11	261.6	0.6	141.7	31	1	352	19,523,347
Nov-11	412.4	0.0	142.0	30	1	352	19,739,536
Dec-11	633.6	0.0	142.3	31	0	304	21,809,655
Jan-12	706.2	0.0	142.6	31	0	352	22,444,468
Feb-12	642.0	0.0	142.9	29	0	320	21,284,289
Mar-12	566.7	0.0	143.2	31	1	304	20,520,697
Apr-12	340.7	0.0	143.5	30	1	352	19,411,775
May-12	217.3	2.8	143.8	31	1	336	19,238,126
Jun-12	54.5	20.7	144.1	30	0	336	19,848,258
Jul-12	14.7	67.5	144.4	31	0	352	21,068,605
Aug-12	9.8	68.7	144.7	31	0	320	20,897,070
Sep-12	75.2	13.1	145.0	30	1	336	18,664,803
Oct-12	263.2	0.7	145.4	31	1	352	19,709,585
Nov-12	412.6	0.0	145.7	30	1	304	19,602,815
Dec-12	631.9	0.0	146.0	31	0	336	22,186,040

69. Account 1562 Deferred PILs

Ref: Response to Board staff interrogatory #s 54 to 59

Income Tax rates used in SIMPIL Models

Corporate taxpayers are eligible for the full federal small business deduction when taxable capital is below \$10 million. The small business deduction is phased out on a straight-line basis as taxable capital increases above \$10 million, and is completely eliminated when taxable capital reaches \$15 million.¹

The taxpayer pays a lower rate of income tax than the maximum rate as long as taxable capital remains below \$15 million.

The SIMPIL models require income tax rates to be input in order to calculate the variances that support some of the entries in account 1562 deferred PILs. These income tax rates are entered on sheet TAXCALC by the applicant.

Lakefront has used income tax rates as shown in the table below in its SIMPIL models. The taxable paid-up capital from the federal T2 tax returns filed in evidence is also shown.

	2002	2003	2004	2005
Taxable paid-up capital	12,863,777	11,438,289	11,612,807	11,669,427
Income tax rate used in SIMPIL	38.62%	36.62%	32.65%	32.14%

A. Please provide income tax rates below the maximum for 2002 and 2003 consistent with Lakefront's tax evidence.

LUI's RESPONSE:

LUI has included in Appendix C, the income tax rates as requested in question A above.

B. Please input the revised income tax rates in the SIMPIL models for 2002 and 2003 to calculate the tax impact; and deduct 1.12% from these revised income tax rates to calculate the grossed-up tax amounts.

LUI's RESPONSE:

LUI has included in Appendix D and E, the SIMPIL models, revised for the above noted changes in part B.

C. Please file a revised continuity schedule that reflects the changes in the SIMPIL models for 2002 and 2003; and, identify already submitted evidence, or re-file, the SIMPIL models for 2001, 2004 and 2005 that support the revised continuity schedule. Please file active Excel workbooks for all evidence.

LUI'S RESPONSE:

LUI has included in refilled the SIMPIL models for 2001, 2004 and 2005 that support the revised schedule, as Appendices F, G, H, and I as requested in part C above, in excel format

¹ Income Tax Act, section 125 (5.1)

LUI'S OVERALL IR #69 RESPONSE (all parts : a, b, c)

Lakefront requested its external auditors to calculate revised effective income tax rates for 2002 and 2003 consistent with a taxable income of \$1,321,620 which was used to determine PILS included in rates and the actual level of taxable paid up capital shown on its tax returns.

The derivation of revised tax rates is shown in Appendix C (part A of this IR)

Lakefront has used these revised tax rates and modified the SIMPILS true-up models:

- Appendix D - Revised 2002 SIMPILS (part B of this IR)
- Appendix E - Revised 2003 SIMPILS (part B of this IR)

The 2001, 2004 , and 2005 SIMPILS true up amounts remain unchanged from the amounts used to develop Lakefront's revised disposition value of (\$385,370) as per its response to IR 56 e).

To complete the evidentiary record as requested the following Appendices have been reproduced

- Appendix F - Q4 2001 SIMPILS

- Appendix G - 2004 SIMPILS
- Appendix H - 2005 SIMPILS

Appendix I contains a revised continuity schedule. It also contains recoveries which have not changed.

