



**Lakefront  
Utilities  
Inc.**

207 Division St., P.O. Box 577, Cobourg, ON. K9A 4L3 • [www.lusi.on.ca](http://www.lusi.on.ca) • Tel: (905) 372-2193 • Fax: (905) 372-2581

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

November 27, 2013

Dear Ms. Walli,

**Re: Lakefront Utilities Inc. Interrogatory Responses to OEB in the proceeding EB-2013-0148**

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

Please find attached to this cover letter:

- 2 paper copies of the Interrogatory Responses to OEB in proceeding EB-2013-0148

A copy of the Interrogatory Responses to OEB has also been filed through the Web Portal electronic copies were forwarded to all intervenors in EB-2012-0144.

In the event of any additional information, questions or concerns, please contact Brittany Ashby, Financial and Regulatory Analyst, at [bashby@lusi.on.ca](mailto:bashby@lusi.on.ca) or (905) 372-2193.

Sincerely,

{Original Signed}

Brittany J. Ashby, BMGMT  
Financial & Regulatory Analyst  
Lakefront Utilities Inc.

**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.*

**Utility Name** Lakefront Utilities Inc.

**Service Territory** Northumberland

**Assigned EB Number** EB-2013-0148

**Name and Title** Brittany Ashby Financial & Regulatory

**Phone Number** 905-372-2193 X5256

**Email Address** [bashby@lusi.on.ca](mailto:bashby@lusi.on.ca)

Lakefront Utilities Inc. 2014 Electricity Distribution Rates EB-2013-0148 Board Staff Interrogatories	
Date	Thursday May 01 2014
Last COS Re-based Year	

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.

#### Lakefront Utilities Inc Submission

Lakefront Utilities selected from the drop down 2012 “Last COS Re-based Year”. It appears this did not apply to the submitted RTSR Model. As stated in the 2014 IRM LUI’s last cost-of-service re-basing was in 2012 under the proceeding EB-2011-0250. LUI has updated the September 27th 2013 RTSR Model with the drop down selection tool as can be seen below.



Utility Name	Lakefront Utilities Inc.
Service Territory	Northumberland
Assigned EB Number	EB-2013-0148
Name and Title	Brittany Ashby Financial & Regulatory
Phone Number	905-372-2193 X5256
Email Address	bashby@lusi.on.ca
Date	Thursday May 01 2014
Last COS Re-based Year	2012

Note: Drop-down lists are shaded blue; Input cells are shaded green.

This Workbook Model is protected by copyright and is being made available to you solely for the purpose of filing your COS/IRM application. You may use and copy this model for that purpose, and provide a copy of this model to any person that is advising or assisting you in that regard. Except as indicated above, any copying, reproduction, publication, sale, adaptation, translation, modification, reverse engineering or other use or dissemination of this model without the express written consent of the Ontario Energy Board is prohibited. If you provide a copy of this model to a person that is advising or assisting you in preparing the application or reviewing your draft rate order, you must ensure that the person understands and agrees to the restrictions noted above.

While this model has been provided in Excel format and is required to be filed with the applications, the onus remains on the applicant to ensure the accuracy of the data and the results.

<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 Adjusted Metered kWh	Non-Loss Adjusted Metered kW	Applicable Loss Factor	Load Factor	Loss Adjusted 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						
Sentinel Lighting	kW	593,911		1.0565		627,467	-
Street Lighting	kW	41,938	114		50.42%	41,938	114
		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.

Lakefront Utilities Inc Submission

Lakefront Utilities Inc confirms 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.

Lakefront Utilities Inc Submission

Lakefront Utilities has inadvertently reported the 2.1.5 at 2012 year end with the Loss Adjusted Billed kWh factor as per the ‘Electricity Reporting and Record Keeping Requirements’ version dated March 7, 2012. Lakefront Utilities acknowledges that the reported metered kWh and kW for the year end 2012 2.1.5 filing has changed and should have been filed as per the Electricity Reporting and Record Keeping Requirements version dated October 15. The RRR requirement stated “All kWhs and kW shall be reported based on a reading of the applicable meter, without being grossed up for loss factor.” For the 2014 Incentive Rate Mechanism Lakefront Utilities has entered the appropriate non-loss adjusted metered kWh and kW for residential, GS<50kW, Unmetered Scattered Load, and Sentinel Lighting rate classes for the

RTSR Model submitted on September 27th 2013.

## 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.

### Lakefront Utilities Inc Submission

Lakefront Utilities has unintentionally selected the GSGT50 which applies to the General Service 50 to 4,999 kW customer class and not the GSGT50 which applies to the General Service 3,000 to 4,999 kW which is on LUI’s current Tariff Rates and Charges as attached in the EB-2013-0148 – 2014 IRM Rate Application. Lakefront Utilities has selected the appropriate GSGT50 from the drop down menu on the 2014 Tax Sharing Work Form. This can be seen below.



### Incentive Regulation Shared Tax Savings Model for 2014 Filers

Enter your 2013 Base Monthly Fixed Charge and Distribution Volumetric Charge into columns labeled "Rate ReBal Base Service Charge" and "Rate ReBal Base Distribution Volumetric Rate kWh/kW" respectively.

**Last COS Re-based Year was in 2012**

Rate Group	Rate Class	Fixed Metric	Vol Metric	Re-based Billed Customers or Connections A	Re-based Billed kWh B	Re-based Billed kW C	Rate ReBal Base Service Charge D
RES	Residential	Customer	kWh	8,603	73,125,152		9.97
GSLT50	General Service Less Than 50 kW	Customer	kWh	1,102	35,160,634		22.81
GSGT50	General Service 50 to 2,499 kW	Customer	kW	127	120,608,902	303,629	76.14
GSGT50	General Service 3,000 to 4,999 kW	Customer	kW	1	19,295,356	47,442	4,618.11
USL	Unmetered Scattered Load	Connection	kWh	77	716,623		13.55
Sen	Sentinel Lighting	Connection	kW	54	78,431	218	4.72
SL	Street Lighting	Connection	kW	2,804	1,215,575	3,343	3.88
NA	Rate Class 8	NA	NA				

#### 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 #)**

##### 1. Tax Related Amounts Forecast from Capital Tax Rate Changes

	2012	2014
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)	\$ -	\$ -

##### 2. Tax Related Amounts Forecast from Income Tax Rate Changes

	2012	2014
Regulatory Taxable Income	\$ 142,661	\$ 142,661
Corporate Tax Rate	15.50%	15.50%
Tax Impact	\$ 22,112	\$ 22,112
Grossed-up Tax Amount	\$ 26,168	\$ 26,169
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	\$191,886	\$120,548	\$120,548

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.

