Ontario Energy Board | Commission de l'énergie de l'Ontario

DECISION AND ORDER

EB-2021-0039

LAKEFRONT UTILITIES INC.

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

BEFORE: Pankaj Sardana
Presiding Commissioner

Allison Duff
Commissioner

David Sword
Commissioner

October 28, 2021

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1 OVERVIEW

This is a Decision and Rate Order of the Ontario Energy Board (OEB) on an application filed by Lakefront Utilities Inc. (Lakefront Utilities) for approval to change its electricity distribution rates to be effective January 1, 2022.

Lakefront Utilities asked the OEB to approve its rates for five years using the Price Cap Incentive rate-setting (Price Cap IR) option. The Price Cap IR option involves the setting of rates through a cost of service application in the first year. Lakefront Utilities can apply to have its rates adjusted mechanistically in each of the years 2023-2026 based on inflation and the OEB's assessment of Lakefront Utilities' efficiency.

Lakefront Utilities provides electricity distribution services to approximately 10,000 residential, commercial, streetlight and unmetered scattered load customers in the Town of Cobourg and Village of Colborne.

Lakefront Utilities filed a settlement proposal on September 17, 2021. OEB staff filed its submissions, supporting the settlement proposal except for the proposal to dispose of the balance in Account 1550, a low voltage variance account. OEB staff took issue with the calculation of the balance. Lakefront Utilities filed a revised settlement proposal on October 22, 2021 which reflected an updated calculation of the Account 1550 balance. On October 25, OEB staff filed a letter indicating that the revised settlement proposal addressed its previous concerns.

Having considered the revised settlement proposal and submissions of OEB staff, the OEB hereby approves the revised settlement proposal as filed. This will result in total bill increases of $4.96 or 4.43% per month for the typical residential customer consuming 750 kWh per month. This compares to a proposed increase of $7.57 or 6.76% per month in the application.

2 THE PROCESS

Lakefront Utilities filed its application on April 30, 2021. The OEB issued a Notice of hearing on May 14, 2021, inviting parties to apply for intervenor status. The Cobourg Taxpayers Association, Energy Probe Research Foundation, Northumberland Hills Hospital, School Energy Coalition and Vulnerable Energy Consumers Coalition were granted intervenor status and cost award elicitability. Energy Probe Research Foundation and Northumberland Hills Hospital only participated on the issue of standby charges.

The OEB received one letter of comment which was placed on the record of this proceeding and taken into consideration during the OEB's evaluation of this application.

The OEB issued Procedural Order No. 1 on June 18, 2021. This order established, among other things, the timetable for a written interrogatory discovery process and a settlement conference.

The OEB issued its approved Issues List on June 30, 2021. Lakefront Utilities responded to the interrogatories submitted by OEB staff and the intervenors on July 30, 2021.

A settlement conference was held on August 9 and 10, 2021, which was attended by Lakefront Utilities and intervenors in this proceeding (the Parties). OEB staff also attended the conference but was not a party to the settlement proposal. On September 17, 2021, Lakefront Utilities filed a settlement proposal, which represented a complete settlement on all issues.

OEB staff filed its submission on the settlement proposal on September 23, 2021[1], which supported the settlement agreement yet proposed revisions to the calculation of the balance in Account 1550.

Lakefront Utilities conferred with the parties to the original settlement proposal and filed a revised settlement proposal on October 22, 2021 which confirmed and accepted OEB staff's revisions to the balance in Account 1550 for disposition.

[1] OEB Staff filed a revised submission on September 24, 2021

3 DECISION

3.1 Settlement Proposal

The settlement proposal addressed all issues on the OEB's approved Issues List for this proceeding and represented the Parties' full settlement on all the issues. The settlement proposal contained further explanation and rationale on specific issues for the OEB to consider.

Key features of the settlement proposal include:

- Acceptance of the proposed gross capital budget of $1.96 million.
- Acceptance of the proposed OM&A budget of $2.83 million.
- A base revenue requirement of $4.73 million and total revenue requirement of $5.16 million.
- Withdrawal of the proposal for additional specific service charges for customers requiring printed bills and for customers requesting a duplicate invoice. The elimination of these charges does not lower Lakefront's Other Distribution Revenue Account nor increase the revenue requirement.
- Withdrawal of the proposal for standby charges for customers with load displacement generation or storage that require Lakefront Utilities to provide backup service.
- Load forecast of 238 GWh, 333 MW and 14,153 customers and connections.
- Disposition of Group 1 and Group 2 deferral and variance account balances as of December 31, 2020 over 2 years with the following exceptions:
    - Account *1509 Impacts Arising from the COVID-19 Emergency* is not included for disposition.
    - Accounts *1588 RSVA Power* and *1589 Global Adjustment* are being audited by OEB staff and the balances are not included for disposition in this proceeding.
    - Account *1550 LV Variance Account* will be divided into two accounts and recovered by Lakefront Utilities as follows.
        - Balances of $1.29 million from prior to 2017 will be recovered over 2 years as with the other Group 1 and Group 2 accounts.
        - A new rate rider will be created to recover the principal only of $1.44 million from the underestimate of LV rates from 2017-2021 (which includes a 2021 forecast) over 5 years. Lakefront Utilities

will forgo the interest in the account of $65,584 and forgo carrying charges on the underestimated amount during the recovery period.

- Increase available LEAP funding to $10,000 annually without increasing revenue requirement.

Findings

The OEB accepts the revised settlement proposal finding it represents a reasonable outcome for ratepayers and will result in just and reasonable rates. The approved settlement proposal is attached as Schedule A.

The OEB agrees that it is appropriate for Lakefront Utilities to update certain service fees based on the OEB-approved inflation rate for 2022 after the OEB's decision is issued.

The OEB also agrees that it is appropriate to defer disposition of the balances in Accounts 1509, 1588 and 1589. Lakefront Utilities has the option to propose disposition of these accounts during its Price Cap IR term. All other Group 1 and Group 2 deferral and variance included in the revised settlement proposal are approved for disposition on a final basis.

4 IMPLEMENTATION

The approved effective date for new rates is January 1, 2022.

The revised settlement proposal included a draft Tariff of Rates and Charges as Appendix A which is based in part on the OEB's currently approved 2021 cost of capital parameters and Regulated Price Plan pricing. The settlement proposal acknowledged that these items would be subject to adjustments that may be required based on the outcome of pending OEB decisions.[2]

Certain Service Charges are subject to annual inflationary adjustments to be determined by the OEB through a generic order.[3] The 2022 generic orders for these items have not yet been issued by the OEB. Lakefront Utilities will update the applicable charges when the inflation parameters for 2022 rate applications are issued by the OEB.

Lakefront Utilities shall file a draft rate order with detailed supporting material showing the impact of any required adjustments related to the approved 2022 cost of capital parameters, Regulated Price Plan pricing and approved 2021 inflation rate. Lakefront will update the charges for the 2022 inflation rate when it is released by the OEB. The OEB will review the draft rate order and issue a final rate order.

If a rate order is not approved in time for Lakefront Utilities to implement new rates for January 1, 2022, the OEB declares Lakefront Utilities' current 2021 distribution rates and charges interim as of January 1, 2022 until such time as 2022 rates and charges are approved by the OEB.

The intervenors are eligible to apply for cost awards in this proceeding. The OEB has made provision in this Decision and Rate Order for these intervenors to file their cost claims. The OEB will issue its cost awards decision after the steps outlined in the following Order section are completed.

[2] EB-2021-0039, Settlement Proposal, October 22, 2021, Page 26.
[3] The Decision and Order EB-2020-0285, issued December 3, 2020 established the adjustment for energy retailer service charges, effective January 1, 2021; and the Order in EB-2020-0288, issued December 10, 2020, set the Wireline Pole Attachment Charge for January 1, 2021 on an interim basis.

5 ORDER

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. If a rate order is not approved in time for Lakefront Utilities Inc. to implement rates for January 1, 2022, Lakefront Utilities Inc.'s current Tariff of Rates and Charges are declared interim as of January 1, 2022 and until such time as a final rate order is issued by the OEB.

2. Lakefront Utilities Inc. shall file with the OEB and forward to intervenors a draft rate order with a proposed Tariff of Rates and Charges by **November 4, 2021**. Lakefront Utilities Inc. shall also include customer rate impacts and detailed information in support of the calculation of final rates in the draft rate order.

3. Intervenors and OEB Staff may file any comments on the draft Rate Order with the OEB, and forward to all parties by **November 11, 2021**.

4. Lakefront Utilities Inc. may file with the OEB and forward to intervenors, responses to any comments on its draft Rate Order by **November 18, 2021**.

5. Intervenors shall submit their cost claims to the OEB and forward a copy to Lakefront Utilities Inc. by **November 25, 2021**.

6. Lakefront Utilities Inc. shall file with the OEB and forward to intervenors any objections to the claimed costs by **December 6, 2021**.

7. Intervenors to which Lakefront Utilities Inc. filed an objection to their claimed costs, shall file with the OEB and forward to Lakefront Utilities Inc. any responses to any objections for cost claims by **December 13, 2021**.

8. Lakefront Utilities Inc. shall pay the OEB's costs incidental to this proceeding upon receipt of the OEB's invoice.

Parties are responsible for ensuring that any documents they file with the OEB, such as applicant and intervenor evidence, interrogatories and responses to interrogatories or any other type of document, **do not include personal information** (as that phrase is defined in the *Freedom of Information and Protection of Privacy Act*), unless filed in accordance with rule 9A of the OEB's Rules of Practice and Procedure.

Please quote file number, **EB-2021-0039,** for all materials filed and submit them in searchable/unrestricted PDF format with a digital signature through the OEB's online filing portal.

- Filings should clearly state the sender's name, postal address, telephone number and e-mail address
- Please use the document naming conventions and document submission standards outlined in the Regulatory Electronic Submission System (RESS) Document Guidelines found at the Filing Systems page on the OEB's website
- Parties are encouraged to use RESS. Those who have not yet set up an account, or require assistance using the online filing portal can contact registrar@oeb.ca for assistance

All communications should be directed to the attention of the Registrar at the address below and be received by end of business, 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, Margaret DeFazio at Margaret.DeFazio@oeb.ca and OEB Counsel, Ljuba Djurdjevic at Luba.Djurdjevic@oeb.ca.

Email: registrar@oeb.ca
Tel: 1-877-632-2727 (Toll free)

DATED at Toronto October 28, 2021

ONTARIO ENERGY BOARD

Original Signed By

Christine E. Long
Registrar

SCHEDULE A

DECISION AND ORDER

REVISED SETTLEMENT PROPOSAL

LAKEFRONT UTILITIES INC.

EB-2021-0039

OCTOBER 28, 2021

Lakefront Utilities Inc.

October 22, 2021

Ontario Energy Board
P.O. Box 2319 27th Floor
2300 Yonge Street
Toronto, Ontario M4P 1E4

Regarding: Settlement Proposal – EB-2021-0039 version 2.0

On September 24, 2021 the Ontario Energy Board (OEB) issued a letter to the Parties following a review of the Settlement Proposal as filed on September 17, 2021. Attached is an amended Settlement Proposal (version 2.0) that addresses the concerns noted in the OEB's letter of September 24, 2021, specifically to the balance recorded in Account 1550, with those amendments being detailed in full under issue 4.2.

In the original Settlement Proposal LUI included an incorrect total claim in Account 1550 of $1,003,075. The revised Settlement Proposal updates the remaining balance in Account 1550 to the correct figure of $1,294,772, as detailed in the September 24, 2021 OEB Staff Submission.

The rest of this Settlement Proposal remains as filed on September 17, 2021, other than the updating of the bill impacts referenced in the Settlement Proposal to reflect the updated balance in Account 1550.

Filed concurrently with the amended Settlement Proposal is updated supporting evidence namely the DVA Continuity Schedule, Bill Impact Model, and the Proposed Tariff Sheet. Should the board have questions regarding this matter please contact Adam Giddings at agiddings@lusi.on.ca or Dereck Paul at dpaul@lusi.on.ca

Respectfully Submitted,

Dereck Paul
President and CEO
Lakefront Utilities Inc.

Cc:

Applicant's Counsel:	Michael Buonaguro
Applicant's Rate Consultant:	Manuela Ris-Schofield
School Energy Coalition:	Ted Doherty and Jay Shepherd
Vulnerable Energy Consumers Coalition:	John Lawford, Mark Garner, and Bill Harper
Northumberland Hills Hospital:	Mark Rubenstein, Linda Davis, Elizabeth Vosburgh, and Chuck Cudmore
Energy Probe Research Foundation:	Tom Ladanyi
Cobourg Taxpayers Association:	Dennis Nabieszko, Ken Strauss, and Bryan Lambert
OEB Case Manager:	Margaret DeFazio

EB-2021-0039

IN THE MATTER OF the Ontario Energy Board Act, 1998, S.O. 1998, c.15, (Schedule B);

AND IN THE MATTER OF an application by Lakefront Utilities Inc. For an order approving just and reasonable rates and Other charges for electricity distribution beginning January 1, 2022.

Lakefront Utilities Inc.

Settlement Agreement

Filed: October 22, 2021

Contents

LIST OF TABLES

LIST OF ATTACHMENTS

A. Proposed January 1, 2022 Tariff of Rates and Charges
B. Bill Impacts
C. Revenue Requirement Work Form
D. Bill Insert Excerpt – Low Voltage Charge

LUI has filed revised models as evidence to support this Settlement Proposal. The models have been filed through the OEB's e-filing service and include:

1. Filing Requirements Chapter 2 Appendices
2. Revenue Requirement Work Form
3. Income Tax PILs Model
4. Load Forecast Model
5. Cost Allocation Model
6. DVA Continuity Schedule
7. RTSR Model
8. Bill Impact Model

SETTLEMENT PROPOSAL

The Parties note that this Settlement Proposal is an Amendment to the Settlement Proposal filed by the Parties on September 17, 2021. The amendments to the original Settlement Proposal relate specifically and solely to Account 1550, with those amendments being detailed in full under issue 4.2. The rest of this Settlement Proposal remains as filed September 17, 2021, other than the updating of the bill impacts referenced in the Settlement Proposal to reflect the updated amount in LUI's deferral and variance accounts and the Group 1 rate riders.

Lakefront Utilities Inc. (the Applicant or LUI) filed a Cost of Service application with the Ontario Energy Board (the OEB) on April 30, 2021, under section 78 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, (Schedule B) (the Act), seeking approval for changes to the rates that LUI charges for electricity distribution, to be effective January 1, 2022 (OEB file number EB-2021-0039) (the Application).

The OEB issued a Letter of Direction and Notice of Application on May 4, 2021. In Procedural Order No. 1, dated June 18, 2021, the OEB approved the following intervenors (the Intervenors):

1. Cobourg Taxpayers Association (CTA)
2. Energy Probe Research Foundation (EP)
3. Northumberland Hills Hospital (NHH)
4. School Energy Coalition (SEC)
5. Vulnerable Energy Consumers Coalition (VECC)

The Procedural Order also indicated the prescribed dates for the written interrogatories, LUI's responses to interrogatories, a Settlement Conference, and various other elements in the proceeding.

Following the receipt of interrogatories, LUI filed its interrogatory responses with the OEB on July 30, 2021.

On June 25, 2021, the OEB staff submitted a proposed issues list (the Issues List) which was updated by the parties and resubmitted on June 30, 2021.

The Settlement Conference was convened on August 10 and August 11, 2021, in accordance with the OEB's Rules of Practice and Procedure (the Rules) and the OEB's Practice Direction. The above noted intervenors and OEB Staff participated in the Settlement Conference.

Jim Faught acted as facilitator for the Settlement Conference.

Lakefront Utilities Inc. and the Intervenors (collectively referred to below as the Parties), reached a full, comprehensive settlement regarding LUI's 2022 Cost of Service Application. The details and specific components of the settlement are detailed in this Settlement Proposal.

This document is called a Settlement Proposal because it is a proposal by the parties presented to the OEB to settle the issues in this proceeding. It is termed a proposal as between the Parties and the OEB. However, as between the Parties, and subject only to the OEB's approval of this Settlement

Proposal, this document is intended to be a legal agreement, creating mutual obligations, and binding and enforceable in accordance with its terms. In entering into this Settlement Proposal, the Parties understand and agree that pursuant to the Act, the OEB has exclusive jurisdiction with respect to the interpretation and enforcement of the terms hereof.

This settlement proceeding is subject to the rules relating to confidentiality and privilege contained in the Practice Direction. The Parties acknowledge that this settlement proceeding is confidential in accordance with the OEB's Practice Direction on settlement conferences. The Parties understand that confidentiality in that context does not have the same meaning as confidentiality in the OEB's Practice Direction on Confidential Filings, and the rules of that latter document do not apply. Instead, in this Settlement Conference, and in this Settlement Proposal, the specific rules with respect to confidentiality and privilege are as set out in the Practice Direction, as amended on October 28, 2016. The Parties have interpreted the revised Practice Direction to mean that the documents and other information provided during the course of the settlement proceeding, the discussion of each issue, the offers and counter-offers, and the negotiations leading to the settlement – or not – of each issue during the Settlement Conference are strictly privileged and without prejudice. None of the foregoing is admissible as evidence in this proceeding, or otherwise, with one exception, the need to resolve a subsequent dispute over the interpretation of any provision of this Settlement Proposal. Further, the Parties shall not disclose those documents or other information to persons who were not attendees at the Settlement Conference. However, the Parties agree that attendees is deemed to include, in this context, persons who were not in attendance at the Settlement Conference but were a) any persons or entities that the Parties engage to assist them with the Settlement Conference, and b) any persons or entities from whom they seek instructions with respect to the negotiations; in each case provided that any such persons or entities have agreed to be bound by the same confidentiality provisions.

OEB Staff also participated in the Settlement Conference. The role adopted by OEB Staff is set out in page 6 of the Practice Direction. Although OEB Staff is not a party to this Settlement Proposal, as noted in the Practice Direction, OEB Staff who participated in the Settlement Conference are bound by the same confidentiality and settlement privilege requirements that apply to the Parties to the proceeding.

This Settlement Proposal provides a brief description of each of the settled issues, as applicable, together with references to the evidence. The Parties agree that references to the evidence in this Settlement Proposal shall, unless the context otherwise requires, include, in addition to the Application, the responses to interrogatories, all other components of the record up to and including the date hereof, and the additional information included by the Parties in this Settlement Proposal and the attachments and appendices to this document.

Included with the Settlement Proposal are attachments that provide further support for the proposed settlement. The Parties acknowledge that the attachments were prepared by LUI. While the Intervenors and OEB Staff have reviewed the attachments, they are relying on the accuracy of the attachments and the underlying evidence in entering into this Settlement Proposal.

For ease of reference, this Settlement Proposal follows the format of the final Approved Issues List, with additional sub-issues added as appropriate in order to highlight specific aspects of the settlement.

According to the Practice Direction (p. 4), the Parties must consider whether a Settlement Proposal should include an appropriate adjustment mechanism for any settled issue that may be affected by external factors. Any such adjustments are specifically set out in the text of the Settlement Proposal.

The Parties have settled the issues as a package, and none of the parts of this Settlement Proposal are severable. If the OEB does not accept this Settlement Proposal in its entirety, then there is no settlement (unless the Parties agree in writing that any part(s) of this Settlement Proposal that the OEB accepts may continue as a valid settlement without inclusion of any part(s) that the OEB does not accept).

In the event that the OEB directs the Parties to make reasonable efforts to revise the Settlement Proposal, the Parties agree to use reasonable efforts to discuss any potential revisions, but no Party will be obligated to accept any proposed revision. The Parties agree that all of the Parties must agree with any revised Settlement Proposal as it relates to that issue, or take no position, prior to its resubmission to the OEB.

Unless stated otherwise, the settlement of any particular issue in this proceeding and the positions of the Parties in this Settlement Proposal are without prejudice to the rights of the Parties to raise the same issue and/or to take any position thereon in any other proceeding, whether or not LUI is a party to such proceeding, provided that no Party shall take a position that would result in the Settlement Proposal not applying in accordance with the terms contained herein.

Where in this Settlement Proposal the Parties accept the evidence of LUI, or agree to any issue, term or condition, including a revised budget or forecast, then unless the Settlement Proposal expressly states to the contrary, the words "for the purpose of settlement of the issues herein" shall be deemed to qualify that acceptance or agreement.

Notwithstanding any other wording in this Settlement Proposal, with the exception of Issue 3.4, EP and NHH take no position on any of the other Issues.

SUMMARY

The parties were able to reach agreement on all aspects of the application; capital costs, operations, maintenance & administration (OM&A) costs, revenue requirement-related issues, including the accuracy of the revenue requirement determination, OEB policies and practices and accounting.

In reaching this Settlement Proposal, the Parties have been guided by the Filing Requirements for 2022 rates and the Approved Issues List.

This Settlement Proposal reflects a full settlement of the issues in the proceeding. The Parties have described below, in detail, areas where they have settled an issue by agreeing to adjustments to the application as updated.

This settlement will result in total bill increases of $4.96 or 4.43% per month for the typical residential customer consuming 750 kWh per month. This compares to an increase of $7.57 or 6.76% per month in the original proposal.

The overall financial impact of the Settlement Proposal is to reduce the total base revenue requirement by 1.39% from $4,793,168 to $4,727,387.

The Parties note that this Settlement Proposal includes all tables, appendices and the Excel models that represent the evidence and the settlement between the Parties at the time of filing the Settlement Proposal, and the agreed Tariff of Rates and Charges.

A Revenue Requirement Work Form (RRWF), incorporating all terms that have been agreed to is filed with the Settlement Proposal. Through the settlement process, LUI has agreed to certain adjustments to its original 2022 Application. The changes are described in the following sections.

LUI has provided the following tables summarizing the application highlighting the changes to its Rate Base and Capital, Operating Expenses, and Revenue Requirement from LUI's Application as filed as a result of interrogatories and this Settlement Proposal.