Similar to the response to IR 73 the following table shows a reconciliation of the differences. The true-up rates in 2002 and 2003 are slightly lower than used previously resulting in a reduction to the credit balance.

Revised Submission		(377,408)		
IR 56e) Submission		(385,370)		
		7,962		Difference
		Revised Submission	IR 56 Submission	Difference
SIMPILS True - up Amounts				
	2002	(72,322)	(76,139)	3,817
	2003	(86,995)	(89,169)	2,174
Interest Improvement		(44,182)	(46,153)	1,971
		(203,499)	(211,461)	7,962

70. Deferral and Variance Accounts (#1)

Ref: Response to Board staff interrogatory #s 33c and 33d

In response to Board staff interrogatory #33c, Lakefront has provided -

\$38,533.04 as the balance for account 1521 as the most recent balance in the account. However, in the Table provided under Board staff interrogatory #33d, the most recent balance shown under column titled "Total for Disposition (Principal & Interest) based on forecasted Dec. 31, 2011 balance" is -\$21,302.62.

- a. Please clarify and explain why the above two amounts are not consistent with each other.
- b. Please indicate which of the two amounts is correct.

LUI's RESPONSE:

Part A

The amounts listed above are not consistent due to the period in question pertaining to the original question. LUI interpreted the question to read as follows: (from Board Staff IR #33c Round 1) if LUI has finished implementing the SPC program in 2011, please provide the most recent balance in account 1521..." To this part of the question, LUI provide the balance as of end of December 31, 2011 which was a credit of \$(38,533.04),

The balance in the Table provided in Board IR #33 d) was not consistent with the above noted figure, as part d) of the original Board IR #33 question, was requesting what the total for disposition (principal & interest) based on **forecasted** April 30, 2012 balances.

Therefore they are not consistent as part c) is requesting the most recent balance in account 1521 was at the time of the IR, which was December 31, 2011 and the balance was a credit of (38,533.04), and then part d) was requesting a total disposition amount as of April 30, 2012. In order to obtain the total as of April 30, 2012, LUI had to reverse the unbilled portion from 2011 year end, in the amount of a debit of \$17,267, to offset the balance as at December 31, 2011, and then project the carrying charges forward to April 30, 2012. The balance after these items, is a credit of \$(21,302.62)

Part B

The balance as at December 31, 2011 is as noted in the original OEB IR Question 33 part c; a credit of \$(38,533.04). However the total amount that will be requested for disposition including principal & interest forecast to April 30, 2012, is again, as noted above a credit of \$(21,302.62).

71. Deferral and Variance Accounts (#2)

Ref: Response to Board staff interrogatory #39a

The column titled "Claim (including all dispositions and interest forecasts)" includes account 1595 for year 2009/2010 in the amount of -\$229,688. The rate rider of this recoveries account does not end until April 30, 2012. As per the EDDVAR report of the Board, the balance in the recoveries account should not be disposed of until the rate rider has ended.

Please explain why is Lakefront proposing disposition of the balance in this account while the rate rider is still in effect?

LUI's RESPONSE:

LUI recognizes that the inclusion of this specific balance for disposition in this Application was erroneously included. LUI retracts the request for disposition until such time after the period of the rate rider has been completed.

72. Deferral and Variance Accounts (#3)

Ref: Response to Board staff interrogatory #39c

Lakefront did not have an amount for disposition in its pre-filed evidence for account 1592.

- a. Please provide a detailed explanation and supporting documentation for the credit amount of \$98,840 for the proposed disposition, as indicated in the new evidence included in the response to Board staff interrogatory #39c

LUI's RESPONSE:

LUI is providing in the Appendix B to this document, the supporting documentation for the credit amount of \$98,840 for the proposed disposition. LUI used the method provided by the Ontario Energy Board in the FAQ dated December 23, 2010, question and answer #4, that provides an alternative method to to determine and record incremental ITC's.

Simply put, LUI completed a detailed one-time analysis of its most recent historic year (prior to implementation of HST), as presented in the FAQ, noted above. It should be noted for the purposes of the analysis, the 2009 year data was extremely difficult to obtain, via our financial system, and therefore, LUI opted to use pre HST era, January – July 2010 purchases and prorated the data accordingly to accommodate an annual data set.

- b. Please provide a detailed explanation as to why the amount proposed for disposition does not tie to the RRR 2.1.7 reporting which showed zero balance as of December 31, 2010 for account 1592.