Lakefront Utilities Inc Submission

Lakefront Utilities has provided the cost of service tax calculation from the settlement agreement as the before tax ‘taxable income’ of \$142, 661 as seen on the ‘Rev\_Dev\_Suff’ Revenue Deficiency/Sufficiency Tab from the (“RRWF”) EB-2011-0250 which has resulted in the 2014 IRM Tax Sharing Work Form as seen below:

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25	7	Utility Income Before Income Taxes				(\$37,089)		\$706,853		\$635,645		\$666,350		\$635,938		\$666,644													
26	8	Tax Adjustments to Accounting Income per 2009 PILs				(\$479,707)		(\$479,707)		(\$523,689)		(\$523,689)		(\$523,689)		(\$523,689)													
27	9	Taxable Income				(\$516,796)		\$227,146		\$111,956		\$142,661		\$112,249		\$142,954													
28	10	Income Tax Rate				15.50%		15.50%		15.50%		15.50%		15.50%		15.50%													
29	11	Income Tax on Taxable Income				(\$80,103)		\$35,208		\$17,353		\$22,112		\$17,399		\$22,158													
30	12	Income Tax Credits				\$ -		\$ -		\$ -		\$ -		\$ -		\$ -													
31	13	Utility Net Income				\$43,015		\$671,855		\$618,292		\$644,238		\$618,540		\$644,531													
32	14	Utility Rate Base				\$17,525,918		\$17,525,918		\$17,660,020		\$17,660,020		\$17,660,020		\$17,660,020													
33		Deemed Equity Portion of Rate Base				\$7,010,367		\$7,010,367		\$7,064,008		\$7,064,008		\$7,064,008		\$7,064,008													
34	15	Income/(Equity Portion of Rate Base)				0.61%		9.58%		8.75%		9.12%		8.76%		9.12%													
35	16	Target Return - Equity on Rate Base				9.58%		9.58%		9.12%		9.12%		9.12%		9.12%													
36	17	Deficiency/Sufficiency in Return on Equity				-8.97%		0.00%		-0.37%		0.00%		-0.36%		0.00%													
37	18	Indicated Rate of Return				3.05%		6.64%		6.01%		6.16%		6.01%		6.16%													
38	19	Requested Rate of Return on Rate Base				6.64%		6.64%		6.16%		6.16%		6.16%		6.16%													
39	20	Deficiency/Sufficiency in Rate of Return				-3.59%		0.00%		-0.15%		0.00%		-0.15%		0.00%													
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Please note that the Utility Income in the Rev\_Dev\_Suff is \$666,350 before income taxes and the Utility Net Income in the PILS/Taxes tab is \$644,350 after grossed up income tax is removed therefore  $\$644,238 - \$666,350 = \$22,112$  and in terms of the Taxable income used between both schedules  $\$142,661 - \$120,548 = \$22,112$ .

Lakefront Utilities has provided an updated Sheet 5 “Z-Factor Tax Changes” below showing 0 change to the Incremental Tax Savings and Sharing of Tax Savings of (50%).



This worksheet calculates the tax sharing amount.

[UPDATE SHEET](#)

Step 1: Press the Update Button (this will clear all input cells and reveal your latest cost of service re-basing year).  
Step 2: In the green input cells below, please enter the information related to the last Cost of Service Filing.

#### Summary - Sharing of Tax Change Forecast Amounts

**For the 41513 year, enter any Tax Credits from the Cost of Service Tax Calculation (Positive #)**

#### 1. Tax Related Amounts Forecast from Capital Tax Rate Changes

	2012	2014
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)	\$ -	\$ -

#### 2. Tax Related Amounts Forecast from Income Tax Rate Changes

	2012	2014
Regulatory Taxable Income	\$ 120,548	\$ 120,548
Corporate Tax Rate	15.50%	15.50%
Tax Impact	\$ 18,685	\$ 18,685
<b>Grossed-up Tax Amount</b>	<b>\$ 22,112</b>	<b>\$ 22,112</b>

Tax Related Amounts Forecast from Capital Tax Rate Changes	\$ -	\$ -
Tax Related Amounts Forecast from Income Tax Rate Changes	\$ 22,112	\$ 22,112
<b>Total Tax Related Amounts</b>	<b>\$ 22,112</b>	<b>\$ 22,112</b>
Incremental Tax Savings		\$ 0
Sharing of Tax Savings (50%)		\$ 0



## 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.

#### Lakefront Utilities Inc Submission

Lakefront Utilities acknowledges that the uploaded rate generator file from September 27th 2013 did not carry through the model the unit charge rate of "\$/kWh" for "Wholesale Market Service Rate" and "Rural Rate Protection Charge" and "\$" for "Standard Supply Service – Administrative Charge (if applicable)" for the Regulatory components on the current Tariff of Rates and Charges Schedule tab. These cells reference throughout the sheet. As provided in LUI's current Tariff of Rates and Charges and in the 2014 IRM the above suggested by the board are the appropriate unit charges for the regulatory components and can be seen in the updated cells below.

Lakefront Utilities Inc.  
2014 Electricity Distribution Rates  
EB-2013-0148  
Board Staff Interrogatories

OEBSLUU\_2014 IRM Rate Generator\_20130927.xlsx - Excel

Brittany Ashby

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**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)	\$	0.2500

**GENERAL SERVICE LESS THAN 50 KW Service Classification**

This classification refers to a non residential account taking electricity at 750 volts or less whose monthly average peak demand is less than, or is forecast to be less than, 50 kW. Further servicing details are available in the distributor's Conditions of Service.

