

**Ontario Energy  
Board**  
P.O. Box 2319  
27th. Floor  
2300 Yonge Street  
Toronto ON M4P 1E4  
Telephone: 416- 481-1967  
Facsimile: 416- 440-7656  
Toll free: 1-888-632-6273

**Commission de l'énergie  
de l'Ontario**  
C.P. 2319  
27e étage  
2300, rue Yonge  
Toronto ON M4P 1E4  
Téléphone; 416- 481-1967  
Télécopieur: 416- 440-7656  
Numéro sans frais: 1-888-632-6273



**BY E-MAIL**

November 12, 2013

Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Lakefront Utilities Inc.  
2014 IRM Distribution Rate Application  
Board Staff Interrogatories  
Board File No. EB-2013-0148**

In accordance with the Notice of Application and Hearing, please find attached Board Staff interrogatories in the above proceeding. Please forward the following to Lakefront Utilities Inc. and to all other registered parties to this proceeding.

In addition please advise Lakefront Utilities Inc. that responses to interrogatories are due by November 29, 2013.

Yours truly,

*Original Signed By*

Christiane Wong  
Information Administrator – Applications & Regulatory Audit

Encl.

**Lakefront Utilities Inc. (“LUI”)  
2014 IRM Rate Application  
EB-2013-0148  
Board Staff Interrogatories**

**2014 RTSR Adjustment Work Form**

1. *Ref: A portion of Sheet 1 “Info” is reproduced below.*

|                               |                                       |
|-------------------------------|---------------------------------------|
| <b>Utility Name</b>           | Lakefront Utilities Inc.              |
| <b>Service Territory</b>      | Northumberland                        |
| <b>Assigned EB Number</b>     | EB-2013-0148                          |
| <b>Name and Title</b>         | Brittany Ashby Financial & Regulatory |
| <b>Phone Number</b>           | 905-372-2193 X5256                    |
| <b>Email Address</b>          | bashby@lusi.on.ca                     |
| <b>Date</b>                   | Thursday May 01 2014                  |
| <b>Last COS Re-based Year</b> |                                       |

Board staff notes that LUI did not enter data in the “Last COS Re-based Year” while Board staff believes that LUI’s last cost-of-service re-basing was in 2012 under proceeding EB-2011-0250<sup>1</sup>.

- a) If this is an error, please provide the missing information, and Board staff will make the relevant correction.

<sup>1</sup> <http://www.rds.ontarioenergyboard.ca/webdrawer/webdrawer.dll/webdrawer/rec/341505/view/>

2. Ref: A portion of Sheet 4 “RRR Data” is reproduced below.

| Rate Class                        | Unit | Non-Loss<br>Adjusted<br>Metered kWh | Non-Loss<br>Adjusted<br>Metered kW | Applicable<br>Loss<br>Factor | Load<br>Factor | Loss Adjusted<br>Billed kWh | Billed kW |
|-----------------------------------|------|-------------------------------------|------------------------------------|------------------------------|----------------|-----------------------------|-----------|
| Residential                       | kWh  | 67,118,098                          |                                    | 1.0565                       |                | 70,910,271                  | -         |
| General Service Less Than 50 kW   | kWh  | 31,399,975                          |                                    | 1.0565                       |                | 33,174,074                  | -         |
| General Service 50 to 2,999 kW    | kW   | 128,532,327                         | 322,334                            |                              | 54.65%         | 128,532,327                 | 322,334   |
| General Service 3,000 to 4,999 kW | kW   | 15,193,348                          | 39,662                             |                              | 52.50%         | 15,193,348                  | 39,662    |
| Unmetered Scattered Load          | kWh  | 593,911                             |                                    | 1.0565                       |                | 627,467                     | -         |
| Sentinel Lighting                 | kW   | 41,938                              | 114                                |                              | 50.42%         | 41,938                      | 114       |
| Street Lighting                   | kW   | 1,222,128                           | 3,337                              |                              | 50.20%         | 1,222,128                   | 3,337     |

- a) Please confirm that the amounts entered into the columns “Non-Loss Adjusted Metered kWh” and “Non-Loss Adjusted Metered kW” have not been adjusted by LUI’s Board-approved loss factor.
- b) Staff is unable to reconcile the non-loss adjusted metered kWh and the non-loss adjusted metered kW for the Residential, GS <50 kW, Unmetered Scattered Load and Sentinel Lighting rate classes with LUI’s 2.1.5 RRR Report for 2012. Please provide evidence supporting these amounts. If necessary, Board staff will make the corrections.