Table 1: 2022 Revenue Requirement

Particulars	Application April 30, 2021	IRR July 30, 2021	Variance over Original Filing	Settlement Proposal September 7, 2021	Variance over IRs
Long Term Debt	3.05%	3.05%	0.00%	3.05%	0.00%
Short Term Debt	1.75%	1.75%	0.00%	1.75%	0.00%
Return on Equity	8.34%	8.34%	0.00%	8.34%	0.00%
Regulated Rate of Return	**5.12%**	**5.12%**	0.00%	**5.12%**	(0.00%)
Controllable Expenses	$2,883,765	$2,883,799	$34	$2,883,799	($0)
Power Supply Expense	$33,263,943	$29,832,263	($3,431,680)	$29,857,864	$25,601
Working Capital Allowance Base	$36,147,708	$32,716,062	($3,431,646)	$32,741,662	$25,600
Working Capital Allowance Rate	7.50%	7.50%	0.00%	7.50%	0.00%
Total Working Capital Allowance	**$2,711,078**	**$2,453,705**	**($257,373)**	**$2,455,625**	**$1,920**
Gross Fixed Assets (avg)	$37,943,278	$37,943,278	$0	$37,943,278	$0
Accumulated Depreciation (avg)	($17,522,273)	($17,522,273)	$0	($17,522,273)	($0)
Net Fixed Assets (avg)	$20,421,005	$20,421,005	$0	$20,421,005	$0
Working Capital Allowance	$2,711,078	$2,453,705	($257,373)	$2,455,625	$1,920
Rate Base	**$23,132,083**	**$22,874,710**	**($257,373)**	**$22,876,630**	**$1,920**
Regulated Rate of Return	**5.12%**	**5.12%**	**0.00%**	**5.12%**	**5.12%**
Regulated Return on Capital	**$1,183,306**	**$1,170,141**	**($13,165)**	**$1,170,239**	**$98**
OM&A Expenses	$2,819,494	$2,819,494	$0	$2,819,494	($0)
Other Expenses - LEAP	$6,213	$6,247	$34	$6,247	$0
Property Taxes	$58,058	$58,058	$0	$58,058	$0
Depreciation Expense	$1,001,950	$1,001,950	$0	$1,001,950	$0
PILs	$153,420	$150,324	($3,096)	$100,672	($49,652)
Revenue Offset	$429,272	$429,272	$0	$429,272	$0
Revenue Requirement	**$4,793,169**	**$4,776,942**	**($16,227)**	**$4,727,387**	**($49,555)**
Gross Revenue Deficiency/Suficiency	$166,389	$129,109	($37,280)	$57,075	($72,034)

Table 2 below is provided to show the corrected calculation of Gross Revenue Deficiency/(Sufficiency) from the Revenue Requirement Work Form.

Table 2: 2022 Revenue Deficiency (At Current Approved Rates)

Particulars	Application April 30, 2021	IRR July 30, 2021	Variance over Original Filing	Settlement Proposal September 7, 2021	Variance over IRs
Revenue Deficiency from Below	$166,389	$129,109	($37,280)	$57,075	($72,034)
Distribution Revenue	$4,626,779	$4,647,832	$21,053	$4,670,312	$22,480
Other Operating Revenue Offsets - net	$429,272	$429,272	$0	$429,272	$0
Total Revenue	**$5,222,440**	**$5,206,213**	**($16,227)**	**$5,156,659**	**($49,554)**
Operating Expenses	$3,885,715	$3,885,749	$34	$3,885,749	($0)
Deemed Interest Expense	$411,620	$407,040	($4,580)	$407,074	$34
Total Cost and Expenses	**$4,297,335**	**$4,292,789**	**($4,546)**	**$4,292,823**	**$34**
Utility Income Before Income Taxes	$925,106	$913,424	($11,682)	$863,836	($49,588)
Tax Adjustments to Accounting Income per PILs Model	($346,164)	($346,164)	$0	($483,942)	($137,778)
Taxable Income	**$578,942**	**$567,260**	**($11,682)**	**$379,894**	**($187,366)**
Income Tax Rate	26.50%	26.50%	0.00%	26.50%	0.00%
Income Tax on Taxable Income	$153,420	$150,324	($3,096)	$100,672	-$49,652.00
Income Tax Credits	0	0	$0	0	0
Utility Net Income	**$771,686**	**$763,100**	**($11,682)**	**$763,164**	**($49,588)**
Utility Rate Base	**$23,132,083**	**$22,874,710**	**($257,373)**	**$22,876,630**	**$1,920**
Deemed Equity Portion of Rate Base	**$9,252,833**	**$9,149,884**	**($102,949)**	**$9,150,652**	**$768**
Income/(Equity Portion of Rate Base)	8.34%	8.34%	0.00%	8.34%	0.00%
Target Return - Equity on Rate Base	8.34%	8.34%	0.00%	8.34%	0.00%
Defiance/Sufficiency in Return on Equity	0.00%	0.00%	0.00%	0.00%	0.00%
Indicated Rate of Return	5.12%	5.12%	0.00%	5.12%	0.00%
Requested Rate of Return on Rate Base	5.12%	5.12%	0.00%	5.12%	0.00%
Deficiency/Sufficiency in Rate of Return	0.00%	0.00%	0.00%	0.00%	0.00%
Target Return on Equity	$771,686	$763,100	($8,586)	$763,164	$64
Gross Revenue Deficiency/Sufficiency	**$166,389**	**$129,109**	**($37,280)**	**$57,075**	**($72,034)**

Based on the foregoing, and the evidence and rationale provided below, the Parties accept this Settlement Proposal as appropriate and recommend its acceptance by the Board.
Table 3 below illustrates the updated bill impacts based on the results of this Settlement Proposal.

Table 3: Bill Impact Summary

Rate Class	Usage		Monthly Distribution Charge (sub-total A)			
					Change	
	kWh	kW	2021	2022	$	%
Residential - RPP	750		$23.78	$24.10	$0.32	1.35%
Residential - non-RPP	750		$23.78	$24.10	$0.32	1.35%
Residential - RPP - 10th percentile	248		$23.78	$24.10	$0.32	1.35%
Residential - non-RPP - 10th percentile	248		$23.78	$24.10	$0.32	1.35%
GS <50 kW - RPP	2,000		$43.10	$43.90	$0.80	1.86%
GS <50 kW - non-RPP	2,000		$43.10	$43.50	$0.40	0.93%
GS 50-2999 kW	72,000	200	$807.80	$816.72	$8.92	1.10%
GS 3000-4999 kW	1,245,322	2,822	$12,436.33	$11,112.47	($1,323.86)	(10.65%)
Unmetered Scattered Load	600		$29.11	$18.43	($10.68)	(36.69%)
Sentinel Lighting	68	0.2037	$7.72	$8.61	$0.90	11.61%
Street Lighting	28.80	0.0770	$1.91	$2.22	$0.31	16.36%

Rate Class	Usage		Total Bill			
					Change	
	kWh	kW	2021	2022	$	%
Residential - RPP	750		$112.01	$116.97	$4.96	4.43%
Residential - non-RPP	750		$114.12	$119.07	$4.95	4.34%
Residential - RPP - 10th percentile	248		$52.15	$53.99	$1.84	3.52%
Residential - non-RPP - 10th percentile	248		$52.85	$54.68	$1.83	3.47%
GS <50 kW - RPP	2,000		$276.32	$288.40	$12.08	4.37%
GS <50 kW - non-RPP	2,000		$281.95	$294.00	$12.05	4.28%
GS 50-2999 kW	72,000	200	$11,698.80	$12,256.21	$557.40	4.76%
GS 3000-4999 kW	1,245,322	2,822	$199,416.57	$206,626.43	$7,209.86	3.62%
Unmetered Scattered Load	600		$99.07	$93.16	($5.91)	(5.97%)
Sentinel Lighting	68	0.2037	$15.26	$16.53	$1.27	8.34%
Street Lighting	28.80	0.0770	$6.64	$7.28	$0.64	9.69%

RRF OUTCOMES

The Parties accept that the Applicant is in compliance with the OEB's required outcomes as defined by the Renewed Regulatory Framework (RRF). Subject to the adjustments noted in this Settlement Proposal the Parties accept that LUI's proposed rates in the 2022 Test Year will, in all reasonably foreseeable circumstances, allow the Applicant to meet its obligations to its customers while maintaining its financial viability.

1.0 PLANNING

1.1 CAPITAL

Is the level of planned capital expenditure 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.

Full Settlement

The Parties agree that LUI's proposed opening rate base, capital budget and forecast net in-service additions for the test year are appropriate.

As part of this Settlement Proposal LUI agrees to add further rigour to its capital planning process, including specifically to increase its use of testing data rather than age of assets in the planning process where feasible and appropriate.

Additionally, the Parties note that there has recently been an increase in outages on LUI's system attributable to defective equipment. LUI recognizes the concern regarding this increasing trend and agrees to focus more resources on addressing defective equipment issues going forward.

Table 4: Fixed Asset Continuity and 2022 Capital Expenditures

Particulars	Application April 30, 2021	IRR July 30, 2021	Variance over Original Filing	Settlement Proposal September 7, 2021	Variance over IRs
2021 Fixed Asset Continuity Schedule					
Opening	$35,501,605	$35,501,605	$0	$35,501,605	$0
Additions	$1,562,500	$1,562,500	$0	$1,562,500	$0
Disposals	($50,825)	($50,825)	$0	($50,825)	$0
Closing	**$37,013,280**	**$37,013,280**	**$0**	**$37,013,280**	**$0**
Accumulated Depreciation					
Opening	$15,924,574	$15,924,574	$0	$15,924,574	$0
Additions	$1,096,728	$1,096,728	$0	$1,096,728	$0
Closing	**$17,021,302**	**$17,021,302**	**$0**	**$17,021,302**	**$0**
2022 Fixed Asset Continuity Schedule					
Opening	$37,013,280	$37,013,280	$0	$37,013,280	$0
Additions	$1,860,000	$1,860,000	$0	$1,860,000	$0
Closing	**$38,873,280**	**$38,873,280**	**$0**	**$38,873,280**	**$0**
Accumulated Depreciation					
Opening	$17,021,302	$17,021,302	$0	$17,021,302	$0
Additions	$1,001,951	$1,001,951	$0	$1,001,950	($1)
Closing	**$18,023,253**	**$18,023,253**	**$0**	**$18,023,252**	**($1)**
System Access	$145,000	$145,000	$0	$145,000	$0
System Renewal	$1,435,000	$1,435,000	$0	$1,435,000	$0
System Service	$320,000	$320,000	$0	$320,000	$0
General Plant	$60,000	$60,000	$0	$60,000	$0
2022 Total Capital Expenditures (Gross)	**$1,960,000**	**$1,960,000**	**$0**	**$1,960,000**	**$0**
Capital Contributions	$100,000	$100,000	$0	$100,000	$0

The Parties accept the evidence of LUI that the level of planned capital expenditures and the rationale for planning and pacing choices are appropriate in order to maintain system reliability, service quality objectives and the reliable and safe operation of the distribution system.

Evidence References

- Exhibit 2 – Rate Base and Distribution System Plan, section 2.2.2 Capital Expenditures
- Exhibit 2 – Asset Condition Assessment, Appendix C
- Exhibit 2 – Rate Base and Distribution System Plan, Appendix B – 2022 Distribution System Plan

IR Responses

- 1.1-Staff-4
- 1.1-Staff-5
- 1.1-Staff-6
- 1.1-Staff-7
- 1.1-Staff-8
- 1.1-Staff-9
- 1.1-Staff-14
- 1.1-Staff-15
- 1.1-Staff-16
- 1.1-Staff-19
- 1.1-Staff-20
- 1.1-Staff-21
- 1.1-Staff-22
- 1-SEC-6
- 1-SEC-8
- 2-SEC-1
- 2-SEC-2
- 2-SEC-3
- 2-SEC4
- 1.1-VECC-1
- 1.1-VECC-2
- 1.1-VECC-3
- 1.1-VECC-4
- 1.1-VECC-5
- 1.1-VECC-6
- 1.1-VECC-7
- 1.1-VECC-8
- 1.1-VECC-9
- 1.1-VECC-10
- 1.2-VECC-13

Supporting Parties

- CTA
- SEC
- VECC

Parties Taking No Position

- EP
- NHH

1.2 OM&A

Is the level of planned OM&A expenditures appropriate and is the rationale for planning choices appropriate and adequately explaining, 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

Full Settlement

The Parties agree to LUI's proposed Test Year OM&A budget of $2,825,741. In agreeing to the applied for OM&A budget the Parties note that LUI's (PEG) benchmarking results have improved since its last cost of service proceeding, with LUI forecasted to achieve cohort 1 in 2021, with the forecast performance in 2022 and beyond continuing to improve. The Parties additionally note that under the settlement of issue 4.2 LUI has agreed to increase its available LEAP funding over the next 5 years to $10,000.00 per year within the existing OM&A envelope.

Table 5: 2022 Test Year OM&A Expenses

Particulars	Application April 30, 2021	IRR July 30, 2021	Variance over Original Filing	Settlement Proposal September 7, 2021	Variance over IRs
Operations	$707,393	$707,393	$0	$707,393	$0
Maintenance	$312,541	$312,541	$0	$312,541	$0
Billing and Collecting	$580,283	$580,283	$0	$580,283	$0
Community Relations	$19,757	$19,757	$0	$19,757	($0)
Administration and General (including LEAP)	$1,205,733	$1,205,767	$34	$1,205,767	($0)
Total	**$2,825,707**	**$2,825,741**	**$34**	**$2,825,741**	**($0)**

Evidence References

- Exhibit 4 – Operating Expenses, section 2.4.1 Overview
- Exhibit 4 – Operating Expenses, section 2.4.2 Summary & Cost Driver Tables
- Exhibit 4 – Operating Expenses, section 2.4.3 Program Delivery Costs with Variance Analysis
- Exhibit 4 – Operating Expenses, section 2.4.3.1 Workforce Planning

IR Responses

- 1.2-Staff-17
- 1.2-Staff-18
- 1-SEC-2
- 1-SEC-5
- 1-SEC-7
- 1-SEC-9
- 1-SEC-10
- 1-SEC-12
- 4-SEC-1
- 4-SEC-2
- 4-SEC-3
- 4-SEC-4
- 1.2-VECC-11
- 1.2-VECC-12
- 1.2-VECC-14
- 1.2-VECC-15
- 1.2-VECC-16
- 1.2-VECC-17
- 1.2-VECC-18
- 1.2-VECC-19
- 1.2-VECC-20
- CTA - Exhibit 4 - Operating Expenses
- CTA - Exhibit 4 - Operating Expenses, Table 4.1

Supporting Parties

- CTA
- SEC
- VECC

Parties Taking No Position

- EP
- NHH

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?

Full Settlement

The Parties agree that the methodology used by LUI to calculate the Revenue Requirement is appropriate.

A summary of the adjusted Revenue Requirement of $4,727,387 reflecting adjustments and settled issues in accordance with the above is presented in Table 6 – 2022 Revenue Requirement Summary below.

Table 6: 2022 Revenue Requirement Summary

Particulars	Application April 30, 2021	IRR July 30, 2021	Variance over Original Filing	Settlement Proposal September 7, 2021	Variance over IRs
OM&A Expenses	$2,825,707	$2,825,741	$34	$2,825,741	($0)
Amortization/Depreciation	$1,001,950	$1,001,950	$0	$1,001,950	$0
Property Taxes	$58,058	$58,058	$0	$58,058	$0
Capital Taxes	$0	$0	$0	$0	$0
Income Taxes (Grossed up)	$153,420	$150,324	($3,096)	$100,672	($49,652)
Other Expenses	$0	$0	$0	$0	$0
Return					
Deemed Interest Expense	$411,620	$407,040	($4,580)	$407,074	$34
Return on Deemed Equity	$771,686	$763,100	($8,586)	$763,164	$64
Service Revenue Requirement	$5,222,441	$5,206,213	($16,228)	$5,156,659	($49,554)
Revenue Offsets	$429,272	$429,272	$0	$429,272	$0
Base Revenue Requirement	$4,793,169	$4,776,941	($16,228)	$4,727,387	($49,554)

An updated Revenue Requirement Work Form has been filed through the OEB's e-filing service.

Evidence References

- Exhibit 6 – Revenue Requirement, section 2.6 - Calculation of Revenue Requirement
- Exhibit 6 – Revenue Requirement, section 2.6.1- Revenue Deficiency or Surplus

IR Responses

None

Supporting Parties

- CTA
- SEC
- VECC

Parties Taking No Position

- EP
- NHH

2.1.1 Rate Base

Full Settlement

The Parties accept the evidence of LUI that the rate base calculations have been appropriately determined in accordance with OEB policies and practices.

Table 7: 2022 Rate Base

Particulars	Application April 30, 2021	IRR July 30, 2021	Variance over Original Filing	Settlement Proposal September 7, 2021	Variance over IRs
Gross Fixed Assets (average)	$37,943,278	$37,943,278	$0	$37,943,278	$0
Accumulated Depreciation (average)	($17,522,273)	($17,522,273)	$0	($17,522,273)	($0)
Net Fixed Assets (average)	$20,421,005	$20,421,005	$0	$20,421,005	$0
Working Capital Allowance	$2,711,078	$2,453,705	($257,373)	$2,455,625	$1,920
Total Rate Base	**$23,132,083**	**$22,874,710**	**($257,373)**	**$22,876,630**	**$1,920**
Controllable Expenses	$2,883,765	$2,883,799	$34	$2,883,799	($0)
Cost of Power	$33,263,943	$29,832,263	($3,431,680)	$29,857,864	$25,601
Working Capital Base	**$36,147,708**	**$32,716,062**	**($3,431,646)**	**$32,741,662**	**$25,600**
Working Capital Rate	7.50%	7.50%	0.00%	7.50%	0.00%
Working Capital Allowance	**$2,711,078**	**$2,453,705**	**($257,373)**	**$2,455,625**	**$1,920**

Evidence References

- Exhibit 2 – Rate Base, section 2.2.1 Overview of Rate Base
- Exhibit 2 – Rate Base, section 2.2.1.2 Gross Assets
- Exhibit 2 – Rate Base, section 2.2.1.3 Allowance for Working Capital
- Exhibit 2 – Rate Base, section 2.2.2 Capital Expenditures
- Exhibit 2 – Rate Base, Appendix A – Asset Condition Assessment
- Exhibit 2 – Rate Base, Appendix B – Distribution System Plan

IR Responses

None

Supporting Parties

- CTA
- SEC
- VECC

Parties Taking No Position

- EP
- NHH

2.1.2 Utility Income

Full Settlement

The Parties accept that the forecast utility income in the amount of $763,164 is appropriate.

Table 8: 2022 Utility Income

Particulars	Application April 30, 2021	IRR July 30, 2021	Variance over Original Filing	Settlement Proposal September 7, 2021	Variance over IRs
Distribution Revenue	$4,793,168	$4,776,941	($16,227)	$4,727,387	($49,554)
Other Revenue	$429,272	$429,272	$0	$429,272	$0
Total Operating Revenues	$5,222,440	$5,206,213	($16,227)	$5,156,659	($49,554)
OM&A Expenses	$2,825,707	$2,825,741	$34	$2,825,741	($0)
Amortization	$1,001,950	$1,001,950	$0	$1,001,950	$0
Property Taxes	$58,058	$58,058	$0	$58,058	$0
Deemed Interest Expense	$411,620	$407,040	($4,580)	$407,074	$34
Total Operating Expenses	**$4,297,335**	**$4,292,789**	**($4,546)**	**$4,292,823**	**$34**
Utility Income Before Income Taxes	**$925,105**	**$913,424**	**($11,681)**	**$863,836**	**($49,588)**
Income Taxes (grossed-up)	$153,420	$150,324	($3,096)	$100,672	($49,652)
Utility Net Income	**$771,685**	**$763,100**	**($8,585)**	**$763,164**	**$64**

Evidence References

- Exhibit 2 – Rate Base and Distribution System Plan, section 2.2.1.2 Gross Assets
- Exhibit 4 – Operating Expenses, section 2.4.4 Depreciation, Amortization, and Depletion

IR Responses

None

Supporting Parties

- CTA
- SEC
- VECC

Parties Taking No Position

- EP
- NHH

2.1.3 Taxes/PILs

The Parties agree that forecast PILs should be updated to reflect the use of the Accelerated Investment Incentive, with a resulting increase in the amount of CCA available to offset PILS in the test year.

A summary of the update PILs calculation is presented in Table 9 below.

Table 9: 2022 Income Taxes

Particulars	Application April 30, 2021	IRR July 30, 2021	Variance over Original Filing	Settlement Proposal September 7, 2021	Variance over IRs
Income Taxes (grossed up)	$153,420	$150,324	($3,096)	$100,672	($49,652)

An updated Income Tax/PILs Model has been submitted in Live Excel format as part of this Settlement Proposal.

Evidence References

- Exhibit 4 – Operating Expenses, section 2.4.5 Taxes and Payments in Lieu of Taxes (PILs)
- Exhibit 4 – Operating Expenses, section 2.4.5.1 PILs Integrity Check

IR Responses

- 2.1-Staff-29
- 2.1-Staff-30

Supporting Parties

- CTA
- SEC
- VECC

Parties Taking No Position

- EP
- NHH

2.1.4 Capitalization/Cost of Capital

Full Settlement

The Parties agree to LUI's proposed cost of capital parameters as reflected in the calculation below. The Parties acknowledge that to the extent the proposed cost of capital parameters rely on the OEB's deemed cost of capital parameters with respect to long-term debt, short-term debt, and return on equity, that LUI's proposed cost of capital parameters will be updated to reflect the OEB's deemed cost of capital parameters for the 2022 rate year when those parameters become available.

The Parties note that in its application LUI requested that, in the event the deemed return on equity for 2022 is materially impacted by COVID, LUI be allowed a mechanism to update its embedded return on equity in a future year to reflect the recovery from COVID. As part of this Settlement Proposal LUI has agreed to withdraw its request, and the Parties acknowledge that, in the event the OEB identifies an issue with respect to the impact of COVID on the deemed return on equity for 2022 and provides relief to LDCs who embed the 2022 deemed return on equity in their 2022 Test Year revenue requirement, either by allowing an adjustment to the embedded return on equity in a future year or through some other mechanism, LUI will be permitted to access such a mechanism.