LUI's RESPONSE:

LUI was unable to provide accurate data for the 2.1.7 RRR Reporting as at December 31, 2010, as the direction on how to obtain the information to complete the reporting was not yet issued. The FAQ's that subsequently issued on December 23, 2010, did not allow LUI adequate time to formulate and provide the appropriate analysis to determine the balance in the account at that time, specifically given the holidays as well as the complexity of the FAQ's.

- c. Is any part of the balance in account 1592 related to the 1592 sub account HST/OVAT Input Tax Credit (ITC) related?

LUI's RESPONSE:

The entire balance in Account 1592 is related to the 1592 sub account HST/OVAT Input Tax Credit.

- d. If so, only 50% of that sub-account is returnable to the ratepayers (per Decision and Order EB-2009-0233). Has Lakefront included only 50% of the amounts accumulated in account 1592, sub-account HST/OVAT ITC when calculating the rate rider?

LUI's RESPONSE:

LUI has not included 50% of the amount accumulated in account 1592, sub account HST /OVAT ITC when calculating the rate rider. LUI has included the entire amount, however in order to recalculate the new rate riders, as per OEB IR Round 2, question 74, LUI has taken into account only the 50% refundable portion , in order to calculate the new rate riders, per question 74.

73. Deferral and Variance Accounts (#4)

Ref: Response to Board staff interrogatory #39c

Please provide reasons and supporting documentation for changing the balance for disposition for account 1562 from -\$250,253 to -\$385,370.

LUI's RESPONSE:

LUI's initial rate submission included a request to disposition a credit balance in the 1562 account of \$250,253.

Lakefront provided a response to Board Staff Interrogatory 56 e) which it believed reflected the proper disposition amount, a revised credit amount of \$385,370.

The revised amount is due to Lakefront's agreement with Board staff as reflected in its response to Interrogatory 55 a) that regulatory adjustments to taxable income should be trued up in 2002, 2003, and 2004.

As a result the difference in the disposition is caused by SIMPILS true-up differences and associated interest improvement over the period. The revised SIMPILS models were included in the response to Interrogatory 56 a).

The following table provides the reconciliation.

Revised Submission		(385,370)			
Original Submission		(250,253)			
		(135,117)			Difference
			Revised Submission	Original Submission	Difference
SIMPILS True - up Amounts					
	2002	(76,139)	(37,176)	(38,963)	
	2003	(89,169)	(53,369)	(35,800)	
	2004	(121,317)	(91,249)	(30,068)	
Interest Improvement		(46,153)	(15,867)	(30,286)	
		(332,778)	(197,661)	(135,117)	

74. Deferral and Variance Accounts (#5)

Ref: Response to Board staff interrogatory #39c

Please recalculate the rate riders ensuring that the corrected balances and allocators have been used for all of the accounts (including account 1521, 1562, 1592, and 1595). Please provide the spreadsheet in the Excel format to facilitate checking of the formulae.

LUI's RESPONSE:

LUI has recalculated the rate riders using the spreadsheet attached as Appendix L as the model to reconcile back to. LUI has also included Appendix M that outlines the same information in the same format as the original application.

In summary:

- the account 1592 has been amended to include only 50% of the total balance, for disposition;
- the account 1562 has changed based on OEB IR Round 2 questions as well;
- LUI has appropriate removed subaccount 1595 (2009) from disposition, as per OEB IR 1 Question 38;
- LUI has accurately reallocated the balance in account 1525 which related to SPC, to account 1521 and has requested disposition accordingly.

75. IFRS (#1)

Ref: Response to Board staff interrogatory #42

Please provide Tables 2-16, 2-18, and 2-20 in Excel format to facilitate checking of the numbers.

LUI RESPONSE:

LUI has uploaded the excel file which contains Tables 2-16, 2-18 and 2-20 in excel format in file named "OEB#75TABLE220218216". These tables are properly referenced to the submitted table in the Amended Revenue Requirement Model2012v1.xls (Tab "FA Continuity 2012").

76. IFRS (#2)

Ref: Response to Board staff interrogatory #50

PP&E Deferral Account

Lakefront's response (page 100 of Lakefront's response to Board staff interrogatories) to this interrogatory indicates that it would be booking a credit of \$406,756 in the PP&E Deferral Account, which would result in amortization of \$101,689 per year for 4 years (CoS year + 3 years IRM period) to depreciation expense. However, this reduction in depreciation has not been incorporated in Lakefront's RRWF.

