



EB-2013-0148

IN THE MATTER OF the *Ontario Energy Board Act*,
1998, S.O. 1998, c. 15, (Schedule B);

AND IN THE MATTER OF an application by Lakefront
Utilities Inc. for an order approving just and reasonable
rates and other charges for electricity distribution to be
effective May 1, 2014.

BEFORE: Marika Hare
Presiding Member

Allison Duff
Member

DECISION and RATE ORDER

March 13, 2014

Lakefront Utilities Inc. (“Lakefront”) filed an application with the Ontario Energy Board (the “Board”) on September 27, 2013 under section 78 of the Act, seeking approval for changes to the rates that Lakefront charges for electricity distribution, effective May 1, 2014 (the “Application”).

The Application met the Board’s requirements as detailed in the *Report of the Board: Renewed Regulatory Framework for Electricity Distributors: A Performance-Based Approach* (the “RRFE Report”) dated October 18, 2012 and the *Filing Requirements for Electricity Distribution Rate Applications* (the “Filing Requirements”) dated July 17, 2013. Lakefront selected the Price Cap Incentive Rate-Setting (“Price Cap IR”) option to adjust its 2014 rates. The Price Cap IR methodology provides for a mechanistic and formulaic adjustment to distribution rates and charges in the period between cost of service applications. Lakefront last appeared before the Board with a full cost of

service application for the 2012 rate year in the EB-2011-0250 proceeding. In this proceeding, Lakefront also seeks approval for disposition of the lost revenue adjustment mechanism variance account (“LRAMVA”).

The Board conducted a written hearing and Board staff participated in the proceeding. No letters of comment were received. The Vulnerable Energy Consumers Coalition (“VECC”) applied for and was granted intervenor status and cost eligibility with respect to its request for the proposed recovery of revenue losses due to conservation programs.

While the Board has considered the entire record in this proceeding, it has made reference only to such evidence as is necessary to provide context to its findings. The following issues are addressed in this Decision and Rate Order:

- Price Cap Index Adjustment;
- Rural or Remote Electricity Rate Protection Charge;
- Revenue-to-Cost Ratio Adjustments;
- Retail Transmission Service Rates;
- Review and Disposition of Group 1 Deferral and Variance Account Balances; and
- Review and Disposition of Lost Revenue Adjustment Mechanism Variance Account Balance.

Price Cap Index Adjustment

The Board issued the *Report on Rate Setting Parameters and Benchmarking under the Renewed Regulatory Framework for Ontario’s Electricity Distributors* (the “Price Cap IR Report”), which provides the 2014 rate adjustment parameters for distribution companies selecting either the Price Cap IR or Annual IR Index option.

Distribution rates under the Price Cap IR option are adjusted by an inflation factor, less a productivity factor and a stretch factor. The inflation factor for 2014 rates is 1.7%. Based on the total cost benchmarking model developed by Pacific Economics Group Research, LLC, the Board determined that the appropriate value for the productivity factor is zero percent. The Board also determined that the stretch factor can range from 0.0% to 0.6% for distributors selecting the Price Cap IR option, assigned based on a distributor’s cost evaluation ranking. In the Price Cap IR Report, the Board assigned Lakefront a stretch factor of 0.15%.

As a result, the net price cap index adjustment for Lakefront is 1.55 % (i.e. 1.7% - (0% + 0.15%)). The price cap index adjustment applies to distribution rates (fixed and variable charges) uniformly across all customer classes. The price cap index adjustment does not apply to the components of delivery rates set out in the list below.

- Rate Riders;
- Rate Adders;
- Low Voltage Service Charges;
- Retail Transmission Service Rates;
- Wholesale Market Service Rate;
- Rural or Remote Electricity Rate Protection Charge;
- Standard Supply Service – Administrative Charge;
- Transformation and Primary Metering Allowances;
- Loss Factors;
- Specific Service Charges;
- MicroFit Charge; and
- Retail Service Charges.

