

DECISION AND RATE ORDER

EB-2022-0046

LAKEFRONT UTILITIES INC.

**Application for rates and other charges to be effective
January 1, 2023**

BY DELEGATION, BEFORE: Theodore Antonopoulos
Vice President
Applications

December 8, 2022

1. OVERVIEW

The Ontario Energy Board is approving changes to the rates that Lakefront Utilities Inc. (Lakefront Utilities) charges to distribute electricity to its customers, effective January 1, 2023.

As a result of this Decision, there will be a monthly total bill increase of \$5.02 for a residential customer consuming 750 kWh. This change does not factor in applicable taxes or the Ontario Electricity Rebate.

2. CONTEXT AND PROCESS

Lakefront Utilities filed its application on August 3, 2022 under section 78 of the Ontario Energy Board Act, 1998 and in accordance with Chapter 3 of the OEB's [Filing Requirements for Incentive Rate-Setting Applications](#) (Filing Requirements). The application was based on the Price Cap Incentive Rate-setting (Price Cap IR) option.

The Price Cap IR option is one of three incentive rate-setting mechanisms (IRM) approved by the OEB.¹ It involves the setting of rates through a cost of service application in the first year and mechanistic price cap adjustments which may be approved through IRM applications in each of the ensuing adjustment years.

The OEB follows a standardized and streamlined process for hearing IRM applications filed under Price Cap IR. In each adjustment year of a Price Cap IR term, the OEB prepares a Rate Generator Model that includes, as a placeholder, information from the distributor's past proceedings and annual reporting requirements. A distributor will then review, complete, and include the model with its application, and may update the model during the proceeding to make any necessary corrections or to incorporate new rate-setting parameters as they become available.

Lakefront Utilities serves approximately 10,700 mostly residential and commercial electricity customers in the Town of Cobourg and the Village of Colborne.

The application was supported by pre-filed written evidence and a completed Rate Generator Model and as required during the proceeding, Lakefront Utilities updated and clarified the evidence.

¹ Each of these options is explained in the OEB's [Handbook for Utility Rate Applications](#).

3. DECISION OUTLINE

Each of the following issues is addressed in this Decision, together with the OEB's findings.

- x Annual Adjustment Mechanism
- x Retail Transmission Service Rates
- x Group 1 Deferral and Variance Accounts
- x Lost Revenue Adjustment Mechanism Variance Account

Instructions for implementing Lakefront Utilities' new rates and charges are set out in the final section of this Decision.

This Decision does not address rates and charges approved by the OEB in prior proceedings, such as specific service charges² and loss factors, which are out of the scope of an IRM proceeding and for which no further approvals are required to continue to include them on the distributor's Tariff of Rates and Charges.

² Certain service charges are subject to annual inflationary adjustments to be determined by the OEB through a generic order. For example, the Decision and Order EB-2022-0220, issued November 3, 2022 established the adjustment for energy retailer service charges, effective January 1, 2023; and the Decision and Order EB-2022-0221, issued November 3, 2022, established the 2023 Wireline Pole Attachment Charge, effective January 1, 2023.

4. ANNUAL ADJUSTMENT MECHANISM

Lakefront Utilities has applied to change its rates, effective January 1, 2023, based on a mechanistic rate adjustment using the OEB-approved **inflation minus X-factor** formula applicable to IRM applications. The adjustment applies to distribution rates (fixed and variable) uniformly across all customer classes.³

The components of the Price Cap adjustment formula applicable to Lakefront Utilities are set out in the table below. Inserting these components into the formula results in a 3.70% increase to Lakefront Utilities' rates: **3.70% = 3.70 - (0.00% + 0.00%)**.