Table 10: 2022 Cost of Capital Calculation

Particulars	Application April 30, 2021		IRR July 30, 2021		Variance over Original Filing	Settlement Proposal September 7, 2021		Variance over IRs
Debt								
Long-term Debt	3.05%	$395,428	3.05%	$391,028	($4,400)	3.05%	$391,061	$33
Short-term Debt	1.75%	$16,192	1.75%	$16,012	($180)	1.75%	$16,014	$2
Total Debt	2.97%	$411,620	2.97%	$407,040	($4,580)	2.97%	$407,074	$34
Equity								
Common Equity	8.34%	$771,686	8.34%	$763,100	($8,586)	8.34%	$763,164	$64
Preferred Shares	0.00%	$0	0.00%	$0	$0	0.00%	$0	$0
Total Equity	8.34%	$771,686	8.34%	$763,100	($8,586)	8.34%	$763,164	$64
Total	5.12%	$1,183,306	5.12%	$1,170,140	($13,166)	5.12%	$1,170,239	$99

Evidence References

- Exhibit 5 – Cost of Capital, section 2.5.1 Capital Structure
- Exhibit 5 – Cost of Capital, section 2.5.2 Cost of Capital

IR Responses

- 2.1-Staff-24
- 2.1-Staff-25
- 2.1-VECC-23
- 2.1-VECC-24
- 2.1-VECC-25
- 2.1-VECC-26

Supporting Parties

- CTA
- SEC
- VECC

Parties Taking No Position

- EP
- NHH

2.2 Has the revenue requirement been accurately determined based on these elements?

Full Settlement

The Parties accept the evidence of LUI that the proposed Base Distribution Revenue Requirement has been determined accurately.

Evidence References

- Exhibit 6 – Revenue Requirement, section 2.6 Calculation of Revenue Requirement
- Exhibit 6 – Revenue Requirement, section 2.6 Revenue Deficiency or Surplus

IR Responses

None

Supporting Parties

- CTA
- SEC
- VECC

Parties Taking No Position

- EP
- NHH

2.3 Is the proposed shared services cost allocation methodology and the quantum appropriate?

Full Settlement

The Parties accept the evidence of LUI that the proposed shared services cost allocation methodology and quantum is appropriate.

Evidence References

- Exhibit 4 – Operating Expenses – 2.4.3.2 Shared Services and Corporate Cost Allocation

IR Responses

None

Supporting Parties

- CTA
- SEC
- VECC

Parties Taking No Position

- EP
- NHH

3.0 LOAD FORECAST, COST ALLOCATION, AND RATE DESIGN

3.1 Are the proposed load and customer forecast, loss factors, CDM adjustments and resulting billing determinants appropriate and, to the extent appliable, are they an appropriate reflection of the energy and demand requirements of LUI's customers?

Full Settlement

The Parties accept the evidence of LUI that the load forecast, customer forecast, and loss factors are appropriate after making the following adjustments:

> LUI's load forecast for the weather sensitive customer classes, Residential, GS<50 kW, and Unmetered Scattered Load, uses 2020 billed kWh actual data for the 2021 Bridge Year and 2022 Test Year (rather than a 10-year average kWh energy).
>
> The Parties have agreed to update the ratio utilized for the 2021 Bridge Year and 2022 Test Year from 2020 to 2019, to account for COVID19 impacts to the Load Forecast.

The resulting billing determinants are presented in Table 11 below.

Table 11: 2022 Test Year Billing Determinants

Particulars	Unit	Application April 30, 2021	IRR July 30, 2021	Variance over Original Filing	Settlement Proposal September 7, 2021	Variance over IRs
Residential	kWh	74,590,807	73,424,092	(1,166,715)	75,290,019	1,865,927
General Service <50 kW	kWh	32,535,249	32,026,347	(508,902)	34,580,902	2,554,555
General Service 50-2999 kW	kWh	103,964,876	107,176,718	3,211,842	107,176,718	(0)
General Service 3000-4999 kW	kWh	18,909,096	19,493,265	584,169	19,493,265	(0)
Unmetered Scattered Load	kWh	599,285	617,799	18,514	617,799	0
Sentinel Lighting	kWh	43,344	44,683	1,339	44,683	0
Street Lighting	kWh	1,059,150	1,091,871	32,721	1,091,871	(0)
Total kWh		**231,701,807**	**233,874,775**	**2,172,968**	**238,295,257**	**4,420,482**
Residential	kW					
General Service <50 kW	kW					
General Service 50-2999 kW	kW	274,141	282,610	8,469	282,610	0
General Service 3000-4999 kW	kW	48,547	47,088	(1,459)	47,088	(0)
Unmetered Scattered Load	kW					
Sentinel Lighting	kW	130	134	4	134	0
Street Lighting	kW	2,831	2,919	88	2,919	(0)
Total kW		**325,649**	**332,751**	**7,102**	**332,751**	**(0)**

An updated copy of LUI's Load Forecast Model has been submitted in Excel format as part of this Settlement.

Evidence References

- Exhibit 3 – Revenues, section 2.3.1 Load and Revenue Forecast
- Exhibit 3 – Revenues, section 2.3.2 Accuracy of Load Forecast Variance Analysis

- Exhibit 4 – Operating Expenses, section 2.4.6 Conservation and Demand Management
- Exhibit 7 – Cost Allocation, section 2.7.1 Proposed Cost Allocation Study 2021
- Exhibit 7 – Cost Allocation, section 2.7.1.1 Class Revenue Requirements
- Exhibit 7 – Cost Allocation, section 2.7.3 Revenue to Cost Ratios
- Exhibit 8 – Rate Design, section 2.8.2 Rate Design

IR Responses

- 3.1-Staff-31
- 3.1-Staff-32
- 3.1-Staff-33
- 3.1-Staff-34
- 3.1-Staff-35
- 3.1-VECC-30
- 3.1-VECC-32

Supporting Parties

- CTA
- SEC
- VECC

Parties Taking No Position

- EP
- NHH

3.1.1 Customer/Connection Forecast

Full Settlement

The Parties have agreed to the forecast of customers/connections set out in Table 12 below.

Table 12: Summary of 2022 Lost Forecast Customer Counts/Connections

Particulars	Application April 30, 2021	IRR July 30, 2021	Variance over Original Filing	Settlement Proposal September 7, 2021	Variance over IRs
Residential	9,611	9,611	0	9,611	(0)
General Service <50 kW	1,148	1,148	0	1,148	(0)
General Service 50-2999 kW	105	105	0	105	0
General Service 3000-4999 kW	1	1	0	1	0
Unmetered Scattered Load	80	80	0	80	(0)
Sentinel Lighting	49	49	0	49	0
Street Lighting	3,159	3,159	0	3,159	(0)

Evidence References

- Exhibit 3 – Revenues, section 2.3.1 Load and Revenue Forecast
- Exhibit 3 – Revenues, section 2.3.2 Accuracy of Load Forecast Variance Analysis

IR Responses

- 3.1-VECC-29

Supporting Parties

- CTA
- SEC
- VECC

Parties Taking No Position

- EP
- NHH

3.1.2 Load Forecast

Full Settlement

The Parties agree to LUI's Load Forecast Model results as detailed in Table 13 below and based on the updates detailed in 3.1.

Table 13: Summary of 2022 Load Forecast Billed kWh

Particulars	Unit	Application April 30, 2021	IRR July 30, 2021	Variance over Original Filing	Settlement Proposal September 7, 2021	Variance over IRs
Residential	kWh	74,590,807	73,424,092	(1,166,715)	75,290,019	1,865,927
General Service <50 kW	kWh	32,535,249	32,026,347	(508,902)	34,580,902	2,554,555
General Service 50-2999 kW	kWh	103,964,876	107,176,718	3,211,842	107,176,718	(0)
General Service 3000-4999 kW	kWh	18,909,096	19,493,265	584,169	19,493,265	(0)
Unmetered Scattered Load	kWh	599,285	617,799	18,514	617,799	0
Sentinel Lighting	kWh	43,344	44,683	1,339	44,683	0
Street Lighting	kWh	1,059,150	1,091,871	32,721	1,091,871	(0)
Total kWh		**231,701,807**	**233,874,775**	**2,172,968**	**238,295,257**	**4,420,482**
Residential	kW					
General Service <50 kW	kW					
General Service 50-2999 kW	kW	274,141	282,610	8,469	282,610	0
General Service 3000-4999 kW	kW	48,547	47,088	(1,459)	47,088	(0)
Unmetered Scattered Load	kW					
Sentinel Lighting	kW	130	134	4	134	0
Street Lighting	kW	2,831	2,919	88	2,919	(0)
Total kW		**325,649**	**332,751**	**7,102**	**332,751**	**(0)**

Evidence References

- Exhibit 3 – Revenues, section 2.3.1 Load and Revenue Forecast
- Exhibit 3 – Revenues, section 2.3.2 Accuracy of Load Forecast Variance Analysis

IR Responses

- 3.1-Staff-31
- 3.1-Staff-32
- 3.1-Staff-33
- 3.1-Staff-34
- 3.1-Staff-35
- 3.1-VECC-30
- 3.1-VECC-32

Supporting Parties

- CTA
- SEC

- VECC

Parties Taking No Position

- EP
- NHH

3.1.3 Loss Factors

Full Settlement

The Parties agree to the proposed Total Loss Factor of 3.88% as proposed by LUI.

Table 14: 2022 Loss Factors

Particulars	Application April 30, 2021	IRR July 30, 2021	Variance over Original Filing	Settlement Proposal September 7, 2021	Variance over IRs
Total Loss Factor - Secondary Metered Customer < 5,000 kW	3.99%	3.88%	(0.11%)	3.88%	0.00%
Total Loss Factor - Primary Metered Customer < 5,000 kW	2.99%	2.88%	(0.11%)	2.88%	0.00%

Evidence References

- Exhibit 8 – Rate Design, section 2.8.9 Loss Adjustment Factor

IR Responses

- 3.1-Staff-37
- 3.1-VECC-34

Supporting Parties

- CTA
- SEC
- VECC

Parties Taking No Position

- EP
- NHH

3.2 Are the proposed cost allocation methodology, allocations, and revenue-to-cost ratios, appropriate?

Full Settlement

The Parties agree that LUI's proposed cost allocation methodology, allocations, and revenue-to-cost ratios are appropriate after making the following adjustments:

1. LUI has implemented the revenue-to-cost ratios as proposed in OEB Staff's interrogatory 3.2-Staff-39 such that the GS 3000-4999 kW and Unmetered Scattered Load ratios have been reduced to 120% and Residential, Street Lighting, and Sentinel Lights have been increased as required to eliminate any revenue shortfall.

2. The Cost Allocation model Tabs I7.1 and I7.2 inadvertently included allocations of meters and meter reading costs to the Sentinel Light, Street Lighting, and Unmetered Scattered Load customer classes even though those classes do not use metering assets. Accordingly, the allocation of metering related costs to those classes have been removed.

3. As per the Applicant's response to VECC's Clarification Question, VECC-60, the weighting factors as summarized in response to VECC-60 have been updated on Tab I5.2 of the Cost Allocation Model.

Table 15: Summary of 2022 Revenue-to-Cost Ratios

Particulars	Application April 30, 2021			IRR July 30, 2021			Settlement Proposal September 7, 2021		
Customer Class	Calculated R/C Ratio	Proposed R/C Ratio	Variance	Calculated R/C Ratio	Proposed R/C Ratio	Variance	Calculated R/C Ratio	Proposed R/C Ratio	Variance
Residential	0.98	1.00	0.02	0.98	1.00	0.02	0.98	0.98	0.01
General Service <50 kW	0.97	1.00	0.03	0.96	1.00	0.04	0.99	0.99	0.00
General Service 50-2999 kW	1.03	1.00	(0.03)	1.04	1.00	(0.04)	1.03	1.03	0.00
General Service 3000-4999 kW	1.40	1.00	(0.40)	1.38	1.00	(0.38)	1.38	1.20	(0.18)
Unmetered Scattered Load	1.64	1.20	(0.43)	1.63	1.20	(0.43)	1.84	1.20	(0.64)
Sentinel Lighting	0.76	1.00	0.24	0.76	1.00	0.24	0.91	0.98	0.07
Street Lighting	0.86	0.90	0.04	0.86	0.90	0.04	0.87	0.98	0.11

Evidence References

- Exhibit 7 – Cost Allocation, section 2.7.2 Class Revenue Requirements
- Exhibit 7 – Cost Allocation, section 2.7.3 Revenue-to-Cost Ratios

IR Responses

- 3.1-Staff-36
- 3.2-Staff-38
- 3.2-Staff-39
- 3.2-Staff-40

- 3.2-Staff-41
- 7-SEC-1
- 3.2-VECC-35
- 3.2-VECC-36
- 3.7-VECC-43

Supporting Parties

- CTA
- SEC
- VECC

Parties Taking No Position

- EP
- NHH

3.3 Are Lakefront Utilities' proposals, including the proposed fixed/variable splits, for rate design appropriate?

Full Settlement

The Parties accept the evidence of LUI that all elements of the proposed rate design have been correctly determined in accordance with OEB policies and practices, subject to the following:

- Previous versions of rate design based on response to interrogatories indicated that the proposed increase to the fixed charge for GS<50 kW was above the limit imposed by OEB policy. As part of this Settlement Proposal the fixed charge for GS<50 kW will remain at its current level.

Table 16: 2022 Distribution Rates

Particulars		Application April 30, 2021		IRR July 30, 2021		Settlement Proposal September 7, 2021	
Customer Class	Per	Fixed Rate	Variable Rate	Fixed Rate	Variable Rate	Fixed Rate	Variable Rate
Residential	kWh	$25.14		$24.97		$24.24	
General Service <50 kW	kWh	$27.42	$0.0095	$27.25	$0.0094	$25.50	$0.0090
General Service 50-2999 kW	kW	$89.88	$3.6001	$88.53	$3.5520	$90.72	$3.6300
General Service 3000-4999 kW	kWh	$6,174.88	$1.3492	$6,174.88	$1.3645	$5,414.01	$2.0193
Unmetered Scattered Load	kWh	$15.37	$0.0106	$15.37	$0.0105	$9.73	$0.0145
Sentinel Lighting	kW	$6.34	$23.1932	$6.36	$22.2483	$5.88	$13.4029
Street Lighting	kW	$1.59	$6.4194	$1.59	$6.3191	$1.85	$4.8397

Evidence References

- Exhibit 8 – Rate Design, section 2.8.2 Rate Design

IR Responses
- 3.2-VECC-37
- 3.2-VECC-38

Supporting Parties
- CTA
- SEC
- VECC

Parties Taking No Position
None

3.4 Are the proposed standby charges for customers in the General Service 50 to 2999 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?

Full Settlement

The Parties have agreed that LUI should remove the proposal of a standby charge for the GS 50 to 2999 kW and GS 3,000 to 4,999 kW customer classes.

The Parties acknowledge that with the continued growth in Distributed Energy Resources in Ontario, including load displacement generation and energy storage, there is an impact on the distribution system, and there is currently no OEB policy on how, if at all, this should be considered in the distributor's rate structure. The Parties urge the OEB to address the issues raised in EB-2015-0043 (*Rate Design for Commercial and Industrial Electricity Customers Consultation*), and the issues currently being discussed in EB-2021-0118 (*Framework for Energy Innovation)* related to load displacement generation and energy storage in a comprehensive province-wide manner.

Evidence References

- Exhibit 8 – Rate Design, section 2.8.2 Rate Design

IR Responses

- 3.4-EP-2
- 3.4-EP-3
- 3.4-EP-4
- 3.4-EP-5
- 3.4-EP-6
- CTA - Exhibit 1 - Page 82
- CTA - Exhibit 1 - Page 83
- 3.4-Staff-43
- 7-SEC-2
- 3.4-VECC-39
- 3.4-EP-7
- 3.4-EP-8
- 3.4-NHH-1
- 3.4-NHH-2
- 3.4-NHH-3
- 3.4-NHH-4
- 3.4-NHH-5
- 3.4-NHH-6
- 3.4-NHH-7
- 3.4-NHH-8
- 3.4-NHH-9
- 3.4-NHH-10
- 3.4-NHH-11
- 3.4-NHH-12
- 3.4-NHH-13
- 3.4-NHH-14
- CTA - Exhibit 1 - Page 277-286
- CTA - Exhibit 8 - Rate Design

Supporting Parties

All Parties

Parties Taking No Position

None

3.5 Are the proposed Low Voltage Charges and Retail Transmission Service Rate appropriate?

Full Settlement

The Parties have agreed to the RTSR rates and low voltage rates as presented in Table 17 and Table 18, with the following adjustment:

- LUI's projected calculations of the 2021 and 2020 low voltage charges incorporated new charges from Hydro One (Volumetric Rate Rider #23A) that occurred in 2019 and 2020, which are not expected to occur in the future; accordingly, LUI has recalculated the forecast low voltage charges excluding the impact of Volumetric Rate Rider #23A. Accordingly the Parties agree that the projected future low voltage charges from Hydro One should be $1,175,000 (excluding losses) for the purposes of setting LUI's low voltage rate.

Table 17: 2022 RTSR Network and Connection Rates Charges

Transmission Network	Application April 30, 2021		IRR July 30, 2021		Settlement Proposal September 7, 2021	
Customer Class	**Rate**	**Impact on CoP**	**Rate**	**Impact on CoP**	**Rate**	**Impact on CoP**
Residential	0.0062	$483,816	0.0069	$526,056	0.0069	$539,425
General Service <50 kW	0.0058	$194,799	0.0064	$211,806	0.0064	$228,701
General Service 50-2999 kW	2.3091	$633,007	2.5533	$721,600	2.5533	$721,600
General Service 3000-4999 kW	2.5826	$125,380	2.8559	$134,476	2.8559	$134,476
Unmetered Scattered Load	0.0065	$4,067	0.0072	$4,631	0.0072	$4,631
Sentinel Lighting	1.7500	$227	1.9352	$259	1.9352	$259
Street Lighting	1.7416	$4,931	1.9258	$5,621	1.9258	$5,621
Total		**$1,446,227**		**$1,604,449**		**$1,634,712**
Transmission Connection	**Application April 30,**		**IRR July 30, 2021**		**Settlement Proposal**	
Customer Class	**Rate**	**Impact on CoP**	**Rate**	**Impact on CoP**	**Rate**	**Impact on CoP**
Residential	0.0053	$409,283	0.0058	$443,082	0.0058	$454,342
General Service <50 kW	0.0047	$159,047	0.0052	$172,182	0.0052	$185,915
General Service 50-2999 kW	1.8946	$519,395	2.0860	$589,514	2.0860	$589,514
General Service 3000-4999 kW	2.2347	$108,489	2.4604	$115,855	2.4604	$115,855
Unmetered Scattered Load	0.0059	$3,647	0.0064	$4,135	0.0064	$4,135
Sentinel Lighting	1.4954	$195	1.6464	$220	1.6464	$220
Street Lighting	1.4647	$4,147	1.6127	$4,707	1.6127	$4,707
Total		**$1,204,203**		**$1,329,695**		**$1,354,689**

Table 18: 2022 Low Voltage Rates

Customer Class	Application April 30, 2021		IRR July 30, 2021		Settlement Proposal September 7, 2021	
	Rate	Impact on CoP	Rate	Impact on CoP	Rate	Impact on CoP
Residential	0.0074	$573,915	0.0074	$562,189	0.0051	$401,201
General Service <50 kW	0.0066	$223,023	0.0066	$218,467	0.0046	$164,170
General Service 50-2999 kW	2.6567	$728,317	2.6467	$747,984	1.8420	$520,563
General Service 3000-4999 kW	3.1336	$152,128	3.1218	$146,997	2.1726	$102,304
Unmetered Scattered Load	0.0082	$5,115	0.0082	$5,247	0.0057	$3,651
Sentinel Lighting	2.0969	$94,515	2.0889	$96,960	1.4538	$67,480
Street Lighting	2.0539	$5,815	2.0462	$5,972	1.4240	$4,156
Total		**$1,782,828**		**$1,783,816**		**$1,263,525**

Evidence References

- Exhibit 8 – Rate Design, section 2.8.3 Retail Transmission Service Rate (RTSR)
- Exhibit 8 – Rate Design, section 2.8.7 Low Voltage Service Rates

IR Responses

- 3.5-Staff-44
- 3.6-Staff-45
- 3.5-VECC-40
- 3.5-VECC-41
- 3.5-VECC-42

Supporting Parties

- CTA
- SEC
- VECC

Parties Taking No Position

- EP
- NHH

3.6 Are the Retail Service Charges and Pole Attachment Charge appropriate?

Full Settlement

The Parties agree that LUI's proposed Retail Service Charges and Pole Attachment Charge are appropriate. The Parties agree that the proposed Retail Service Charges and Pole Attachment Charge may be subject to an inflationary increase for 2022 if so directed by the OEB.

Evidence References

- Exhibit 8 – Rate Design, section 2.8.6 Specific Service Charges
- Exhibit 8 – Rate Design, section 2.8.4 Retail Service Charges

IR Responses

- 3.6-Staff-46

Supporting Parties

- CTA
- SEC
- VECC

Parties Taking No Position

- EP
- NHH

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?

Full Settlement

The Parties agree that the Specific Service Charges, excluding the request for a specific service charge for customers requiring a printed bill and a charge for a duplicate invoice, are appropriate.

LUI included in its Application the following charges:

1. A $2 per month fee for customers requesting a paper bill
2. A $15 fee for a duplicate invoice

The Parties agree that LUI will remove the proposed two new charges. In removing the charges the Parties further agree that the forecast revenue from the two charges of $41,880 would remain, with the effect that LUI's total other revenue forecast from sources other than the two proposed (and now withdrawn) charges has been increased by $41,880. As a result, the elimination of the two proposed charges does not result in a revenue deficiency that needs to be addressed when setting rates.

Table 19: 2022 Other Revenue

Particulars	Application April 30, 2021	IRR July 30, 2021	Variance over Original Filing	Settlement Proposal September 7, 2021	Variance over IRs
Specific Service Charges	$143,880	$143,880	$0	$143,880	$0
Late Payment Charges	$45,500	$45,500	$0	$45,500	$0
Other Distribution Revenues	$234,892	$234,892	$0	$234,892	$0
Other Income and Deductions	$5,000	$5,000	$0	$5,000	$0
Total	**$429,272**	**$429,272**	**$0**	**$429,272**	**$0**

Evidence References

- Exhibit 3 – Revenues, section 2.3.3 Other Revenues

IR Responses

- 2.1-VECC-21
- 2.1-VECC-22
- 3.7-Staff-47
- 3.7-Staff-48
- 3.7-VECC-47

Supporting Parties

- CTA
- SEC
- VECC

Parties Taking No Position

- EP
- NHH

3.8 Are the rate mitigation proposals required for any rate classes?

Full Settlement

The Parties agree that there are no rate mitigation proposals required for any rate classes.