**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.

1. Information Sheet | 2. Table of Contents | 3. Rate Class Selection | **4. Current Tariff Schedule** | 5. 2014 Continuity Schedule | 6. Billing Det. for Def-Var | 7. Allocating Def-Var Balances

READY

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.

Lakefront Utilities Inc Submission

Lakefront Utilities agrees that the description for the “Rate Rider for Disposition of Global Adjustment Sub-Account (2011) Adjustment Sub-Account (2011) – effective until April 30, 2016 Applicable only for Non-RPP Customers” is not aligned with LUI’s last Board-approved Tariff of Rates and Charges EB-2012-0144. Lakefront Utilities agrees with Board staff that the description is “Rate Rider for Disposition of Global Adjustment Sub-Account (2012) – effective until April 30, 2016 Applicable only for Non-RPP Customers”. Lakefront Utilities has made the appropriate correction in the rates and tariff tab by selection of the drop down menu as seen below.

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

OEBSLUI\_2014 IRM Rate Generator\_20130927.xlsx - Excel

Brittany Ashby

SECURITY WARNING: Macros have been disabled. [Enable Content]

Rate Rider for Disposition of Global Adjustment Sub-Account (2012) - effective until April 30, 2016 Applicable only for Non-RPP Customers

	B	C	D	E	F	G	H	I	J	Q	R	S	T	U	V	W	X
172	Adjustment, the Ontario Clean Energy Benefit and the Non-																
173																	
174	<b>MONTHLY RATES AND CHARGES - Delivery Component</b> (If applicable, Effective Date MUST be included in rate description)																
175	Service Charge						\$	76.14									
176	Distribution Volumetric Rate						\$/kW	3.3754									
177	Low Voltage Service Rate						\$/kW	0.4778									
178	Rate Rider for Disposition of Deferral/Variance Accounts (2012) - effective until April 30, 2016						\$/kW	(0.3812)									
179	Rate Rider for Disposition of Global Adjustment Sub-Account (2012) - effective until April 30, 2016 Applicable only for Non-RPP Customers						\$/kW	(0.0723)									
180	Rate Rider for Disposition of Deferral/Variance Accounts (2013) - effective until April 30, 2014						\$/kW	0.0964									
181	Retail Transmission Rate - Network Service Rate						\$/kW	2.6581									
182	Retail Transmission Rate - Line and Transformation Connection Service Rate						\$/kW	1.9176									
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1. Information Sheet 2. Table of Contents 3. Rate Class Selection 4. Current Tariff Schedule 5. 2014 Continuity Schedule 6. Billing Det. for Def-Var 7. Allocating Def-Var Balances

READY 115%

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> <i>(If applicable, Effective Date MUST be included in rate description)</i>			
Distribution Volumetric Rate	\$/kW	0.0354	
Low Voltage Service Rate	\$/kW	0.0015	
Rate Rider for Deferral/Variance Account Dispositon (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			
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.

#### Lakefront Utilities Inc Submission

Lakefront Utilities Inc.’s Unmetered Scattered Load service classification should use the unit measure \$/kWh not the \$/kW. This unit measure remained when Lakefront Utilities had to manually swap the Sentinel Lighting and Unmetered Scattered Load in the tariff of rates and charges tab. Please see the edited ‘4. Current Tariff Schedule’ for the unit measure “\$/kWh”.

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

OEBSLUJ\_2014 IRM Rate Generator\_20130927.xlsx - Excel

Brittany Ashby

FILE HOME INSERT PAGE LAYOUT FORMULAS DATA REVIEW VIEW ADD-INS

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275

276 **UNMETERED SCATTERED LOAD Service Classification**

277

278 This classification refers to an account taking electricity at 750 volts or less whose monthly average peak

279 demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such

280 connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings,

281 etc. The customer will provide detailed manufacturer information/ documentation with regard to electrical

282 demand/consumption of the proposed unmetered load. Further servicing details are available in the

283 distributor's Conditions of Service.

284 **APPLICATION**

285

286 The application of these rates and charges shall be in accordance with the Licence of the Distributor and

287 any Code or Order of the Board, and amendments thereto as approved by the Board, which may be

288 applicable to the administration of this schedule.

289 The application of these rates and charges shall be in accordance with the Licence of the Distributor and

290 any Code or Order of the Board, and amendments thereto as approved by the Board, which may be

291 applicable to the administration of this schedule.

292 The application of these rates and charges shall be in accordance with the Licence of the Distributor and

293 any Code or Order of the Board, and amendments thereto as approved by the Board, which may be

294 applicable to the administration of this schedule.

295 It should be noted that this schedule does not list any charges, assessments or credits that are required by

296 law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement

297 Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

298

299

300 **MONTHLY RATES AND CHARGES - Delivery Component** *(If applicable, Effective Date MUST be included in rate description)*

301 Service Charge \$ 13.95

302 Distribution Volumetric Rate \$/A/vh 0.0254

303 Low Voltage Service Rate \$/A/vh 0.0015

304 Rate Rider for Deferral/Variance Account Disposition (2012) - effective until April 30, 2016 \$/A/vh (0.0020)

305 Rate Rider for Disposition of Global Adjustment Sub-Account (2012) - effective until April 30, 2016 Applicable only for Non-RPP Customers \$/A/vh (0.0002)

306 Rate Rider for Disposition of Deferral/Variance Accounts (2013) - effective until April 30, 2014 \$/A/vh (0.0002)

307 **Global Adjustment Sub-Account Disposition Rate** \$/A/vh 0.0002

1. Information Sheet 2. Table of Contents 3. Rate Class Selection 4. Current Tariff Schedule 5. 2014 Continuity Schedule 6. Billing Det. for Def-Var 7. Allocating Def-Var Balances ... 80%