Table 4.1: Price Cap IR Adjustment Formula

Components		Amount
Inflation factor ⁴		3.70%
Less: X-factor	Productivity factor ⁵	0.00%
	Stretch factor (0.00% to 0.60%) ⁶	0.00%

An inflation factor of 3.70% applies to all IRM applications for the 2023 rate year. The X-factor is the sum of the productivity factor and the stretch factor. It is a productivity offset that varies among different groupings of distributors. Subtracting the X-factor from inflation ensures that rates decline in real, constant-dollar terms, providing distributors with a tangible incentive to improve efficiency or else experience declining net income. The productivity component of the X-factor is based on industry conditions over a historical study period and applies to all IRM applications for the 2023 rate year. The stretch factor component of the X-factor is distributor specific. The OEB has established five stretch factor groupings, ranging from 0.00% to 0.60%. The stretch factor assigned to any distributor is based on the distributor's total cost performance as benchmarked against other distributors in Ontario. The stretch factor assigned to Lakefront Utilities is 0.0%, resulting in a rate adjustment of 3.70%.

³ The adjustment does not apply to the following components of delivery rates: rate riders, rate adders, low voltage service charges, retail transmission service rates, wholesale market service rate, smart metering entity charge, rural or remote electricity rate protection charge, standard supply service – administrative charge, transformation and primary metering allowances, loss factors, specific service charges, microFIT charge, and retail service charges.

⁴ [OEB Letter, 2023 Inflation Parameters, issued October 20, 2022](#)

⁵ Report of the Ontario Energy Board – “Rate Setting Parameters and Benchmarking under the Renewed Regulatory Framework for Ontario’s Electricity Distributors” EB-2010-0379, December 4, 2013

⁶ Report to the Ontario Energy Board – “Empirical Research in Support of Incentive Rate-Setting: 2021 Benchmarking Update”, prepared by Pacific Economics Group LLC., July 2022

Findings

Lakefront Utilities' request for a 3.70% rate adjustment is in accordance with the annually updated parameters set by the OEB. The adjustment is approved, and Lakefront Utilities' new rates shall be effective January 1, 2023.

5. RETAIL TRANSMISSION SERVICE RATES

Lakefront Utilities is fully embedded within Hydro One Networks Inc.'s distribution system.

To recover its cost of transmission services, Lakefront Utilities requests approval to adjust the retail transmission service rates (RTSRs) that it charges its customers in accordance with the host distributor RTSRs currently in effect.

Findings

Lakefront Utilities' proposed adjustment to its RTSRs is approved. The RTSRs were adjusted based on the 2022 OEB-approved host-RTSRs.⁷

Host-RTSRs are typically approved annually by the OEB. In the event that new host-RTSRs take effect during Lakefront Utilities' 2023 rate year, any resulting differences (from the prior-approved host-RTSRs) are to be captured in Retail Settlement Variance Accounts 1584 (Retail Transmission Network Charge) and 1586 (Retail Transmission Connection Charge).

⁷ EB-2021-0032, Decision and Order, December 14, 2021

6. GROUP 1 DEFERRAL AND VARIANCE ACCOUNTS

In each year of an IRM term, the OEB will review a distributor's Group 1 deferral and variance accounts to determine whether those balances should be disposed. OEB policy states that Group 1 account balances should be disposed if they exceed, on a net basis (as a debit or credit), a pre-set disposition threshold of \$0.001 per kWh, unless a distributor justifies why balances should not be disposed.⁸ If the net balance does not exceed the threshold, a distributor may still request disposition.⁹

The 2021 year-end net balance for Lakefront Utilities' Group 1 accounts eligible for disposition, excluding Accounts 1588 and 1589 and including interest projected to December 31, 2022, is a debit of \$867,182, and pertains to variances accumulated during the 2021 calendar year. This amount represents a total claim of \$0.0036 per kWh, which exceeds the disposition threshold. Lakefront Utilities has requested the disposition of this amount over a 1-year period.

Included in Lakefront's 2020 IRM Decision and Rate Order,¹⁰ the OEB did not approve the disposition of Lakefront Utilities' Group 1 account balances from January 1, 2016 to December 31, 2018 due to concerns with Accounts 1588 and 1589 balances. The OEB referred the matter to the OEB's Audit and Investigations department for the consideration of Lakefront Utilities' processes regarding RPP settlement claims with the IESO.

In its 2021 IRM Decision and Rate Order,¹¹ the disposition for Lakefront Utilities' Group 1 account balances was not required because it did not exceed the disposition threshold.