Rural or Remote Electricity Rate Protection Charge

The Board issued a Decision and Rate Order (EB-2013-0396) establishing the Rural or Remote Electricity Rate Protection (“RRRP”) benefit and charge for 2014. The Board determined that the RRRP charge to be paid by all rate-regulated distributors and collected by the Independent Electricity System Operator shall be increased to \$0.0013 per kWh effective May 1, 2014, from the current \$0.0012 per kWh. The draft Tariff of Rates and Charges flowing from this Decision and Rate Order reflects the new RRRP charge.

Revenue-to-Cost Ratio Adjustments

Revenue-to-cost ratios measure the relationship between the revenues expected from a class of customers and the level of costs allocated to that class. The Board has established target ratio ranges for electricity distributors in its report *Application of Cost Allocation for Electricity Distributors* and in its updated report *Review of Electricity Distribution Cost Allocation Policy*.

Lakefront proposes to increase the revenue-to-cost ratio for the General Service 3,000 to 4,999 kW rate class. The proposal is consistent with the Board approved Settlement Agreement in Lakefront's 2012 cost of service proceeding EB-2011-0250. Lakefront agreed to adjust the revenue-to-cost ratios for each customer class to the lower or upper boundaries of the Board's target ranges. While most adjustments were made in 2012, Lakefront agreed to adjust the General Service 3000 – 4,999 kW customer class ratio in equal increments over a 4-year period. The additional revenues from the increase would be used to reduce the revenue-to-cost ratio for the General Service 50 to 2,999 kW rate class, with the highest ratio, to maintain revenue neutrality. The table below outlines the proposed revenue-to-cost ratios.

Current and Proposed Revenue-to-Cost Ratio

Rate Class	Current 2013 Ratio	Proposed 2014 Ratio
Residential	89.90	89.90
General Service Less Than 50 kW	99.64	99.64
General Service 50 to 2,999 kW	133.51	131.90
General Service 3,000 to 4,999 kW	63.13	68.75
Street Lighting	111.73	111.73
Sentinel Lighting	117.24	117.24
Unmetered Scattered Load	81.94	81.94

The Board agrees that the proposed revenue-to-cost ratios are consistent with the decision arising from the 2012 cost of service proceeding and therefore approves the revenue-to-cost ratios as filed.

Retail Transmission Service Rates

Electricity distributors are charged for transmission costs at the wholesale level and then pass on these charges to their distribution customers through the Retail Transmission Service Rates (“RTSRs”). Variance accounts are used to capture differences in the rate that a distributor pays for wholesale transmission service compared to the retail rate that the distributor is authorized to charge when billing its customers (i.e. variance Accounts 1584 and 1586).

The Board issued revision 3.0 of the *Guideline G-2008-0001 - Electricity Distribution Retail Transmission Service Rates* (the “RTSR Guideline”) which outlines the information that the Board requires electricity distributors to file to adjust their RTSRs for 2014. The RTSR Guideline requires electricity distributors to adjust their RTSRs based on a comparison of historical transmission costs adjusted for the new Uniform Transmission Rates (“UTR”) levels and the revenues generated under existing RTSRs. Similarly, embedded distributors such as Lakefront must adjust their RTSRs to reflect any changes to the applicable Sub-Transmission RTSRs of their host distributor, in this case, Hydro One Networks Inc.

The Board approved new rates for Hydro One’s Sub-Transmission class, including the applicable RTSRs, effective January 1, 2014 (EB-2013-0141), as shown in the following table.

2014 Sub-Transmission RTSRs

Network Service Rate	\$3.23 per kW
<u>Connection Service Rates</u>	
Line Connection Service Rate	\$0.65 per kW
Transformation Connection Service Rate	\$1.62 per kW

The Board finds that these 2014 Sub-Transmission class RTSRs are to be incorporated into the calculation of Lakefront’s RTSRs. Accordingly, the rate models that accompany this Decision and Rate Order have been updated to include these rates.

