



EB-2018-0049

Lakefront Utilities Inc.

**Application for electricity distribution rates and standby
charges effective January 1, 2019**

PROCEDURAL ORDER NO. 1

October 22, 2018

Lakefront Utilites Inc. (Lakefront Utilities) filed an incentive rate-setting mechanism (IRM) application with the Ontario Energy Board (OEB) on August 13, 2018 under section 78 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, (Schedule B) seeking approval for changes to its electricity distribution rates to be effective January 1, 2019.

Lakefront Utilities' application included a request to establish a standby charge for specific classes of customers that install load displacement generation and require the electricity distributor to provide reserve capacity to back up their generation facilities.

The OEB issued a Notice of Hearing on September 5, 2018. On September 14, 2018, the OEB directed Lakefront Utilities to serve the Notice of Hearing on the two General Service customers who are currently in discussion with Lakefront Utilities regarding combined heat and power projects and may be affected by the standby charges proposed in Lakefront Utilities' rate application. Each of ECNG Energy L.P. (ECNG), Northumberland Hills Hospital (NHH), and Vulnerable Energy Consumers Coalition (VECC) applied for intervenor status. NHH and VECC also applied for cost eligibility in relation to Lakefront Utilities' request for class specific standby charges. No objection was received.

ECNG, NHH, and VECC are granted intervenor status. NHH and VECC are eligible to apply for an award of costs under the OEB's *Practice Direction on Cost Awards* and only in relation to Lakefront Utilities' request for standby charges.

The list of parties in this proceeding is attached as Schedule A to this procedural order.

Parties are reminded to consult sections 26 and 27 of the OEB's *Rules of Practice and Procedure* regarding required naming and numbering conventions and other matters related to interrogatories.

Threshold Question

Lakefront Utilities is requesting approval to establish class specific standby charges. Prior to proceeding to hear Lakefront Utilities' IRM application, the OEB will first make a determination on the following preliminary question:

"Should the OEB consider Lakefront Utilities' request for standby charges in an IRM application?"

An electricity distributor may choose one of three IRM methodologies approved by the OEB. Each of these is explained in the OEB's *Chapter 3 Filing Requirements for Incentive Rate-Setting Applications*. Lakefront Utilities' IRM application is based on a Price Cap Incentive Rate-setting option with a five-year term.

The OEB will consider the parties' submissions on the preliminary question. Further procedural steps will be communicated once the OEB makes a determination on the preliminary question.

It is necessary to make provision for the following matters related to this proceeding. The OEB may issue further procedural orders from time to time.

IT IS THEREFORE ORDERED THAT:

1. Lakefront Utilities shall file its written submission on the preliminary question with the OEB and deliver it to all other parties by **October 29, 2018**.
2. OEB staff and intervenors wishing to file a written submission on the preliminary question shall file it with the OEB and deliver it to all other parties by **November 2, 2018**.
3. Lakefront Utilities may file a written reply submission with the OEB and deliver it to all other parties by **November 7, 2018**.

All filings to the OEB must quote the file number, EB-2018-0049 and be made electronically in searchable/unrestricted PDF format through the OEB's web portal at <https://pes.ontarioenergyboard.ca/eservice/>. Two paper copies must also be filed at the OEB's address provided below. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at <http://www.oeb.ca/OEB/Industry>. If the web portal is not available parties may email their documents to the address below. Those who do not have internet access are required to submit all filings on a CD in PDF format, along with two paper copies. Those who do not have computer access are required to file 7 paper copies.

All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:45 p.m. on the required date.

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Vince Mazzone at Vince.Mazzone@oeb.ca and OEB Counsel, Richard Lanni at Richard.Lanni@oeb.ca.

ADDRESS

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Tel: 1-888-632-6273 (Toll free)
Fax: 416-440-7656

DATED at Toronto, **October 22, 2018**

ONTARIO ENERGY BOARD

By delegation, before: Rudra Mukherji

Original signed by

Rudra Mukherji
Acting Manager, Registrar

Schedule A
To
Procedural Order No. 1
Lakefront Utilities Inc.
EB-2018-0049
Applicant and List of Intervenor
October 22, 2018

**Lakefront Utilities Inc.
EB-2018-0049**

APPLICANT & LIST OF INTERVENORS

October 22, 2018

APPLICANT

Rep. and Address for Service

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INTERVENORS

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**Northumberland Hills
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APPLICANT & LIST OF INTERVENORS

October 22, 2018

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October 22, 2018

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**Vulnerable Energy
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