



**Lakefront
Utilities
Inc.**

February 19, 2015

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 26th Floor, P.O. Box 2319
Toronto, ON M4P 1E4

Re: Lakefront Utilities Inc. 2016 Cost of Service Application Deferral Request

Dear Ms. Walli:

On January 29, 2015 Lakefront Utilities Inc. ("LUI") received a letter from the Ontario Energy Board ("the Board") advising the utility to file a Cost of Service application for rates effective May 1, 2016. LUI respectfully requests a deferral from this rebasing schedule and instead would like to file a Cost of Service application for rates effective January 1, 2017.

The reason behind this decision is that the utility and its Board of Directors feel that aligning the effective date of rates and its fiscal year would help reduce administrative and accounting cost burdens, improved budget planning and improved alignment of rates with costs.

LUI notes that according to its most recent RRR filing (2.1.5.6), the utility had not earned a ROE in excess of the 300 basis points dead band from the Board-approved return of 9.12%. LUI's actual rate of return for 2013, the most recent year for which complete data is available, was 9.20%.

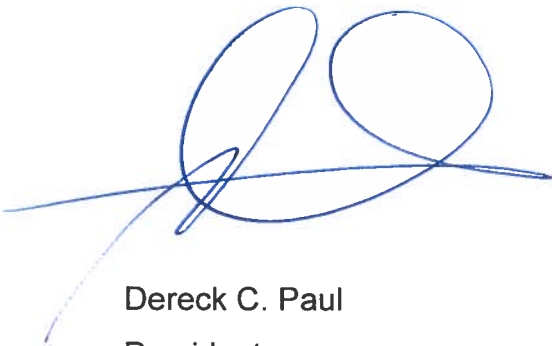
LUI feels that its performance with respect to system reliability indicators and electricity service quality requirements as reported to the Board are excellent and as such should not affect the utility's request to defer its Cost of Service.

LUI understands that rates resulting from its 2015 IRM application will be in effect until the effective date of the next Cost of Service.

LUI hopes that this letter addresses all concerns of the OEB staff in regards to the utility application. Therefore, LUI formally request approval to file its Cost of Service application in the spring of 2016 for rates in effect on January 1, 2017.

Should the board have questions regarding this matter please contact Adam Giddings at agiddings@lusi.on.ca or myself at dpaul@lusi.on.ca

Respectfully Submitted,

A handwritten signature in blue ink, consisting of two large, overlapping loops followed by a horizontal line that extends to the left and then curves back up into the loops.

Dereck C. Paul
President
Lakefront Utilities Inc.