Review and Disposition of Group 1 Deferral and Variance Account Balances

The *Report of the Board on Electricity Distributors' Deferral and Variance Account Review Initiative* provides that, during the IRM plan term, the distributor's Group 1 account balances will be reviewed and disposed if the preset disposition threshold of \$0.001 per kWh (debit or credit) is exceeded. The onus is on the distributor to justify why any account balance in excess of the threshold should not be disposed.

Lakefront's 2012 actual year-end total balance for Group 1 accounts including interest projected to April 30, 2014 is a credit of \$1,623,380. This amount results in a total credit claim of \$0.0065 per kWh, which exceeds the preset disposition threshold. Lakefront proposes to dispose of this credit amount over a one-year period.

In its submission, Board staff noted that upon review of Lakefront's response to Board staff interrogatories #8 and #9, Board staff could not understand how Lakefront determined the certain journal entries to Account 1588 RSVA Power. Board staff was concerned that Lakefront may be double counting its accrual journal entry and may not have correctly calculated the adjusted Account 1588 RSVA Power and Account 1589 RSVA Global Adjustment balances.

Board staff accordingly submitted that the Board might wish to consider disposing Lakefront's Group 1 DVA balances on an interim basis, with final disposition subject to the completion of an audit to be conducted by Audit and Performance Assessment of the Board. In its reply submission, Lakefront agreed with Board staff's suggestion of an interim disposition.

The Board will dispose of the Group 1 DVA balances on an interim basis pending the audit by the Board's Audit and Performance Assessment group.

The table below identifies the principal and interest amounts approved for disposition for Group 1 accounts.

Group 1 Deferral and Variance Account Balances

Account Name	Account Number	Principal Balance A	Interest Balance B	Total Claim C = A + B
LV Variance Account	1550	\$20,517	-\$1,448	\$19,067
RSVA - Wholesale Market Service Charge	1580	-\$561,377	-\$18,169	-\$579,546
RSVA - Retail Transmission Network Charge	1584	-\$22,504	-\$2,457	-\$24,961
RSVA - Retail Transmission Connection Charge	1586	\$3,731	-\$1,781	\$1,950
RSVA - Power	1588	\$1,169,452	-\$20,826	\$1,148,627
RSVA - Global Adjustment	1589	-\$1,212,757	-\$41,492	-\$1,254,248
Recovery of Regulatory Asset Balances	1590	0	0	0
Disposition and Recovery of Regulatory Balances (2008)	1595	\$3,552	-\$3,552	0
Disposition and Recovery of Regulatory Balances (2009)	1595	-\$361,409	-\$12,125	-\$373,534
Disposition and Recovery of Regulatory Balances (2010)	1595	\$444,911	\$14,713	\$459,624
Disposition and Recovery of Regulatory Balances (2011)	1595	-\$958,829	-\$61,530	-\$1,020,360
Total Group 1 Excluding Global Adjustment – Account 1589		-\$261,956	-\$107,175	-\$369,132
Total Group 1		-\$1,474,713	-\$148,667	-\$1,623,380

The balance of each Group 1 account approved for disposition shall be transferred to the applicable principal and interest carrying charge sub-accounts of Account 1595 pursuant to the requirements specified in Article 220, Account Descriptions, of the *Accounting Procedures Handbook for Electricity Distributors*. The date of the transfer must be the same as the effective date for the associated rates, generally, the start of the rate year. Lakefront should ensure these adjustments are included in the reporting period ending June 30, 2014 (Quarter 2).

Request for Disposition of Lost Revenue Adjustment Mechanism Variance Account

The 2012 CDM Guidelines established the LRAMVA to capture, at the customer rate-class level, the difference between actual results from authorized CDM activities and the reduction for forecasted CDM activities included in the distributor's last Board-approved load forecast.

