

LakelandPower

200 – 395 Centre St N, Huntsville, ON P1H 2M2
Phone (705) 789-5442 Toll Free 1-888-282-7711
Fax (705) 789-3110 service@lakelandpower.on.ca

September 4, 2015

Ontario Energy Board
P.O. Box 2319
27th Floor, 2300 Yonge Street
Toronto, Ontario
M4P 1E4
Attention: Ms. K. Walli, Board Secretary


**Re: Lakeland Power Distribution Ltd. (LPDL) and Parry Sound Power Corporation (PSPC)
2016 IRM4 Electricity Distribution Rate Application,
OEB File No. EB-2015-0086**

Dear Ms. K. Walli:

As an addendum to LPDL's 2016 IRM submission of August 17, 2015, please find attached the information determining the 10th percentile of residential customers and the resulting impact on this customer group for both the former Lakeland Power service area as well as the former Parry Sound Power service area.

Should there be any questions, please contact me at the number above.

Respectfully Submitted,



Margaret Maw
Chief Financial Officer
Lakeland Power Distribution Ltd.

1. Determining 10th percentile

The customer consumption data for 2014 was identified by class and by account to determine the monthly average usage. This data was then sorted to determine the 10th percentile for consumption by residential customers in both service areas. The tables below represent the data results. In both cases, the 10th percentile indicates a consumption band of 300 kWh per month.

Table 1: Former Lakeland Power service area – 2014 consumption data

Residential Bill Codes for Lakeland Power (10TOU, 11TOU, 15TOU)				
Jan-Dec14 Usage Billed				
# of Accts (LP)		Cumulative # of Accts	% of Total	
518	6.38%	518	6.38%	Usage Billed <200 kWh/mth
477	5.87%	995	12.25%	Usage Billed <300 kWh/mth
611	7.52%	1,606	19.78%	Usage Billed <400 kWh/mth
754	9.29%	2,360	29.06%	Usage Billed <500 kWh/mth
746	9.19%	3,106	38.25%	Usage Billed <600 kWh/mth
816	10.05%	3,922	48.30%	Usage Billed <700 kWh/mth
631	7.77%	4,553	56.07%	Usage Billed <800 kWh/mth
3,567	43.93%	8,120	100.00%	Usage Billed >800 kWh/mth
8,120	100.0%	8,120		

Table 2: Former Parry Sound Power service area – 2014 consumption data

Residential Bill Codes for Parry Sound (10R1T)				
Jan-Dec14 Usage Billed				
# of Accts (PS)		Cumulative # of Ac	% of Total	
147	5.05%	147	5.05%	Usage Billed <200 kWh/mth
146	5.01%	293	10.06%	Usage Billed <300 kWh/mth
179	6.15%	472	16.21%	Usage Billed <400 kWh/mth
212	7.28%	684	23.49%	Usage Billed <500 kWh/mth
252	8.65%	936	32.14%	Usage Billed <600 kWh/mth
225	7.73%	1,161	39.87%	Usage Billed <700 kWh/mth
180	6.18%	1,341	46.05%	Usage Billed <800 kWh/mth
1,571	53.95%	2,912	100.00%	Usage Billed >800 kWh/mth
2,912	100.0%	2,912		

2. Bill Impacts

The data below shows the bill impact on customers with average consumption of 300kWh per month. In the case of former Lakeland Power customers, the impact is 9.67% while for former Parry Sound customers, the impact is

Table 3: Lakeland Power Residential Customer – 300 kWh consumption level

Customer Class:	RESIDENTIAL SERVICE CLASSIFICATION	
RPP / Non-RPP:	RPP	
Consumption:	300	kWh
Demand:	-	kW
Current Loss Factor:	1.0743	
Proposed/Approved Loss Factor:	1.0743	
Ontario Clean Energy Benefit Applied?	Yes	

	Current Board-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 20.23	1	\$ 20.23	\$ 23.54	1	\$ 23.54	\$ 3.31	16.37%
Distribution Volumetric Rate	\$ 0.0148	300	\$ 4.44	\$ 0.0112	300	\$ 3.37	\$ -1.07	-24.03%
Fixed Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	-
Volumetric Rate Riders	\$ -	300	\$ -	\$ 0.0001	300	\$ 0.02	\$ 0.02	0.02%
Sub-Total A (excluding pass through)			\$ 24.67			\$ 26.93	\$ 2.26	9.17%
Line Losses on Cost of Power	\$ 0.1021	22	\$ 2.28	\$ 0.1021	22	\$ 2.28	\$ -	0.00%
Total Deferral/Variance Account Rate Riders	\$ -	300	\$ -	\$ 0.0036	300	\$ 1.07	\$ 1.07	0.00%
Low Voltage Service Charge	\$ 0.0034	300	\$ 1.02	\$ 0.0034	300	\$ 1.02	\$ -	0.00%
Smart Meter Entity Charge (if applicable)	\$ 0.7900	1	\$ 0.79	\$ 0.7900	1	\$ 0.79	\$ -	0.00%
Sub-Total B - Distribution (includes Sub-Total A)			\$ 28.76			\$ 29.95	\$ 1.19	4.14%
RTSR - Network	\$ 0.0059	322	\$ 1.89	\$ 0.0057	322	\$ 1.83	\$ 0.06	-3.37%
RTSR - Connection and/or Line and Transformation Connection	\$ 0.0042	322	\$ 1.34	\$ 0.0045	322	\$ 1.44	\$ 0.11	7.85%
Sub-Total C - Delivery (including Sub-Total B)			\$ 31.99			\$ 33.22	\$ 1.23	3.85%
Wholesale Market Service Charge (WMSC)	\$ 0.0044	322	\$ 1.42	\$ 0.0044	322	\$ 1.42	\$ -	0.00%
Rural and Remote Rate Protection (RRRP)	\$ 0.0013	322	\$ 0.42	\$ 0.0013	322	\$ 0.42	\$ -	0.00%
Standard Supply Service Charge	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	\$ 0.0070	300	\$ 2.10	\$ -	-	\$ -	\$ -2.10	-100.00%
Ontario Electricity Support Program (OESP)				\$ -	322	\$ -	\$ -	-
TOU - Off Peak	\$ 0.0800	192	\$ 15.36	\$ 0.0800	192	\$ 15.36	\$ -	0.00%
TOU - Mid Peak	\$ 0.1220	54	\$ 6.59	\$ 0.1220	54	\$ 6.59	\$ -	0.00%
TOU - On Peak	\$ 0.1610	54	\$ 8.69	\$ 0.1610	54	\$ 8.69	\$ -	0.00%
Total Bill on TOU (before Taxes)			\$ 66.82			\$ 65.95	\$ 0.87	-1.30%
HST		13%	\$ 8.69		13%	\$ 8.57	\$ 0.11	-1.30%
Total Bill (including HST)			\$ 75.50			\$ 74.52	\$ 0.98	-1.30%
<i>Ontario Clean Energy Benefit ¹</i>			<i>-\$ 7.55</i>					
Total Bill on TOU			\$ 67.95			\$ 74.52	\$ 6.57	9.67%