In its 2022 Cost of Service Decision and Order,¹² the OEB accepted the settlement proposal to dispose of Lakefront Utilities' Group 1 account balances as of December 31, 2020 excluding Accounts 1588 and 1589 and to dispose Accounts 1588 and 1589 in the next IRM application subsequent to the completion of the audit.

The audit of Accounts 1588 and 1589 is still outstanding as of the date of this Decision.¹³

⁸ Report of the OEB – "Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR)." EB-2008-0046, July 31, 2009

⁹ OEB letter, "Update to the Electricity Distributors' Deferral and Variance Account Review ("EDDVAR Report"), released July 2009 (EB-2008-0046)", issued July 25, 2014

¹⁰ EB-2019-0050

¹¹ EB-2020-0036

¹² EB-2021-0039

¹³ Manager's Summary, Page 7

Included in the Group 1 accounts are certain variances related to costs that are paid for by a distributor's customers on different bases, depending on their classification. Namely, "Class A" customers, who participate in the Industrial Conservation Initiative, pay for Capacity Based Recovery (CBR) charges based on their contribution to the five highest Ontario demand peaks over a 12-month period. "Class B" customers pay for CBR charges based on their monthly consumption totals as a standalone charge.¹⁴ The balance in the CBR Class B variance account is attributable to all Class B customers.

Lakefront Utilities had Class A customers during the period in which variances accumulated so it has applied to have the balance of the CBR Class B variance account disposed through a separate rate rider for Class B customers to ensure proper allocation between Class A and Class B customers.

During the period in which variances accumulated, Lakefront Utilities had customers transition between Class A and Class B. Under the general principle of cost causality, customer groups that cause variances that are recorded in Group 1 accounts should be responsible for paying (or receiving credits) for their disposal. Lakefront Utilities has proposed to allocate a portion of the CBR Class B balances to its transition customers, based on their customer-specific consumption levels.¹⁵ The amounts allocated to each transition customer are proposed to be refunded by way of 12 equal monthly installments.

Findings

The balances proposed for disposition reconcile with the amounts reported as part of the OEB's Electricity Reporting and Record-Keeping Requirements.

The OEB approves the disposition of a debit balance of \$867,182 as of December 31, 2021, including interest projected to December 31, 2022, for Group 1 accounts, excluding Accounts 1588 and 1589, on a final basis. The OEB notes that Accounts 1588 and 1589 should be disposed in the next rate application after the audit is completed.

Table 6.1 identifies the principal and interest amounts, which the OEB approves for disposition.

¹⁴ All Class B customers (RPP and non-RPP) pay the CBR as a separate charge based on their monthly consumption. For additional details on the CBR for Class A customers, refer to the IESO's [website](#).

¹⁵ 2023 IRM Rate Generator Model, Tab 6.1a "GA Allocation" and Tab 6.2a "CBR B_Allocation"

**Table 6.1: Group 1 Deferral and Variance Account Balances
Excluding Account 1588 and Account 1589**

Account Name	Account Number	Principal Balance (\$) A	Interest Balance (\$) B	Total Claim (\$) C=A+B
LV Variance Account	1550	557,739	13,573	571,312
Smart Meter Entity Variance Charge	1551	(5,854)	(43)	(5,898)
RSVA - Wholesale Market Service Charge	1580	189,624	1,550	191,174
Variance WMS - Sub-account CBR Class B	1580	(22,022)	(164)	(22,187)
RSVA - Retail Transmission Network Charge	1584	84,821	644	85,465
RSVA - Retail Transmission Connection Charge	1586	46,987	329	47,317
Total for Group 1 Accounts Excluding Accounts 1588 and 1589		851,294	15,888	867,182

The balance of each of the Group 1 accounts approved for disposition shall be transferred to the applicable principal and interest carrying charge sub-accounts of Account 1595. Such transfer shall be pursuant to the requirements specified in the Accounting Procedures Handbook for Electricity Distributors.¹⁶ The date of the transfer must be the same as the effective date for the associated rates, which is generally the start of the rate year.