Distributors must apply for the disposition of the balance in the LRAMVA as part of their cost of service applications. Distributors may apply for the disposition of the balance in the LRAMVA on an annual basis, as part of their IRM rate applications, if the balance is deemed significant by the distributor.

Lakefront requested to dispose of its LRAMVA balance of a credit of \$24,227.81, consisting of lost revenues from 2012 CDM savings in 2012. In response to Board staff interrogatory #1, Lakefront updated its LRAMVA claim to include the lost revenues from 2011 persisting CDM savings in 2012. Lakefront subsequently requested to dispose of its updated LRAMVA balance of a credit of \$8,196, including \$199 of carrying charges.

Board staff noted that Lakefront made a slight error when calculating the lost revenues attributable to its GS>50-2,999 kW rate class. Board staff noted that since the GS>50-2,999 kW customers are billed for distribution service on a demand (kW) basis, the net kW savings realized by Lakefront are the appropriate saving values to use when calculating the lost revenues associated with Lakefront's GS>50-2,000 kW rate class. Board staff submitted that the lost revenues attributable to Lakefront's GS>50-2,999 kW rate class should be a credit of \$4,652, including \$67 in carrying charges. Further, Board staff submitted that Lakefront's updated LRAMVA amount should be a credit to customers of \$10,700, including \$154 in carrying charges.

VECC submitted that the LRAMVA amount should exclude any lost revenues attributable to participants of any of Lakefront's GS>50kW customers. VECC submitted that there is neither evidence that the program was actually activated nor evidence that it had any significant effect on its load, billing demand or distribution revenues if the program had indeed been activated.

VECC agreed with the submissions of Board Staff with respect to the calculation of lost revenues for GS>50-2,999 kW class related to Industrial and Pre-2011 Programs. However, VECC submitted that the recalculation of the lost revenues for the GS>50-2,999 kW class should not include the DR3 savings of 490 kW (98 kW x 5 months) for 2012 savings in 2012.

Lakefront submitted that it has appropriately calculated its LRAMVA amount and relied on the OPA's 2012 Final Verified CDM Results Report ("2012 OPA Report") in doing so. Lakefront submitted that this is consistent with the Board's guidance on this matter¹, which states that "...the distributor has relied on the most recent and appropriate CDM evaluation report from the OPA in support of its lost revenues calculation." Lakefront noted that its 2012 OPA Report indicated one DR3 activation in its Industrial rate class which it has appropriately included in the LRAMVA calculations. Lakefront further stated that the OPA-verified results are the best information available to a utility to determine its lost revenues and have been accepted by the Board in past decisions. Lakefront noted that it participated in the OPA's recently-concluded province-wide audit to verify program conduct and procedures. Lakefront submitted that VECC's suggestion should be rejected by the Board.

Lakefront accepted Board staff's revised LRAMVA calculations and an updated LRAMVA amount.

The Board accepts that Lakefront availed itself of OPA programs which are audited by the OPA to verify program conduct and procedures. With the corrections noted by Board staff and the Applicant, the Board approves the LRAMVA in the amount of a credit to customers of \$10,701.

Rate Model

With this Decision and Rate Order, the Board is providing Lakefront with a rate model, applicable supporting models and a draft Tariff of Rates and Charges (Appendix A). The Board also reviewed the entries in the rate model to ensure that they were in accordance with the 2013 Board-approved Tariff of Rates and Charges and the rate model was adjusted, where applicable, to correct any discrepancies.