## 2014 Tax Sharing Work Form

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

| Rate Group | Rate Class                      | Fixed Metric | Vol Metric |
|------------|---------------------------------|--------------|------------|
| RES        | Residential                     | Customer     | kWh        |
| GSLT50     | General Service Less Than 50 kW | Customer     | kWh        |
| GSGT50     | General Service 50 to 2,499 kW  | Customer     | kW         |
| GSGT50     | General Service 50 to 4,999 kW  | Customer     | kW         |
| USL        | Unmetered Scattered Load        | Connection   | kWh        |
| Sen        | Sentinel Lighting               | Connection   | kW         |
| SL         | Street Lighting                 | Connection   | kW         |

- a) Board staff notes that the rate class classification for "General Service 50 to 4,999 kW" does not match LUI's current Tariff of Rates and Charges. Staff believes the correct rate class classification is "General Service 3,000 to 4,999 kW". If this is an error, Board staff will make the necessary correction.

4. Ref: A portion of Sheet 5 “Z-Factor Tax Changes” is reproduced below

| Summary - Sharing of Tax Change Forecast Amounts  |                  |                  |
|---|------------------|------------------|
| For the 41513 year, enter any Tax Credits from the Cost of Service Tax Calculation (Positive #) |                  |                  |
| <b>1. Tax Related Amounts Forecast from Capital Tax Rate Changes</b>                            | <b>2012</b>      | <b>2014</b>      |
| Taxable Capital   | \$ 2,660,020     | \$ 2,660,020     |
| Deduction from taxable capital up to \$15,000,000   | \$ 15,000,000    | \$ 15,000,000    |
| Net Taxable Capital   | -\$ 12,339,980   | -\$ 12,339,980   |
| Rate  | 0.000%           | 0.000%           |
| Ontario Capital Tax (Deductible, not grossed-up)  | \$ -             | \$ -             |
| <b>2. Tax Related Amounts Forecast from Income Tax Rate Changes</b>                             | <b>2012</b>      | <b>2014</b>      |
| Regulatory Taxable Income   | \$ 142,661       | \$ 142,661       |
| Corporate Tax Rate  | 15.50%           | 15.50%           |
| Tax Impact  | \$ 22,112        | \$ 22,112        |
| <b>Grossed-up Tax Amount</b>  | <b>\$ 26,168</b> | <b>\$ 26,169</b> |
| Tax Related Amounts Forecast from Capital Tax Rate Changes                                      | \$ -             | \$ -             |
| Tax Related Amounts Forecast from Income Tax Rate Changes                                       | \$ 26,168        | \$ 26,169        |
| Total Tax Related Amounts   | \$ 26,168        | \$ 26,169        |
| Incremental Tax Savings   |                  | \$ 1             |
| Sharing of Tax Savings (50%)  |                  | \$ 0             |

Ref: A portion of Sheet 5 of the Revenue Requirement Work Form is reproduced below (“RRWF”) EB-2011-0250

| Line No.                                   | Particulars  | Application      | Settlement Agreement | Per Board Decision |
|--|--|------------------|----------------------|--------------------|
| <u>Determination of Taxable Income</u>     |  |                  |                      |                    |
| 1  | Utility net income before taxes                          | \$671,593        | \$644,238            | \$644,238          |
| 2  | Adjustments required to arrive at taxable utility income | (\$479,707)      | (\$523,689)          | (\$523,689)        |
| 3  | Taxable income   | <u>\$191,886</u> | <u>\$120,548</u>     | <u>\$120,548</u>   |
| <u>Calculation of Utility Income Taxes</u> |  |                  |                      |                    |
| 4  | Income taxes   | <u>\$29,742</u>  | <u>\$18,685</u>      | <u>\$18,685</u>    |
| 6  | Total taxes  | <u>\$29,742</u>  | <u>\$18,685</u>      | <u>\$18,685</u>    |
| 7  | Gross-up of Income Taxes                                 | <u>\$5,456</u>   | <u>\$3,427</u>       | <u>\$3,427</u>     |
| 8  | Grossed-up Income Taxes                                  | <u>\$35,198</u>  | <u>\$22,112</u>      | <u>\$22,112</u>    |

Board staff notes some discrepancies in the Tax Sharing Work Form.