Note: The RRWF shows amortization expense of \$816,209, and the response to Board staff interrogatory #50 shows the amortization of \$714,519.

Please adjust and re-file Lakefront's RRWF and amortization expense included in the revenue requirements, as per the Addendum to Report of the Board: Implementing International Financial Reporting Standards in an Incentive Rate Mechanism Environment (EB-2008-0408, June 13, 2011).

LUI's RESPONSE:

LUI noted that the link to the amortization of \$714,519 was incorrectly linked and should have linked to the amortization of \$717,898. LUI has refilled the RRWF under Appendix I.

77. IFRS (#3))

Ref: Response to Board staff interrogatory #52

IFRS (Pension and Other Post Employment Benefit Costs)

Lakefront stated: "Lakefront's next actuarial report expected to be completed early 2012, for the year end December 31, 2011."

a. Please provide the full actuarial valuation report.

LUI's RESPONSE:

LUI is in the preliminary stages of data collection for the actuarial analysts to use to prepare report. Therefore the report is still incomplete at this time.

b. Please confirm if Lakefront's external auditors have audited the report. Please provide supporting documentation.

LUI's RESPONSE:

As per the answer provided in part a above, this report has not yet been completed.

c. Please provide a copy of the previous actuarial evaluation report that would have been completed 3 years ago, i.e. as of December 31, 2008.

LUI's RESPONSE:

LUI has attached as Appendix A in pdf , a copy of the previous actuarial report that was prepared for the year ended December 31, 2009.

78. IFRS (#4)

Ref: Response to Board staff interrogatory #52

IFRS (Pension and Other Post Employment Benefit Costs)

Under part b) of the interrogatory response, Lakefront stated: "Lakefront will elect to recognize cumulative actuarial gains/losses, and will use estimates, as at the transition date."

- a. Please provide the dollar value of the actuarial Gains and Losses as of January 1, 2011.

LUI's RESPONSE:

In LUI's original response to OEB IR Question 52, LUI stated that we would use estimates as at the transition date, however LUI intended to state that they would use this information on the changeover date (which occurs on January 1, 2012), not the transition date, which is January 1, 2011. Therefore, at this time, LUI has not made any entry or provision for actuarial Gains/Losses as of January 1, 2011.

- b. What is Lakefront's proposed regulatory treatment of the actuarial Gains and Losses as of the transition date (January 1, 2011) – are these amounts incorporated anywhere in the revenue requirement? Please explain.

LUI's RESPONSE:

LUI has not incorporated any amounts into the revenue requirement based on the information provided in part (a).

- c. Please provide the Journal Entry for Lakefront's books of accounts to record actuarial gains and losses as of the transition date.

LUI's RESPONSE:

LUI, based on the above parts (a) and (b) has no journal entry to provide.

79. Smart Grid Development

Ref: Response to Board staff interrogatory #29

Ref: Filing Requirements, Part V, GEA Plan: Development of the Smart Grid²

2

http://www.rds.ontarioenergyboard.ca/webdrawer/webdrawer.dll/webdrawer/rec/183437/view/Filing%20Req_DSP_20100325.PDF

In the response to Board staff interrogatory #29a, Lakefront indicates that “it is in the process of installing automated distribution line reclosers on its 27.6Kv system [...]”

In the response to Board staff interrogatory #29a, Lakefront clarifies that it “intends to fund capital expenditures such as the purchase of equipment (reclosers for example) and the associated installation of that equipment”.

LUI's RESPONSE:

The word “automated” may lead one to believe this equipment is part of distribution automation however there is no plan to automate the reclosers to automatically restore power in the event of an outage. These reclosers are designed to reduce the number of customers affected by issues on the 27.6 kV distribution feeders.

- a. Are the system upgrades envisaged in the response to #29a to be undertaken on a system-wide scale?

LUI's RESPONSE:

No, there are four locations that have been selected based on past outages to

reduce the number of customers affected by momentaries and sustained outages.

- b. Does Lakefront intend to consider the system upgrades mentioned in the response to #29a as part of their future GEA Plan?

LUI's RESPONSE:

No, LUI does not intend to consider the system upgrade, as mentioned in response to #29a as part of the future GEA Plan

- c. In accordance with the Filing Requirements for Distribution Plans, please confirm that Lakefront is aware that smart grid activities eligible for cost recovery are presently limited to demonstration projects, studies and planning exercises, and employee smart grid education and training.