¹ Chapter 3 – Filing Requirements for 4th Generation Incentive Rate Setting and Annual Incentive Rate Setting Index, Section 3.2.6.1 Disposition of the LRAMVA

THE BOARD ORDERS THAT:

1. Lakefront's new distribution rates shall be effective May 1, 2014.
2. Lakefront shall review the draft Tariff of Rates and Charges set out in Appendix A and shall file with the Board, as applicable, a written confirmation of its completeness and accuracy, or provide a detailed explanation of any inaccuracies or missing information, within **7 days** of the date of issuance of this Decision and Rate Order.
3. If the Board does not receive a submission from Lakefront to the effect that inaccuracies were found or information was missing pursuant to item 2 of this Decision and Rate Order, the draft Tariff of Rates and Charges set out in Appendix A of this Decision and Rate Order will become final. Lakefront shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new rates.
4. If the Board receives a submission from Lakefront to the effect that inaccuracies were found or information was missing pursuant to item 2 of this Decision and Rate Order, the Board will consider the submission of Lakefront prior to issuing a final Tariff of Rates and Charges.
5. Lakefront shall pay the Board's costs incidental to this proceeding upon receipt of the Board's invoice.

COST AWARDS

The Board will issue a separate decision on cost awards once the following steps are completed:

1. VECC shall submit their cost claims no later than **7 days** from the date of issuance of the final Rate Order.
2. Lakefront shall file with the Board and forward to VECC any objections to the claimed costs within **21 days** from the date of issuance of the final Rate Order.

3. VECC shall file with the Board and forward to Lakefront any responses to any objections for cost claims within **28 days** from the date of issuance of the final Rate Order.
4. Lakefront shall pay the Board's costs incidental to this proceeding upon receipt of the Board's invoice.

All filings to the Board must quote file number **EB-2013-0148**, be made through the Board's web portal at <https://www.pes.ontarioenergyboard.ca/eservice/> and consist of two paper copies and one electronic copy in searchable / unrestricted PDF format. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at www.ontarioenergyboard.ca. If the web portal is not available parties may email their document to BoardSec@ontarioenergyboard.ca. Those who do not have internet access are required to submit all filings on a CD in PDF format, along with two paper copies. Those who do not have computer access are required to file 2 paper copies.

DATED at Toronto, March 13, 2014

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

Appendix A

**To Decision and Rate Order
Draft Tariff of Rates and Charges
Board File No: EB-2013-0148
DATED: March 13, 2014**

Lakefront Utilities Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2014

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

EB-2013-0148

RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to an account taking electricity at 750 volts or less where the electricity is used exclusively in a separately metered living accommodation. Customers shall be residing in single-dwelling units that consist of a detached house or one unit of a semi-detached, duplex, triplex or quadruplex house, with a residential zoning. Separately metered dwellings within a town house complex or apartment building also qualify as residential customers. 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.

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 License 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. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	10.12
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0146
Low Voltage Service Rate	\$/kWh	0.0013
Rate Rider for Disposition of Deferral/Variance Accounts (2012) - effective until April 30, 2016	\$/kWh	(0.0013)
Rate Rider for Disposition of Global Adjustment Sub-Account (2012) - effective until April 30, 2016 Applicable only for Non-RPP Customers	\$/kWh	(0.0002)
Rate Rider for Disposition of Deferral/Variance Accounts (2014) - effective on an interim basis until April 30, 2015	\$/kWh	(0.0014)
Rate Rider for Disposition of Global Adjustment Account (2014) - effective on an interim basis until April 30, 2015 Applicable only for Non-RPP Customers	\$/kWh	(0.0089)
Rate Rider for Recovery of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2014) - effective until April 30, 2015	\$/kWh	(0.0001)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0069
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0048

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Lakefront Utilities Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2014

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

EB-2013-0148

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.

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. In addition, the charges in the MONTHLY RATES AND CHARGES – Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	23.16
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0083
Low Voltage Service Rate	\$/kWh	0.0012
Rate Rider for Disposition of Deferral/Variance Accounts (2012) - effective until April 30, 2016	\$/kWh	(0.0011)
Rate Rider for Disposition of Global Adjustment Sub-Account (2012) - effective until April 30, 2016 Applicable only for Non-RPP Customers	\$/kWh	(0.0002)
Rate Rider for Disposition of Deferral/Variance Accounts (2014) - effective on an interim basis until April 30, 2015	\$/kWh	(0.0014)
Rate Rider for Disposition of Global Adjustment Account (2014) - effective on an interim basis until April 30, 2015 Applicable only for Non-RPP Customers	\$/kWh	(0.0089)
Rate Rider for Recovery of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2014) - effective until April 30, 2015	\$/kWh	0.0001
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0063
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0044

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Lakefront Utilities Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2014

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

EB-2013-0148

GENERAL SERVICE 50 TO 2,999 KW SERVICE CLASSIFICATION

This classification refers to a non residential account whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 3,000 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.