- a) Please provide an explanation of \$142,661 for “Regulatory Taxable Income” with the \$120,548 as per RRWF and \$26,168 for “Grossed-up Tax Amount” with the \$22,112 as per RRWF. If this is an error, Board staff will update your work form.

## 2014 IRM Rate Generator Work Form

5. *Ref: Rate Generator Model*  
*Ref: LUI's current Tariff of Rates and Charges*

*A portion of Sheet 4 "Current Tariff Schedule" is reproduced below.*

| MONTHLY RATES AND CHARGES - Regulatory Component                |  |        |
|---|--|--------|
| Wholesale Market Service Rate                                   |  | 0.0044 |
| Rural Rate Protection Charge                                    |  | 0.0012 |
| Standard Supply Service - Administrative Charge (if applicable) |  | 0.2500 |

A portion of LUI's current Tariff of Rates and Charges is reproduced below

| MONTHLY RATES AND CHARGES – Regulatory Component                |        |        |
|---|--------|--------|
| Wholesale Market Service Rate                                   | \$/kWh | 0.0044 |
| Rural Rate Protection Charge                                    | \$/kWh | 0.0012 |
| Standard Supply Service – Administrative Charge (if applicable) | \$     | 0.25   |

- a) Board staff notes that LUI did not enter the units for "Wholesale Market Service Rate", "Rural Rate Protection Charge" and "Standard Supply Service – Administrative Charge (if applicable)" for all the rate classes. Board staff believes the correct unit is "\$/kWh" for "Wholesale Market Service Rate" and "Rural Rate Protection Charge" and "\$" for "Standard Supply Service – Administrative Charge (if applicable)". If this is an error, Board staff will make the correction.

6. Ref: A portion of Sheet 4 "Current Tariff Schedule" is reproduced below.

| GENERAL SERVICE 50 TO 2,999 KW Service Classification   |       |          |
|---|-------|----------|
| Rate Rider for Disposition of Global Adjustment Sub-Account (2011) - effective until April 30, 2016 Applicable only for Non-RPP Customers | \$/kW | (0.0723) |

- a) Board staff notes that the description for "Rate Rider for Disposition of Global Adjustment Sub-Account (2011) – effective until April 30, 2016 Applicable only for Non-RPP Customers" does not match with LUI's last Board-approved Tariff of Rates and Charges. Board staff notes that the correct description is "Rate Rider for Disposition of Global Adjustment Sub-Account (2012) – effective until April 30, 2016 Applicable only for Non-RPP Customers". If this is an error, Board staff will make the necessary correction.

7. Ref: A portion of Sheet 4 "Current Tariff Schedule" is reproduced below.

| <b>UNMETERED SCATTERED LOAD Service Classification</b>  |       |          |
|---|-------|----------|
| <b>MONTHLY RATES AND CHARGES - Delivery Component</b> <span style="color: red;">(If applicable, Effective Date MUST be included in rate description)</span> |       |          |
| Distribution Volumetric Rate  | \$/kW | 0.0354   |
| Low Voltage Service Rate  | \$/kW | 0.0015   |
| Rate Rider for Deferral/Variance Account Disposition (2012) - effective until April 30, 2016  | \$/kW | (0.0020) |
| Rate Rider for Disposition of Global Adjustment Sub-Account (2012) - effective until April 30, 2016 Applicable only for Non-RPP Customers                   | \$/kW | (0.0002) |
| Rate Rider for Disposition of Deferral/Variance Accounts (2013) - effective until April 30, 2014  | \$/kW | (0.0002) |
| Retail Transmission Rate - Network Service Rate   | \$/kW | 0.0076   |
| Retail Transmission Rate - Line and Transformation Connection Service Rate  | \$/kW | 0.0060   |

A portion of LUI's current Tariff of Rates and Charges is reproduced below.