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

		2013		Projected Interest on Dec-31-12 Balances		2.1.7 RRR			
		Principal	Interest	Closing Principal	Closing Interest				
Account Descriptions		Account	Dispositions during 2013 -	Dispositions during 2013 -	Balances as of DEC 31-12	Balances as of DEC 31-12	Projected Interest from Jan 1, 2013 to December 31, 2013 on	Projected Interest from January 1, 2013 to April 30, 2013 on Dec	Variance
		Number	Instructed by Board	Instructed by Board	Adjusted for Dispositions during 2013	Adjusted for Dispositions during 2013	Dec 31 -12 balance adjusted for disposition during 2013 <sup>3</sup>	31 -12 balance adjusted for disposition during 2013 <sup>3</sup>	Balance (Principal + Interest)
<b>Group 1 Accounts</b>									
LV Variance Account	1550		-		20,517	(1,852)	302	101	19,067
RSVA - Wholesale Market Service Charge	1580		-		(561,377)	(7,168)	(8,252)	(2,751)	(579,546)
RSVA - Retail Transmission Network Charge	1584		-		(22,504)	(2,016)	(331)	(119)	(24,520)
RSVA - Retail Transmission Connection Charge	1586		-		3,731	(1,854)	55	18	1,850
RSVA - Power (excluding Global Adjustment)	1588		-		1,169,452	(43,747)	17,191	5,730	1,148,627
RSVA - Global Adjustment	1589		-		(1,212,757)	(17,721)	(17,828)	(5,943)	(1,254,248)
Recovery of Regulatory Asset Balances	1590		-		0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2008) <sup>2</sup>	1595		-		3,552	(3,552)	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2009) <sup>3</sup>	1595		-		(361,409)	(5,041)	(5,313)	(1,771)	(373,534)
Disposition and Recovery/Refund of Regulatory Balances (2010) <sup>3</sup>	1595		-		444,911	9,263	3,270	2,180	459,624
Disposition and Recovery/Refund of Regulatory Balances (2011) <sup>3</sup>	1595		-		(958,829)	(48,785)	(7,047)	(4,698)	(1,020,369)
Group 1 Sub-Total (including Account 1589 - Global Adjustment)			0	0	(1,474,713)	(123,471)	(17,953)	(7,243)	(1,623,380)
Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)			0	0	(251,956)	(105,759)	(126)	(1,301)	(259,126)
RSVA - Global Adjustment	1589		0	0	(1,212,757)	(17,721)	(17,828)	(5,943)	(1,254,248)
Deferred Payments in Lieu of Taxes	1562		-		362,550	53,754	0	0	416,304
Total of Group 1 and Account 1562			0	0	(1,112,163)	(69,717)	(17,953)	(7,243)	(1,623,380)
Special Purpose Charge Assessment Variance Account <sup>4</sup>	1521		(60,333)	(799)	42,909	221	0	0	(18,023)
LRAM Variance Account <sup>5</sup>	1568		7,597	261	(23,877)	(351)	0	0	(24,228)
Total including Accounts 1562 and 1568			7,597	261	(1,136,040)	(70,068)	(17,953)	(7,243)	(1,647,608)

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.

In 2012, LUI tracked the Global Adjustment 1589 account being recorded in the 1588 Account. This meant that LUI did track 1589 separately, as has always been done, in a separate sub ledger (originally called 1588 GA). However the main 1588 account still included the GA portion and did not present the power portion without Global Adjustment, as was intended by the creation of account 1589.

At year end, LUI made the entries required to reverse prior year accruals and set up current year accrual for cost of power expense. In doing this, LUI's cost of power expense, was adjusted to \$19,456,952. This total, included both 1588 and 1589 accounts in the sub ledger. In the 1589 sub ledger the cost of power was \$6,777,905 and the cost of power year end adjustment and any unbilled accruals required a \$620,000 adjustment to balance cost of power and revenues and move the variance to the 1589 account. The 1589 account was accurately reflected in the general ledger, and sub ledger. At this time, LUI did the entry in the general ledger to remove the 1589 account balance and interest to the 1589 account from 1588. In doing so, LUI did not make the change in the sub ledger to demonstrate this reallocation and therefore the balance in 1588 sub ledger was overstated by that amount. Because the cost of power adjustment in 1589 had already been made the difference between the balances in

revenues and expenses to be reallocated to 1588 were understated by the same amount. Therefore the net difference was applied to the combined 1588 account. The entries were made in the general ledger and the year closed.

The unbilled entries and cost of power adjustment that was required to be made to the 1588 account (exclusive of 1589) was an amount of \$330,676. This amount is made up of unbilled accruals of \$108,969 debit to 1588 and a cost of power adjustment to balance revenue and expenses and move variance to 1588 of a debit to 1588 of \$221,705.

The net effect of these two entries is a debit to 1588 of \$330,676. This entry was made in 2013, in the general ledger and the sub ledger, to reflect the actual entries that were required to be made for 2012. The entries for this adjustment have not yet been made, however will be dated back to January 1, 2013 when we do the entries to reflect proper carrying charges for the year.

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.

The following table is inclusive of 1588 & 1589 data and was used to calculate the cost of power variance for 1588 at year end 2012.

YEAR	COP Expense	Power Revenues
2012	19,625,118.32	(19,914,939.93)

Original unbilled entry (including GA & power)	(168,165.72)	16,538.30
---	--------------	-----------



<b>2012</b>	<b>19,456,952.60</b>	<b>(19,898,401.63)</b>
-------------	----------------------	------------------------

Reverse & set up unbilled 441,449.03

<b>2012</b>	<b>19,456,952.60</b>	<b>(19,456,952.60)</b>
-------------	----------------------	------------------------

1589	cost of power variance	620,497.00
1588	cost of power variance - not booked	330,675.39

As noted in Questions 8, LUI had already done the 1589 entry for unbilled accruals and cost of power variance adjustment in that account, therefore this total above is overstated.

The 1589 account

YEAR	POWER EXP	POWER REV
<b>2012</b>		
<b>year end</b>	6,777,904.93	(7,398,402.64)

Unbilled	16,489.56
	6,777,904.93 (7,381,913.08)

COP	
Var	604,008.15
2012	7,381,913.08 (7,381,913.08)

The adjusted 1588

YEAR	Power EXP	Power REV
	12,847,213.39	(12,516,537.29)
Reverse & set up unbilled	(221,706.25)	0.00

<b>2012</b>	<b>\$ 12,625,507.14</b>	<b>\$ (12,516,537.29)</b>
-------------	-------------------------	---------------------------

<b>cop adj</b>		<b>\$ (108,969.85)</b>
<b>2012</b>	<b>\$ 12,625,507.14</b>	<b>\$ (12,625,507.14)</b>

## 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*

<b>Non-Payment of Account</b>		
Late Payment – per annum	%	1.50

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

<b>SPECIFIC SERVICE CHARGES</b>		
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.

