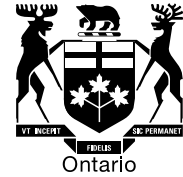


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**BY E-MAIL**

December 21, 2016

Board Secretary  
Ontario Energy Board  
2300 Yonge Street, Ste. 2701  
Toronto ON M4P 1E4

Dear Ms. Walli:

**Re: Lakefront Utilities Inc. (Lakefront Utilities)  
2017 Distribution Rates Application  
OEB File Number EB-2016-0089  
OEB staff comments on Lakefront Utilities Draft Rate Order**

As directed by the Ontario Energy Board (OEB) in its December 8, 2016 Decision and Order, Lakefront Utilities filed its draft rate order on December 15, 2016. Intervenors and OEB staff were provided the opportunity to comment on the draft rate order by December 22, 2016.

OEB staff has reviewed the draft rate order as filed and is satisfied that Lakefront Utilities has appropriately reflected the OEB Decision and Order in determining its distribution rates with an implementation date of January 1, 2017. However, OEB staff makes the following comments:

- The 2017 test year capital expenditures on Tab 2-AA Capital Projects and Tab 2-AB Capital Expenditures of the Chapter 2 Appendices do not correspond to the "Decision and Order" column of Table 2 in the Draft Rate Order. OEB staff notes that the figures for system renewal and general plant do not match. OEB staff requests that in its reply submission, Lakefront Utilities reconcile the figures.
- The 2017 test year Administration and General expenses in Table 4 and Table 6 of the Draft Rate Order does not match Tab 2-JA OM&A\_Summary\_Analysis of the Chapter 2 Appendices. OEB staff requests that in its reply submission, Lakefront Utilities reconcile the figures.

## Tariff of Rates and Charges

OEB staff has reviewed the tariff of rates and charges attached to the draft rate order and confirms that the rates correspond to the applicable models filed by Lakefront Utilities.

The OEB has determined<sup>1</sup> that the RRRP charge for 2017 shall be \$0.0021 per kWh. The WMS rate used by rate-regulated distributors to bill their Class A customers shall continue to be \$0.0032 per kWh. For Class B customers a CBR component of \$0.0004 per kWh is added to the WMS rate for a total of \$0.0036 per kWh. The OESP on-bill rate assistance credits to low income electricity customers remain unchanged; in addition, the OESP charge will remain the same at \$0.0011 per kWh<sup>2</sup>.

These changes are effective January 1, 2017 for all distributors as a result of the generic orders that were part of the OEB's separate decisions. Lakefront Utilities' tariff of rates and charges must be updated for these changes. OEB staff will work with Lakefront Utilities to make these corrections to the final corrected tariffs to be provided with its reply comments.

Yours truly,

*Original signed by*

Georgette Vlahos  
Ontario Energy Board staff

cc: All Parties to EB-2016-0089

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<sup>1</sup> Decision and Rate Order, EB-2016-0362, December 15, 2016

<sup>2</sup> Decision and Rate Order, EB-2016-0376, December 21, 2016