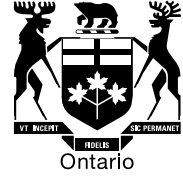


**Ontario Energy
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BY E-MAIL

October 7, 2015

John Pickernell
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Mr. Pickernell:

**Re: Lakeland Power Distribution Ltd.
2016 IRM Distribution Rate Application
Board Staff Interrogatories
Board File No. EB-2015-0086**

In accordance with Procedural Order #1, please find attached OEB Staff interrogatories in the above proceeding. The applicant and the intervenor have been copied on this filing.

Lakeland Power Distribution Ltd. responses to interrogatories are due by October 19, 2015.

Yours truly,

Original Signed By

Kelli Benincasa
Electricity Rates and Accounting

Encl.

**Lakeland Power Distribution Limited
EB-20150086
Board Staff Interrogatories**

Interrogatory #1

Ref: Managers Summary Page 15 - LRAMVA Disposition

On page 13 of the *Filing Requirements for Electricity Distribution Rate Application, Chapter 3*, dated July 16, 2015, the OEB requests the following information in relation to the disposition of the LRAMVA Account 1568.

- *Separate tables for each rate class showing the lost revenue amounts requested by the year they are associated with and the year the lost revenues occurred. Within each rate class table, include a list of all the CDM programs/initiatives applicable to that rate class and provide the energy savings (kWh) and peak demand (kW) savings assigned to those programs/initiatives*
- *Lost revenue calculations, determined by calculating the energy savings by customer class and valuing those energy savings using the distributor's OEB-approved variable distribution charge appropriate to the class*

A) Please provide a table showing the above information.

B) Please provide a table showing the rate rider calculation by rate class.

Interrogatory #2

Ref: Managers Summary Page 15 – LRAMVA Disposition

Please provide the 2012 Final OPA Conservation Program Report. OEB staff is not able to verify the results.

Interrogatory #3

Ref: Managers Summary Page 17 – Shared Tax Savings

Ref: Rate Generator Model Tab 8 – Shared Tax Rate Rider

**Ref: Chapter 3 Filing Requirements for Electricity Distribution Rate Applications
3.2.7 Tax Changes**

Rate Class		Total kWh (most recent RRR filing)	Total kW (most recent RRR filing)	Allocation of Tax Savings by Rate Class	Distribution Rate Rider
RESIDENTIAL SERVICE CLASSIFICATION	kWh	33,132,938		268	0.01 \$/customer
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	kWh	14,826,528		85	0.0000 kWh
GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION	kW	36,459,804	88,680	116	0.0013 kW
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kWh	56,929		3	0.0000 kWh
SENTINEL LIGHTING SERVICE CLASSIFICATION	kW	10,305		0	0.0000 kW
STREET LIGHTING SERVICE CLASSIFICATION	kWh	865,916	2,424	10	0.0000 kWh
Total		85,352,420	91,104	\$481	

OEB staff notes there are insignificant rate riders in several rate classes for the Parry Sound service territory. Please confirm if Lakeland Power wishes to transfer the tax sharing amount to Account 1595 for disposition at a future date due to insignificant rate riders.

Interrogatory #4

Ref: Managers Summary Page 13 – Deferral and Variance Accounts

OEB staff notes in decision EB-2014-0091 Lakeland Power was directed to complete a comprehensive review of its deferral and variance account balances for the Parry Sound Service area. Lakeland Power has indicated in its manager's summary the review is underway. Please provide a date of when this review will be completed.

Interrogatory #5

Ref: Mangers Summary Page 13 – Deferral and Variance Accounts

Lakeland Power has requested disposition of the deferral and variance accounts for the Parry Sound service territory excluding accounts 1588 RSVA – Power (excluding global adjustment) and 1589 RSVA – Global Adjustment. OEB staff notes that Chapter 3 filing requirements state “distributors must include Group 1 balances as of December 31, 2014 to determine if the threshold has been exceeded. A continuity schedule, found on sheet 3 of the rate generator, must be completed as part of the application.” Please explain the rationale for requesting the disposition of the remainder of the accounts before the review is complete.

Interrogatory #6

Ref: Mangers Summary Page 10 - 11 – Rate Design Changes

Ref: Rate Generator Model Tab 15 – Rev2Cost_GDPIPI

Please confirm that if the number of years to transition to the new rate design was changed to 4 years, the impact would be \$4.43.