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. In addition, the charges in the MONTHLY RATES AND CHARGES – Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	76.23
Distribution Volumetric Rate	\$/kW	3.3794
Low Voltage Service Rate	\$/kW	0.4778
Rate Rider for Disposition of Deferral/Variance Accounts (2012) - effective until April 30, 2016	\$/kW	(0.3812)
Rate Rider for Disposition of Global Adjustment Sub-Account (2012) - effective until April 30, 2016 Applicable only for Non-RPP Customers	\$/kW	(0.0723)
Rate Rider for Disposition of Deferral/Variance Accounts (2014) - effective on an interim basis until April 30, 2015	\$/kW	(0.5571)
Rate Rider for Disposition of Global Adjustment Account (2014) - effective on an interim basis until April 30, 2015 Applicable only for Non-RPP Customers	\$/kW	(3.5159)
Rate Rider for Recovery of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2014) - effective until April 30, 2015	\$/kW	(0.0153)
Retail Transmission Rate - Network Service Rate	\$/kW	2.5563
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.7461

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Lakefront Utilities Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2014

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

EB-2013-0148

GENERAL SERVICE 3,000 TO 4,999 KW SERVICE CLASSIFICATION

This classification refers to a non residential account whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than 3,000 kW, but less than 5,000 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.

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. In addition, the charges in the MONTHLY RATES AND CHARGES – Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	5,226.29
Distribution Volumetric Rate	\$/kW	2.0329
Low Voltage Service Rate	\$/kW	0.5635
Rate Rider for Deferral/Variance Account Dispositon (2012) - effective until April 30, 2016	\$/kW	(0.3495)
Rate Rider for Disposition of Global Adjustment Sub-Account (2012) - effective until April 30, 2016 Applicable only for Non-RPP Customers	\$/kW	(0.0828)
Rate Rider for Disposition of Deferral/Variance Accounts (2014) - effective on an interim basis until April 30, 2015	\$/kW	(1.0543)
Rate Rider for Disposition of Global Adjustment Account (2014) - effective on an interim basis until April 30, 2015 Applicable only for Non-RPP Customers	\$/kW	(3.5999)
Retail Transmission Rate - Network Service Rate	\$/kW	2.8589
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.0594

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Lakefront Utilities Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2014

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

EB-2013-0148

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification refers to an 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 and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The customer will provide detailed manufacturer information/ documentation with regard to electrical demand/consumption of the proposed unmetered load. 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.

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. In addition, the charges in the MONTHLY RATES AND CHARGES – Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per customer)	\$	13.76
Distribution Volumetric Rate	\$/kWh	0.0359
Low Voltage Service Rate	\$/kWh	0.0015
Rate Rider for Deferral/Variance Account Dispositon (2012) - effective until April 30, 2016	\$/kWh	(0.0020)
Rate Rider for Disposition of Global Adjustment Sub-Account (2012) - effective until April 30, 2016		
Applicable only for Non-RPP Customers	\$/kWh	(0.0002)
Rate Rider for Disposition of Global Adjustment Account (2014) - effective on an interim basis until		
April 30, 2015 Applicable only for Non-RPP Customers	\$/kWh	(0.0089)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0073
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0055

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Lakefront Utilities Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2014

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

EB-2013-0148

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to accounts that are an unmetered lighting load supplied to a sentinel light. 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.

