LakelandPower_LogoNew

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December 06, 2016

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)**

**2017 IRM4 Electricity Distribution Rate Application,**

**OEB File No. EB-2016-0090**

Dear Ms. K. Walli:

After considerable discussion on the findings regarding Group 1 Deferral and Variance account balances for The Parry Sound Service Area, Lakeland would like to offer an alternative solution. Lakeland agrees that $65,112.46 pertains to years that have been previously disposed of.

To that end, Lakeland would like to suggest that it return the $65,112.46 overpaid by customers to those same customers within the Group 1 account rate rider and not collect the $65,112.46 underpaid by customers. Although Lakeland would prefer a 12 month rate rider for the Group 1 accounts as it will be entering a 2018 Cost of Service including rate harmonization, in order to mitigate the bill impact, the rate rider would be over 24 months. Lakeland would also like to suggest that the rate riders be interim ones and that during the 2018 Cost of Service these accounts would be disposed of on a final basis.

Respectfully Submitted,



Margaret Maw

Chief Financial Officer

Lakeland Power Distribution Ltd.