### Lakefront Utilities Inc Submission

Lakefront Utilities notes this discrepancy and agrees with board staff that the descriptor for the Rate Generator tab '10.Other Charges & LF' should be Late Payment – per month not Late Payment per annum. Lakefronts Rate Generator has been updated to reflect this edit.

Lakefront Utilities Inc.  
2014 Electricity Distribution Rates  
EB-2013-0148  
Board Staff Interrogatories

OEBSLUJ\_2014 IRM Rate Generator\_20130927.xlsx - Excel

Brittany Ashby

FILE HOME INSERT PAGE LAYOUT FORMULAS DATA REVIEW VIEW ADD-INS

Clipboard Font Alignment Number Styles Cells Editing

D79 1.5

**Incentive Regulation Model for 2014 Filers**  
Lakefront Utilities Inc. - Northumberland

Please enter the following charges as found on your most recent Board-Approved Tariff Schedule. The standard Allowance rates have been included as default entries. If you have different rates, please make the appropriate corrections in the applicable cells below. As well, please enter the current Specific Service Charges below. The standard Retail Service Charges have been entered below. If you have different rates, please make the appropriate corrections in columns A, C or D as applicable (cells are unlocked).

	UNIT	RATE
<b>Non-Payment of Account</b>		
79 Late Payment – per month	%	1.50
80 Late Payment – per annum	%	18.55
81 Collection of account charge – no disconnection	\$	30.00
82 Collection of account charge – no disconnection – after regular hours	\$	165.00
83 Disconnect/Reconnect at meter – during regular hours	\$	65.00
84 Disconnect/Reconnect at meter – after regular hours	\$	185.00
85 Disconnect/Reconnect at pole – during regular hours	\$	185.00
86 Disconnect/Reconnect Charge – At Pole – After Hours	\$	415.00
87 Install/Remove load control device – during regular hours	\$	65.00
88 Install/Remove load control device – after regular hours	\$	185.00

8. Calculation of Def-Var RR 9. Rev2Cost\_GDPPPI 10. Other Charges & LF 11. Proposed Rates 12. Summary Sheet 13. Final Tariff Schedule 14. Bill Impacts1

READY AVERAGE: 1.50 COUNT: 3 SUM: 1.50 110%

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 Account Rate Rider	Global Adjustment 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)	(1.0543)
GENERAL SERVICE 3,000 TO 4,999 KW	\$/kW	19,295,356	(3.5999)		
UNMETERED SCATTERED LOAD	\$/kWh	716,623	0.0000	(0.0089)	(0.2167)
SENTINEL LIGHTING	\$/kW	78,431	(3.1844)		(0.6422)
STREET LIGHTING	\$/kW	1,215,575	(3.2184)		
microFIT					
Total		250,200,673			

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
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- a) 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.

Lakefront Utilities Inc Submission

Lakefront Utilities notes that the board model did not update the cells for the '11.Proposed Rates' tab on the Tariff of Rates and Charges in the Rate Generator model to reflect the classes rates for General Service less than 50 kW on Sheet 8 "Rate Rider for Deferral/Variance Account (2014) – effective until April 30, 2015". The correct rate is (0.0015) instead of (0.0062). Lakefront Utilities has transferred the data inputs into a different rate generator model and the appropriate edits have taken place in this version. The new version will be uploaded to the board website.

- b) 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.

Lakefront Utilities Inc Submission

Lakefront Utilities makes note that the model did not update the cells for the '11.Proposed Rates' tab on the Tariff of Rates and Charges in the Rate Generator model to reflect the classes 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". The correct rate is (0.0089) instead of (0.0045). Lakefront Utilities has transferred the data inputs into a different rate generator model and the appropriate edits have taken place in this model. The new version will be uploaded to the board website.

- c) 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.

Lakefront Utilities Inc Submission

Lakefront Utilities makes note that the model did not update the cells for the '11.Proposed Rates' tab on the Tariff of Rates and Charges in the Rate Generator model to reflect the classes rates for "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 "Proposed Rates". The correct rate is (0.0089) instead of (0.0056). Lakefront Utilities has transferred the data inputs into a different rate generator model and the appropriate edits have taken place in this model. The new version will be uploaded to the board website.

## 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 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 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.

### Lakefront Utilities Inc Submission

Lakefront Utilities acknowledges that the board has inadvertently labelled the Revenue-to-Cost Work Form, Sheet 6 Cell E21 as "Current Year 2012". Lakefront Utilities uses this information that the column heading should have read Current Year 2013 and this indicates to Lakefront that all proceeding years should actually be labelled transition year 2014 – 2018. Lakefront Utilities has updated the table to reflect the boards intended model for the 2014 IRM year and not as seen in the 2013 IRM year Revenue to Cost Ratio Work Form. This correction to the model has resulted in a change of the Minimum Fixed Charge Adjusted for GS 50- 2,999kW to move from (\$1.34) to a charge of (\$1.22) and for GS 3,000 to 4,999 kW to move from \$661.43 to \$602.49. It also results in the change of the Distribution Volumetric Rate Adjustment for GS 50-2,999 kW to move from (\$0.0596) to (\$0.0543) and for GS 3,000 to 4,999 kW to move from \$0.2573 to \$0.2344. This amounts have been transferred to the 2014 IRM Rate Generator tab 9.Rev2Cost\_GDPIPI columns C and E. See the attached below.

The impact on the final tariff sheet from this change is:

	Initial		Updated		Change	
Tariff Sheet	Service Charge	Volumetric	Service Charge	Volumetric	Service Charge	Volumetric
GS 50 TO 2,999 KW	75.16	3.3317	75.28	3.337	-0.1	0.005
GS 3,000 to 4,999 kw	5304.89	2.0636	5245.66	2.0405	-59.2	-0.023
Revenue to Cost						
GS 50 TO 2,999 KW	1.34	0.0596	1.22	0.0543	-0.1	-0.005
GS 3,000 to 4,999 kw	661.43	0.2573	602.49	0.2344	-58.9	-0.023

Lakefront Utilities also confirmed with Board Staff that in Sheet 5 “2014 Continuity Schedule” of the Rate Generator that in column ‘CO’ the board staff intended for the ‘Projected Interest from January 1, 2014 to April 30, 2014 on Dec 31-12 balance adjusted for disposition during 2013’ and not the ‘Projected Interest from January 1, 2013 to April 30, 2013 on Dec 31-12 balance adjusted for disposition during 2013’ as stated in the model. No changes are required to Lakefronts model for this inadvertent error.