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	4.79
Distribution Volumetric Rate	\$/kW	11.7987
Low Voltage Service Rate	\$/kW	0.3771
Rate Rider for Disposition of Deferral/Variance Accounts (2012) - effective until April 30, 2016	\$/kW	(0.5624)
Rate Rider for Disposition of Global Adjustment Sub-Account (2012) - effective until April 30, 2016 Applicable only for Non-RPP Customers	\$/kW	(0.0733)
Rate Rider for Disposition of Deferral/Variance Accounts (2014) - effective on an interim basis until April 30, 2015	\$/kW	(0.2167)
Rate Rider for Disposition of Global Adjustment Account (2014) - effective on an interim basis until April 30, 2015 Applicable only for Non-RPP Customers	\$/kW	(3.1844)
Retail Transmission Rate - Network Service Rate	\$/kW	1.9374
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.3779

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Lakefront Utilities Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2014

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EB-2013-0148

STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting operation, controlled by photo cells. The consumption for these customers will be based on the calculated connected load times the required lighting times established in the approved OEB street lighting load shape template. 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.

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	3.94
Distribution Volumetric Rate	\$/kW	24.9707
Low Voltage Service Rate	\$/kW	0.3694
Rate Rider for Disposition of Deferral/Variance Accounts (2012) - effective until April 30, 2016	\$/kW	(0.6354)
Rate Rider for Disposition of Global Adjustment Sub-Account (2012) - effective until April 30, 2016		
Applicable only for Non-RPP Customers	\$/kW	(0.0740)
Rate Rider for Disposition of Deferral/Variance Accounts (2014) - effective on an interim basis	\$/kW	(0.6422)
Rate Rider for Disposition of Global Adjustment Account (2014) - effective on an interim basis until		
April 30, 2015 Applicable only for Non-RPP Customers	\$/kW	(3.2184)
Retail Transmission Rate - Network Service Rate	\$/kW	1.9279
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.3498

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Lakefront Utilities Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2014

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

EB-2013-0148

microFIT SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Ontario Power Authority's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	5.40
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ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.60)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

Lakefront Utilities Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2014

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EB-2013-0148

SPECIFIC SERVICE CHARGES

APPLICATION

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Customer Administration

Arrears certificate	\$	15.00
Statement of account	\$	15.00
Pulling post dated cheques	\$	15.00
Request for other billing information	\$	15.00
Easement letter	\$	15.00
Income tax letter	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Returned cheque charge (plus bank charges)	\$	15.00
Legal letter charge	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Special meter reads	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00

Non-Payment of Account

Late Payment – per month	%	1.50
Late Payment – per annum	%	19.56
Collection of account charge – no disconnection	\$	30.00
Collection of account charge – no disconnection – after regular hours	\$	165.00
Disconnect/Reconnect at meter – during regular hours	\$	65.00
Disconnect/Reconnect at meter – after regular hours	\$	185.00
Disconnect/Reconnect at pole – during regular hours	\$	185.00
Disconnect/Reconnect at pole – after regular hours	\$	415.00
Install/Remove load control device – during regular hours	\$	65.00
Install/Remove load control device – after regular hours	\$	185.00
Service call – customer owned equipment	\$	30.00
Service call – after regular hours	\$	165.00
Temporary Service install & remove – overhead – no transformer	\$	500.00
Temporary Service install & remove – underground – no transformer	\$	300.00
Temporary Service install & remove – overhead – with transformer	\$	1,000.00
Specific charge for access to the power poles - \$/pole/year	\$	22.35
Interval meter load management tool charge \$/month	\$	110.00
Service charge for onsite interrogation of interval meter due to customer phone line failure - required weekly until line repaired	\$	60.00

Lakefront Utilities Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2014

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EB-2013-0148

RETAIL SERVICE CHARGES (if applicable)

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.

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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 monthly charge, per customer, per retailer	\$/cust.	0.30
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust.	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, applied 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

LOSS FACTORS

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 < 5,000 kW	1.0565
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0465