The OEB approves these balances to be disposed through final rate riders, charges, or payments, as calculated in the Rate Generator Model. The final rate riders, charges, and payments, as applicable, will be in effect over a one-year period from January 1, 2023 to December 31, 2023.¹⁷

¹⁶ Article 220, Account Descriptions, Accounting Procedures Handbook for Electricity Distributors, effective January 1, 2012

¹⁷ 2023 IRM Rate Generator Model Tab 6.1 GA, Tab 6.1a GA Allocation, Tab 6.2 CBR B, Tab 6.2a CBR B_Allocation and Tab 7 Calculation of Def-Var RR

7. LOST REVENUE ADJUSTMENT MECHANISM VARIANCE ACCOUNT

The OEB has historically utilized a Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) to capture a distributor's revenue implications resulting from differences between actual and forecast conservation and demand management (CDM) savings included in its last OEB-approved load forecast. The use of the LRAMVA is no longer the default approach for CDM activities.¹⁸

Distributors delivered CDM programs to their customers through the Conservation First Framework (CFF) that began on January 1, 2015 until March 20, 2019, when the CFF was revoked.¹⁹

Distributors filing an application for 2023 rates are required to seek disposition of all outstanding LRAMVA balances related to program savings related to CFF programs or other conservation programs they delivered, unless they do not have complete information on eligible program savings.²⁰

Lakefront Utilities did not apply for disposition of any LRAMVA balance and confirmed that it will not be seeking future recovery of any balance in the LRAMVA.

Findings

The balance in the LRAMVA is now set to zero, and no further entries to the LRAMVA are permitted at this time. The LRAMVA will not be discontinued, in the event that Lakefront Utilities requests the use of the LRAMVA for a CDM activity in a future application, which the OEB will consider on a case-by-case basis.²¹

¹⁸ Conservation and Demand Management Guidelines for Electricity Distributors, December 20, 2021, Chapter 8.

¹⁹ On March 20, 2019 the Minister of Energy, Northern Development and Mines issued separate Directives to the OEB and the IESO.

²⁰ Chapter 3 Filing Requirements, section 3.2.6.1

²¹ Conservation and Demand Management Guidelines for Electricity Distributors, December 20, 2021, p. 28.

8. IMPLEMENTATION

This Decision is accompanied by a Rate Generator Model, applicable supporting models, and a Tariff of Rates and Charges (Schedule A). The Rate Generator Model also incorporates the rates set out in Table 8.1.

Table 8.1: Regulatory Charges

Rate	per kWh
Rural or Remote Electricity Rate Protection (RRRP)	\$0.0005
Wholesale Market Service (WMS) billed to Class A and B Customers	\$0.0030
Capacity Based Recovery (CBR) billed to Class B Customers	\$0.0004

Each of these rates is a component of the “Regulatory Charge” on a customer’s bill, established annually by the OEB through a separate, generic order. The RRRP and WMS rates were set by the OEB on December 16, 2021 and July 12, 2022.²²

The Smart Metering Entity Charge is a component of the “Distribution Charge” on a customer’s bill, established by the OEB through a separate order. The Smart Metering Entity Charge was set by the OEB at \$0.42 on September 8, 2022.²³

In the Report of the Board: Review of Electricity Distribution Cost Allocation Policy,²⁴ the OEB indicated that it will review the default province-wide microFIT charge annually to ensure it continues to reflect actual costs in accordance with the established methodology. Distributors shall apply the updated value, if applicable, following the OEB’s announcement of the microFIT charge for the 2023 rate year.

²² EB-2021-0300, Decision and Order, December 16, 2021 and EB-2021-0300, Supplemental Decision and Order, July 12, 2022

²³ EB-2022-0137, Decision and Order, September 8, 2022

²⁴ EB-2010-0219, Report of the Board “Review of Electricity Distribution Cost Allocation Policy”, March 31, 2011

9. ORDER

THE ONTARIO ENERGY BOARD ORDERS THAT

1. The Tariff of Rates and Charges set out in Schedule A of this Decision and Rate Order is approved effective January 1, 2023 for electricity consumed or estimated to have been consumed on and after such date. Lakefront Utilities Inc. shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new rates.