| <b>UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION</b>   |        |          |
|--|--------|----------|
| <b>MONTHLY RATES AND CHARGES – Delivery Component</b>  |        |          |
| Distribution Volumetric Rate   | \$/kWh | 0.0354   |
| Low Voltage Service Rate   | \$/kWh | 0.0015   |
| Rate Rider for Disposition of Deferral/Variance Account (2012) – effective until April 30, 2016                                    | \$/kWh | (0.0020) |
| Rate Rider for Global Adjustment Sub Account Disposition – effective until April 30, 2016<br>Applicable only for Non-RPP Customers | \$/kWh | (0.0002) |
| Rate Rider for Disposition of Deferral/Variance Account (2013) – effective until April 30, 2014                                    | \$/kWh | (0.0002) |
| Retail Transmission Rate – Network Service Rate  | \$/kWh | 0.0076   |
| Retail Transmission Rate – Line and Transformation Connection Service Rate   | \$/kWh | 0.0060   |

- a) Board staff notes that the unit for Unmetered Scattered Load service classification does not match LUI's current Tariff of Rates and Charges. Staff believes the correct unit for Unmetered Scattered Load service classification is "\$/kWh". If this is an error, Board staff will make the necessary correction.



8. Ref: A portion of Sheet 5 "2014 Continuity Schedule" is reproduced below

| Account Descriptions   | Account Number | 2013  |  |  |   | Projected Interest on Dec-31-12 Balances  |  |             | 2.1.7 RRR   | Variance RRR vs. 2012 Balance (Principal + Interest) |
|--|----------------|---|--|--|---|---|--|-------------|-------------|--|
|  |                | Principal Disposition during 2013 - instructed by Board | Interest Disposition during 2013 - instructed by Board | Closing Principal Balances as of Dec 31-12 Adjusted for Dispositions during 2013 | Closing Interest Balances as of Dec 31-12 Adjusted for Dispositions during 2013 | Projected Interest from Jan 1, 2013 to December 31, 2013 on Dec 31-12 balance adjusted for disposition during 2013 <sup>2</sup> | Projected Interest from January 1, 2013 to April 30, 2013 on Dec 31-12 balance adjusted for disposition during 2013 <sup>3</sup> | Total Claim |             |  |
| <b>Group 1 Accounts</b>  |                |   |  |  |   |   |  |             |             |  |
| LV Variance Account  | 1550           |   |  | 20,517   | (1,852)   | 302   | 101  | 19,067      | 18,665      | 0  |
| RSVA - Wholesale Market Service Charge                                     | 1580           |   |  | (561,377)  | (7,166)   | (8,252)   | (2,751)  | (579,546)   | (568,543)   | 0  |
| RSVA - Retail Transmission Network Charge                                  | 1584           |   |  | (22,504)   | (2,016)   | (331)   | (110)  | (24,561)    | (24,520)    | 0  |
| RSVA - Retail Transmission Connection Charge                               | 1586           |   |  | 3,731  | (1,854)   | 65  | 18   | 1,954       | 1,877       | 0  |
| RSVA - Power (excluding Global Adjustment)                                 | 1588           |   |  | 1,169,452  | (43,747)  | 17,191  | 5,730  | 1,148,627   | 801,243     | (324,462)  |
| RSVA - Global Adjustment   | 1589           |   |  | (1,212,757)  | (17,721)  | (17,828)  | (5,943)  | (1,254,248) | (1,230,478) | 0  |
| Recovery of Regulatory Asset Balances                                      | 1590           |   |  | 0  | 0   | 0   | 0  | 0           | 0           | 0  |
| Disposition and Recovery/Refund of Regulatory Balances (2008) <sup>5</sup> | 1595           |   |  | 3,552  | (3,552)   |   |  | 0           | 0           | 0  |
| Disposition and Recovery/Refund of Regulatory Balances (2009) <sup>5</sup> | 1595           |   |  | (361,409)  | (5,041)   | (5,315)   | (1,771)  | (373,534)   | (366,448)   | 0  |
| Disposition and Recovery/Refund of Regulatory Balances (2010) <sup>5</sup> | 1595           |   |  | 444,911  | 9,263   | 3,270   | 2,180  | 459,624     | 454,174     | 0  |
| Disposition and Recovery/Refund of Regulatory Balances (2011) <sup>5</sup> | 1595           |   |  | (958,829)  | (49,785)  | (7,047)   | (4,698)  | (1,020,359) | (1,008,614) | 0  |
| Group 1 Sub-Total (including Account 1589 - Global Adjustment)             |                | 0   | 0  | (1,474,713)  | (123,471)   | (17,953)  | (7,243)  | (1,623,380) | (1,922,644) | (324,460)  |
| Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)             |                | 0   | 0  | (261,966)  | (105,755)   | (126)   | (1,301)  | (369,132)   | (692,166)   | (324,460)  |
| RSVA - Global Adjustment   | 1589           | 0   | 0  | (1,212,757)  | (17,721)  | (17,828)  | (5,943)  | (1,254,248) | (1,230,478) | 0  |
| Deferred Payments in Lieu of Taxes   | 1562           |   |  | 362,550  | 53,754  | 0   | 0  | 0           | 416,304     | 0  |
| Total of Group 1 and Account 1562  |                | 0   | 0  | (1,112,163)  | (69,717)  | (17,953)  | (7,243)  | (1,623,380) | (1,506,340) | (324,460)  |
| Special Purpose Charge Assessment Variance Account <sup>4</sup>            | 1521           | (60,333)  | (799)  | 42,909   | 221   | 0   | 0  | 0           | (18,023)    |  |
| LRAM Variance Account <sup>6</sup>   | 1568           | 7,597   | 261  | (23,877)   | (351)   | 0   | 0  | (24,228)    | (16,370)    | 0  |
| Total including Accounts 1562 and 1568                                     |                | 7,597   | 261  | (1,136,040)  | (70,068)  | (17,953)  | (7,243)  | (1,647,808) | (1,522,710) | (324,460)  |