Interrogatory #7

Ref: Mangers Summary Page 10 - 11 – Rate Design Changes

Lakeland Power has proposed a 4 year rate design transition for the Lakeland Power service territory and a 5 year rate design transition for the Parry Sound service territory.

OEB staff is concerned that this could cause complications if Lakeland Power were to harmonize rates, within the next 5 years.

- A) Please confirm the last time Lakeland Power rebased was 2013 EB-2012-0145.
- B) When does Lakeland Power expect to file its next Cost of Service application?
- C) When Lakeland Power does file its next Cost of Service application, will Lakeland be proposing rate harmonization with the Parry Sound service territory?
- D) Would Lakeland Power be opposed to extending the Lakeland Power service territory rate design transition years to 5 years, if Lakeland plans to harmonize its rates in the next 5 years?

Interrogatory #8

Ref: Mangers Summary Page 10 - 11 – Rate Design Changes

Ref: Rate Generator Model Tab 18 – Bill Impacts

**Ref: Chapter 3 Filing Requirements for Electricity Distribution Rate Applications
3.2.3 Rate Design for Residential Electricity Customers**

Chapter 3 section 3.2.3 states “The OEB has established that, when assessing the combined effects of the shift to fixed rates and other bill impacts associated with changes in the cost of distribution service, a utility shall evaluate total bill impact for a residential customer at the distributor’s 10th consumption percentile.”

- A) Please confirm the RPP residential bill impacts at the 10th percentile for Parry Sounds Service Territory are 1.59%. ((Sub-Total C – Delivery \$ change/Total Bill on TOU (before taxes))

Customer Class:	RESIDENTIAL SERVICE CLASSIFICATION							
RPP / Non-RPP:	RPP							
Consumption	300	kWh						
Demand	-	kW						
Current Loss Factor	1.0809							
Proposed/Approved Loss Factor	1.0809							
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	\$ 26.52	1	\$ 26.52	\$ 4.02	17.87%
Distribution Volumetric Rate	\$ 0.0179	300	\$ 5.37	\$ 0.0146	300	\$ 4.38	-\$ 0.99	-18.44%
Fixed Rate Riders	\$ 4.11	1	\$ 4.11	\$ 4.12	1	\$ 4.12	\$ 0.01	0.24%
Volumetric Rate Riders	\$ -	300	\$ -	\$ -	300	\$ -	\$ -	-
Sub-Total A (excluding pass through)			\$ 31.98			\$ 35.02	\$ 3.04	9.51%
Line Losses on Cost of Power	\$ 0.1021	24	\$ 2.48	\$ 0.1021	24	\$ 2.48	\$ -	0.00%
Total Deferral/Variance Account Rate Riders	\$ -	300	\$ -	-\$ 0.0032	300	-\$ 0.96	-\$ 0.96	-
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)			\$ 35.58			\$ 37.66	\$ 2.08	5.85%
RTSR - Network	\$ 0.0061	324	\$ 1.98	\$ 0.0043	324	\$ 1.39	-\$ 0.58	-29.51%
RTSR - Connection and/or Line and Transformation Connection	\$ 0.0043	324	\$ 1.39	\$ 0.0033	324	\$ 1.07	-\$ 0.32	-23.26%
Sub-Total C - Delivery (including Sub-Total B)			\$ 38.95			\$ 40.12	\$ 1.17	3.01%
Wholesale Market Service Charge (WMSC)	\$ 0.0044	324	\$ 1.43	\$ 0.0044	324	\$ 1.43	\$ -	0.00%
Rural and Remote Rate Protection (RRRP)	\$ 0.0013	324	\$ 0.42	\$ 0.0013	324	\$ 0.42	\$ -	0.00%
Standard Supply Service Charge	\$ 0.2500	1	\$ 0.25	\$ 0.25	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	\$ 0.0070	300	\$ 2.10	\$ -	300	\$ -	-\$ 2.10	-100.00%
Ontario Electricity Support Program (OESP)				\$ -	324	\$ -	\$ -	-
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)			\$ 73.79			\$ 72.86	-\$ 0.93	-1.26%
HST		13%	\$ 9.59		13%	\$ 9.47	-\$ 0.12	-1.26%
Total Bill (including HST)			\$ 83.38			\$ 82.34	-\$ 1.05	-1.26%
Ontario Clean Energy Benefit ¹			-\$ 8.34			\$ -	\$ -	-
Total Bill on TOU			\$ 75.04			\$ 82.34	\$ 7.29	9.72%