The purpose of this sheet is to enter the Revenue Cost Ratios as determined from column G on Sheet "10. Proposed R C Ratio Adj" of the applicant's 2013 Revenue to Cost Ratio Adjustment Workform (V2.0) or 2013 COS Decision and Order.

Under the column labeled "Direction", the applicant can choose "No Change" (i.e: no change in that rate class ratio), "Change" (i.e: Board ordered change from COS decision) or "Rebalance" (i.e: to apply any offset adjustments required).

Update Group

Rate Class	Direction	Current Year	Transition	Transition	Transition	Transition	Transition
		2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 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	63.13%	68.75%	74.38%	80.00%	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%





Proposed Revenue Cost Ratio Adjustment

Rate Class	Current Revenue			Proposed	
	Adjusted Revenue A	Cost Ratio B	Re-Allocated Cost C = A / B	Revenue Cost Ratio D	Final Adjusted Revenue E = C * D
Residential	\$ 2,254,979	0.90	\$ 2,508,319	0.90	\$ 2,254,979
General Service Less Than 50 kW	\$ 646,941	1.00	\$ 649,279	1.00	\$ 646,941
General Service 50 to 2,999 kW	\$ 1,330,611	1.39	\$ 956,379	1.37	\$ 1,312,262
General Service 3,000 to 4,999 kW	\$ 205,912	0.63	\$ 326,197	0.69	\$ 224,260
Unmetered Scattered Load	\$ 44,774	0.82	\$ 54,642	0.82	\$ 44,774
Sentinel Lighting	\$ 6,303	1.17	\$ 5,376	1.17	\$ 6,303
Street Lighting	\$ 247,653	1.12	\$ 221,653	1.12	\$ 247,653
	<u>\$ 4,737,172</u>		<u>\$ 4,721,845</u>		<u>\$ 4,737,172</u>

Out of Balance - 0

Final ? Yes

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

Rate Class	Informational Filing		Allocated Revenue	
	Revenue Offsets	Percentage Split	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>B</b>		<b>D</b>	

- 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.

Lakefront Utilities Inc Submission

Lakefront Utilities Inc has provided the amount of \$378,462 Allocated Revenue Offsets from the last Cost of Service EB 2011-0250 and the amount of \$578,484 Informational Filing Revenue Offsets Tab 01 Revenue to Cost RR which was established in the 2006 Cost Allocation Study Informational Filing EB-2005-0387/EB-2006-0247. This is what is indicated by board staff instructions "in proportion to the allocation from the Cost Allocation informational filing."

For the purposes of this question in LUI's previous 2013 IRM Rate Application the version Lakefront Utilities Inc had submitted was the approved allocated revenue offset from the 2012 COS EB 2011-0250 of \$378,461 Rate Design Cost Allocation Model and the 2012 Cost Allocation Model 01 Revenue to Cost Summary Worksheet – Application. Impact of this change as well as OEB IR Question 12 is shown in a table below.

LUI requests the Board further define the request of tab 7. Revenue Offsets Allocation 'Informational Filing.'

As per 2013 IRM Rate Application: Tab 7. Revenue Offsets Allocation

Rate Class	Informational Filing		Allocated Revenue Offsets
	Revenue Offsets	Percentage Split	
	A	C = A / B	E = D * C
Residential	212,698	56.20%	212,698
General Service Less Than 50 kW	53,016	14.01%	53,016
General Service 50 to 2,999 kW	75,443	19.93%	75,443
General Service 3,000 to 4,999 kW - Intermediate Use	11,487	3.04%	11,487
Unmetered Scattered Load	3,775	1.00%	3,775
Sentinel Lighting	524	0.14%	524
Street Lighting	21,518	5.69%	21,518
	378,461	100.00%	378,461
	B		D

OR;



**2012 COST ALLOCATION**  
**Lakefront Utilities Inc.**  
**EB-2011-0250**  
**Friday, August 26, 2011**

**Sheet 01 Revenue to Cost Summary Worksheet - Initial Application**

**Instructions:**  
Please see the first tab in this workbook for detailed instructions

Class Revenue, Cost Analysis, and Return on Rate Base

Rate Base  
Assets

crev Distribution Revenue at Existing Rates  
mi Miscellaneous Revenue (mi)

Total	1 Residential	2 General Service Less Than 50 kW	3 General Service 50 to 2,999 kW	5 General Service 3,000 to 4,999 kW	7 Street Lighting	8 Sentinel Lighting
\$4,008,802	\$1,938,972	\$582,323	\$1,198,646	\$41,451	\$210,576	\$5,503
\$378,462	\$212,698	\$53,016	\$75,443	\$11,487	\$21,518	\$524

Impact of the Allocated Revenue Offsets Change:

	Initial		Updated		Change	
Tariff Sheet	Service Charge	Volumetric	Service Charge	Volumetric	Service Charge	Volumetric
GS 50 TO 2,999 KW	1.34	0.0596	1.23	0.545	-0.1	0.485
GS 3,000 to 4,999 kw	661.43	0.2573	528.41	0.2055	-133.0	-0.052

#### 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				EB2010-0095				EB-2011-0250			
	CDM Component of Approved OEB Forecast 2012 CoS		OPA Final Annual Report		Energy Volume to Calculate Variance		2011 Distribution Volumetric Rate (Jan - Apr)		2012 Distribution Volumetric Rate (May - Dec)		Entry for 1568 LRAM Account	
	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.

- a) Please confirm that Lakefront has relied on the OPA’s 2012 Verified Results in calculating its LRAMVA amount.