Board staff notes there is a variance amount of (\$324,462) in account 1588.

- a) Please explain the adjustments which resulted in the above variance account by providing journal entries in accounts 1588 and 1589 and provide reason for entries.

9. *Ref: Manager's Summary, Account 1588, page 8 of 117*

Board staff notes that in the Manager's Summary, LUI stated that "At this time Lakefront has determined the error in the schedules and has confidence that a debiting entry of \$330,676 is to be made to balance the Power and Expense accounts for the year 2012 fiscal year...."

- a) Please provide a detailed calculation of the referenced debiting entry of \$330,676.

## 10. Specific Service Charge

*Ref: Rate Generator Model*

*Ref: LUI's current Tariff of Rates and Charges*

*A portion of Sheet 10 "Other Charges & LF" is reproduced below*

| Non-Payment of Account   |   |      |
|--------------------------|---|------|
| Late Payment – per annum | % | 1.50 |

*A portion of LUI's current Tariff of Rates and Charges is reproduced below*

| SPECIFIC SERVICE CHARGES |   |      |
|--------------------------|---|------|
| Non-Payment of Account   |   |      |
| Late Payment - per month | % | 1.50 |

- a) Board staff notes that with respect of "Late Payment – per annum", the descriptor does not match LUI's current Tariff of Rates and Charges. Staff believes the correct descriptor is "Late Payment – per month". If this is an error, Board staff will make the necessary correction.

11. A portion of Sheet 8 "Calculation of Def-Var RR" is reproduced below

| Please indicate the Rate Rider Recovery Period (in years) |        |                    | 1  |                                    |  |
|---|--------|--------------------|--|------------------------------------|--|
| Rate Class  | Unit   | Billed kWh         | Deferral/Variance<br>Account Rate<br>Rider | Global<br>Adjustment<br>Rate Rider |  |
| RESIDENTIAL   | \$/kWh | 73,125,152         | (0.0015)                                   | (0.0089)                           |  |
| GENERAL SERVICE LESS THAN 50 KW                           | \$/kWh | 35,160,634         | (0.0015)                                   | (0.0089)                           |  |
| GENERAL SERVICE 50 TO 2,999 KW                            | \$/kW  | 120,608,902        | (0.5843)                                   | (3.5159)                           |  |
| GENERAL SERVICE 3,000 TO 4,999 KW                         | \$/kW  | 19,295,356         | (1.0543)                                   | (3.5999)                           |  |
| UNMETERED SCATTERED LOAD                                  | \$/kWh | 716,623            | 0.0000                                     | (0.0089)                           |  |
| SENTINEL LIGHTING   | \$/kW  | 78,431             | (0.2167)                                   | (3.1844)                           |  |
| STREET LIGHTING   | \$/kW  | 1,215,575          | (0.6422)                                   | (3.2184)                           |  |
| microFIT  |        |                    |  |                                    |  |
| <b>Total</b>  |        | <b>250,200,673</b> |  |                                    |  |