Table 20: 2022 Bill Impact Summary

Rate Class	Usage		Monthly Distribution Charge (sub-total A)			
					Change	
	kWh	kW	2021	2022	$	%
Residential - RPP	750		$23.78	$24.10	$0.32	1.35%
Residential - non-RPP	750		$23.78	$24.10	$0.32	1.35%
Residential - RPP - 10th percentile	248		$23.78	$24.10	$0.32	1.35%
Residential - non-RPP - 10th percentile	248		$23.78	$24.10	$0.32	1.35%
GS <50 kW - RPP	2,000		$43.10	$43.90	$0.80	1.86%
GS <50 kW - non-RPP	2,000		$43.10	$43.50	$0.40	0.93%
GS 50-2999 kW	72,000	200	$807.80	$816.72	$8.92	1.10%
GS 3000-4999 kW	1,245,322	2,822	$12,436.33	$11,112.47	($1,323.86)	(10.65%)
Unmetered Scattered Load	600		$29.11	$18.43	($10.68)	(36.69%)
Sentinel Lighting	68	0.2037	$7.72	$8.61	$0.90	11.61%
Street Lighting	28.80	0.0770	$1.91	$2.22	$0.31	16.36%

Rate Class	Usage		Total Bill			
					Change	
	kWh	kW	2021	2022	$	%
Residential - RPP	750		$112.01	$116.97	$4.96	4.43%
Residential - non-RPP	750		$114.12	$119.07	$4.95	4.34%
Residential - RPP - 10th percentile	248		$52.15	$53.99	$1.84	3.52%
Residential - non-RPP - 10th percentile	248		$52.85	$54.68	$1.83	3.47%
GS <50 kW - RPP	2,000		$276.32	$288.40	$12.08	4.37%
GS <50 kW - non-RPP	2,000		$281.95	$294.00	$12.05	4.28%
GS 50-2999 kW	72,000	200	$11,698.80	$12,256.21	$557.40	4.76%
GS 3000-4999 kW	1,245,322	2,822	$199,416.57	$206,626.43	$7,209.86	3.62%
Unmetered Scattered Load	600		$99.07	$93.16	($5.91)	(5.97%)
Sentinel Lighting	68	0.2037	$15.26	$16.53	$1.27	8.34%
Street Lighting	28.80	0.0770	$6.64	$7.28	$0.64	9.69%

Evidence References

- Exhibit 8 – Rate Design, section 8.1.13 Rate Mitigation

IR Responses

None

Supporting Parties

- CTA
- SEC

- VECC

Parties Taking No Position

- EP
- NHH

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?

Full Settlement

The Parties agree that all impacts of any changes to accounting standards, policies, estimates, and adjustments identified by LUI in the Application and the interrogatories have been properly identified and recorded, and have been treated appropriately in the rate-making process.

Evidence References

- Exhibit 1 – Administrative Document, section 2.1.4 Changes in Methodologies
- Exhibit 1 – Administrative Document, section 2.1.4 Board Directive from Previous Decisions
- Exhibit 1 – Administrative Document, section 2.1.9 Accounting Standards Used
- Exhibit 1 – Administrative Document, Appendix O Reconciliation between Financial Statements and RRR Filings
- Exhibit 9 – Deferral and Variance Accounts, section 2.9.3.2 Certification of Evidence

IR Responses

- 4.1-Staff-51

Supporting Parties

- CTA
- SEC
- VECC

Parties Taking No Position

- EP
- NHH

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?

Full Settlement

The Parties agree that LUI's proposals for deferral and variance accounts are appropriate, including the proposed disposition of those accounts as shown in Table 21, subject to the following revisions:

1. The Parties agree that as Accounts 1588 and 1589 are currently being audited by the Ontario Energy Board Staff that the balances should be removed from the total claim and that Accounts 1588 and 1589 should be disposed of in LUI's next IRM application subsequent to the completion of the audit.

2. The Parties have agreed to a recovery period of 2 years for the disposition of LUI's Group 1 and Group 2 accounts.

3. Account 1509 – Impacts Arising from the COVID-19 Emergency will not be included for disposition. The disposition of the account will be deferred until LUI's next Cost of Service filing.

4. Account 1592 – PILs and Tax Variances – the balance of $102,887 has been corrected to account for the impact of CCA changes, and updates the 2019 balance, as identified in 4.2-Staff-58.

5. LUI's proposed disposition of Account 1550 – LV Variance Account with a balance of $2,517,025, consisting of principal of $2,423,988 and total interest of $93,037 at December 31, 2020, and which includes projected interest of $13,817, has been adjusted as follows:

   The principal balance in Account 1550 includes $1,148,460 related to a misstatement in the projected future low voltage charges from Hydro One prepared in the 2017 Cost of Service filing. By way of simple explanation, whereas the 2017 Low Voltage rates should have been set based on LUI's then recent historical actual charges from Hydro One, the rates were inadvertently set on a much lower basis, with the result that LUI has under-recovered low voltage related charges from customers from 2017 to 2020. In view of the under-recovery the Parties have agreed to the following:

   a. LUI has forecast the 2021 principal charges of $291,697 to be recorded in Account 1550 in order that the total impact of the under-recovery between 2017 and 2021 can be addressed at the same time. In the normal course LUI would only dispose of the amounts in account 1550 on a historical basis, in this case from 2017 to 2020. However, the Parties have agreed that it is preferable to include the 2021 amounts on a forecast basis in order to address this issue all at once. As the low voltage rate will be adjusted from January 1, 2022 forward the under-recovery issue ends on December 31, 2021.

b. In an effort to minimize the rate impact of the recovery on ratepayers LUI will separate the $1,440,157 ($1,148,460 plus the 2021 estimate of $291,697) amount related to the under-recovery caused by the incorrect setting of the low voltage rates in 2017 from Account 1550 and incorporate a separate recovery period for this balance of 5 years. It is agreed that this amount will not attract carrying charges as described below. The remaining balance of the account will be disposed of in conjunction with the other Group 1 accounts, including the recording of any variance in 2021 net of the forecast under recovery accounted for on a forecast basis.

c. LUI will remove all the interest associated with principal amounts added to account 1550 from 2017 to 2021 in order that customers not pay the carrying charges associated with the under-recovery. The Parties note that in removing all the carrying charges associated with principal amounts added to the account from 2017 to 2021 that LUI will be foregoing carrying costs related not only to the under-recovery amount of $1,440,157, but also the interest associated with other amounts added between 2017 and 2021. In total LUI will be forgoing interest in the account of $65,584. The remaining interest in the account of $13,637 relates to principal amounts added prior to 2017; so that interest will be recovered in the normal course.

d. As a result of the increased low voltage charges and disposition of Account 1550, at the completion of LUI's Cost of Service filing, LUI will incorporate wording in a bill insert related to the low voltage pass through charge and increase in 2022 rates. The wording, intended to explain the nature of the amounts being recovered and the reason for the extended 5-year period of recovery, has been reviewed by the Parties to the settlement of this issue and is attached as Appendix D.

e. LUI will provide additional LEAP funding each year for the five-year period of the disposition related to the under-recovered low voltage charges to ensure that collection of that amount in that period does not adversely impact customers least able to afford it. LUI's normal 2022 LEAP funding is $6,247; as part of this settlement proposal LUI will increase the annual LEAP funding to $10,000 from 2022 to 2026. The additional LEAP funding of $3,753 will be funded out of the existing OM&A budget such that it has no impact on the revenue requirement claimed in the test year.

Table 21: DVA Balances for Disposition

Deferral and Variance Account	USoA	Principal	Interest	Total Claim
LV Variance Account	1550	1,275,528	19,244	1,294,772
Smart Metering Entity Charge Variance Account	1551	(12,356)	(759)	(13,116)
RSVA - Wholesale Market Service Charge	1580	(866,846)	(52,063)	(918,909)
RSVA - Wholesale Market Service Charge - Sub-account CBR Class B	1580	53,914	6,139	60,053
RSVA - Retail Transmission Network Charge	1584	209,081	5,035	214,116
RSVA - Retail Transmission Connection Charge	1586	256,533	10,144	266,678
Recovery of Regulatory Asset Balances (2012)	1595	173,177	(70,462)	102,715
Recovery of Regulatory Asset Balances (2015)	1595	(760,575)	703,885	(56,690)
Recovery of Regulatory Asset Balances (2016)	1595	(17,697)	(63,082)	(80,779)
Recovery of Regulatory Asset Balances (2017)	1595	166,524	(171,045)	(4,521)
Group 1 Sub-Total		**477,283**	**387,037**	**864,320**
Other Regulatory Assets	1508	(74,511)	1,074	(73,436)
Retail Cost Variance Account	1518	15,151	(937)	14,214
Retail Cost Variance Account	1548	23,734	(3,463)	20,272
LRAM Variance Account	1568	13,796	366	14,162
PILs and Tax Variance for 2006 and Subsequent Years	1592	(101,606)	(1,282)	(102,887)
Group 2 Sub-Total		**(123,435)**	**(4,241)**	**(127,676)**
Total		**353,848**	**382,796**	**736,643**

Table 22: Calculation of Account 1550 Disposition

Customer Class	Mechanism		Allocation	Rate Rider
	kWh	kW		
Residential	75,290,019		455,021	$0.0012
GS<50 kW	34,580,902		208,993	$0.0012
GS 50-2999 kW	107,176,718	282,610	647,731	$0.4584
GS 3000-4999 kW	19,493,265	47,088	117,809	$0.5004
Street Lighting	1,091,871	2,919	6,599	$0.4522
Sentinel Lights	44,683	134	270	$0.4035
Unmetered Scattered Load	617,799		3,734	$0.0012
Total	**238,295,257**	**332,750**	**1,440,157**	

Table 23 below was prepared by OEB Staff and included in the OEB Staff submission on the original Settlement Proposal dated September 24, 2021; the Table summarizes the adjustment to Account 1550. Through the calculations in the Table, OEB Staff noted that LUI incorrectly included the 2021 estimate of $291,697 as an adjustment to Account 1550 and advised that the adjustment should not have been included.

As a result of the above update to Account 1550, the only update to the rates was a change to the Rate Rider for Disposition of Deferral/Variance Accounts to account for the increased recovery from Account 1550 of $291,697 plus interest. There was no change in any additional rates or a change in the disposition period.

Table 23: Account 1550 Adjustment

$	LV Variance	Interest	Total Claim	Notes
Account 1550 Revised Balance (per Table 1) – (A)	2,715,685	27,453	**2,743,138**	
Separate Rate Riders for the Under-Recovery of LV variances (2017 to 2021) due to under-estimated LV rates[16] - (B)	1,440,157	-	**1,440,157**	Recovered over five-year period
Remaining Balance in Account 1550 (OEB Staff Calculation) – (C= A-B)	1,275,528	27,453	**1,302,981**	Recovered with Group 1 accounts over two-year period
Remaining Balance in Account 1550, as disclosed in settlement proposal[17] (D)	983,831	19,244	**1,003,075**	Per Table 21 in the settlement proposal
Difference (E=C-D)	291,697	8,209	**299,906**	

Evidence References

- Exhibit 9 – Deferral and Variance Accounts, section 2.9 Status and Disposition of Deferral and Variance Accounts
- Exhibit 9 – Deferral and Variance Accounts, section 2.9.2 Retail Service Charge
- Exhibit 9 – Deferral and Variance Accounts, section 2.9.3 Disposition of Deferral and Variance Accounts
- Exhibit 9 – Deferral and Variance Accounts, section 2.9.3.2 Global Adjustment

IR Responses

- 4.1-Staff-49
- 4.1-Staff-50
- 4.2-Staff-52
- 4.2-Staff-53
- 4.2-Staff-54
- 4.2-Staff-55
- 4.2-Staff-56
- 4.2-Staff-57
- 4.2-Staff-58
- 4.2-VECC-49
- 5.3-Staff-60

Supporting Parties

- CTA
- SEC
- VECC

Parties Taking No Position

- EP
- NHH

5.0 OTHER

5.1 Is the proposed effective date (i.e. January 1, 2022) for 2022 rates appropriate?

Full Settlement

The Parties agree that LUI's new rates should be effective on January 1, 2022 or at the earliest possible date after January 1, 2022 as would be feasible following the issuance of the Board's Decision.

Evidence References

- Exhibit 1 – Administrative Document, section 2.1.4 Legal Representation

IR Responses

None

Supporting Parties

- CTA
- SEC
- VECC

Parties Taking No Position

- EP
- NHH

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?

Full Settlement

In LUI's settlement proposal for its 2016 Cost of Service filing (EB-2016-0089), LUI agreed to provide a complete Asset Condition Assessment in its next Cost of Service Application.

LUI provided an Asset Condition Assessment which was accepted by the Parties.

Evidence References

- Exhibit 2 – Appendix A

IR Responses

- 1.1-Staff-10
- 1.1-Staff-11
- 1.1-Staff-12
- 1.1-Staff-13
- 5.2-VECC-50
- 5.2-VECC-51

Supporting Parties

- CTA
- SEC
- VECC

Parties Taking No Position

- EP
- NHH

5.3 Is the proposed method of addressing the impact of COVID-19 on Lakefront Utilities' operations for 2022 rates appropriate?

Full Settlement

The Parties have reviewed the evidence and come to an agreement with respect to the Test Year revenue requirement for LUI for the purposes of setting rates as though there will be no COVID-19 pandemic related impacts on its operations, to provide a test year that is an appropriate basis for rates not only for 2022, but also for the IRM period going forward.

Evidence References

- Exhibit 1 – Administrative Document, section 2.0 COVID-19 Pandemic

IR Responses

- 1-SEC-1
- 3.1-VECC-31
- 3.1-VECC-33
- 5.3-Staff-59
- 5.3-VECC-52
- 5.3-VECC-53

Supporting Parties

- CTA
- SEC
- VECC

Parties Taking No Position

- EP
- NHH

6 ATTACHMENTS

Appendix A	Proposed January 1, 2022 Tariff of Rates and Charges
Appendix B	Bill Impacts
Appendix C	Revenue Requirement Work Form
Appendix D	Bill Insert Excerpt – Low Voltage Charge Revenue

A Proposed January 1, 2022 Tariff of Rates and Charges

Lakefront Utilities Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2022

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2021-0039

RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to an account taking electricity at 750 volts or less where the electricity is used exclusively in a separately metered living accommodation. Customers shall be residing in single-dwelling units that consist of a detached house or one unit of a semi-detached, duplex, triplex or quadruplex house, with a residential zoning. Separately metered dwellings within a town house complex or apartment building also qualify as residential customers. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor’s Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor’s Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to the Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	24.24
Rate Rider for Disposition of Deferral/Variance Accounts Group 2 Accounts - effective until December 31, 2023	$	(0.14)
Smart Metering Entity Charge - effective until December 31, 2022	$	0.57
Low Voltage Service Rate	$/kWh	0.0051
Rate Rider for Disposition of Deferral/Variance Accounts - effective until December 31, 2023	$/kWh	0.0018
Rate Rider for Disposition of Deferral/Variance Account 1550 - effective until December 31, 2026	$/kWh	0.0012
Retail Transmission Rate - Network Service Rate	$/kWh	0.0069
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kWh	0.0058

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Lakefront Utilities Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2022

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EB-2021-0039

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification refers to a non residential account taking electricity at 750 volts or less whose monthly average peak demand is less than, or is forecast to be less than, 50 kW. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to the Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	25.50
Smart Metering Entity Charge - effective until December 31, 2022	$	0.57
Distribution Volumetric Rate	$/kWh	0.0090
Low Voltage Service Rate	$/kWh	0.0046
Rate Rider for Disposition of Deferral/Variance Accounts - effective until December 31, 2023	$/kWh	0.0018
Rate Rider for Disposition of Deferral/Variance Accounts Group 2 Accounts - effective until December 31, 2023	$/kWh	(0.0003)
Rate Rider for Disposition of Deferral/Variance Account 1550 - effective until December 31, 2026	$/kWh	0.0012
Rate Rider for Disposition of LRAM Variance Account - effective until December 31, 2023	$/kWh	0.0002
Retail Transmission Rate - Network Service Rate	$/kWh	0.0064
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kWh	0.0052

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Lakefront Utilities Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2022
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EB-2021-0039

GENERAL SERVICE 50 TO 2,999 KW SERVICE CLASSIFICATION

This classification refers to a non residential account whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 3,000 kW. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

If included in the following listing of monthly rates and charges, the rate rider for the disposition of WMS - Sub-account CBR Class B is not applicable to wholesale market participants (WMP), customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new Class B customers.

If included in the following listing of monthly rates and charges, the rate rider for the disposition of Global Adjustment is only applicable to non-RPP Class B customers. It is not applicable to WMP, customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new non-RPP Class B customers.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to the Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	90.72
Distribution Volumetric Rate	$/kW	3.6300
Low Voltage Service Rate	$/kW	1.8420
Rate Rider for Disposition of Deferral/Variance Accounts - effective until December 31, 2023	$/kW	0.6968
Rate Rider for Disposition of Capacity Based Recovery Account Applicable only for Class B Customers - effective until December 31, 2023	$/kW	0.0035
Rate Rider for Disposition of Deferral/Variance Accounts Group 2 Accounts - effective until December 31, 2023	$/kW	(0.1399)
Rate Rider for Disposition of Deferral/Variance Account 1550 - effective until December 31, 2026	$/kW	0.4584
Rate Rider for Disposition of LRAM Variance Account - effective until December 31, 2023	$/kWh	0.0137
Retail Transmission Rate - Network Service Rate	$/kW	2.5533
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kW	2.0860

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Lakefront Utilities Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2022

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2021-0039

GENERAL SERVICE 3,000 TO 4,999 KW SERVICE CLASSIFICATION

This classification refers to a non residential account whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than 3,000 kW, but less than 5,000 kW. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor’s Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor’s Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

If included in the following listing of monthly rates and charges, the rate rider for the disposition of WMS - Sub-account CBR Class B is not applicable to wholesale market participants (WMP), customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new Class B customers.

If included in the following listing of monthly rates and charges, the rate rider for the disposition of Global Adjustment is only applicable to non-RPP Class B customers. It is not applicable to WMP, customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new non-RPP Class B customers.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to the Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	5,414.01
Distribution Volumetric Rate	$/kW	2.0193
Low Voltage Service Rate	$/kW	2.1726
Rate Rider for Disposition of Deferral/Variance Accounts - effective until December 31, 2023	$/kW	0.7613
Rate Rider for Disposition of Capacity Based Recovery Account Applicable only for Class B Customers - effective until December 31, 2023	$/kW	0.0019
Rate Rider for Disposition of Deferral/Variance Accounts Group 2 Accounts - effective until December 31, 2023	$/kW	(0.1531)
Rate Rider for Disposition of Deferral/Variance Account 1550 - effective until December 31, 2026	$/kW	0.5004
Retail Transmission Rate - Network Service Rate	$/kW	2.8559
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kW	2.4604

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Lakefront Utilities Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2022
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EB-2021-0039

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification refers to an account taking electricity at 750 volts or less whose monthly average peak demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The customer will provide detailed manufacturer information/ documentation with regard to electrical demand/consumption of the proposed unmetered load. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to the Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per customer)	$	9.73
Distribution Volumetric Rate	$/kWh	0.0145
Low Voltage Service Rate	$/kWh	0.0057
Rate Rider for Disposition of Deferral/Variance Accounts - effective until December 31, 2023	$/kWh	0.0018
Rate Rider for Disposition of Deferral/Variance Accounts Group 2 Accounts - effective until December 31, 2023	$/kWh	(0.0002)
Rate Rider for Disposition of Deferral/Variance Account 1550 - effective until December 31, 2026	$/kWh	0.0012
Retail Transmission Rate - Network Service Rate	$/kWh	0.0072
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kWh	0.0064

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Lakefront Utilities Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2022

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EB-2021-0039

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to accounts that are an unmetered lighting load supplied to a sentinel light. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor’s Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor’s Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	$	5.88
Distribution Volumetric Rate	$/kW	13.4029
Low Voltage Service Rate	$/kW	1.4538
Rate Rider for Disposition of Deferral/Variance Accounts - effective until December 31, 2023	$/kW	0.6127
Rate Rider for Disposition of Capacity Based Recovery Account Applicable only for Class B Customers - effective until December 31, 2023	$/kW	0.0036
Rate Rider for Disposition of Deferral/Variance Accounts Group 2 Accounts - effective until December 31, 2023	$/kW	0.3257
Rate Rider for Disposition of Deferral/Variance Account 1550 - effective until December 31, 2026	$/kW	0.4035
Retail Transmission Rate - Network Service Rate	$/kW	1.9352
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kW	1.6464

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Lakefront Utilities Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2022
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EB-2021-0039

STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting operation, controlled by photo cells. The consumption for these customers will be based on the calculated connected load times the required lighting times established in the approved Ontario Energy Board street lighting load shape template. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to the Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per device)	$	1.85
Distribution Volumetric Rate	$/kW	4.8397
Low Voltage Service Rate	$/kW	1.4240
Rate Rider for Disposition of Deferral/Variance Accounts - effective until December 31, 2023	$/kW	0.6819
Rate Rider for Disposition of Capacity Based Recovery Account Applicable only for Class B Customers - effective until December 31, 2023	$/kW	0.0040
Rate Rider for Disposition of Deferral/Variance Accounts Group 2 Accounts - effective until December 31, 2023	$/kW	1.1802
Rate Rider for Disposition of Deferral/Variance Account 1550 - effective until December 31, 2026	$/kW	0.4522
Retail Transmission Rate - Network Service Rate	$/kW	1.9258
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kW	1.6127

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Lakefront Utilities Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2022
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EB-2021-0039

microFIT SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Independent Electricity System Operator's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to the Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	5.40

Lakefront Utilities Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2022
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ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	$/kW	(0.60)
Primary Metering Allowance for Transformer Losses - applied to measured demand & energy	%	(1.00)

SPECIFIC SERVICE CHARGES

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

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Customer Administration

Arrears certificate	$	15.00
Statement of account	$	15.00
Pulling post dated cheques	$	15.00
Request for other billing information	$	15.00
Easement letter	$	15.00
Income tax letter	$	15.00
Credit reference/credit check (plus credit agency costs)	$	15.00
Returned cheque (plus bank charges)	$	15.00
Legal letter charge	$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	$	30.00
Special meter reads	$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	$	30.00

Non-Payment of Account

Late payment - per month (effective annual rate 19.56% per annum or 0.04896% compounded daily rate)	%	1.50
Reconnection at meter - during regular hours	$	65.00
Reconnection at meter - after regular hours	$	185.00
Reconnection at pole - during regular hours	$	185.00
Reconnection at pole - after regular hours	$	415.00

Lakefront Utilities Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2022

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Other

Service call - customer owned equipment	$	30.00
Service call - after regular hours	$	165.00
Temporary service - install & remove - overhead - no transformer	$	500.00
Temporary service - install & remove - underground - no transformer	$	300.00
Temporary service - install & remove - overhead - with transformer	$	1,000.00
Specific charge for access to the power poles - $/pole/year (with the exception of wireless attachments)	$	44.50
Interval meter load management tool charge $/month	$	110.00
Service charge for onsite interrogation of interval meter due to customer phone line failure - required weekly until line repaired	$	60.00

Lakefront Utilities Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2022
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RETAIL SERVICE CHARGES (if applicable)

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor’s Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to the Ontario Energy Board approval, such as the Global Adjustment and the HST.

Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity.

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	$	104.04
Monthly fixed charge, per retailer	$	41.62
Monthly variable charge, per customer, per retailer	$/cust.	1.04
Distributor-consolidated billing monthly charge, per customer, per retailer	$/cust.	0.62
Retailer-consolidated billing monthly credit, per customer, per retailer	$/cust.	(0.62)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	$	0.52
Processing fee, per request, applied to the requesting party	$	1.04
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year	$	no charge
More than twice a year, per request (plus incremental delivery costs)	$	4.16
Notice of switch letter charge, per letter (unless the distributor has opted out of applying the charge as per the Ontario Energy Board's Decision and Order EB-2015-0304, issued on February 14, 2019)	$	2.08

LOSS FACTORS

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor - Secondary Metered Customer < 5,000 kW	1.0388
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0288

B Bill Impacts

Ontario Energy Board

Tariff Schedule and Bill Impacts Model

(2021 Cost of Service Filers)

The bill comparisons below must be provided for typical customers and consumption levels. Bill impacts must be provided for residential customers consuming 750 kWh per month and general service customers consuming 2,000 kWh per month and having a monthly demand of less than 50 kW. Include bill comparisons for Non-RPP (retailer) as well. **To assess the combined effects of the shift to fixed rates and other bill impacts associated with changes in the cost of distribution service, applicants are to include a total bill impact for a residential customer at the distributor's 10th consumption percentile (In other words, 10% of a distributor's residential customers consume at or less than this level of consumption on a monthly basis). Refer to section 3.2.3 of the Chapter 3 Filing Requirements For Electricity Distribution Rate Applications.**

For certain classes where one or more customers have unique consumption and demand patterns and which may be significantly impacted by the proposed rate changes, the distributor must show a typical comparison, and provide an explanation.

Note:
1. For those classes that are not eligible for the RPP price, the weighted average price including Class B GA through end of May 2017 of $0.1101/kWh (IESO's Monthly Market Report for May 2017, page 22) has been used to represent the cost of power. For those classes on a retailer contract, applicants should enter the contract price (plus GA) for a more accurate estimate. Changes to the cost of power can be made directly on the bill impact table for the specific class.
2. Please enter the applicable billing determinant (e.g. number of connections or devices) to be applied to the monthly service charge for unmetered rate classes in column N. If the monthly service charge is applied on a per customer basis, enter the number "1". Distributors should provide the number of connections or devices reflective of a typical customer in each class.

Note that cells with the highlighted color shown to the left indicate quantities that are loss adjusted.

Table 1

RATE CLASSES / CATEGORIES *(eg: Residential TOU, Residential Retailer)*	**Units**	**RPP? Non-RPP Retailer? Non-RPP Other?**	**Current Loss Factor** (eg: 1.0351)	**Proposed Loss Factor**	**Consumption (kWh)**	**Demand kW (if applicable)**	**RTSR Demand or Demand-Interval?**	**Billing Determinant Applied to Fixed Charge for Unmetered Classes (e.g. # of devices/connections).**
RESIDENTIAL SERVICE CLASSIFICATION	kwh	RPP	1.0441	1.0388	750		CONSUMPTION	
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	kwh	RPP	1.0441	1.0388	2,000		CONSUMPTION	
GENERAL SERVICE 50 TO 2,999 KW SERVICE CLASSIFICATION	kw	Non-RPP (Other)	1.0441	1.0388	72,000	200	DEMAND	
GENERAL SERVICE 3,000 TO 4,999 KW SERVICE CLASSIFICATION	kw	Non-RPP (Other)	1.0441	1.0388	1,245,322	2,822	DEMAND	
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kwh	RPP	1.0441	1.0388	600		CONSUMPTION	1
SENTINEL LIGHTING SERVICE CLASSIFICATION	kw	RPP	1.0441	1.0388	68	0	DEMAND	1
STREET LIGHTING SERVICE CLASSIFICATION	kw	Non-RPP (Other)	1.0441	1.0388	29	0	DEMAND	1
RESIDENTIAL SERVICE CLASSIFICATION	kwh	Non-RPP (Other)	1.0441	1.0388	750		CONSUMPTION	
RESIDENTIAL SERVICE CLASSIFICATION	kwh	RPP	1.0441	1.0388	248		CONSUMPTION	
RESIDENTIAL SERVICE CLASSIFICATION	kwh	Non-RPP (Other)	1.0441	1.0388	248		CONSUMPTION	
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	kwh	Non-RPP (Other)	1.0441	1.0388	2,000		CONSUMPTION	
Add additional scenarios if required								
Add additional scenarios if required								
Add additional scenarios if required								
Add additional scenarios if required								
Add additional scenarios if required								
Add additional scenarios if required								
Add additional scenarios if required								
Add additional scenarios if required								

Table 2

RATE CLASSES / CATEGORIES *(eg: Residential TOU, Residential Retailer)*	Units	Sub-Total						Total	
		A		B		C		Total Bill	
		$	%	$	%	$	%	$	%
RESIDENTIAL SERVICE CLASSIFICATION - RPP	kwh	$ 0.32	1.3%	$ 4.92	17.0%	$ 5.42	14.1%	$ 4.96	4.4%
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION - RPP	kwh	$ 0.80	1.9%	$ 11.86	21.4%	$ 13.20	16.9%	$ 12.08	4.4%
GENERAL SERVICE 50 TO 2,999 KW SERVICE CLASSIFICATION - Non-RPP (Other)	kw	$ 8.92	1.1%	$ 485.16	53.5%	$ 536.78	30.1%	$ 557.40	4.8%
GENERAL SERVICE 3,000 TO 4,999 KW SERVICE CLASSIFICATION - Non-RPP (Other)	kw	$ (1,323.86)	-10.6%	$ 6,298.93	44.7%	$ 7,132.83	25.3%	$ 7,209.86	3.6%
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION - RPP	kwh	$ (10.68)	-36.7%	$ (6.82)	-20.8%	$ (6.43)	-15.7%	$ (5.91)	-6.0%
SENTINEL LIGHTING SERVICE CLASSIFICATION - RPP	kw	$ 0.90	11.6%	$ 1.35	16.6%	$ 1.39	15.8%	$ 1.27	8.3%
STREET LIGHTING SERVICE CLASSIFICATION - Non-RPP (Other)	kw	$ 0.31	16.4%	$ 0.55	26.7%	$ 0.57	24.4%	$ 0.64	9.7%
RESIDENTIAL SERVICE CLASSIFICATION - Non-RPP (Other)	kwh	$ 0.32	1.3%	$ 4.91	16.9%	$ 5.41	14.1%	$ 4.95	4.3%
RESIDENTIAL SERVICE CLASSIFICATION - RPP	kwh	$ 0.32	1.3%	$ 1.84	7.1%	$ 2.01	6.9%	$ 1.84	3.5%
RESIDENTIAL SERVICE CLASSIFICATION - Non-RPP (Other)	kwh	$ 0.32	1.3%	$ 1.84	7.1%	$ 2.00	6.9%	$ 1.83	3.5%
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION - Non-RPP (Other)	kwh	$ 0.40	0.9%	$ 11.83	21.2%	$ 13.17	16.8%	$ 12.05	4.3%

Customer Class:	RESIDENTIAL SERVICE CLASSIFICATION	
RPP / Non-RPP:	RPP	
Consumption	750	kWh
Demand	-	kW
Current Loss Factor	1.0441	
Proposed/Approved Loss Factor	1.0388	

	Current OEB-Approved			Proposed			Impact	
	Rate ($)	Volume	Charge ($)	Rate ($)	Volume	Charge ($)	$ Change	% Change
Monthly Service Charge	$ 23.78	1	$ 23.78	$ 24.24	1	$ 24.24	$ 0.46	1.93%
Distribution Volumetric Rate	$ -	750	$ -	$ -	750	$ -	$ -	
Fixed Rate Riders	$ -	1	$ -	$ (0.14)	1	$ (0.14)	$ (0.14)	
Volumetric Rate Riders	$ -	750	$ -	$ -	750	$ -	$ -	
Sub-Total A (excluding pass through)			**$ 23.78**			**$ 24.10**	**$ 0.32**	**1.35%**
Line Losses on Cost of Power	$ 0.1072	33	$ 3.54	$ 0.1072	29	$ 3.12	$ (0.43)	-12.02%
Total Deferral/Variance Account Rate Riders	$ -	750	$ -	$ 0.0030	750	$ 2.25	$ 2.25	
CBR Class B Rate Riders	$ -	750	$ -	$ -	750	$ -	$ -	
GA Rate Riders	$ -	750	$ -	$ -	750	$ -	$ -	
Low Voltage Service Charge	$ 0.0014	750	$ 1.05	$ 0.0051	750	$ 3.83	$ 2.78	264.29%
Smart Meter Entity Charge (if applicable)	$ 0.57	1	$ 0.57	$ 0.57	1	$ 0.57	$ -	0.00%
Additional Fixed Rate Riders	$ -	1	$ -	$ -	1	$ -	$ -	
Additional Volumetric Rate Riders		750	$ -	$ -	750	$ -	$ -	
Sub-Total B - Distribution (includes Sub-Total A)			**$ 28.94**			**$ 33.86**	**$ 4.92**	**16.99%**
RTSR - Network	$ 0.0065	783	$ 5.09	$ 0.0069	779	$ 5.38	$ 0.29	5.61%
RTSR - Connection and/or Line and Transformation Connection	$ 0.0055	783	$ 4.31	$ 0.0058	779	$ 4.52	$ 0.21	4.92%
Sub-Total C - Delivery (including Sub-Total B)			**$ 38.34**			**$ 43.76**	**$ 5.42**	**14.13%**
Wholesale Market Service Charge (WMSC)	$ 0.0034	783	$ 2.66	$ 0.0034	779	$ 2.65	$ (0.01)	-0.51%
Rural and Remote Rate Protection (RRRP)	$ 0.0005	783	$ 0.39	$ 0.0005	779	$ 0.39	$ (0.00)	-0.51%
Standard Supply Service Charge	$ 0.25	1	$ 0.25	$ 0.25	1	$ 0.25	$ -	0.00%
TOU - Off Peak	$ 0.0850	488	$ 41.44	$ 0.0850	488	$ 41.44	$ -	0.00%
TOU - Mid Peak	$ 0.1190	128	$ 15.17	$ 0.1190	128	$ 15.17	$ -	0.00%
TOU - On Peak	$ 0.1760	135	$ 23.76	$ 0.1760	135	$ 23.76	$ -	0.00%
Total Bill on TOU (before Taxes)			**$ 122.02**			**$ 127.42**	**$ 5.40**	**4.43%**
HST	13%		$ 15.86	13%		$ 16.56	$ 0.70	4.43%
Ontario Electricity Rebate	21.2%		$ (25.87)	21.2%		$ (27.01)	$ (1.15)	
Total Bill on TOU			**$ 112.01**			**$ 116.97**	**$ 4.96**	**4.43%**

In the manager's summary, discuss the reas

In the manager's summary, discuss the reas

Customer Class: GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION
RPP / Non-RPP: RPP
Consumption 2,000 kWh
Demand - kW
Current Loss Factor 1.0441
Proposed/Approved Loss Factor 1.0388

	Current OEB-Approved			Proposed			Impact		
	Rate ($)	Volume	Charge ($)	Rate ($)	Volume	Charge ($)	$ Change	% Change	
Monthly Service Charge	$ 25.50	1	$ 25.50	$ 25.50	1	$ 25.50	$ -	0.00%	
Distribution Volumetric Rate	$ 0.0088	2000	$ 17.60	$ 0.0090	2000	$ 18.00	$ 0.40	2.27%	
Fixed Rate Riders	$ -	1	$ -	$ -	1	$ -	$ -		
Volumetric Rate Riders	$ -	2000	$ -	$ 0.0002	2000	$ 0.40	$ 0.40		
Sub-Total A (excluding pass through)			**$ 43.10**			**$ 43.90**	**$ 0.80**	**1.86%**	
Line Losses on Cost of Power	$ 0.1072	88	$ 9.45	$ 0.1072	78	$ 8.32	$ (1.14)	-12.02%	
Total Deferral/Variance Account Rate Riders	$ -	2,000	$ -	$ 0.0027	2,000	$ 5.40	$ 5.40		
CBR Class B Rate Riders	$ -	2,000	$ -	$ -	2,000	$ -	$ -		
GA Rate Riders	$ -	2,000	$ -	$ -	2,000	$ -	$ -		
Low Voltage Service Charge	$ 0.0012	2,000	$ 2.40	$ 0.0046	2,000	$ 9.20	$ 6.80	283.33%	
Smart Meter Entity Charge (if applicable)	$ 0.57	1	$ 0.57	$ 0.57	1	$ 0.57	$ -	0.00%	
Additional Fixed Rate Riders	$ -	1	$ -	$ -	1	$ -	$ -		
Additional Volumetric Rate Riders		2,000	$ -	$ -	2,000	$ -	$ -		
Sub-Total B - Distribution (includes Sub-Total A)			**$ 55.52**			**$ 67.39**	**$ 11.86**	**21.37%**	
RTSR - Network	$ 0.0060	2,088	$ 12.53	$ 0.0064	2,078	$ 13.30	$ 0.77	6.13%	In the manager's summary, discuss the reas
RTSR - Connection and/or Line and Transformation Connection	$ 0.0049	2,088	$ 10.23	$ 0.0052	2,078	$ 10.80	$ 0.57	5.58%	In the manager's summary, discuss the reas
Sub-Total C - Delivery (including Sub-Total B)			**$ 78.28**			**$ 91.49**	**$ 13.20**	**16.87%**	
Wholesale Market Service Charge (WMSC)	$ 0.0034	2,088	$ 7.10	$ 0.0034	2,078	$ 7.06	$ (0.04)	-0.51%	
Rural and Remote Rate Protection (RRRP)	$ 0.0005	2,088	$ 1.04	$ 0.0005	2,078	$ 1.04	$ (0.01)	-0.51%	
Standard Supply Service Charge	$ 0.25	1	$ 0.25	$ 0.25	1	$ 0.25	$ -	0.00%	
TOU - Off Peak	$ 0.0850	1,300	$ 110.50	$ 0.0850	1,300	$ 110.50	$ -	0.00%	
TOU - Mid Peak	$ 0.1190	340	$ 40.46	$ 0.1190	340	$ 40.46	$ -	0.00%	
TOU - On Peak	$ 0.1760	360	$ 63.36	$ 0.1760	360	$ 63.36	$ -	0.00%	
Total Bill on TOU (before Taxes)			**$ 301.00**			**$ 314.16**	**$ 13.16**	**4.37%**	
HST	13%		$ 39.13	13%		$ 40.84	$ 1.71	4.37%	
Ontario Electricity Rebate	21.2%		$ (63.81)	21.2%		$ (66.60)	$ (2.79)		
Total Bill on TOU			**$ 276.32**			**$ 288.40**	**$ 12.08**	**4.37%**	

Customer Class:	**GENERAL SERVICE 50 TO 2,999 KW SERVICE CLASSIFICATION**
RPP / Non-RPP:	**Non-RPP (Other)**
Consumption	**72,000** kWh
Demand	**200** kW
Current Loss Factor	**1.0441**
Proposed/Approved Loss Factor	**1.0388**

	Current OEB-Approved			Proposed			Impact	
	Rate ($)	Volume	Charge ($)	Rate ($)	Volume	Charge ($)	$ Change	% Change
Monthly Service Charge	$ 89.62	1	$ 89.62	$ 90.72	1	$ 90.72	$ 1.10	1.23%
Distribution Volumetric Rate	$ 3.5909	200	$ 718.18	$ 3.6300	200	$ 726.00	$ 7.82	1.09%
Fixed Rate Riders	$ -	1	$ -	$ -	1	$ -	$ -	
Volumetric Rate Riders	$ -	200	$ -	$ -	200	$ -	$ -	
Sub-Total A (excluding pass through)			**$ 807.80**			**$ 816.72**	**$ 8.92**	**1.10%**
Line Losses on Cost of Power	$ -	-	$ -	$ -	-	$ -	$ -	
Total Deferral/Variance Account Rate Riders	$ -	200	$ -	$ 1.0153	200	$ 203.06	$ 203.06	
CBR Class B Rate Riders	$ -	200	$ -	$ -	200	$ -	$ -	
GA Rate Riders	$ -	72,000	$ -	$ -	72,000	$ -	$ -	
Low Voltage Service Charge	$ 0.4933	200	$ 98.66	$ 1.8420	200	$ 368.40	$ 269.74	273.40%
Smart Meter Entity Charge (if applicable)	$ -	1	$ -	$ -	1	$ -	$ -	
Additional Fixed Rate Riders	$ -	1	$ -	$ -	1	$ -	$ -	
Additional Volumetric Rate Riders		200	$ -	$ 0.0172	200	$ 3.44	$ 3.44	
Sub-Total B - Distribution (includes Sub-Total A)			**$ 906.46**			**$ 1,391.62**	**$ 485.16**	**53.52%**
RTSR - Network	$ 2.4063	200	$ 481.26	$ 2.5533	200	$ 510.66	$ 29.40	6.11%
RTSR - Connection and/or Line and Transformation Connection	$ 1.9749	200	$ 394.98	$ 2.0860	200	$ 417.20	$ 22.22	5.63%
Sub-Total C - Delivery (including Sub-Total B)			**$ 1,782.70**			**$ 2,319.48**	**$ 536.78**	**30.11%**
Wholesale Market Service Charge (WMSC)	$ 0.0034	75,175	$ 255.60	$ 0.0034	74,794	$ 254.30	$ (1.30)	-0.51%
Rural and Remote Rate Protection (RRRP)	$ 0.0005	75,175	$ 37.59	$ 0.0005	74,794	$ 37.40	$ (0.19)	-0.51%
Standard Supply Service Charge	$ 0.25	1	$ 0.25	$ 0.25	1	$ 0.25	$ -	0.00%
Average IESO Wholesale Market Price	$ 0.1101	75,175	$ 8,276.79	$ 0.1101	74,794	$ 8,234.78	$ (42.01)	-0.51%
Total Bill on Average IESO Wholesale Market Price			**$ 10,352.92**			**$ 10,846.20**	**$ 493.28**	**4.76%**
HST	13%		$ 1,345.88	13%		$ 1,410.01	$ 64.13	4.76%
Ontario Electricity Rebate	21.2%		$ -	21.2%		$ -		
Total Bill on Average IESO Wholesale Market Price			**$ 11,698.80**			**$ 12,256.21**	**$ 557.40**	**4.76%**

In the manager's summary, discuss the reas

In the manager's summary, discuss the reas

Customer Class:	GENERAL SERVICE 3,000 TO 4,999 KW SERVICE CLASSIFICATION
RPP / Non-RPP:	Non-RPP (Other)
Consumption	1,245,322 kWh
Demand	2,822 kW
Current Loss Factor	1.0441
Proposed/Approved Loss Factor	1.0388

	Current OEB-Approved			Proposed			Impact		
	Rate ($)	Volume	Charge ($)	Rate ($)	Volume	Charge ($)	$ Change	% Change	
Monthly Service Charge	$ 6,174.88	1	$ 6,174.88	$ 5,414.01	1	$ 5,414.01	$ (760.87)	-12.32%	
Distribution Volumetric Rate	$ 2.2188	2822	$ 6,261.45	$ 2.0193	2822	$ 5,698.46	$ (562.99)	-8.99%	
Fixed Rate Riders	$ -	1	$ -	$ -	1	$ -	$ -		
Volumetric Rate Riders	$ -	2822	$ -	$ -	2822	$ -	$ -		
Sub-Total A (excluding pass through)			**$ 12,436.33**			**$ 11,112.47**	**$ (1,323.86)**	**-10.65%**	
Line Losses on Cost of Power	$ -	-	$ -	$ -	-	$ -	$ -		
Total Deferral/Variance Account Rate Riders	$ -	2,822	$ -	$ 1.1086	2,822	$ 3,128.47	$ 3,128.47		
CBR Class B Rate Riders	$ -	2,822	$ -	$ -	2,822	$ -	$ -		
GA Rate Riders	$ -	1,245,322	$ -	$ -	1,245,322	$ -	$ -		
Low Voltage Service Charge	$ 0.5819	2,822	$ 1,642.12	$ 2.1726	2,822	$ 6,131.08	$ 4,488.96	273.36%	
Smart Meter Entity Charge (if applicable)	$ -	1	$ -	$ -	1	$ -	$ -		
Additional Fixed Rate Riders	$ -	1	$ -	$ -	1	$ -	$ -		
Additional Volumetric Rate Riders		2,822	$ -	$ 0.0019	2,822	$ 5.36	$ 5.36		
Sub-Total B - Distribution (includes Sub-Total A)			**$ 14,078.46**			**$ 20,377.38**	**$ 6,298.93**	**44.74%**	
RTSR - Network	$ 2.6914	2,822	$ 7,595.13	$ 2.8559	2,822	$ 8,059.35	$ 464.22	6.11%	In the manager's summary, discuss the reas
RTSR - Connection and/or Line and Transformation Connection	$ 2.3294	2,822	$ 6,573.57	$ 2.4604	2,822	$ 6,943.25	$ 369.68	5.62%	In the manager's summary, discuss the reas
Sub-Total C - Delivery (including Sub-Total B)			**$ 28,247.15**			**$ 35,379.98**	**$ 7,132.83**	**25.25%**	
Wholesale Market Service Charge (WMSC)	$ 0.0034	1,300,241	$ 4,420.82	$ 0.0034	1,293,640	$ 4,398.38	$ (22.44)	-0.51%	
Rural and Remote Rate Protection (RRRP)	$ 0.0005	1,300,241	$ 650.12	$ 0.0005	1,293,640	$ 646.82	$ (3.30)	-0.51%	
Standard Supply Service Charge	$ 0.25	1	$ 0.25	$ 0.25	1	$ 0.25	$ -	0.00%	
Average IESO Wholesale Market Price	$ 0.1101	1,300,241	$ 143,156.50	$ 0.1101	1,293,640	$ 142,429.82	$ (726.68)	-0.51%	
Total Bill on Average IESO Wholesale Market Price			**$ 176,474.84**			**$ 182,855.25**	**$ 6,380.40**	**3.62%**	
HST	13%		$ 22,941.73	13%		$ 23,771.18	$ 829.45	3.62%	
Ontario Electricity Rebate	21.2%		$ -	21.2%		$ -			
Total Bill on Average IESO Wholesale Market Price			**$ 199,416.57**			**$ 206,626.43**	**$ 7,209.86**	**3.62%**	