Lakefront Utilities Inc Submission

Lakefront Utilities has relied on the OPA’s 2012 Verified Results to calculate its LRAMVA amount as stated in the 2014 IRM Application Manager summary on page 10 line 23-24.

- b) Please discuss if persisting 2011 savings in 2012 have been included in the LRAMVA calculations. If they have not, please include these savings amounts.

Lakefront Utilities Inc Submission

Lakefront Utilities had not included persisting 2011 savings in 2012 LRAMVA calculations original submission. Lakefront Utilities has completed the LRAMVA analysis to include the persistent savings from 2011 and the return to customers will change from a the total credit of (\$24,227.81) including carrying charges a new figure of (\$8,077)principal + (\$119)carrying charges = (\$8,077). Individual Rate Class amount can be seen in the table below.

LRAM Rate Rider	LRAM	Interest	Total LRAM Claim	2012 Approved Billing Determinant	UOM
Residential	-\$8,939	-\$131	-\$9,071	73,125,152	kWh
General Service Less Than 50 kW	\$2,977	\$44	\$3,021	35,160,634	kWh
General Service 50 to 4,999 kW	-\$2,116	-\$31	-\$2,147	303,629	kW
<b>Total</b>	<b>-\$8,077</b>	<b>-\$119</b>	<b>-\$8,196</b>		

Updates have been made by Lakefront Utilities to the Rate Generator Model to account for the 2011 persistence in the 2012 LRAMVA. An updated calculation of Def-Var Balances in the Rate Generator Model is attached below.



**Input required at cell C15 only. This worksheet calculates rate riders related to the Deferral/Variance Account Disposition (if applicable) and associated rate riders for the global adjustment sub-account. Rate Riders will not be generated for the MicroFit class.**

Please indicate the Rate Rider Recovery Period (in years)

Rate Class	Unit	Billed kWh	Billed kW	Balance of Accounts Allocated by kWh/kW (RPP) or Distribution	Deferral/Variance Account Rate Rider	Allocation of Balance in Account 1588	Billed kWh or Estimated kW for Non-RPP	Global Adjustment Rate Rider
RESIDENTIAL	\$/kWh	73,125,152		(107,990)	(0.0015)	(74,719)	8,441,723	(0.0089)
GENERAL SERVICE LESS THAN 50 KW	\$/kWh	35,160,634		(45,787)	(0.0013)	(36,909)	4,169,928	(0.0089)
GENERAL SERVICE 50 TO 2,999 KW	\$/kW	120,608,902	303,629	(171,298)	(0.5642)	(954,057)	271,356	(3.5159)
GENERAL SERVICE 3,000 TO 4,999 KW	\$/kW	19,295,356	47,442	(50,016)	(1.0543)	(170,786)	47,442	(3.5999)
UNMETERED SCATTERED LOAD	\$/kWh	716,623		(13)	0.0000	(6,325)	714,574	(0.0089)
SENTINEL LIGHTING	\$/kW	78,431	218	(47)	(0.2167)	(694)	218	(3.1844)
STREET LIGHTING	\$/kW	1,215,575	3,343	(2,147)	(0.6422)	(10,759)	3,343	(3.2184)
microFIT								
<b>Total</b>		<b>250,200,673</b>	<b>354,632</b>	<b>(377,298)</b>		<b>(1,254,248)</b>	<b>13,648,584</b>	

- b) 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.

Lakefront Utilities Inc Submission

Please see the uploaded ‘Final Verified Annual 2012 CDM Report\_ Lakefront Utilities Inc’.

Below is a table dividing the programs into their rate class and the awarded kWh from the ‘Final Verified Annual 2012 CDM Report\_ Lakefront Utilities Inc’.

Total kWh				1,378,235.86	2,052,336.34
2011 Savings and Persistence				1,378,235.86	1,378,235.86
2012 Savings and Persistence					674,100.47

Rate Class Allocation				2011	2012
Residential (Market - Consumer) (kWh)				255,337.04	410,543.15
General Service Less Than 50 kW (Market - Business) (kWh)				308,216.97	868,993.01
General Service 50 to 4,999 kW (Market - Business, Industrial) (kWh)				814,681.85	772,800.18
Total kWh				1,378,235.86	2,052,336.34

- c) Please provide any applicable updates to the total LRAMVA amount and subsequent rate riders due to the calculations performed in (a) and (b) above.

Lakefront Utilities Inc Submission

Please see the uploaded and updated Rate Generator as well as the uploaded LRAMVA calculation.

Below is the comparison in Deferral and Variance Rate Rider recovery as applied for originally in the Sept 27<sup>th</sup> 2013 2014 IRM Submission, to the updated 1568 2012 LRAMVA including persistence from 2011. There is a decreased return difference of (\$16,032) credit to the customers in the General Service less than 50kW and General Service 50-4999kW.

Previous:



**Input required at cell C15 only.** This worksheet calculates rate riders related to the Deferral/Variance Account Disposition (if applicable) and associated rate riders for the global adjustment sub-account. Rate Riders will not be generated for the MicroFit class.

Please indicate the Rate Rider Recovery Period (in years)

Rate Class	Unit	Billed kWh	Billed kW	Balance of Accounts Allocated by kWh/kW (RPP) or Distribution	Deferral/Variance Account Rate Rider	Allocation of Balance in Account 1588	Billed kWh or Estimated kW for Non-RPP	Global Adjustment Rate Rider
RESIDENTIAL	\$/kWh	73,125,152		(111,617)	(0.0015)	(74,719)	8,441,723	(0.0089)
GENERAL SERVICE LESS THAN 50 KW	\$/kWh	35,160,634		(52,076)	(0.0015)	(36,909)	4,169,928	(0.0089)
GENERAL SERVICE 50 TO 2,999 KW	\$/kW	120,608,902	303,629	(177,414)	(0.5843)	(954,057)	271,356	(3.5159)
GENERAL SERVICE 3,000 TO 4,999 KW	\$/kW	19,295,356	47,442	(50,016)	(1.0543)	(170,786)	47,442	(3.5999)
UNMETERED SCATTERED LOAD	\$/kWh	716,623		(13)	0.0000	(6,325)	714,574	(0.0089)
SENTINEL LIGHTING	\$/kW	78,431	218	(47)	(0.2167)	(694)	218	(3.1844)
STREET LIGHTING	\$/kW	1,215,575	3,343	(2,147)	(0.6422)	(10,759)	3,343	(3.2184)
microFIT								
<b>Total</b>		<b>250,200,673</b>	<b>354,632</b>	<b>(393,330)</b>		<b>(1,254,248)</b>	<b>13,648,584</b>	

Current:



**Input required at cell C15 only.** This worksheet calculates rate riders related to the Deferral/Variance Account Disposition (if applicable) and associated rate riders for the global adjustment sub-account. Rate Riders will not be generated for the MicroFit class.

