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BY E-MAIL

February 28, 2023

Darren Bechtel
Chief Financial Officer
Lakeland Holding Ltd.
200 – 395 Centre St N, Huntsville
ON P1H 2M2
Regulatory-affairs@lakelandpower.on.ca

Dear Mr. Bechtel:

**Re: Application for 2024 Electricity Rates
OEB File No. EB-2023-0036**

This letter is in response to your letter expressing an interest to defer Lakeland Power Distribution Ltd. (Lakeland Power) rebasing of its rates beyond the 2024 rate year for one year.

The OEB has reviewed the letter and based on Lakeland Power's financial and service quality performance is granting approval for Lakeland Power's request to defer its 2024 cost of service application. The OEB will place Lakeland Power on the list of distributors whose rates will be scheduled for rebasing for the 2025 rate year. The OEB notes Lakeland Power's commitment in its EB-2018-0050 settlement agreement to implement a full asset condition assessment and project prioritization process, and expects these will be included in the distribution system plan (DSP) filed in its rebasing application.

If Lakeland Power intends to seek a rate adjustment for 2024 rates, the OEB expects Lakeland Power to adhere to the process for Price Cap Incentive Rate-setting applications for the 2024 rate year.

The OEB's [letter of December 1, 2021](#), outlined changes to the OEB's approach to deferrals. With this deferral, Lakeland Power must file a cost of service application for 2025 rates. If the rebasing application is not filed by the commencement of the 2025

rate year, the OEB will declare Lakeland Power's rates interim until Lakeland Power files a rebasing application. Additionally, there is no availability of an Incremental Capital Module for 2024 rates and the OEB will not require Lakeland Power to file a DSP during this deferral period.

Yours truly,

Nancy Marconi
Registrar