LUI's RESPONSE:

Yes, LUI is aware of this.

- d. Are the capital expenditures in the response to #29b envisaged under Lakefront's asset management plan?

LUI's RESPONSE:

No, this is new equipment to improve Lakefront's reliability and not to replace aging equipment. This equipment will improve the operation of Lakefront's 27.6kV distribution system.

80. Smart Meter Model

Ref: Response to Board staff interrogatory #17

- a. Lakefront has used the maximum taxes/PILs rates input on sheet 3, row 40, for the years 2006, 2007, 2008, 2009, 2010, 2011 and 2012 and beyond. These are summarized in the following table:

Year	2006	2007	2008	2009	2010	2011	2012
Aggregate Federal and provincial	36.12%	36.12%	33.50%	33.00%	31.00%	28.25%	26.25%

Please confirm that these are the tax rates corresponding to the taxes or PILs actually paid by Lakefront in each of the historical years, and that Lakefront forecasts it will pay for 2012. For historical years to 2011, these would be the aggregate rate derived for calculating the taxes/PILs included in the revenue requirement in cost of service applications, or as calculated in taxes/PILs calculations as part of IRM applications. In the alternative, please explain the tax rates input and their derivation.

LUI's RESPONSE:

LUI has returned to the 2006 through 2010 tax returns and determined actual combined tax rates paid, in those years and has developed the following schedule. LUI completed the original tax schedule, as demonstrated in part (a) above, and did so, based on data compiled from previous years' IRM, and Cost of Service Applications. Since there appears to be some minor differences in the rates, LUI has completed an updated Smart Meter Model, for information purposes only. LUI has not altered the smart meter model data (informational purposes updated one) into the Cost of Service Application, however has discussed the matters herein.

Total Tax Payable	2006	2007	2008	2009	2010	2011	2012
Federal	179,114	172,055	335,325	207,144	166,972		
Provincial	125,858	116,410	247,579	150,923	92,494		
Total TAX	304,972	288,465	582,904	358,067	259,466	-	-
Taxable Income per Tax Return	891,041	861,076	1,758,576	1,129,302	927,621		
Effective Combined Tax Rate	34.23%	33.50%	33.15%	31.71%	27.97%	28.25%	26.25%

- b. On sheet 8A, Lakefront has omitted depreciation expense by month. This will result in an underestimate of the interest expense on OM&A and depreciation expenses. Please update sheet 8A with depreciation expense as recorded in Account 1556, sub-account depreciation expense. If Lakefront is unable to do so, please explain.

LUI's RESPONSE:

LUI has updated the Sheet 8A with the depreciation data as requested and is located in Appendix J.

- c. Board staff observes that the OM&A documented on sheet 8A of \$154,985.07 does not correspond with the OM&A of \$158,605 shown on Sheet 2 of the Smart Meter model. Please provide a reconciliation.

LUI's RESPONSE:

In December there was one OM&A charge that was accidentally omitted from the Sheet 8A and has been updated in the new updated version, Q80 2012 SM Model Final V2.17.tax rate update LUI.xls.

- d. If Lakefront has updated its Smart Meter Model Version 2.17 as a result of a) or b), please re-file the model in working Microsoft Excel format.

LUI's RESPONSE:

LUI has updated the Smart Meter model, Version 2.17 as a result of Question 80 above, and has refilled the model as an Appendix J, named Q80 2012 SM Model Final V2.17.tax rate update LUI.xls.

81. Class Specific Smart Meter Disposition Riders ("SMDR")

Ref: Response to Board staff interrogatory #19

In its response to Board staff IR # 19 b), Lakefront has provided a table with calculated class-specific SMDRs for Residential, GS < 50 kW, GS 50-4999 kW and Intermediate customer classes. However, in its Smart Meter Model, Lakefront shows smart meters only being deployed to the Residential and GS <

50 kW classes. Board staff believes that Lakefront has incorrectly applied the cost allocation methodology evolving from recent decisions for smart meter disposition from PowerStream, as documented in the original interrogatory. Using the *attached spreadsheet* as an example, please provide updated calculations of class-specific SMDRs for the Residential and GS < 50 kW classes to which smart meters were deployed. The costs and revenues as inputs should correspond with the results of the Smart Meter Model updated per the immediately preceding interrogatory. Please file the resulting spreadsheet in working Microsoft Excel format.

