



**Lakefront Utilities Inc.**

**Application for electricity distribution rates and other  
charges beginning January 1, 2022**

**Decision on Issues List  
June 30, 2021**

Lakefront Utilities Inc. filed a cost of service application with the Ontario Energy Board (OEB) on April 30, 2021 under section 78 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, (Schedule B). Lakefront Utilities is seeking approval to change the rates that it charges for electricity distribution, beginning January 1, 2022. The OEB approved Cobourg Taxpayers Association, Energy Probe Research Foundation, Northumberland Hills Hospital, School Energy Coalition and The Vulnerable Energy Consumers Coalition as intervenors in this proceeding. The OEB also made a provision for Lakefront Utilities, intervenors and OEB staff (parties) to develop a proposed issues list for the OEB's consideration.

On June 25, 2021 OEB staff filed a proposed issues list which was supported by all parties. OEB staff advised the OEB that parties may wish to propose additional matters for inclusion on the Issues List after the interrogatory responses from Lakefront Utilities are received.

**Findings**

The OEB has reviewed the proposed issues list and approves it for the purposes of this proceeding. The OEB may update the approved Issues List as necessary.

**THE ONTARIO ENERGY BOARD ORDERS THAT:**

1. The Issues List attached to this Decision as Schedule A is approved for this proceeding.

**DATED** at Toronto, **June 30, 2021**

**ONTARIO ENERGY BOARD**

*Original signed by*

Christine E. Long  
Registrar

**Schedule A**

**Lakefront Utilities Inc.**

**EB-2021-0039**

**Approved Issues List**

**June 30, 2021**

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**APPROVED ISSUES LIST**  
**EB-2021-0039**  
**Lakefront Utilities Inc. (Lakefront Utilities)**

## **1.0 PLANNING**

### **1.1 Capital**

Is the level of planned capital expenditures appropriate and is the rationale for planning and pacing choices appropriate and adequately explained, giving due consideration to:

- customer feedback and preferences
- productivity
- benchmarking of costs
- reliability and service quality
- impact on distribution rates
- investment in non-wires alternatives, including distributed energy resources, where appropriate
- trade-offs with OM&A spending
- government-mandated obligations
- the objectives of Lakefront Utilities and its customers
- the distribution system plan
- the business plan

### **1.2 OM&A**

Is the level of planned OM&A expenditures appropriate and is the rationale for planning choices appropriate and adequately explained, giving due consideration to:

- customer feedback and preferences
- productivity
- benchmarking of costs
- reliability and service quality
- impact on distribution rates
- trade-offs with capital spending
- government-mandated obligations
- the objectives of Lakefront Utilities and its customers
- the distribution system plan
- the business plan

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## 2.0 REVENUE REQUIREMENT

- 2.1 Are all elements of the revenue requirement reasonable, and have they been appropriately determined in accordance with OEB policies and practices?
- rate base
  - utility income
  - taxes/PILS
  - capitalization/cost of capital
- 2.2 Has the revenue requirement been accurately determined based on these elements?
- 2.3 Is the proposed shared services cost allocation methodology and the quantum appropriate?

## 3.0 LOAD FORECAST, COST ALLOCATION AND RATE DESIGN

- 3.1 Are the proposed load and customer forecast, loss factors, conservation and demand management adjustments and resulting billing determinants appropriate, and, to the extent applicable, are they an appropriate reflection of the energy and demand requirements of Lakefront Utilities' customers?
- 3.2 Are the proposed cost allocation methodology, allocations, and revenue-to-cost ratios, appropriate?
- 3.3 Are Lakefront Utilities' proposals, including the proposed fixed/variable splits, for rate design appropriate?
- 3.4 Are the proposed standby charges for customers in the General Service (GS) 50 to 2,999 kW or GS 3,000 to 4,999 kW classes who have load displacement generation or storage that require LUI to provide a backup service appropriate?
- 3.5 Are the proposed Low Voltage Charges and Retail Transmission Service Rates appropriate?
- 3.6 Are the Retail Service Charges and Pole Attachment Charge appropriate?
- 3.7 Are the existing Specific Service Charges, the proposed Specific Service Charge for customers requiring a printed bill and the proposed Specific Service Charge for a duplicate invoice appropriate?
- 3.8 Are rate mitigation proposals required for any rate classes?

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**4.0 ACCOUNTING**

- 4.1** Have all impacts of any changes in accounting standards, policies, estimates and adjustments been properly identified and recorded, and is the rate-making treatment of each of these impacts appropriate?
- 4.2** Are Lakefront Utilities' proposals for deferral and variance accounts, including the balances in the existing accounts and their disposition, requests for discontinuation of accounts, and the continuation of existing accounts, appropriate?

**5.0 OTHER**

- 5.1** Is the proposed effective date (i.e. January 1, 2022) for 2022 rates appropriate?
- 5.2** Has Lakefront Utilities responded appropriately to the requirement to submit an Asset Condition Assessment as outlined in the approved EB-2016-0089 settlement proposal?
- 5.3** Is the proposed method of addressing the impact of COVID-19 on Lakefront Utilities' operations for 2022 rates appropriate?