Table 4: Parry Sound Power Residential Customer – 300 kWh consumption level

Customer Class:	RESIDENTIAL SERVICE CLASSIFICATION	
RPP / Non-RPP:	RPP	
Consumption:	300	kWh
Demand:	-	kW
Current Loss Factor:	1.0700	
Proposed/Approved Loss Factor:	1.0700	
Ontario Clean Energy Benefit Applied?	Yes	

	Current Board-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 22.50	1	\$ 22.50	\$ 26.39	1	\$ 26.39	\$ 3.89	17.28%
Distribution Volumetric Rate	\$ 0.0179	300	\$ 5.37	\$ 0.0145	300	\$ 4.35	-\$ 1.02	-19.07%
Fixed Rate Riders	\$ 4.1100	1	\$ 4.11	\$ 4.1100	1	\$ 4.11	\$ -	0.00%
Volumetric Rate Riders	\$ -	300	\$ -	\$ -	300	\$ -	\$ -	0.00%
Sub-Total A (excluding pass through)			\$ 31.98			\$ 34.84	\$ 2.86	8.96%
Line Losses on Cost of Power	\$ 0.1021	21	\$ 2.14	\$ 0.1021	21	\$ 2.14	\$ -	0.00%
Total Deferral/Variance Account Rate Riders	\$ -	300	\$ -	\$ 0.0032	300	-\$ 0.96	-\$ 0.96	0.00%
Low Voltage Service Charge	\$ 0.0011	300	\$ 0.33	\$ 0.0011	300	\$ 0.33	\$ -	0.00%
Smart Meter Entity Charge (if applicable)	\$ 0.7900	1	\$ 0.79	\$ 0.7900	1	\$ 0.79	\$ -	0.00%
Sub-Total B - Distribution (includes Sub-Total A)			\$ 35.24			\$ 37.14	\$ 1.90	5.39%
RTSR - Network	\$ 0.0061	321	\$ 1.96	\$ 0.0043	321	\$ 1.37	-\$ 0.59	-29.91%
RTSR - Connection and/or Line and Transformation Connection	\$ 0.0043	321	\$ 1.38	\$ 0.0033	321	\$ 1.05	-\$ 0.33	-24.15%
Sub-Total C - Delivery (including Sub-Total B)			\$ 38.58			\$ 39.56	\$ 0.98	2.54%
Wholesale Market Service Charge (WMSC)	\$ 0.0044	321	\$ 1.41	\$ 0.0044	321	\$ 1.41	\$ -	0.00%
Rural and Remote Rate Protection (RRRP)	\$ 0.0013	321	\$ 0.42	\$ 0.0013	321	\$ 0.42	\$ -	0.00%
Standard Supply Service Charge	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	\$ 0.0070	300	\$ 2.10	\$ -	-	\$ -	-\$ 2.10	-100.00%
Ontario Electricity Support Program (OESP)			\$ -		321	\$ -	\$ -	
TOU - Off Peak	\$ 0.0800	192	\$ 15.36	\$ 0.0800	192	\$ 15.36	\$ -	0.00%
TOU - Mid Peak	\$ 0.1220	54	\$ 6.59	\$ 0.1220	54	\$ 6.59	\$ -	0.00%
TOU - On Peak	\$ 0.1610	54	\$ 8.69	\$ 0.1610	54	\$ 8.69	\$ -	0.00%
Total Bill on TOU (before Taxes)			\$ 73.40			\$ 72.29	-\$ 1.12	-1.52%
HST	13%		\$ 9.54	13%		\$ 9.40	-\$ 0.15	-1.52%
Total Bill (including HST)			\$ 82.95			\$ 81.68	-\$ 1.26	-1.52%
<i>Ontario Clean Energy Benefit ¹</i>			-\$ 8.29					
Total Bill on TOU			\$ 74.66			\$ 81.68	\$ 7.03	9.41%

Based on the 10th percentile bill impact being below 10% using the models submitted on August 17th, rate mitigation is not required.

Respectfully submitted,



Margaret Maw

CFO

Lakeland Power Distribution Ltd.