

LAKEFRONT UTILITIES INC.
2024 IRM APPLICATION
EB-2023-0035

Rates Effective: January 1, 2024

Submitted On: August 17, 2023





Lakefront
Utilities
Inc.

August 17, 2023

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

Attention: Ms. Kirsten Walli, Board Secretary
Regarding: EB-2023-0035 2024 IRM Rate Application

Dear Ms. Walli,

Please find attached Lakefront Utilities Inc.'s Application for Electricity and Distribution Rates and Charges effective January 1, 2024.

Lakefront Utilities Inc.'s application will be filed through the Board's web portal at www.errr.oeb.gov.on.ca, consisting of one (1) electronic copy of the application in searchable/unrestricted PDF format and one (1) electronic copy in Microsoft Excel format of the following complete IRM models:

- 2024 IRM Rate Generator Model
- GA Analysis Workform
- IRM Checklist

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,

A handwritten signature in black ink, appearing to read 'Adam Giddings'.

Adam Giddings, CPA CA
Vice President of Regulatory Finance
Lakefront Utilities Inc.

Cc: Dereck C. Paul – President & CEO

3.1.2 Components of the Application Filing.....	4
3.1.2(1) Manager’s Summary.....	5
3.1.2 (2) Contact Information.....	8
3.1.2 (3) Completed Models and Supplementary Workforms	9
3.1.2 (4) Current Tariff Sheet.....	10
3.1.2 (5) Supporting Documentation	11
3.1.2 (6) Groups Affected by Application.....	12
3.1.2 (7) Internet Address.....	13
3.1.2 (8) Accuracy of Billing Determinants.....	14
3.1.2 (9) PDF Format.....	15
3.1.2 (10) IRM Checklist.....	16
3.1.2 (11) Certification of Evidence	17
3.2 Elements of the Price Cap IR and Annual IR Index Plan.....	18
3.2.1 Annual Adjustment Mechanism	18
Table 1: 2024 Input Price Index – Board Issued June 29, 2023.....	19
3.2.2 Revenue to Cost Ratios.....	20
3.2.3 Rate Design for Residential Electricity	21
3.2.4 Retail Transmission Rates	22
Table 2: Summary of Retail Transmission Rate Changes.....	23
3.2.5 Low Voltage Service Rates.....	24
3.2.6 Deferral and Variance Accounts Balance Disposition	25
Table 3: Deferral and Variance Account Disposition Balances	25
Table 4: Explanation of Variance Between Proposed Disposition and RRR.....	26
3.2.7 LRAM Variance Account (LRAMVA).....	28
3.2.8 Tax Changes	29
3.2.9 Z-Factor Claims / Advanced Capital Module / Incremental Capital Module.....	30
3.2.10 Off-Ramps.....	31
Table 5: Summary of ROE.....	31
Bill Impacts	32
Table 6: Summary of Bill Impacts.....	32
Index to Appendices	33
Appendix A: Current Tariff Sheet.....	34
Appendix B: Proposed Tariff Sheet.....	35
Appendix C: Bill Impacts	36
Appendix D: Compliance Inspection Report.....	37
Appendix E: Z-Factor Report.....	38
Appendix F: ICM Report	39

3.1.2 Components of the Application Filing

APPLICATION

ONTARIO ENERGY BOARD

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

AND IN THE MATTER OF *an application by Lakefront Utilities Inc. for an Order or Orders pursuant to section 78 of the Ontario Energy Board Act, 1998 approving or fixing just and reasonable rates and other service charges for the distribution of electricity and related matters as of January 1, 2024.*

The “Applicant” is Lakefront Utilities Inc. (LUI). The Applicant is a licensed electricity distributor operating pursuant to electricity distribution license ED-2002-0545. The Applicant distributes electricity to over 10,000 customers within its licensed service territory in the Town of Cobourg and the Village of Colborne, which is comprised of over 65% residential customers while approximately 10% are small business or industrial-based.

LUI is incorporated under the Business Corporation Act on April 12, 2000. The Shareholders of LUI are the Town of Cobourg and the Village of Colborne. The population of the Municipality of Cobourg is approximately 20,000 and the Village of Colborne is approximately 2,000. In addition to residential, small business and industrial customers, the remainder of the utility’s customer base is comprised of Sentinel Lighting, Streetlighting, and Unmetered Scattered Load.

Lakefront Utilities Inc. hereby applies to the Ontario Energy Board (the OEB) pursuant to Section 78 of the Ontario Energy Board Act, 1998 (the “OEB Act”) for approval of its proposed distribution rates and other charges, effective January 1, 2024, based on a 2024 Incentive Rate Mechanism (IRM) application.