LUI's RESPONSE:

LUI is requesting an extension of 2 business days to complete and file this one round 2 interrogatory question #81.

82. Properties (VECC)

Ref: Response to VECC interrogatory #5

The table shown in the response is cut off because of formatting. Please reformat and re-submit showing all years from 2008 to 2015.

LUI RESPONSE:

Please see below for LUI's table responded to VECC interrogatory #5.

Lakefront Utilities Inc. - Property Owned Capital Asse		ACTUAL AUDITED SPENDING			ACTUAL UNAUDITED	FORECASTED SPENDING			
		2008	2009	2010	2011	2012	2013	2014	2015
CAPITAL ASSET ACCOUNT	Capital Asset Description	Additions	Additions	Additions	Additions	Additions	Additions	Additions	Additions
1808 - Buildings & Fixtures	Operational - Fleet facility & operational staff - 25 Ewart St Office & Corporate Building - 207	1,809.00		19,296.00	311.49	105,000.00	75,000.00	75,000.00	
1808 - Buildings & Fixtures	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	500,000.00	800,000.00	900,000.00
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	575,000.00	875,000.00	900,000.00

83. Capital Contribution (VECC)

Ref: Response to VECC interrogatory #6c

If it is the Town of Cobourg's requirement that overhead lines in the downtown "heritage district" be converted to underground during any rebuild, why does Lakefront not require any capital contribution from the Town, or downtown BIA, for any incremental capital costs? In other words, why should all other Lakefront ratepayers subsidize this underground conversion which would not similarly apply to them?

LUI's RESPONSE:

LUI agrees that ratepayers should not subsidize underground conversions, that do not similarly apply to them. The Town of Cobourg will be required to pay the incremental cost difference between overhead and underground where the Town requires LUI to bury existing overhead construction during capital rebuilds. Lakefront will request a capital contribution when this occurs for all future projects.

84. Board of Directors' Costs (VECC)

Ref: Response to VECC interrogatory #20

In response to VECC IR # 20, Lakeland states that it has applied inflation for the increase in the Board of Directors' costs in Account 5605. Analysis of the table suggests that Lakefront has applied a 3% inflation factor for forecasting 2012 costs from 2011.

Please confirm that Lakefront has used a 3% inflation factor. In the alternative, please provide the inflation factor used. In either case, please provide the basis for the inflation factor used.

LUI's RESPONSE:

LUI confirms that for forecasting purposes a 3% inflation rate has been used.

Account 5605			
Allocation of Costs	2011	3%	2012
Directors Salary & Expenses	\$5,785.20	\$173.56	\$5,958.76
Management Fees Expense	\$19,717.18	\$591.52	\$20,308.70
Administrative/Training Costs	\$22,549.62	\$676.49	\$23,226.11

85. Water and Sewer Billing (VECC)

Ref: Response to VECC interrogatory #22b

- a. Please provide a copy of the cost analysis conducted by Lakefront to support the estimated \$30,000 fee charged to LUSI for water and sewer billing.

LUI's RESPONSE:

LUI's cost analysis was conducted informally with the Town of Cobourg for this item. The main points of the discussion were surrounding the fee that LUSI(water) and LUI would charge the Town of Cobourg for providing billing services for the sewer division of the Town of Cobourg, as opposed to the Town of Cobourg incurring their own costs associated with billing for such services themselves. Note that the \$30,000 charge that LUSI (water) and LUI charge to the Town is for billing services for the sewer component which is owned and operated by the Town of Cobourg.

- b. Please confirm whether the cost analysis is based on a fully allocated or marginal costs approach.

LUI's RESPONSE:

LUI's cost analysis, in this particular instance is based on a fully allocated cost approach.

- c. Please provide the rationale supporting this approach.

LUI's RESPONSE:

LUI uses a 50/50 split approach in terms of determining how the costs will be allocated.

- d. Does the fee include a return on capital used to provide such services? If not, please explain.

LUI's RESPONSE:

LUI does not include any return on capital on this service, as this is a straight administrative charge, which for LUI is a revenue offset for the purposes of the Rate Application.

86. Weighting Factors (VECC)

Ref: Response to VECC interrogatory #26d

The table provided in the response to VECC IR # 26d is cut off due to formatting. Please reformat and resubmit to show all data in the table.

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