B) Please confirm the Non-RPP residential bill impacts at the 10th percentile for Parry Sounds Service Territory are 1.63%. ((Sub-Total C – Delivery \$ change)\Total Bill on TOU (before taxes))

Customer Class:	RESIDENTIAL SERVICE CLASSIFICATION	
RPP / Non-RPP:	Non-RPP (Retailer)	
Consumption	300	kWh
Demand	-	kW
Current Loss Factor	1.0809	
Proposed/Approved Loss Factor	1.0809	
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	\$ 26.52	1	\$ 26.52	\$ 4.02	17.87%
Distribution Volumetric Rate	\$ 0.0179	300	\$ 5.37	\$ 0.0146	300	\$ 4.38	-\$ 0.99	-18.44%
Fixed Rate Riders	\$ 4.11	1	\$ 4.11	\$ 4.12	1	\$ 4.12	\$ 0.01	0.24%
Volumetric Rate Riders	\$ -	300	\$ -	\$ -	300	\$ -	\$ -	-
Sub-Total A (excluding pass through)			\$ 31.98			\$ 35.02	\$ 3.04	9.51%
Line Losses on Cost of Power	\$ 0.0954	24	\$ 2.32	\$ 0.0954	24	\$ 2.32	\$ -	0.00%
Total Deferral/Variance Account Rate Riders	\$ -	300	\$ -	-\$ 0.0032	300	\$ 0.96	-\$ 0.96	-
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)			\$ 35.42			\$ 37.50	\$ 2.08	5.87%
RTSR - Network	\$ 0.0061	324	\$ 1.98	\$ 0.0043	324	\$ 1.39	-\$ 0.58	-29.51%
RTSR - Connection and/or Line and Transformation Connection	\$ 0.0043	324	\$ 1.39	\$ 0.0033	324	\$ 1.07	-\$ 0.32	-23.26%
Sub-Total C - Delivery (including Sub-Total B)			\$ 38.79			\$ 39.96	\$ 1.17	3.02%
Wholesale Market Service Charge (WMSC)	\$ 0.0044	324	\$ 1.43	\$ 0.0044	324	\$ 1.43	\$ -	0.00%
Rural and Remote Rate Protection (RRRP)	\$ 0.0013	324	\$ 0.42	\$ 0.0013	324	\$ 0.42	\$ -	0.00%
Standard Supply Service Charge	\$ 0.2500	1	\$ 0.25	\$ 0.25	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	\$ 0.0070	300	\$ 2.10	\$ -	300	\$ -	-\$ 2.10	-100.00%
Ontario Electricity Support Program (OESP)			\$ -	\$ -	324	\$ -	\$ -	-
Non-RPP Retailer Avg. Price	\$ 0.0954	300	\$ 28.62	\$ 0.0954	300	\$ 28.62	\$ -	0.00%
Total Bill on Non-RPP Avg. Price			\$ 71.61			\$ 70.68	-\$ 0.93	-1.30%
HST	13%		\$ 9.31	13%		\$ 9.19	-\$ 0.12	-1.30%
Total Bill (including HST)			\$ 80.91			\$ 79.87	-\$ 1.05	-1.30%
Ontario Clean Energy Benefit ¹			-\$ 8.09					
Total Bill on Non-RPP Avg. Price			\$ 72.82			\$ 79.87	\$ 7.04	9.67%

C) Please confirm the RPP residential bill impacts at the 10th percentile for Lakeland Power Service Territory are 2.29%. ((Sub-Total C – Delivery \$ change/Total Bill on TOU (before taxes))

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	\$ 23.66	1	\$ 23.66	\$ 3.43	16.96%
Distribution Volumetric Rate	\$ 0.0148	300	\$ 4.44	\$ 0.0113	300	\$ 3.39	-\$ 1.05	-23.65%
Fixed Rate Riders	\$ -	1	\$ -	\$ 0.17	1	\$ 0.17	\$ 0.17	
Volumetric Rate Riders	\$ -	300	\$ -	\$ 0.0001	300	\$ 0.03	\$ 0.03	
Sub-Total A (excluding pass through)			\$ 24.67			\$ 27.25	\$ 2.58	10.46%
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	-\$ 1.08	-\$ 1.08	
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			\$ 30.26	\$ 1.50	5.22%
RTSR - Network	\$ 0.0059	322	\$ 1.90	\$ 0.0057	322	\$ 1.84	-\$ 0.06	-3.39%
RTSR - Connection and/or Line and Transformation Connection	\$ 0.0042	322	\$ 1.35	\$ 0.0045	322	\$ 1.45	\$ 0.10	7.14%
Sub-Total C - Delivery (including Sub-Total B)			\$ 32.01			\$ 33.54	\$ 1.53	4.79%
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	\$ 0.25	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	\$ 0.0070	300	\$ 2.10	\$ -	300	\$ -	-\$ 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)			\$ 66.84			\$ 66.27	-\$ 0.57	-0.85%
HST		13%	\$ 8.69		13%	\$ 8.62	-\$ 0.07	-0.85%
Total Bill (including HST)			\$ 75.53			\$ 74.89	-\$ 0.64	-0.85%
Ontario Clean Energy Benefit ¹			-\$ 7.55					
Total Bill on TOU			\$ 67.98			\$ 74.89	\$ 6.91	10.16%