DATED at Toronto, December 8, 2022

ONTARIO ENERGY BOARD

Nancy Marconi
Registrar

SCHEDULE A
DECISION AND RATE ORDER
LAKEFRONT UTILITIES INC.
TARIFF OF RATES AND CHARGES
EB-2022-0046
DECEMBER 8, 2022

Lakefront Utilities Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2023

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

EB-2022-0046

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	\$	25.57
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, 2027	\$	0.42
Low Voltage Service Rate	\$/kWh	0.0051
Rate Rider for Disposition of Capacity Based Recovery Account (2023) - effective until December 31, 2023 Applicable only for Class B Customers	\$/kWh	(0.0001)
Rate Rider for Disposition of Deferral/Variance Accounts (2023) - effective until December 31, 2023	\$/kWh	0.0036
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	0.0086
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0060

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, 2023

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EB-2022-0046

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	\$	26.44
Smart Metering Entity Charge - effective until December 31, 2027	\$	0.42
Distribution Volumetric Rate	\$/kWh	0.0097
Low Voltage Service Rate	\$/kWh	0.0046
Rate Rider for Disposition of Capacity Based Recovery Account (2023) - effective until December 31, 2023 Applicable only for Class B Customers	\$/kWh	(0.0001)
Rate Rider for Disposition of Deferral/Variance Accounts (2023) - effective until December 31, 2023	\$/kWh	0.0037
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	0.0079
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0054

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, 2023

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

EB-2022-0046

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	\$	96.21
Distribution Volumetric Rate	\$/kW	3.8407
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 (2023) - effective until December 31, 2023 Applicable only for Class B Customers	\$/kW	(0.0473)
Rate Rider for Disposition of Deferral/Variance Accounts (2023) - effective until December 31, 2023	\$/kW	1.4430
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	\$/kW	0.0137
Retail Transmission Rate - Network Service Rate	\$/kW	3.1655
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.1589

Issued December 8, 2022

Lakefront Utilities Inc.
TARIFF OF RATES AND CHARGES
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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, 2023

This schedule supersedes and replaces all previously
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EB-2022-0046

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	\$	5,761.32
Distribution Volumetric Rate	\$/kW	2.1326
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 (2023) - effective until December 31, 2023		
Applicable only for Class B Customers	\$/kW	0.0019
Rate Rider for Disposition of Deferral/Variance Accounts (2023) - effective until December 31, 2023	\$/kW	1.7788
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	3.5407
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.5464

Lakefront Utilities Inc.
TARIFF OF RATES AND CHARGES
 Effective and Implementation Date January 1, 2023
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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

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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)	\$	10.27
Distribution Volumetric Rate	\$/kWh	0.0153
Low Voltage Service Rate	\$/kWh	0.0057
Rate Rider for Disposition of Capacity Based Recovery Account (2023) - effective until December 31, 2023 Applicable only for Class B Customers	\$/kWh	(0.0001)
Rate Rider for Disposition of Deferral/Variance Accounts (2023) - effective until December 31, 2023	\$/kWh	0.0037
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	0.0089
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0066

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.

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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.

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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)	\$	6.19
Distribution Volumetric Rate	\$/kW	14.1048
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 (2023) - effective until December 31, 2023 Applicable only for Class B Customers	\$/kW	(0.0496)
Rate Rider for Disposition of Deferral/Variance Accounts (2023) - effective until December 31, 2023	\$/kW	1.3368
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	2.3993
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.7039

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.

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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)	\$	1.95
Distribution Volumetric Rate	\$/kW	5.1060
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 (2023) - effective until December 31, 2023 Applicable only for Class B Customers	\$/kW	(0.0482)
Rate Rider for Disposition of Deferral/Variance Accounts (2023) - effective until December 31, 2023	\$/kW	1.3645
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	2.3876
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.6691

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

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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

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	4.55
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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

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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

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)	\$	36.05
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

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RETAIL SERVICE CHARGES (if applicable)

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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	\$	111.66
Monthly fixed charge, per retailer	\$	44.67
Monthly variable charge, per customer, per retailer	\$/cust.	1.11
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust.	0.66
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust.	(0.66)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.56
Processing fee, per request, applied to the requesting party	\$	1.11
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)	\$	4.47
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)	\$	2.23

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