A portion of Sheet 11 "Proposed Rates" is reproduced below

| GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION   |        |         |
|--|--------|---------|
| MONTHLY RATES AND CHARGES - Delivery Component   |        |         |
| Rate Rider for Deferral/Variance Account Disposition (2014) - effective until April 30, 2015   | \$/kWh | 0.00620 |
| Rate Rider for Global Adjustment Sub-Account Disposition (2014) - effective until April 30, 2015 Applicable only for Non-RPP Customers | \$/kWh | 0.00450 |
| UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION  |        |         |
| MONTHLY RATES AND CHARGES - Delivery Component   |        |         |
| Rate Rider for Global Adjustment Sub-Account Disposition (2014) - effective until April 30, 2015 Applicable only for Non-RPP Customers | \$/kWh | 0.00560 |

- Board staff notes that the rates for General Service less than 50 kW on Sheet 8 "Rate Rider for Deferral/Variance Account (2014) – effective until April 30, 2015" does not match with Sheet 11 "Proposed Rates". Staff believes the correct rate is (0.0015) instead of (0.0062). If this is an error, Board staff will make the necessary correction.
- Board staff notes that the rates for General Service less than 50 kW on Sheet 8 "Rate Rider for Global Adjustment Sub Account Disposition – effective until April 30, 2015 Applicable only for Non-RPP Customers" does not match with Sheet 11 "Proposed Rates". Staff believes the correct rate is (0.0089) instead of (0.0045). If this is an error, Board staff will make the necessary correction.
- Board staff notes that the rates for Unmetered Scattered Load on Sheet 8 "Rate Rider for Global Adjustment Sub Account Disposition (2014) – effective until April 30, 2015 Applicable only for Non-RPP Customers" does not match with Sheet 11. Staff believes the correct rate is (0.0089) instead of (0.0056). If this is an error, Board staff will make the necessary correction.

## 12. Revenue-to-Cost Ratio Work Form

*Ref: A portion of Sheet 6 "Decision Cost Revenue Adj" is reproduced below.*

| Rate Class                        | Direction | Current Year | Transition     | Transition     | Transition     | Transition     | Transition     |
|-----------------------------------|-----------|--------------|----------------|----------------|----------------|----------------|----------------|
|                                   |           | 2012         | Year 1<br>2013 | Year 2<br>2014 | Year 3<br>2015 | Year 4<br>2016 | Year 5<br>2017 |
| Residential                       | No Change | 89.90%       | 89.90%         | 89.90%         | 89.90%         | 89.90%         | 89.90%         |
| General Service Less Than 50 kW   | No Change | 99.64%       | 99.64%         | 99.64%         | 99.64%         | 99.64%         | 99.64%         |
| General Service 50 to 2,999 kW    | Rebalance | 139.13%      | tbd            | tbd            | tbd            | tbd            | tbd            |
| General Service 3,000 to 4,999 kW | Change    | 57.50%       | 63.13%         | 68.75%         | 74.38%         | 80.00%         | 80.00%         |
| Unmetered Scattered Load          | No Change | 81.94%       | 81.94%         | 81.94%         | 81.94%         | 81.94%         | 81.94%         |
| Sentinel Lighting                 | No Change | 117.24%      | 117.24%        | 117.24%        | 117.24%        | 117.24%        | 117.24%        |
| Street Lighting                   | No Change | 111.73%      | 111.73%        | 111.73%        | 111.73%        | 111.73%        | 111.73%        |

- a) The Board IRM Model's Revenue-to-Cost Ratio Work Form, Sheet 6, Cell E21 is labelled as "Current Year 2012". The column heading should have read "Current Year 2013". The numbers inputted by LUI in column E represent the 2012 rate year. The correct inputs should have been related to the 2013 year. Please update and resubmit the Revenue-to-Cost ratio Work Form and IRM Model.