Please indicate the Rate Rider Recovery Period (in years)

Rate Class	Unit	Billed kWh	Billed kW	Balance of Accounts Allocated by kWh/kW (RPP) or Distribution	Deferral/Variance Account Rate Rider	Allocation of Balance in Account 1588	Billed kWh or Estimated kW for Non-RPP	Global Adjustment Rate Rider
RESIDENTIAL	\$/kWh	73,125,152		(107,990)	(0.0015)	(74,719)	8,441,723	(0.0089)
GENERAL SERVICE LESS THAN 50 KW	\$/kWh	35,160,634		(45,787)	(0.0013)	(36,909)	4,169,928	(0.0089)
GENERAL SERVICE 50 TO 2,999 KW	\$/kW	120,608,902	303,629	(171,298)	(0.5642)	(954,057)	271,356	(3.5159)
GENERAL SERVICE 3,000 TO 4,999 KW	\$/kW	19,295,356	47,442	(50,016)	(1.0543)	(170,786)	47,442	(3.5999)
UNMETERED SCATTERED LOAD	\$/kWh	716,623		(13)	0.0000	(6,325)	714,574	(0.0089)
SENTINEL LIGHTING	\$/kW	78,431	218	(47)	(0.2167)	(694)	218	(3.1844)
STREET LIGHTING	\$/kW	1,215,575	3,343	(2,147)	(0.6422)	(10,759)	3,343	(3.2184)
microFIT								
<b>Total</b>		<b>250,200,673</b>	<b>354,632</b>	<b>(377,298)</b>		<b>(1,254,248)</b>	<b>13,648,584</b>	



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

Lakefront Utilities Inc Submission

Lakefront Utilities is seeking a one year rate rider approval for disposal of the 2012 LRAMVA and 2011 persistence. Please see below for comparison of separating LRAM from Group 1 DVA Rate Rider.

Included Group One



**Input required at cell C15 only.** This worksheet calculates rate riders related to the Deferral/Variance Account Disposition (if applicable) and associated rate riders for the global adjustment sub-account. Rate Riders will not be generated for the MicroFit class.

Please indicate the Rate Rider Recovery Period (in years)

Rate Class	Unit	Billed kWh	Billed kW	Balance of Accounts Allocated by kWh/kW (RPP) or Distribution	Deferral/Variance Account Rate Rider	Allocation of Balance in Account 1588	Billed kWh or Estimated kW for Non-RPP	Global Adjustment Rate Rider
RESIDENTIAL	\$/kWh	73,125,152		(107,990)	(0.0015)	(74,719)	8,441,723	(0.0089)
GENERAL SERVICE LESS THAN 50 KW	\$/kWh	35,160,634		(45,787)	(0.0013)	(36,909)	4,169,928	(0.0089)
GENERAL SERVICE 50 TO 2,999 KW	\$/kW	120,608,902	303,629	(171,298)	(0.5642)	(954,057)	271,356	(3.5159)
GENERAL SERVICE 3,000 TO 4,999 KW	\$/kW	19,295,356	47,442	(50,016)	(1.0543)	(170,786)	47,442	(3.5999)
UNMETERED SCATTERED LOAD	\$/kWh	716,623		(13)	0.0000	(6,325)	714,574	(0.0089)
SENTINEL LIGHTING	\$/kW	78,431	218	(47)	(0.2167)	(694)	218	(3.1844)
STREET LIGHTING	\$/kW	1,215,575	3,343	(2,147)	(0.6422)	(10,759)	3,343	(3.2184)
microFIT								
<b>Total</b>		<b>250,200,673</b>	<b>354,632</b>	<b>(377,298)</b>		<b>(1,254,248)</b>	<b>13,648,584</b>	

Excluded Group One



**Input required at cell C15 only.** This worksheet calculates rate riders related to the Deferral/Variance Account Disposition (if applicable) and associated rate riders for the global adjustment sub-account. Rate Riders will not be generated for the MicroFit class.

Please indicate the Rate Rider Recovery Period (in years)

Rate Class	Unit	Billed kWh	Billed kW	Balance of Accounts Allocated by kWh/kW (RPP) or Distribution	Deferral/Variance Account Rate Rider	Allocation of Balance in Account 1588	Billed kWh or Estimated kW for Non-RPP	Global Adjustment Rate Rider
RESIDENTIAL	\$/kWh	73,125,152		(98,919)	(0.0015)	(74,719)	8,441,723	(0.0089)
GENERAL SERVICE LESS THAN 50 KW	\$/kWh	35,160,634		(48,808)	(0.0013)	(36,909)	4,169,928	(0.0089)
GENERAL SERVICE 50 TO 2,999 KW	\$/kW	120,608,902	303,629	(169,152)	(0.5642)	(954,057)	271,356	(3.5159)
GENERAL SERVICE 3,000 TO 4,999 KW	\$/kW	19,295,356	47,442	(50,016)	(1.0543)	(170,786)	47,442	(3.5999)
UNMETERED SCATTERED LOAD	\$/kWh	716,623		(13)	0.0000	(6,325)	714,574	(0.0089)
SENTINEL LIGHTING	\$/kW	78,431	218	(47)	(0.2167)	(694)	218	(3.1844)
STREET LIGHTING	\$/kW	1,215,575	3,343	(2,147)	(0.6422)	(10,759)	3,343	(3.2184)
microFIT								
<b>Total</b>		<b>250,200,673</b>	<b>354,632</b>	<b>(369,102)</b>		<b>(1,254,248)</b>	<b>13,648,584</b>	