Customer Class:	UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION
RPP / Non-RPP:	RPP
Consumption	**600** kWh
Demand	**-** kW
Current Loss Factor	**1.0441**
Proposed/Approved Loss Factor	**1.0388**

	Current OEB-Approved			Proposed			Impact		
	Rate ($)	Volume	Charge ($)	Rate ($)	Volume	Charge ($)	$ Change	% Change	
Monthly Service Charge	$ 15.37	1	$ 15.37	$ 9.73	1	$ 9.73	$ (5.64)	-36.69%	
Distribution Volumetric Rate	$ 0.0229	600	$ 13.74	$ 0.0145	600	$ 8.70	$ (5.04)	-36.68%	
Fixed Rate Riders	$ -	1	$ -	$ -	1	$ -	$ -		
Volumetric Rate Riders	$ -	600	$ -	$ -	600	$ -	$ -		
Sub-Total A (excluding pass through)			**$ 29.11**			**$ 18.43**	**$ (10.68)**	**-36.69%**	
Line Losses on Cost of Power	$ 0.1072	26	$ 2.84	$ 0.1072	23	$ 2.49	$ (0.34)	-12.02%	
Total Deferral/Variance Account Rate Riders	$ -	600	$ -	$ 0.0028	600	$ 1.68	$ 1.68		
CBR Class B Rate Riders	$ -	600	$ -	$ -	600	$ -	$ -		
GA Rate Riders	$ -	600	$ -	$ -	600	$ -	$ -		
Low Voltage Service Charge	$ 0.0015	600	$ 0.90	$ 0.0057	600	$ 3.42	$ 2.52	280.00%	
Smart Meter Entity Charge (if applicable)	$ -	1	$ -	$ -	1	$ -	$ -		
Additional Fixed Rate Riders	$ -	1	$ -	$ -	1	$ -	$ -		
Additional Volumetric Rate Riders		600	$ -	$ -	600	$ -	$ -		
Sub-Total B - Distribution (includes Sub-Total A)			**$ 32.85**			**$ 26.02**	**$ (6.82)**	**-20.77%**	
RTSR - Network	$ 0.0068	626	$ 4.26	$ 0.0072	623	$ 4.49	$ 0.23	5.34%	In the manager's summary, discuss the reas
RTSR - Connection and/or Line and Transformation Connection	$ 0.0061	626	$ 3.82	$ 0.0064	623	$ 3.99	$ 0.17	4.39%	In the manager's summary, discuss the reas
Sub-Total C - Delivery (including Sub-Total B)			**$ 40.93**			**$ 34.50**	**$ (6.43)**	**-15.70%**	
Wholesale Market Service Charge (WMSC)	$ 0.0034	626	$ 2.13	$ 0.0034	623	$ 2.12	$ (0.01)	-0.51%	
Rural and Remote Rate Protection (RRRP)	$ 0.0005	626	$ 0.31	$ 0.0005	623	$ 0.31	$ (0.00)	-0.51%	
Standard Supply Service Charge	$ 0.25	1	$ 0.25	$ 0.25	1	$ 0.25	$ -	0.00%	
TOU - Off Peak	$ 0.0850	390	$ 33.15	$ 0.0850	390	$ 33.15	$ -	0.00%	
TOU - Mid Peak	$ 0.1190	102	$ 12.14	$ 0.1190	102	$ 12.14	$ -	0.00%	
TOU - On Peak	$ 0.1760	108	$ 19.01	$ 0.1760	108	$ 19.01	$ -	0.00%	
Total Bill on TOU (before Taxes)			**$ 107.92**			**$ 101.48**	**$ (6.44)**	**-5.97%**	
HST	13%		$ 14.03	13%		$ 13.19	$ (0.84)	-5.97%	
Ontario Electricity Rebate	21.2%		$ (22.88)	21.2%		$ (21.51)	$ 1.36		
Total Bill on TOU			**$ 99.07**			**$ 93.16**	**$ (5.91)**	**-5.97%**	

Customer Class:	SENTINEL LIGHTING SERVICE CLASSIFICATION
RPP / Non-RPP:	RPP
Consumption	**68** kWh
Demand	**0** kW
Current Loss Factor	**1.0441**
Proposed/Approved Loss Factor	**1.0388**

	Current OEB-Approved			Proposed			Impact		
	Rate ($)	Volume	Charge ($)	Rate ($)	Volume	Charge ($)	$ Change	% Change	
Monthly Service Charge	$ 5.27	1	$ 5.27	$ 5.88	1	$ 5.88	$ 0.61	11.57%	
Distribution Volumetric Rate	$ 12.0041	0.2037	$ 2.45	$ 13.4029	0.2037	$ 2.73	$ 0.28	11.65%	
Fixed Rate Riders	$ -	1	$ -	$ -	1	$ -	$ -		
Volumetric Rate Riders	$ -	0.2037	$ -	$ 0.0036	0.2037	$ 0.00	$ 0.00		
Sub-Total A (excluding pass through)			**$ 7.72**			**$ 8.61**	**$ 0.90**	**11.61%**	
Line Losses on Cost of Power	$ 0.1072	3	$ 0.32	$ 0.1072	3	$ 0.28	$ (0.04)	-12.02%	
Total Deferral/Variance Account Rate Riders	$ -	0	$ -	$ 1.3419	0	$ 0.27	$ 0.27		
CBR Class B Rate Riders	$ -	0	$ -	$ -	0	$ -	$ -		
GA Rate Riders	$ -	68	$ -	$ -	68	$ -	$ -		
Low Voltage Service Charge	$ 0.3893	0	$ 0.08	$ 1.4538	0	$ 0.30	$ 0.22	273.44%	
Smart Meter Entity Charge (if applicable)	$ -	1	$ -	$ -	1	$ -	$ -		
Additional Fixed Rate Riders	$ -	1	$ -	$ -	1	$ -	$ -		
Additional Volumetric Rate Riders		0	$ -	$ -	0	$ -	$ -		
Sub-Total B - Distribution (includes Sub-Total A)			**$ 8.12**			**$ 9.46**	**$ 1.35**	**16.60%**	
RTSR - Network	$ 1.8237	0	$ 0.37	$ 1.9352	0	$ 0.39	$ 0.02	6.11%	In the manager's summary, discuss the reas
RTSR - Connection and/or Line and Transformation Connection	$ 1.5587	0	$ 0.32	$ 1.6464	0	$ 0.34	$ 0.02	5.63%	In the manager's summary, discuss the reas
Sub-Total C - Delivery (including Sub-Total B)			**$ 8.80**			**$ 10.19**	**$ 1.39**	**15.76%**	
Wholesale Market Service Charge (WMSC)	$ 0.0034	71	$ 0.24	$ 0.0034	71	$ 0.24	$ (0.00)	-0.51%	
Rural and Remote Rate Protection (RRRP)	$ 0.0005	71	$ 0.04	$ 0.0005	71	$ 0.04	$ (0.00)	-0.51%	
Standard Supply Service Charge	$ 0.25	1	$ 0.25	$ 0.25	1	$ 0.25	$ -	0.00%	
TOU - Off Peak	$ 0.0850	44	$ 3.76	$ 0.0850	44	$ 3.76	$ -	0.00%	
TOU - Mid Peak	$ 0.1190	12	$ 1.38	$ 0.1190	12	$ 1.38	$ -	0.00%	
TOU - On Peak	$ 0.1760	12	$ 2.15	$ 0.1760	12	$ 2.15	$ -	0.00%	
Total Bill on TOU (before Taxes)			**$ 16.62**			**$ 18.01**	**$ 1.39**	**8.34%**	
HST	13%		$ 2.16	13%		$ 2.34	$ 0.18	8.34%	
Ontario Electricity Rebate	21.2%		$ (3.52)	21.2%		$ (3.82)	$ (0.29)		
Total Bill on TOU			**$ 15.26**			**$ 16.53**	**$ 1.27**	**8.34%**	

Customer Class:	STREET LIGHTING SERVICE CLASSIFICATION
RPP / Non-RPP:	Non-RPP (Other)
Consumption	29 kWh
Demand	0 kW
Current Loss Factor	1.0441
Proposed/Approved Loss Factor	1.0388

	Current OEB-Approved			Proposed			Impact		
	Rate ($)	Volume	Charge ($)	Rate ($)	Volume	Charge ($)	$ Change	% Change	
Monthly Service Charge	$ 1.59	1	$ 1.59	$ 1.85	1	$ 1.85	$ 0.26	16.35%	
Distribution Volumetric Rate	$ 4.1584	0.077	$ 0.32	$ 4.8397	0.077	$ 0.37	$ 0.05	16.38%	
Fixed Rate Riders	$ -	1	$ -	$ -	1	$ -	$ -		
Volumetric Rate Riders	$ -	0.077	$ -	$ -	0.077	$ -	$ -		
Sub-Total A (excluding pass through)			**$ 1.91**			**$ 2.22**	**$ 0.31**	**16.36%**	
Line Losses on Cost of Power	$ 0.1101	1	$ 0.14	$ 0.1101	1	$ 0.12	$ (0.02)	-12.02%	
Total Deferral/Variance Account Rate Riders	$ -	0	$ -	$ 2.3143	0	$ 0.18	$ 0.18		
CBR Class B Rate Riders	$ -	0	$ -	$ -	0	$ -	$ -		
GA Rate Riders	$ -	29	$ -	$ -	29	$ -	$ -		
Low Voltage Service Charge	$ 0.3814	0	$ 0.03	$ 1.4240	0	$ 0.11	$ 0.08	273.36%	
Smart Meter Entity Charge (if applicable)	$ -	1	$ -	$ -	1	$ -	$ -		
Additional Fixed Rate Riders	$ -	1	$ -	$ -	1	$ -	$ -		
Additional Volumetric Rate Riders		0	$ -	$ 0.0040	0	$ 0.00	$ 0.00		
Sub-Total B - Distribution (includes Sub-Total A)			**$ 2.08**			**$ 2.63**	**$ 0.55**	**26.66%**	
RTSR - Network	$ 1.8149	0	$ 0.14	$ 1.9258	0	$ 0.15	$ 0.01	6.11%	In the manager's summary, discuss the reas
RTSR - Connection and/or Line and Transformation Connection	$ 1.5268	0	$ 0.12	$ 1.6127	0	$ 0.12	$ 0.01	5.63%	In the manager's summary, discuss the reas
Sub-Total C - Delivery (including Sub-Total B)			**$ 2.34**			**$ 2.91**	**$ 0.57**	**24.38%**	
Wholesale Market Service Charge (WMSC)	$ 0.0034	30	$ 0.10	$ 0.0034	30	$ 0.10	$ (0.00)	-0.51%	
Rural and Remote Rate Protection (RRRP)	$ 0.0005	30	$ 0.02	$ 0.0005	30	$ 0.01	$ (0.00)	-0.51%	
Standard Supply Service Charge	$ 0.25	1	$ 0.25	$ 0.25	1	$ 0.25	$ -	0.00%	
Average IESO Wholesale Market Price	$ 0.1101	29	$ 3.17	$ 0.1101	29	$ 3.17	$ -	0.00%	
Total Bill on Average IESO Wholesale Market Price			**$ 5.87**			**$ 6.44**	**$ 0.57**	**9.69%**	
HST	13%		$ 0.76	13%		$ 0.84	$ 0.07	9.69%	
Ontario Electricity Rebate	21.2%		$ -	21.2%		$ -			
Total Bill on Average IESO Wholesale Market Price			**$ 6.64**			**$ 7.28**	**$ 0.64**	**9.69%**	

Customer Class:	RESIDENTIAL SERVICE CLASSIFICATION
RPP / Non-RPP:	Non-RPP (Other)
Consumption	750 kWh
Demand	- kW
Current Loss Factor	1.0441
Proposed/Approved Loss Factor	1.0388

	Current OEB-Approved			Proposed			Impact	
	Rate ($)	Volume	Charge ($)	Rate ($)	Volume	Charge ($)	$ Change	% Change
Monthly Service Charge	$ 23.78	1	$ 23.78	$ 24.24	1	$ 24.24	$ 0.46	1.93%
Distribution Volumetric Rate	$ -	750	$ -	$ -	750	$ -	$ -	
Fixed Rate Riders	$ -	1	$ -	$ (0.14)	1	$ (0.14)	$ (0.14)	
Volumetric Rate Riders	$ -	750	$ -	$ -	750	$ -	$ -	
Sub-Total A (excluding pass through)			**$ 23.78**			**$ 24.10**	**$ 0.32**	**1.35%**
Line Losses on Cost of Power	$ 0.1101	33	$ 3.64	$ 0.1101	29	$ 3.20	$ (0.44)	-12.02%
Total Deferral/Variance Account Rate Riders	$ -	750	$ -	$ 0.0030	750	$ 2.25	$ 2.25	
CBR Class B Rate Riders	$ -	750	$ -	$ -	750	$ -	$ -	
GA Rate Riders	$ -	750	$ -	$ -	750	$ -	$ -	
Low Voltage Service Charge	$ 0.0014	750	$ 1.05	$ 0.0051	750	$ 3.83	$ 2.78	264.29%
Smart Meter Entity Charge (if applicable)	$ 0.57	1	$ 0.57	$ 0.57	1	$ 0.57	$ -	0.00%
Additional Fixed Rate Riders	$ -	1	$ -	$ -	1	$ -	$ -	
Additional Volumetric Rate Riders		750	$ -	$ -	750	$ -	$ -	
Sub-Total B - Distribution (includes Sub-Total A)			**$ 29.04**			**$ 33.95**	**$ 4.91**	**16.90%**
RTSR - Network	$ 0.0065	783	$ 5.09	$ 0.0069	779	$ 5.38	$ 0.29	5.61%
RTSR - Connection and/or Line and Transformation Connection	$ 0.0055	783	$ 4.31	$ 0.0058	779	$ 4.52	$ 0.21	4.92%
Sub-Total C - Delivery (including Sub-Total B)			**$ 38.44**			**$ 43.84**	**$ 5.41**	**14.06%**
Wholesale Market Service Charge (WMSC)	$ 0.0034	783	$ 2.66	$ 0.0034	779	$ 2.65	$ (0.01)	-0.51%
Rural and Remote Rate Protection (RRRP)	$ 0.0005	783	$ 0.39	$ 0.0005	779	$ 0.39	$ (0.00)	-0.51%
Standard Supply Service Charge	$ 0.25	1	$ 0.25	$ 0.25	1	$ 0.25	$ -	0.00%
Average IESO Wholesale Market Price	$ 0.1101	750	$ 82.58	$ 0.1101	750	$ 82.58	$ -	0.00%
Total Bill on Average IESO Wholesale Market Price			**$ 124.32**			**$ 129.71**	**$ 5.39**	**4.34%**
HST	13%		$ 16.16	13%		$ 16.86	$ 0.70	4.34%
Ontario Electricity Rebate	21.2%		$ (26.36)	21.2%		$ (27.50)		
Total Bill on Average IESO Wholesale Market Price			**$ 114.12**			**$ 119.07**	**$ 4.95**	**4.34%**

In the manager's summary, discuss the reas

In the manager's summary, discuss the reas

Customer Class:	RESIDENTIAL SERVICE CLASSIFICATION
RPP / Non-RPP:	RPP
Consumption	248 kWh
Demand	- kW
Current Loss Factor	1.0441
Proposed/Approved Loss Factor	1.0388

	Current OEB-Approved			Proposed			Impact		
	Rate ($)	Volume	Charge ($)	Rate ($)	Volume	Charge ($)	$ Change	% Change	
Monthly Service Charge	$ 23.78	1	$ 23.78	$ 24.24	1	$ 24.24	$ 0.46	1.93%	
Distribution Volumetric Rate	$ -	248	$ -	$ -	248	$ -	$ -		
Fixed Rate Riders	$ -	1	$ -	$ (0.14)	1	$ (0.14)	$ (0.14)		
Volumetric Rate Riders	$ -	248	$ -	$ -	248	$ -	$ -		
Sub-Total A (excluding pass through)			**$ 23.78**			**$ 24.10**	**$ 0.32**	**1.35%**	
Line Losses on Cost of Power	$ 0.1072	11	$ 1.17	$ 0.1072	10	$ 1.03	$ (0.14)	-12.02%	
Total Deferral/Variance Account Rate Riders	$ -	248	$ -	$ 0.0030	248	$ 0.74	$ 0.74		
CBR Class B Rate Riders	$ -	248	$ -	$ -	248	$ -	$ -		
GA Rate Riders	$ -	248	$ -	$ -	248	$ -	$ -		
Low Voltage Service Charge	$ 0.0014	248	$ 0.35	$ 0.0051	248	$ 1.26	$ 0.92	264.29%	
Smart Meter Entity Charge (if applicable)	$ 0.57	1	$ 0.57	$ 0.57	1	$ 0.57	$ -	0.00%	
Additional Fixed Rate Riders	$ -	1	$ -	$ -	1	$ -	$ -		
Additional Volumetric Rate Riders		248	$ -	$ -	248	$ -	$ -		
Sub-Total B - Distribution (includes Sub-Total A)			**$ 25.87**			**$ 27.71**	**$ 1.84**	**7.12%**	
RTSR - Network	$ 0.0065	259	$ 1.68	$ 0.0069	258	$ 1.78	$ 0.09	5.61%	In the manager's summary, discuss the reas
RTSR - Connection and/or Line and Transformation Connection	$ 0.0055	259	$ 1.42	$ 0.0058	258	$ 1.49	$ 0.07	4.92%	In the manager's summary, discuss the reas
Sub-Total C - Delivery (including Sub-Total B)			**$ 28.98**			**$ 30.98**	**$ 2.01**	**6.92%**	
Wholesale Market Service Charge (WMSC)	$ 0.0034	259	$ 0.88	$ 0.0034	258	$ 0.88	$ (0.00)	-0.51%	
Rural and Remote Rate Protection (RRRP)	$ 0.0005	259	$ 0.13	$ 0.0005	258	$ 0.13	$ (0.00)	-0.51%	
Standard Supply Service Charge	$ 0.25	1	$ 0.25	$ 0.25	1	$ 0.25	$ -	0.00%	
TOU - Off Peak	$ 0.0850	161	$ 13.70	$ 0.0850	161	$ 13.70	$ -	0.00%	
TOU - Mid Peak	$ 0.1190	42	$ 5.02	$ 0.1190	42	$ 5.02	$ -	0.00%	
TOU - On Peak	$ 0.1760	45	$ 7.86	$ 0.1760	45	$ 7.86	$ -	0.00%	
Total Bill on TOU (before Taxes)			**$ 56.81**			**$ 58.81**	**$ 2.00**	**3.52%**	
HST	13%		$ 7.39	13%		$ 7.65	$ 0.26	3.52%	
Ontario Electricity Rebate	21.2%		$ (12.04)	21.2%		$ (12.47)	$ (0.42)		
Total Bill on TOU			**$ 52.15**			**$ 53.99**	**$ 1.84**	**3.52%**	

Customer Class:	**RESIDENTIAL SERVICE CLASSIFICATION**
RPP / Non-RPP:	**Non-RPP (Other)**
Consumption	**248** kWh
Demand	**-** kW
Current Loss Factor	**1.0441**
Proposed/Approved Loss Factor	**1.0388**

	Current OEB-Approved			Proposed			Impact		
	Rate ($)	Volume	Charge ($)	Rate ($)	Volume	Charge ($)	$ Change	% Change	
Monthly Service Charge	$ 23.78	1	$ 23.78	$ 24.24	1	$ 24.24	$ 0.46	1.93%	
Distribution Volumetric Rate	$ -	248	$ -	$ -	248	$ -	$ -		
Fixed Rate Riders	$ -	1	$ -	$ (0.14)	1	$ (0.14)	$ (0.14)		
Volumetric Rate Riders	$ -	248	$ -	$ -	248	$ -	$ -		
Sub-Total A (excluding pass through)			**$ 23.78**			**$ 24.10**	**$ 0.32**	**1.35%**	
Line Losses on Cost of Power	$ 0.1101	11	$ 1.20	$ 0.1101	10	$ 1.06	$ (0.14)	-12.02%	
Total Deferral/Variance Account Rate Riders	$ -	248	$ -	$ 0.0030	248	$ 0.74	$ 0.74		
CBR Class B Rate Riders	$ -	248	$ -	$ -	248	$ -	$ -		
GA Rate Riders	$ -	248	$ -	$ -	248	$ -	$ -		
Low Voltage Service Charge	$ 0.0014	248	$ 0.35	$ 0.0051	248	$ 1.26	$ 0.92	264.29%	
Smart Meter Entity Charge (if applicable)	$ 0.57	1	$ 0.57	$ 0.57	1	$ 0.57	$ -	0.00%	
Additional Fixed Rate Riders	$ -	1	$ -	$ -	1	$ -	$ -		
Additional Volumetric Rate Riders		248	$ -	$ -	248	$ -	$ -		
Sub-Total B - Distribution (includes Sub-Total A)			**$ 25.90**			**$ 27.74**	**$ 1.84**	**7.09%**	
RTSR - Network	$ 0.0065	259	$ 1.68	$ 0.0069	258	$ 1.78	$ 0.09	5.61%	In the manager's summary, discuss the reas
RTSR - Connection and/or Line and Transformation Connection	$ 0.0055	259	$ 1.42	$ 0.0058	258	$ 1.49	$ 0.07	4.92%	In the manager's summary, discuss the reas
Sub-Total C - Delivery (including Sub-Total B)			**$ 29.01**			**$ 31.01**	**$ 2.00**	**6.90%**	
Wholesale Market Service Charge (WMSC)	$ 0.0034	259	$ 0.88	$ 0.0034	258	$ 0.88	$ (0.00)	-0.51%	
Rural and Remote Rate Protection (RRRP)	$ 0.0005	259	$ 0.13	$ 0.0005	258	$ 0.13	$ (0.00)	-0.51%	
Standard Supply Service Charge	$ 0.25	1	$ 0.25	$ 0.25	1	$ 0.25	$ -	0.00%	
Average IESO Wholesale Market Price	$ 0.1101	248	$ 27.30	$ 0.1101	248	$ 27.30	$ -	0.00%	
Total Bill on Average IESO Wholesale Market Price			**$ 57.57**			**$ 59.57**	**$ 2.00**	**3.47%**	
HST	13%		$ 7.48	13%		$ 7.74	$ 0.26	3.47%	
Ontario Electricity Rebate	21.2%		$ (12.21)	21.2%		$ (12.63)			
Total Bill on Average IESO Wholesale Market Price			**$ 52.85**			**$ 54.68**	**$ 1.83**	**3.47%**	