Unless otherwise identified in the Application, Lakefront Utilities Inc. followed Chapter 3 of the OEB’s Filing Requirements for Electricity Distribution Rate Application dated July 12, 2018 (originally issued on November 14, 2006) and the OEB’s Addendum to the Filing Requirements dated June 15, 2023, in order to prepare this application.

This supported application may be amended from time to time, prior to the Board’s final decision on this application.

3.1.2(1) Manager's Summary

Lakefront Utilities Inc. (LUI) hereby applies to the Ontario Energy Board (the Board) for approval of its 2024 Distribution Rate Adjustments effective January 1, 2024. LUI applies for an Order or Orders approving the proposed distribution rates and other charges as set out in Appendix 2 of this Application as just and reasonable rates and charges pursuant to Section 78 of the OEB Act.

LUI has followed Chapter 3 of the Board's Filing Requirements for Transmission and Distribution Applications dated June 15, 2023, The Report of the Board on Electricity Distributors' Deferral and Variance Account Review Initiative (the EDDVAR Report) issued July 31, 2009, and the Electricity Distribution Retail Transmission Service Rates Guideline G-2008-0001, Revision 4.0, issued June 28, 2012 (RTSR Guidelines) in order to prepare this application.

In the event that the Board is unable to provide a Decision and Order in this Application for implementation by the Applicant as of January 1, 2024, LUI requests that the Board issue an Interim Rate Order declaring the current Distribution Rates and Specific Service Charges as interim until the decided implementation date of the approved 2024 distribution rates. If the effective date does not coincide with the Board's decided implementation date for 2024 distribution rates and charges, LUI requests to be permitted to recover the incremental revenue from the effective date to the implementation date.

LUI requests that this application be prepared by way of a written hearing.

In the preparation of this application, LUI has used the 2024 IRM Rate Generator (Version 1.0) issued on July 24, 2023. During this proceeding, LUI is proposing disposition of its 2022 Group One variance accounts (excluding Accounts 1588 and 1589). The 2024 IRM Rate Generator model was pre-populated with distributor-specific data for Lakefront Utilities Inc., including the most recent tariff of rates and charges, load and customer data and Group 1 DVA balances. LUI confirms that the tariff of rates and charges is accurate, as included in Tab 2 of the model and confirms the accuracy of the pre-populated billing determinates and customer volume, as included in Tab 4 of the model.

Price Cap Adjustment

LUI selected the Price Cap Incentive Rate-Setting (Price Cap IR) option to adjust its fixed and volumetric 2024 rates. The Price Cap IR methodology provides a mechanistic and formulaic adjustment to distribution rates and charges between Cost of Service applications. LUI acknowledges that the Board released an update on June 29, 2023, for an Input Price Index of 4.80%.

Revenue-to-Cost Ratio Adjustments

As detailed in LUI's 2022 Cost of Service application (EB-2021-0039), LUI is not seeking a Revenue-to-Cost ratio adjustment.

Residential Rate Design

LUI confirms that it has not diverged from the Board's model concept or modified the Rate Model. LUI also confirms that the model correctly calculates the GA rate rider among all classes.

RTSR Adjustments

An adjustment of Retail Transmission Service Rates in accordance with Board Guideline G-2008-0001 – Electricity Distribution Retail Transmission Service Rates revised on June 28, 2012.

Deferral and Variance Accounts

LUI has completed Tab 3 – 2021 Continuity Schedule and confirms that the entries in column BU, representing Group 1 Deferral and Variance Account balances as of December 31, 2022, are accurate. The total claim is a debit balance of \$1,649,489 and exceeds the pre-set disposition threshold of \$0.001 per kWh.

Specific Service Charge and Loss Factors

Continuance of Rate Riders and Adders for which the sunset date has not yet been reached and continuance of the Specific Services charges and Loss Factors as approved in LUI's 2022 Cost of Service Application (EB-2021-0039).

Disposition of LRAMVA

LUI is not seeking to recover residual balances in its LRAMVA variance accounts in this proceeding.

Tax Change

LUI is not applying for a tax change rate rider.

ICM/Z-Factor

LUI is not applying for an Incremental Capital Module, or a Z-Factor claim.

Status of Board Directives from Previous Board Decisions

The OEB did not approve the disposition of Lakefront Utilities' Group 1 account balances from January 1, 2016, to December 31, 2018, included in Lakefront's Decision and Rate Order for its 2020 IRM (EB-2019-0050), due to concerns with Accounts 1588 and 1589. Given these concerns, the OEB referred the matter to the OEB's Audit and Investigations department to consider Lakefront Utilities' processes regarding RPP settlement claims with the IESO.