13. A portion of Sheet 7 "Revenue Offsets Allocation" is reproduced below

| Rate Class                        | Informational Filing | Percentage Split | Allocated Revenue |
|-----------------------------------|----------------------|------------------|-------------------|
|                                   | Revenue Offsets      |                  | Offsets           |
|                                   | A                    | C = A / B        | E = D * C         |
| Residential                       | 263,995              | 45.64%           | 172,714           |
| General Service Less Than 50 kW   | 87,102               | 15.06%           | 56,985            |
| General Service 50 to 2,999 kW    | 106,181              | 18.36%           | 69,467            |
| General Service 3,000 to 4,999 kW | 56,256               | 9.72%            | 36,804            |
| Unmetered Scattered Load          | 10,524               | 1.82%            | 6,885             |
| Sentinel Lighting                 | 1,088                | 0.19%            | 712               |
| Street Lighting                   | 53,338               | 9.22%            | 34,895            |
|                                   | 578,484              | 100.00%          | 378,462           |
|                                   | B                    |                  | D                 |

- a) Board staff has been unable to verify the figures in column A (Informational Filing Revenue Offsets) for the various rate classes. Please provide evidence supporting these amounts.

#### 14. Lost Revenue Adjustment Mechanism Variance Account ("LRAMVA")

Ref: Page 10 of 117, LRAMVA

Ref: Table 2: 2012 LRAMVA Principal Calculation (A)

Table 2: 2012 LRAMVA Principal Calculation (A)

CDM in Load Forecast (CLF)

| Customer Class                  | EB-2011-0250                                    |       | OPA Final Annual Report |     | Energy Volume to Calculate Variance |         | EB2010-0095 2011 Distribution Volumetric Rate (Jan - Apr) |           | EB-2011-0250 2012 Distribution Volumetric Rate (May - Dec) |           | Entry for 1568 LRAM Account |              |
|---------------------------------|---|-------|-------------------------|-----|-------------------------------------|---------|---|-----------|--|-----------|-----------------------------|--------------|
|                                 | CDM Component of Approved OEB Forecast 2012 CoS |       |                         |     |                                     |         |   |           |  |           |                             |              |
|                                 | kWh   | kW    | kWh                     | kW  | kWh                                 | kW      | kWh   | kW        | kWh  | kW        | kWh                         | kW           |
|                                 |   |       |                         |     |                                     |         |   |           |  |           |                             |              |
| Residential                     | 1,048,060                                       | 0     | 155,205                 | 35  | (893,845)                           | 35      | \$0.0134  |           | \$0.0143   |           | (\$12,513.83)               |              |
| General Service <50 kW          | 504,413   | 0     | 110,062                 | 28  | (394,351)                           | 28      | \$0.0081  |           | \$0.0082   |           | (\$3,220.53)                |              |
| General Service > 50 - 4,999 kW | 1,019,118                                       | 2,566 | 408,833                 | 179 | (610,285)                           | (2,387) |   | \$3.4201  |  | \$3.4067  |                             | (\$8,142.45) |
| General Service > 5 kW          | 0   | 0     | 0                       | 0   | 0                                   | 0       |   | \$1.0268  |  | \$1.5830  |                             | \$0.00       |
| Sentinel Lighting               | 0   | 0     | 0                       | 0   | 0                                   | 0       |   | \$11.4737 |  | \$11.5631 |                             | \$0.00       |
| Street Lighting                 | 0   | 0     | 0                       | 0   | 0                                   | 0       |   | \$24.3414 |  | \$24.4721 |                             | \$0.00       |
| Unmetered Scattered Load        | 0   | 0     | 0                       | 0   | 0                                   | 0       | \$0.0293  |           | \$0.0352   |           | \$0.00                      |              |
| Total                           | 2,572,581                                       | 2,566 | 674,100                 | 242 | (1,898,481)                         | (2,324) |   |           |  |           | (\$15,734.36)               | (\$8,142.45) |

Lakefront is requesting the disposition of its LRAMVA of a total credit to customers of \$24,227.81 which includes carrying charges of \$350.99. Board staff is having difficulties reconciling and confirming the verified 2012 net savings used in Lakefront's LRAMVA calculations as the amounts have only been provided by customer class with no program specific savings results shown.

- Please confirm that Lakefront has relied on the OPA's 2012 Verified Results in calculating its LRAMVA amount.
- Please discuss if persisting 2011 savings in 2012 have been included in the LRAMVA calculations. If they have not, please include these savings amounts.
- Please expand "Table 2: 2012 LRAMVA Principal Calculation (A)" and show the savings by program for each customer class that were used to calculate the LRAMVA amount.
- Please provide any applicable updates to the total LRAMVA amount and subsequent rate riders due to the calculations performed in (a) and (b) above.

- e) Please separate the LRAMVA rate rider from the Group 1 DVA rate rider and confirm that Lakefront is seeking disposition over a one-year period.