Customer Class:	**GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION**
RPP / Non-RPP:	**Non-RPP (Other)**
Consumption	**2,000** kWh
Demand	**-** kW
Current Loss Factor	**1.0441**
Proposed/Approved Loss Factor	**1.0388**

	Current OEB-Approved			Proposed			Impact		
	Rate ($)	Volume	Charge ($)	Rate ($)	Volume	Charge ($)	$ Change	% Change	
Monthly Service Charge	$ 25.50	1	$ 25.50	$ 25.50	1	$ 25.50	$ -	0.00%	
Distribution Volumetric Rate	$ 0.0088	2000	$ 17.60	$ 0.0090	2000	$ 18.00	$ 0.40	2.27%	
Fixed Rate Riders	$ -	1	$ -	$ -	1	$ -	$ -		
Volumetric Rate Riders	$ -	2000	$ -	$ -	2000	$ -	$ -		
Sub-Total A (excluding pass through)			**$ 43.10**			**$ 43.50**	**$ 0.40**	**0.93%**	
Line Losses on Cost of Power	$ 0.1101	88	$ 9.71	$ 0.1101	78	$ 8.54	$ (1.17)	-12.02%	
Total Deferral/Variance Account Rate Riders	$ -	2,000	$ -	$ 0.0027	2,000	$ 5.40	$ 5.40		
CBR Class B Rate Riders	$ -	2,000	$ -	$ -	2,000	$ -	$ -		
GA Rate Riders	$ -	2,000	$ -	$ -	2,000	$ -	$ -		
Low Voltage Service Charge	$ 0.0012	2,000	$ 2.40	$ 0.0046	2,000	$ 9.20	$ 6.80	283.33%	
Smart Meter Entity Charge (if applicable)	$ 0.57	1	$ 0.57	$ 0.57	1	$ 0.57	$ -	0.00%	
Additional Fixed Rate Riders	$ -	1	$ -	$ -	1	$ -	$ -		
Additional Volumetric Rate Riders		2,000	$ -	$ 0.0002	2,000	$ 0.40	$ 0.40		
Sub-Total B - Distribution (includes Sub-Total A)			**$ 55.78**			**$ 67.61**	**$ 11.83**	**21.21%**	
RTSR - Network	$ 0.0060	2,088	$ 12.53	$ 0.0064	2,078	$ 13.30	$ 0.77	6.13%	In the manager's summary, discuss the reas
RTSR - Connection and/or Line and Transformation Connection	$ 0.0049	2,088	$ 10.23	$ 0.0052	2,078	$ 10.80	$ 0.57	5.58%	In the manager's summary, discuss the reas
Sub-Total C - Delivery (including Sub-Total B)			**$ 78.54**			**$ 91.71**	**$ 13.17**	**16.77%**	
Wholesale Market Service Charge (WMSC)	$ 0.0034	2,088	$ 7.10	$ 0.0034	2,078	$ 7.06	$ (0.04)	-0.51%	
Rural and Remote Rate Protection (RRRP)	$ 0.0005	2,088	$ 1.04	$ 0.0005	2,078	$ 1.04	$ (0.01)	-0.51%	
Standard Supply Service Charge	$ 0.25	1	$ 0.25	$ 0.25	1	$ 0.25	$ -	0.00%	
Average IESO Wholesale Market Price	$ 0.1101	2,000	$ 220.20	$ 0.1101	2,000	$ 220.20	$ -	0.00%	
Total Bill on Average IESO Wholesale Market Price			**$ 307.14**			**$ 320.27**	**$ 13.13**	**4.28%**	
HST	13%		$ 39.93	13%		$ 41.63	$ 1.71	4.28%	
Ontario Electricity Rebate	21.2%		$ (65.11)	21.2%		$ (67.90)			
Total Bill on Average IESO Wholesale Market Price			**$ 281.95**			**$ 294.00**	**$ 12.05**	**4.28%**	

C Revenue Requirement Work Form

Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2021 Filers

Version 1.00

Utility Name	Lakefront Utilities Inc.
Service Territory	*Cobourg/Colborne*
Assigned EB Number	EB-2021-0039
Name and Title	Adam Giddings, Director of Regulatory Finance
Phone Number	1-905-372-2193 ext: 5242
Email Address	agdidings@lusi.on.ca
Test Year	2022
Bridge Year	2021
Last Rebasing Year	2017

The RRWF has been enhanced commencing with 2017 rate applications to provide estimated base distribution rates. The enhanced RRWF is not intended to replace a utility's formal rate generator model which should continue to be the source of the proposed rates as well as the final ones at the conclusion of the proceeding. The load forecasting addition made to this model is intended to be demonstrative only and does not replace the information filed in the utility's application. In an effort to minimize the incremental work required from utilities, the cost allocation and rate design additions to this model do in fact replace former appendices that were required to be filed as part of the cost of service (Chapter 2) filing requirements.

While this model has been provided in Excel format and is required to be filed with the applications, the onus remains on the applicant to ensure the accuracy of the data and the results.

Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2021 Filers

Notes:

(1) Pale green cells represent inputs

(2) Pale green boxes at the bottom of each page are for additional notes

(3) Pale yellow cells represent drop-down lists

(4) ***Please note that this model uses MACROS. Before starting, please ensure that macros have been enabled.***

(5) ***Completed versions of the Revenue Requirement Work Form are required to be filed in working Microsoft Excel format.***

Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2021 Filers

Data Input [1]

		Initial Application	(2)	Adjustments		Settlement Agreement	(6)	Adjustments		Per Board Decision	
1	**Rate Base**										
	Gross Fixed Assets (average)	$37,943,278		$ -		$ 37,943,278				$37,943,278	
	Accumulated Depreciation (average)	($17,522,273)	(5)	$ -		($17,522,273)				($17,522,273)	
	Allowance for Working Capital:										
	Controllable Expenses	$2,883,765		$34		$ 2,883,799				$2,883,799	
	Cost of Power	$33,263,943		($3,406,080)		$ 29,857,864				$29,857,864	
	Working Capital Rate (%)	7.50%	(9)	$0		7.50%	(9)				(9)
2	**Utility Income**										
	Operating Revenues:										
	Distribution Revenue at Current Rates	$4,626,779		$43,533		$4,670,312					
	Distribution Revenue at Proposed Rates	$4,793,168		($65,781)		$4,727,387					
	Other Revenue:										
	Specific Service Charges	$143,880		$0		$143,880					
	Late Payment Charges	$45,500		$0		$45,500					
	Other Distribution Revenue	$234,892		$0		$234,892					
	Other Income and Deductions	$5,000		$0		$5,000					
	Total Revenue Offsets	$429,272	(7)	$0		$429,272					
	Operating Expenses:										
	OM+A Expenses	$2,825,707		$34		$ 2,825,741				$2,825,741	
	Depreciation/Amortization	$1,001,950		$ -		$ 1,001,950				$1,001,950	
	Property taxes	$58,058		$ -		$ 58,058				$58,058	
	Other expenses										
3	**Taxes/PILs**										
	Taxable Income:										
	Adjustments required to arrive at taxable income	($346,164)	(3)	($137,778)		($483,942)					
	Utility Income Taxes and Rates:										
	Income taxes (not grossed up)	$112,763		($38,770)		$73,994					
	Income taxes (grossed up)	$153,420				$100,672					
	Federal tax (%)	15.00%		$0		15.00%					
	Provincial tax (%)	11.50%		$0		11.50%					
	Income Tax Credits										
4	**Capitalization/Cost of Capital**										
	Capital Structure:										
	Long-term debt Capitalization Ratio (%)	56.0%		$0		56.0%					
	Short-term debt Capitalization Ratio (%)	4.0%	(8)	$0		4.0%	(8)				(8)
	Common Equity Capitalization Ratio (%)	40.0%		$0		40.0%					
	Prefered Shares Capitalization Ratio (%)										
		100.0%				100.0%					
	Cost of Capital										
	Long-term debt Cost Rate (%)	3.05%		$0		3.05%					
	Short-term debt Cost Rate (%)	1.75%		$0		1.75%					
	Common Equity Cost Rate (%)	8.34%		$0		8.34%					
	Prefered Shares Cost Rate (%)	0.00%									

Notes:

General Data inputs are required on Sheets 3. Data from Sheet 3 will automatically complete calculations on sheets 4 through 9 (Rate Base through Revenue Requirement). Sheets 4 through 9 do not require any inputs except for notes that the Applicant may wish to enter to support the results. Pale green cells are available on sheets 4 through 9 to enter both footnotes beside key cells and the related text for the notes at the bottom of each sheet.

(1) All inputs are in dollars ($) except where inputs are individually identified as percentages (%)

(2) Data in column E is for Application as originally filed. For updated revenue requirement as a result of interrogatory responses, technical or settlement conferences, etc., use column M and Adjustments in column I

(3) Net of addbacks and deductions to arrive at taxable income.

(4) Average of Gross Fixed Assets at beginning and end of the Test Year

(5) Average of Accumulated Depreciation at the beginning and end of the Test Year. Enter as a negative amount.

(6) Select option from drop-down list by clicking on cell M12. This column allows for the application update reflecting the end of discovery or Argument-in-Chief. Also, the outcome of any Settlement Process can be reflected.

(7) Input total revenue offsets for deriving the base revenue requirement from the service revenue requirement

(8) 4.0% unless an Applicant has proposed or been approved for another amount.

(9) The default Working Capital Allowance factor is **7.5%** (of Cost of Power plus controllable expenses), per the letter issued by the Board on June 3, 2015. Alternatively, a WCA factor based on lead-lag study, with supporting rationale could be provided.

Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2021 Filers

Rate Base and Working Capital

Rate Base

Line No.	Particulars		Initial Application	Adjustments	Settlement Agreement	Adjustments	Per Board Decision
1	Gross Fixed Assets (average)	(2)	$37,943,278	$ -	$37,943,278	$ -	$37,943,278
2	Accumulated Depreciation (average)	(2)	($17,522,273)	$ -	($17,522,273)	$ -	($17,522,273)
3	Net Fixed Assets (average)	(2)	$20,421,005	$ -	$20,421,005	$ -	$20,421,005
4	Allowance for Working Capital	(1)	$2,711,078	($255,453)	$2,455,625	($2,455,625)	$ -
5	**Total Rate Base**		$23,132,083	($255,453)	$22,876,630	($2,455,625)	$20,421,005

(1) Allowance for Working Capital - Derivation

Line No.	Particulars		Initial Application	Adjustments	Settlement Agreement	Adjustments	Per Board Decision
6	Controllable Expenses		$2,883,765	$34	$2,883,799	$ -	$2,883,799
7	Cost of Power		$33,263,943	($3,406,080)	$29,857,864	$ -	$29,857,864
8	Working Capital Base		$36,147,708	($3,406,046)	$32,741,662	$ -	$32,741,662
9	Working Capital Rate %	(1)	7.50%	0.00%	7.50%	-7.50%	0.00%
10	Working Capital Allowance		$2,711,078	($255,453)	$2,455,625	($2,455,625)	$ -

Notes

(1) Some Applicants may have a unique rate as a result of a lead-lag study. The default rate for 2021 cost of service applications is 7.5%, per the letter issued by the Board on June 3, 2015.

(2) Average of opening and closing balances for the year.

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Revenue Requirement Workform (RRWF) for 2021 Filers

Utility Income

Line No.	Particulars		Initial Application	Adjustments	Settlement Agreement	Adjustments	Per Board Decision
	Operating Revenues:						
1	Distribution Revenue (at Proposed Rates)		$4,793,168	($65,781)	$4,727,387	$ -	$4,727,387
2	Other Revenue	(1)	$429,272	$ -	$429,272	$ -	$429,272
3	Total Operating Revenues		$5,222,441	($65,781)	$5,156,659	$ -	$5,156,659
	Operating Expenses:						
4	OM+A Expenses		$2,825,707	$34	$2,825,741	$ -	$2,825,741
5	Depreciation/Amortization		$1,001,950	$ -	$1,001,950	$ -	$1,001,950
6	Property taxes		$58,058	$ -	$58,058	$ -	$58,058
7	Capital taxes		$ -	$ -	$ -	$ -	$ -
8	Other expense		$ -	$ -		$ -	
9	Subtotal (lines 4 to 8)		$3,885,715	$34	$3,885,749	$ -	$3,885,749
10	Deemed Interest Expense		$411,620	($4,546)	$407,074	($43,696)	$363,378
11	Total Expenses (lines 9 to 10)		$4,297,335	($4,512)	$4,292,823	($43,696)	$4,249,127
12	**Utility income before income taxes**		$925,106	($61,270)	$863,836	$43,696	$907,532
13	Income taxes (grossed-up)		$153,420	($52,748)	$100,672	$ -	$100,672
14	**Utility net income**		$771,686	($8,522)	$763,164	$43,696	$806,861

Notes

Other Revenues / Revenue Offsets

(1)

	Initial Application	Adjustments	Settlement Agreement	Adjustments	Per Board Decision
Specific Service Charges	$143,880	$ -	$143,880		$143,880
Late Payment Charges	$45,500	$ -	$45,500		$45,500
Other Distribution Revenue	$234,892	$ -	$234,892		$234,892
Other Income and Deductions	$5,000	$ -	$5,000		$5,000
Total Revenue Offsets	$429,272	$ -	$429,272	$ -	$429,272

Revenue Requirement Workform (RRWF) for 2021 Filers

Taxes/PILs

Line No.	Particulars	Application	Settlement Agreement	Per Board Decision
	Determination of Taxable Income			
1	Utility net income before taxes	$771,686	$763,164	$681,245
2	Adjustments required to arrive at taxable utility income	($346,164)	($483,942)	($483,942)
3	Taxable income	$425,522	$279,222	$197,302
	Calculation of Utility income Taxes			
4	Income taxes	$112,763	$73,994	$73,994
6	Total taxes	$112,763	$73,994	$73,994
7	Gross-up of Income Taxes	$40,656	$26,678	$26,678
8	Grossed-up Income Taxes	$153,420	$100,672	$100,672
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	$153,420	$100,672	$100,672
10	Other tax Credits	$ -	$ -	$ -
	Tax Rates			
11	Federal tax (%)	15.00%	15.00%	15.00%
12	Provincial tax (%)	11.50%	11.50%	11.50%
13	Total tax rate (%)	26.50%	26.50%	26.50%

Notes

Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2021 Filers

Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		Initial Application			
		(%)	($)	(%)	($)
	Debt				
1	Long-term Debt	56.00%	$12,953,967	3.05%	$395,428
2	Short-term Debt	4.00%	$925,283	1.75%	$16,192
3	**Total Debt**	60.00%	$13,879,250	2.97%	$411,620
	Equity				
4	Common Equity	40.00%	$9,252,833	8.34%	$771,686
5	Preferred Shares	0.00%	$ -	0.00%	$ -
6	**Total Equity**	40.00%	$9,252,833	8.34%	$771,686
7	**Total**	100.00%	$23,132,083	5.12%	$1,183,306
		Settlement Agreement			
		(%)	($)	(%)	($)
	Debt				
1	Long-term Debt	56.00%	$12,810,913	3.05%	$391,061
2	Short-term Debt	4.00%	$915,065	1.75%	$16,014
3	**Total Debt**	60.00%	$13,725,978	2.97%	$407,074
	Equity				
4	Common Equity	40.00%	$9,150,652	8.34%	$763,164
5	Preferred Shares	0.00%	$ -	0.00%	$ -
6	**Total Equity**	40.00%	$9,150,652	8.34%	$763,164
7	**Total**	100.00%	$22,876,630	5.12%	$1,170,239
		Per Board Decision			
		(%)	($)	(%)	($)
	Debt				
8	Long-term Debt	56.00%	$11,435,763	3.05%	$349,084
9	Short-term Debt	4.00%	$816,840	1.75%	$14,295
10	**Total Debt**	60.00%	$12,252,603	2.97%	$363,378
	Equity				
11	Common Equity	40.00%	$8,168,402	8.34%	$681,245
12	Preferred Shares	0.00%	$ -	0.00%	$ -
13	**Total Equity**	40.00%	$8,168,402	8.34%	$681,245
14	**Total**	100.00%	$20,421,005	5.12%	$1,044,623

Notes

Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2021 Filers

Revenue Deficiency/Sufficiency

Line No.	Particulars	Initial Application: At Current Approved Rates	Initial Application: At Proposed Rates	Settlement Agreement: At Current Approved Rates	Settlement Agreement: At Proposed Rates	Per Board Decision: At Current Approved Rates	Per Board Decision: At Proposed Rates
1	Revenue Deficiency from Below		$166,389		$57,075		($98,077)
2	Distribution Revenue	$4,626,779	$4,626,779	$4,670,312	$4,670,312	$4,670,312	$4,825,464
3	Other Operating Revenue Offsets - net	$429,272	$429,272	$429,272	$429,272	$429,272	$429,272
4	**Total Revenue**	$5,056,051	$5,222,441	$5,099,584	$5,156,659	$5,099,584	$5,156,659
5	Operating Expenses	$3,885,715	$3,885,715	$3,885,749	$3,885,749	$3,885,749	$3,885,749
6	Deemed Interest Expense	$411,620	$411,620	$407,074	$407,074	$363,378	$363,378
8	**Total Cost and Expenses**	$4,297,335	$4,297,335	$4,292,823	$4,292,823	$4,249,127	$4,249,127
9	**Utility Income Before Income Taxes**	$758,716	$925,106	$806,761	$863,836	$850,458	$907,532
10	Tax Adjustments to Accounting Income per 2013 PILs model	($346,164)	($346,164)	($483,942)	($483,942)	($483,942)	($483,942)
11	**Taxable Income**	$412,552	$578,942	$322,819	$379,894	$366,515	$423,590
12	Income Tax Rate	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%
13	**Income Tax on Taxable Income**	$109,326	$153,420	$85,547	$100,672	$97,127	$112,251
14	**Income Tax Credits**	$ -	$ -	$ -	$ -	$ -	$ -
15	**Utility Net Income**	$649,390	$771,686	$721,214	$763,164	$753,331	$806,861
16	**Utility Rate Base**	$23,132,083	$23,132,083	$22,876,630	$22,876,630	$20,421,005	$20,421,005
17	Deemed Equity Portion of Rate Base	$9,252,833	$9,252,833	$9,150,652	$9,150,652	$8,168,402	$8,168,402
18	Income/(Equity Portion of Rate Base)	7.02%	8.34%	7.88%	8.34%	9.22%	9.88%
19	Target Return - Equity on Rate Base	8.34%	8.34%	8.34%	8.34%	8.34%	8.34%
20	Deficiency/Sufficiency in Return on Equity	-1.32%	0.00%	-0.46%	0.00%	0.88%	1.54%
21	Indicated Rate of Return	4.59%	5.12%	4.93%	5.12%	5.47%	5.73%
22	Requested Rate of Return on Rate Base	5.12%	5.12%	5.12%	5.12%	5.12%	5.12%
23	Deficiency/Sufficiency in Rate of Return	-0.53%	0.00%	-0.18%	0.00%	0.35%	0.62%
24	Target Return on Equity	$771,686	$771,686	$763,164	$763,164	$681,245	$681,245
25	Revenue Deficiency/(Sufficiency)	$122,296	$ -	$41,950	$ -	($72,086)	$125,616
26	**Gross Revenue Deficiency/(Sufficiency)**	$166,389 (1)		$57,075 (1)		($98,077) (1)	

Notes:

(1) Revenue Deficiency/Sufficiency divided by (1 - Tax Rate)

Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2021 Filers

Revenue Requirement

Line No.	Particulars	Application		Settlement Agreement		Per Board Decision	
1	OM&A Expenses	$2,825,707		$2,825,741		$2,825,741	
2	Amortization/Depreciation	$1,001,950		$1,001,950		$1,001,950	
3	Property Taxes	$58,058		$58,058		$58,058	
5	Income Taxes (Grossed up)	$153,420		$100,672		$100,672	
6	Other Expenses	$ -					
7	Return						
	Deemed Interest Expense	$411,620		$407,074		$363,378	
	Return on Deemed Equity	$771,686		$763,164		$681,245	
8	**Service Revenue Requirement (before Revenues)**	$5,222,441		$5,156,659		$5,031,044	
9	Revenue Offsets	$429,272		$429,272		$ -	
10	**Base Revenue Requirement (excluding Tranformer Owership Allowance credit adjustment)**	$4,793,168		$4,727,387		$5,031,044	
11	Distribution revenue	$4,793,168		$4,727,387		$4,727,387	
12	Other revenue	$429,272		$429,272		$429,272	
13	**Total revenue**	$5,222,441		$5,156,659		$5,156,659	
14	**Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)**	$ -	(1)	$ -	(1)	$125,616	(1)

Summary Table of Revenue Requirement and Revenue Deficiency/Sufficiency

	Application	Settlement Agreement	Δ% (2)	Per Board Decision	Δ% (2)
Service Revenue Requirement	$5,222,441	$5,156,659	($0)	$5,031,044	($1)
Grossed-Up Revenue Deficiency/(Sufficiency)	$166,389	$57,075	($1)	($98,077)	($1)
Base Revenue Requirement (to be recovered from Distribution Rates)	$4,793,168	$4,727,387	($0)	$5,031,044	($1)
Revenue Deficiency/(Sufficiency) Associated with Base Revenue Requirement	$166,389	$57,075	($1)	$ -	($1)

Notes

(1) Line 11 - Line 8

(2) Percentage Change Relative to Initial Application

Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2021 Filers

Load Forecast Summary

This spreadsheet provides a summary of the customer and load forecast on which the test year revenue requirement is derived. The amounts serve as the denominators for deriving the rates to recover the test year revenue requirement for purposes of this RRWF.