D) Please confirm the Non-RPP residential bill impacts at the 10th percentile for Lakeland Power Service Territory are 5.61%. ((Sub-Total C – Delivery \$ change/Total Bill on TOU (before taxes))

Customer Class:	RESIDENTIAL SERVICE CLASSIFICATION	
RPP / Non-RPP:	Non-RPP (Retailer)	
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	\$ 23.66	1	\$ 23.66	\$ 3.43	16.96%
Distribution Volumetric Rate	\$ 0.0148	300	\$ 4.44	\$ 0.0113	300	\$ 3.39	-\$ 1.05	-23.65%
Fixed Rate Riders	\$ -	1	\$ -	\$ 0.17	1	\$ 0.17	\$ 0.17	
Volumetric Rate Riders	\$ -	300	\$ -	\$ 0.0001	300	\$ 0.03	\$ 0.03	
Sub-Total A (excluding pass through)			\$ 24.67			\$ 27.25	\$ 2.58	10.46%
Line Losses on Cost of Power	\$ 0.0954	22	\$ 2.13	\$ 0.0954	22	\$ 2.13	\$ -	0.00%
Total Deferral/Variance Account Rate Riders	\$ -	300	\$ -	\$ 0.0034	300	\$ 1.02	\$ 1.02	
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)			\$ 28.61			\$ 32.21	\$ 3.60	12.58%
RTSR - Network	\$ 0.0059	322	\$ 1.90	\$ 0.0057	322	\$ 1.84	-\$ 0.06	-3.39%
RTSR - Connection and/or Line and Transformation Connection	\$ 0.0042	322	\$ 1.35	\$ 0.0045	322	\$ 1.45	\$ 0.10	7.14%
Sub-Total C - Delivery (including Sub-Total B)			\$ 31.86			\$ 35.49	\$ 3.63	11.40%
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	\$ 0.25	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	\$ 0.0070	300	\$ 2.10	\$ -	300	\$ -	-\$ 2.10	-100.00%
Ontario Electricity Support Program (OESP)				\$ -	322	\$ -	\$ -	
Non-RPP Retailer Avg. Price	\$ 0.0954	300	\$ 28.62	\$ 0.0954	300	\$ 28.62	\$ -	0.00%
Total Bill on Non-RPP Avg. Price			\$ 64.67			\$ 66.20	\$ 1.53	2.37%
HST	13%		\$ 8.41	13%		\$ 8.61	\$ 0.20	2.37%
Total Bill (including HST)			\$ 73.08			\$ 74.81	\$ 1.73	2.37%
<i>Ontario Clean Energy Benefit ¹</i>			-\$ 7.31					
Total Bill on Non-RPP Avg. Price			\$ 65.77			\$ 74.81	\$ 9.04	13.75%

Interrogatory #8

Ref: Chapter 3 Filing Requirements for Electricity Distribution Rate Applications 3.2.5.2 Global Adjustment

Chapter 3 section 3.2.5.2 of the filing requirements states “As a new addition for 2016 applications, a distributor must now provide a description of its settlement process with the IESO or host distributor. It must specify the GA rate it uses when billing its customers (1st estimate, 2nd estimate or actual) for each rate class, itemize its process for providing consumption estimates to the IESO, and describe the true-up process to reconcile estimates of RPP and non-RPP consumption once actuals are known. The description should detail the distributor’s method for estimating RPP and non-RPP consumption, as well as its treatment of embedded generation or any embedded distribution customers. Distributors are reminded that they are expected to use accrual accounting.”

Please provide the description as indicated above for settling the GA with the IESO.