The information to be input is inclusive of any adjustments to kWh and kW to reflect the impacts of CDM programs up to and including CDM programs planned to be executed in the test year. i.e., the load forecast adjustments determined in **Appendix 2-I** should be incorporated into the entries. The inputs should correspond with the summary of the Load Forecast for the Test Year in **Appendix 2-IB** and in Exhibit 3 of the application.

Appendix 2-IB is still required to be filled out, as it also provides a year-over-year variance analysis of demand growth andf trends from historical actuals to the Bridge and Test Year forecasts.

Stage in Process: Settlement Agreement

	Customer Class	Initial Application			Settlement Agreement			Per Board Decision		
	Input the name of each customer class.	**Customer / Connections** Test Year average or mid-year	**kWh** Annual	**kW/kVA [1]** Annual	**Customer / Connections** Test Year average or mid-year	**kWh** Annual	**kW/kVA [1]** Annual	**Customer / Connections** Test Year average or mid-year	**kWh** Annual	**kW/kVA [1]** Annual
1	Residential	9,611	74,590,807		9,611	75,290,019				
2	General Service < 50 kW	1,148	32,535,249		1,148	34,580,902				
3	General Service 50-2999 kW	105	103,964,876	274,141	105	107,176,718	282,610			
4	General Service 3000-4999 kW	1	18,909,096	48,547	1	19,493,265	47,088			
5	Street Lighting	3,159	1,059,150	2,831	3,159	1,091,871	2,919			
6	Sentinel Lights	49	43,344	130	49	44,683	134			
7	Unmetered Scattered Load	80	599,285		80	617,799				
8										
9										
10										
11										
12										
13										
14										
15										
16										
17										
18										
19										
20										
	Total		**231,701,807**	**325,649**		**238,295,257**	**332,750**		**-**	**-**

Notes:

[1] Input kW or kVA for those customer classes for which billing is based on demand (kW or kVA) versus energy consumption (kWh)

Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2021 Filers

Cost Allocation and Rate Design

This spreadsheet replaces **Appendix 2-P** and provides a summary of the results from the Cost Allocation spreadsheet, and is used in the determination of the class revenue requirement and, hence, ultimately, the determination of rates from customers in all classes to recover the revenue requirement.

Stage in Application Process: ***Settlement Agreement***

A) Allocated Costs

	Name of Customer Class [3] From Sheet 10. Load Forecast	Costs Allocated from Previous Study [1]	%	Allocated Class Revenue Requirement [1] (7A)	%
1	Residential	$ 2,840,059	60.69%	$ 3,150,702	61.10%
2	General Service < 50 kW	$ 613,692	13.11%	$ 718,530	13.93%
3	General Service 50-2999 kW	$ 1,006,480	21.51%	$ 1,048,830	20.34%
4	General Service 3000-4999 kW	$ 121,592	2.60%	$ 116,260	2.25%
5	Street Lighting	$ 62,559	1.34%	$ 98,702	1.91%
6	Sentinel Lights	$ 4,837	0.10%	$ 6,610	0.13%
7	Unmetered Scattered Load	$ 30,477	0.65%	$ 17,026	0.33%
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
	Total	$ 4,679,696	100.00%	**$ 5,156,659**	100.00%
			Service Revenue Requirement (from Sheet 9)	**$ 5,156,659.37**	

(1) Class Allocated Revenue Requirement, from Sheet O-1, Revenue to Cost || RR, row 40, from the Cost Allocation Study in this application. This excludes costs in deferral and variance accounts. For Embedded Distributors, Account 4750 - Low Voltage (LV) Costs are also excluded.

(2) Host Distributors - Provide information on any embedded distributor(s) as a separate class, if applicable. If embedded distributors are billed in a General Service class, include the allocated costs and revenues of the embedded distributor(s) in the applicable class, and also complete Appendix 2-Q.

(3) Customer Classes - If these differ from those in place in the previous cost allocation study, modify the customer classes to match the proposal in the current application as closely as possible.

B) Calculated Class Revenues

	Name of Customer Class	Load Forecast (LF) X current approved rates (7B)	LF X current approved rates X (1+d) (7C)	LF X Proposed Rates (7D)	Miscellaneous Revenues (7E)
1	Residential	$ 2,742,564	$ 2,776,081	$ 2,795,899	$ 302,468
2	General Service < 50 kW	$ 655,453	$ 663,463	$ 663,464	$ 47,882
3	General Service 50-2999 kW	$ 1,015,976	$ 1,028,392	$ 1,028,403	$ 55,039
4	General Service 3000-4999 kW	$ 150,324	$ 152,161	$ 131,801	$ 7,711
5	Street Lighting	$ 72,406	$ 73,291	$ 84,269	$ 12,795
6	Sentinel Lights	$ 4,728	$ 4,786	$ 5,279	$ 1,221
7	Unmetered Scattered Load	$ 28,860	$ 29,213	$ 18,273	$ 2,157
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
	Total	$ 4,670,312	$ 4,727,387	$ 4,727,387	$ 429,272

(4) In columns 7B to 7D, LF means Load Forecast of Annual Billing Quantities (i.e., customers or connections, as applicable X 12 months, and kWh, kW or kVA as applicable. Revenue quantities should be net of the Transformer Ownership Allowance for applicable customer classes. Exclude revenues from rate adders and rate riders.

(5) Columns 7C and 7D - Column Total should equal the Base Revenue Requirement for each.

(6) Column 7C - The OEB-issued cost allocation model calculates "1+d" on worksheet O-1, cell C22. "d" is defined as Revenue Deficiency/Revenue at Current Rates.

(7) Column 7E - If using the OEB-issued cost allocation model, enter Miscellaneous Revenues as it appears on worksheet O-1, row 19,

C) Rebalancing Revenue-to-Cost Ratios

	Name of Customer Class	Previously Approved Ratios Most Recent Year: 2017 %	Status Quo Ratios (7C + 7E) / (7A) %	Proposed Ratios (7D + 7E) / (7A) %	Policy Range %
1	Residential	92.85%	97.71%	98.34%	85 - 115
2	General Service < 50 kW	103.03%	99.00%	99.00%	80 - 120
3	General Service 50-2999 kW	104.44%	103.30%	103.30%	80 - 120
4	General Service 3000-4999 kW	109.72%	137.51%	120.00%	80 - 120
5	Street Lighting	294.25%	87.22%	98.34%	80 - 120
6	Sentinel Lights	115.49%	90.88%	98.34%	80 - 120
7	Unmetered Scattered Load	118.61%	184.25%	120.00%	80 - 120
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					

(8) Previously Approved Revenue-to-Cost (R/C) Ratios - For most applicants, the most recent year would be the third year (at the latest) of the Price Cap IR period. For example, if the applicant, rebased in 2012 with further adjustments to move within the range over two years, the Most Recent Year would be 2015. However, the ratios in 2015 would be equal to those after the adjustment in 2014.

(9) Status Quo Ratios - The OEB-issued cost allocation model provides the Status Quo Ratios on Worksheet O-1. The Status Quo means "Before Rebalancing".

(10) Ratios shown in red are outside of the allowed range. Applies to both Tables C and D.

(D) Proposed Revenue-to-Cost Ratios [11]

	Name of Customer Class	Proposed Revenue-to-Cost Ratio			Policy Range
		Test Year	Price Cap IR Period		
		2022	2023	2024	
1	Residential	98.34%	98.34%	98.34%	85 - 115
2	General Service < 50 kW	99.00%	99.00%	99.00%	80 - 120
3	General Service 50-2999 kW	103.30%	103.30%	103.30%	80 - 120
4	General Service 3000-4999 kW	120.00%	120.00%	120.00%	80 - 120
5	Street Lighting	98.34%	98.34%	98.34%	80 - 120
6	Sentinel Lights	98.34%	98.34%	98.34%	80 - 120
7	Unmetered Scattered Load	120.00%	120.00%	120.00%	80 - 120
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					

(11) The applicant should complete Table D if it is applying for approval of a revenue-to-cost ratio in 2021 that is outside of the OEB's policy range for any customer class. Table D will show that the distributor is likely to enter into the 2022 and 2023 Price Cap IR models, as necessary. For 2022 and 2023, enter the planned revenue-to-cost ratios that will be "Change" or "No Change" in 2019 (in the current Revenue/Cost Ratio Adjustment Workform, Worksheet C1.1 'Decision - Cost Revenue Adjustment, column d), and enter TBD for class(es) that will be entered as 'Rebalance'.

Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2021 Filers

Rate Design and Revenue Reconciliation

This sheet replaces Appendix 2-V, and provides a simplified model for calculating the standard monthly and voluemtric rates based on the allocated class revenues and fixed/variable split resulting from the cost allocation study and rate design and as proposed by the applicant. However, the RRWF does not replace the rate generator model that an applicant distributor may use in support of its application. The RRWF provides a demonstrative check on the derivation of the revenue requirement and on the proposed base distribution rates to recover the revenue requirement, based on summary information from a more detailed rate generator model and other models that applicants use for cost allocation, load forecasting, taxes/PILs, etc.

Stage in Process: *Settlement Agreement*

	Customer and Load Forecast					Class Allocated Revenues			Fixed / Variable Splits [2]		
						From Sheet 11. Cost Allocation and Sheet 12. Residential Rate Design			Percentage to be entered as a fraction between 0 and 1		
	Customer Class From sheet 10. Load Forecast	Volumetric Charge Determinant	Customers / Connections	kWh	kW or kVA	Total Class Revenue Requirement	Monthly Service Charge	Volumetric	Fixed	Variable	Transformer Ownership Allowance [1] ($)
1	Residential	kWh	9,611	75,290,019	-	$ 2,795,899	$ 2,795,899	$ -	100.00%	0.00%	
2	General Service < 50 kW	kWh	1,148	34,580,902	-	$ 663,464	$ 351,141	$ 312,323	52.93%	47.07%	
3	General Service 50-2999 kW	kW	105	107,176,718	282,610	$ 1,028,403	$ 114,449	$ 913,954	11.13%	88.87%	$ 111,913
4	General Service 3000-4999 kW	kW	1	19,493,265	47,088	$ 131,801	$ 64,968	$ 66,833	49.29%	50.71%	$ 28,253
5	Street Lighting	kW	3,159	1,091,871	2,919	$ 84,269	$ 70,143	$ 14,126	83.24%	16.76%	
6	Sentinel Lights	kW	49	44,683	134	$ 5,279	$ 3,485	$ 1,794	66.02%	33.98%	
7	Unmetered Scattered Load	kWh	80	617,799	-	$ 18,273	$ 9,315	$ 8,958	50.98%	49.02%	
8			-	-	-						
9			-	-	-						
10			-	-	-						
11			-	-	-						
12			-	-	-						
13			-	-	-						
14			-	-	-						
15			-	-	-						
16			-	-	-						
17			-	-	-						
18			-	-	-						
19			-	-	-						
20			-	-	-						
										Total Transformer Ownership Allowance	$ 140,166

	Distribution Rates					Revenue Reconciliation		
	Monthly Service Charge		Volumetric Rate					
	Rate	No. of decimals	Rate		No. of decimals	MSC Revenues	Volumetric revenues	Revenues less Transformer Ownership Allowance
1	$24.24	2	$0.0000	/kWh	4	$ 2,795,616.51	$ -	$ 2,795,616.51
2	$25.50		$0.0090	/kWh		$ 351,141.10	$ 311,228.1215	$ 662,369.22
3	$90.72		$3.6300	/kW		$ 114,453.52	$ 1,025,873.6567	$ 1,028,413.69
4	$5,414.01		$2.0193	/kW		$ 64,968.12	$ 95,084.1936	$ 131,799.69
5	$1.85		$4.8397	/kW		$ 70,124.58	$ 14,125.7003	$ 84,250.28
6	$5.88		$13.4029	/kW		$ 3,482.61	$ 1,794.1124	$ 5,276.72
7	$9.73		$0.0145	/kWh		$ 9,313.69	$ 8,958.0923	$ 18,271.79
8						$ -	$ -	$ -
9						$ -	$ -	$ -
10						$ -	$ -	$ -
11						$ -	$ -	$ -
12						$ -	$ -	$ -
13						$ -	$ -	$ -
14						$ -	$ -	$ -
15						$ -	$ -	$ -
16						$ -	$ -	$ -
17						$ -	$ -	$ -
18						$ -	$ -	$ -
19						$ -	$ -	$ -
20						$ -	$ -	$ -

	Total Distribution Revenues	$ 4,725,997.90
Rates recover revenue requirement	**Base Revenue Requirement**	$ 4,727,386.97
	Difference	-$ 1,389.07
	% Difference	-0.029%

Notes:

[1] Transformer Ownership Allowance is entered as a positive amount, and only for those classes to which it applies.

[2] The Fixed/Variable split, for each customer class, drives the "rate generator" portion of this sheet of the RRWF. Only the "fixed" fraction is entered, as the sum of the "fixed" and "variable" portions must sum to 100%. For a distributor that may set the Monthly Service Charge, the "fixed" ratio is calcutated as: [MSC x (average number of customers or connections) x 12 months] / (Class Allocated Revenue Requirement).

Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2021 Filers

Tracking Form

The first row shown, labelled "Original Application", summarizes key statistics based on the data inputs into the RRWF. After the original application filing, the applicant provides key changes in capital and operating expenses, load forecasts, cost of capital, etc., as revised through the processing of the application. This could be due to revisions or responses to interrogatories. The last row shown is the most current estimate of the cost of service data reflecting the original application and any updates provided by the applicant distributor (for updated evidence, responses to interrogatories, undertakings, etc.)

Please ensure a Reference (Column B) and/or Item Description (Column C) is entered. Please note that unused rows will automatically be hidden and the PRINT AREA set when the PRINT BUTTON on Sheet 1 is activated.

(1) Short reference to evidence material (interrogatory response, undertaking, exhibit number, Board Decision, Code, Guideline, Report of the Board, etc.)

(2) Short description of change, issue, etc.

Summary of Proposed Changes

			Cost of Capital		Rate Base and Capital Expenditures			Operating Expenses			Revenue Requirement			
	Reference [1]	Item / Description [2]	Regulated Return on Capital	Regulated Rate of Return	Rate Base	Working Capital	Working Capital Allowance ($)	Amortization / Depreciation	Taxes/PILs	OM&A	Service Revenue Requirement	Other Revenues	Base Revenue Requirement	Grossed up Revenue Deficiency / Sufficiency
		Original Application	$ 1,183,306	5.12%	$ 23,132,083	$ 36,147,708	$ 2,711,078	$ 1,001,950	$ 153,420	$ 2,825,707	$ 5,222,441	$ 429,272	$ 4,793,168	$ 166,389
1	3.1-Staff-32 and 3.1-Staff-33	Update to Tab 6 - Load Forecast	$ 1,185,060	5.12%	$ 23,166,369	$ 36,604,852	$ 2,745,364	$ 1,001,950	$ 153,832	$ 2,825,707	$ 5,224,607	$ 429,272	$ 4,795,334	$ 138,205
		Change	$ 1,754	0.00%	$ 34,286	$ 457,144	$ 34,286	-$ 0	$ 412	$ 0	$ 2,166	-$ 0	$ 2,166	-$ 28,184
2	3.1-Staff-34	Updated to Tab 7 - Load Forecast	$ 1,185,018	5.12%	$ 23,165,540	$ 36,593,794	$ 2,744,535	$ 1,001,950	$ 153,822	$ 2,825,707	$ 5,224,554	$ 429,272	$ 4,795,282	$ 142,800
		Change	-$ 42	0.00%	-$ 829	-$ 11,058	-$ 829	$ -	-$ 10	$ -	-$ 53	$ -	-$ 52	$ 4,595
3	3.1-Staff-35	Removed calculations on Tab 11 that were referencing Tab 10.1 - Load Forecast	$ 1,186,269	5.12%	$ 23,189,990	$ 36,919,798	$ 2,768,985	$ 1,001,950	$ 154,116	$ 2,825,707	$ 5,226,099	$ 429,272	$ 4,796,827	$ 131,217
		Change	$ 1,251	0.00%	$ 24,450	$ 326,004	$ 24,450	$ -	$ 294	$ -	$ 1,545	$ -	$ 1,545	-$ 11,583
4	3.6-Staff-45	Update RTSR workform to 2022 version	$ 1,187,170	5.12%	$ 23,207,603	$ 37,154,643	$ 2,786,598	$ 1,001,950	$ 154,328	$ 2,825,707	$ 5,227,212	$ 429,272	$ 4,797,940	$ 132,330
		Change	$ 901	0.00%	$ 17,613	$ 234,845	$ 17,613	$ -	$ 212	$ -	$ 1,113	$ -	$ 1,113	$ 1,113
5	3.1-VECC-30	Load forecast update - MicroFIT consumption	$ 1,185,522	5.12%	$ 23,175,390	$ 36,725,129	$ 2,754,385	$ 1,001,950	$ 153,940	$ 2,825,707	$ 5,225,177	$ 429,272	$ 4,795,904	$ 148,072
		Change	-$ 1,648	0.00%	-$ 32,213	-$ 429,514	-$ 32,213	$ -	-$ 388	$ -	-$ 2,035	$ -	-$ 2,036	$ 15,742
6	3.1-VECC-34	Update to Supplies Facilities Loss Factor	$ 1,185,397	5.12%	$ 23,172,953	$ 36,692,638	$ 2,751,948	$ 1,001,950	$ 153,911	$ 2,825,707	$ 5,225,023	$ 429,272	$ 4,795,750	$ 147,919
		Change	-$ 125	0.00%	-$ 2,437	-$ 32,491	-$ 2,437	$ -	-$ 29	$ -	-$ 154	$ -	-$ 154	-$ 153
7	0-Staff-2	Update to OER rate, commodity prices, and LEAP funding	$ 1,170,141	5.12%	$ 22,874,710	$ 32,716,061	$ 2,453,705	$ 1,001,950	$ 150,324	$ 2,825,741	$ 5,206,213	$ 429,272	$ 4,776,941	$ 129,109
		Change	-$ 15,256	0.00%	-$ 298,243	-$ 3,976,577	-$ 298,243	$ -	-$ 3,587	$ 34	-$ 18,810	$ -	-$ 18,809	-$ 18,810
8	Settlement Conference	Settlement Conference - ratios updated in load forecast to 2019	$ 1,171,948	5.12%	$ 22,910,043	$ 33,187,166	$ 2,489,037	$ 1,001,950	$ 150,749	$ 2,825,741	$ 5,208,446	$ 429,272	$ 4,779,173	$ 108,861
		Change	$ 1,807	0.00%	$ 35,333	$ 471,105	$ 35,332	$ -	$ 425	$ -	$ 2,233	$ -	$ 2,232	-$ 20,248
9	Settlement Conference	Updated projected low voltage charges to $1,175,000	$ 1,170,239	5.12%	$ 22,876,630	$ 32,741,662	$ 2,455,625	$ 1,001,950	$ 150,359	$ 2,825,741	$ 5,206,335	$ 429,272	$ 4,777,062	$ 106,762
		Change	-$ 1,709	0.00%	-$ 33,413	-$ 445,504	-$ 33,412	$ -	-$ 390	$ -	-$ 2,111	$ -	-$ 2,111	-$ 2,099
10	Settlement Conference	PILs model update to reflect accellerated CCA	$ 1,170,239	5.12%	$ 22,876,630	$ 32,741,662	$ 2,455,625	$ 1,001,950	$ 100,672	$ 2,825,741	$ 5,156,659	$ 429,272	$ 4,727,387	$ 57,075
		Change	$ -	0.00%	$ -	$ -	$ -	$ -	-$ 49,687	$ -	-$ 49,676	$ -	-$ 49,675	-$ 49,687

D Bill Insert Excerpt – Low Voltage Charge

Pursuant to the OEB's approval of Lakefront's 2022 Cost of Service Application establishing new rates effective January 1, 2022, Lakefront is providing notice to customers of the specific framework for the recovery of outstanding low voltage charges by Lakefront from its customers in relation to an under-recovery of those charges over the 2017 to 2021 period.

Background

One of the pass-through rates charged by Lakefront to its customers is a low voltage rate, a charge that recovers the cost of low voltage services provided by Hydro One to Lakefront's customers. It is not a charge relating to Lakefront's costs; Lakefront is billed for low voltage charges by Hydro One and collects the amounts charged from its customers on a "pass through" basis.

In the normal course, as part of its Cost of Service Rate Application, Lakefront estimates the appropriate low voltage rate to use going forward based on the historical amounts charged to it by Hydro One; to the extent there is a difference between the charge to customers and the amount actually billed to Lakefront, the OEB allows Lakefront to track the difference and collect or refund the difference as necessary in a future proceeding.

In the present case, as a result of an unintentionally understated estimate of low voltage charges when setting its low voltage rate in its 2017 Cost of Service proceeding, the difference between the amount charged to customers by Lakefront and the amount billed to Lakefront by Hydro One was unusually high; in other words, Lakefront has been collecting much less low voltage charges from its customers than the amount Lakefront has been paying to Hydro One.

In its 2022 Cost of Service Rate Proceeding, the OEB approved a proposal including the recovery of the outstanding variance by Lakefront from customers between the Low Voltage Charges collected from ratepayers from 2017 to 2021 and the amount that Lakefront paid to Hydro One over the same period. However, in recognition of the understated low voltage rate set in 2017, the OEB approved a proposal wherein Lakefront would forego the interest charges it would normally be entitled to collect on the unrecovered low voltage charges it incurred on customer's behalf between 2017 and 2021, to ensure that Lakefront is not inadvertently benefitting from the variance. In addition, the OEB approved a proposal wherein Lakefront would recover the outstanding amount over an extended 5-year period starting January 1st 2022, to minimize the impact on customers, without the recovery of interest charges by Lakefront during that period. The extended 5-year recovery period will result in a monthly impact of $0.90 to a residential customer consuming 750 kWh per month.