The audit of Accounts 1588 and 1589 were completed by the OEB and is attached as Appendix D. Lakefront received the final compliance inspection report on December 22, 2022. Although the impact on Accounts 1588 and 1589 has been assessed by Lakefront, it was not completed prior to completion for Lakefront's 2022 year end financial statement. The adjustments related to Accounts 1588 and 1589 will be reflected on the December 31, 2023, financial statement.

3.1.2 (2) Contact Information

The primary day-to-day contact for this application should be:

Adam Giddings, Vice President of Regulatory Finance

Tel: 905-372-2193 extension: 5242

Fax: 905-372-2581

Email: agiddings@lusi.on.ca

The Applicant requests that a copy of all documents filed with the Board in this proceeding be served to the Applicant, as follows:

Lakefront Utilities Inc.

207 Division Street

P.O. Box 577

Cobourg, ON K9A 4L3

3.1.2 (3) Completed Models and Supplementary Workforms

Lakefront Utilities Inc.'s application will be filed through the Board's web portal at www.errr.oeb.gov.on.ca, consisting of one (1) electronic copy of the application in searchable/unrestricted PDF format and one (1) electronic copy in Microsoft Excel format of the following complete IRM models:

- 2024 IRM Rate Generator Model (Version 1.0) issued on July 24, 2023
- GA Analysis Workform issued on June 23, 2023
- IRM Checklist issued on July 18, 2023

3.1.2 (4) Current Tariff Sheet

A PDF copy of the current tariff sheet has been provided in Appendix A.

3.1.2 (5) Supporting Documentation

All supporting documentation including relevant past decisions and/or settlement agreements have been cited within the application.

3.1.2 (6) Groups Affected by Application

Lakefront attests that the utility, its shareholder, and all its customer classes will be affected by the outcome of this application.

3.1.2 (7) Internet Address

This application and related documents can be viewed on Lakefront's website:

<https://www.lakefrontutilities.com/>

3.1.2 (8) Accuracy of Billing Determinants

LUI confirms that the billing determinants used in the pre-populated models is accurate.

3.1.2 (9) PDF Format

LUI confirms that an electronic copy of the application in searchable/unrestricted PDF format has been filed through the Board's web portal at www.errr.oeb.gov.on.ca.

3.1.2 (10) IRM Checklist

The excel version of the completed 2024 IRM checklist is being filed in conjunction with this application.

3.1.2 (11) Certification of Evidence

As President and CEO of Lakefront Utilities Inc. I certify that, to the best of my knowledge, the evidence filed in LUI's Incentive Rate-Setting Application is accurate, complete, and consistent with the requirements of the Chapter 3 Filing Requirements for Electricity Distribution Rate Applications as revised on June 15, 2023.

I confirm that internal controls and processes are in place for the preparation, review, verification, and oversight of any account balances that are being requested for disposal.

Further, I confirm that documents filed in support of Lakefront's referenced application do not include any personal information (as defined in the Freedom of Information and Protection of Privacy Act), that is not otherwise redacted in accordance with rule 9A of the OEB's Rules of Practice and Procedure.

Respectfully submitted,



Dereck C. Paul
President and CEO
Lakefront Utilities Inc.

3.2 Elements of the Price Cap IR and Annual IR Index Plan

3.2.1 Annual Adjustment Mechanism

Based on the most recent PEG Report, issued on July 18, 2022, the OEB has updated the stretch factor assignments for 2023. LUI was moved to Stretch Factor Group I with a stretch factor assignment of 0.00%. For the period from 2019 to 2021, LUI's average actual benchmarked costs were 26.2% lower than the predicted costs for the period based on the PEG econometric model.

Furthermore, as part of the Renewed Regulatory Framework for Electricity Distributors (RRFE) the Board initiated a review of utility performance per the "Defining and Measuring Performance of Electricity Transmitters and Distributors (EB-2010-0379)" proceeding. As part of this proceeding the Board contracted Pacific Economics Group Research, LLC (PEG) to prepare a report to the Board, "Empirical Research in Support of Incentive Rate Setting in Ontario: Report to the Ontario Energy Board". The original PEG Report was issued on May 3, 2013, and established the parameters for use to determine the Price Cap Index for the 4th Generation IRM including: a productivity factor of 0.00% was established, the approach to determine the Industry Specific Inflation Factor (replacing the 3rd Generation IRM GDP-IPI inflation factor) was established but has not yet been determined for 2024 IRM filers.

Consistent with the policy determinations set out in the Report of the Board on Rate Setting Parameters and Benchmarking under the RRFE for Ontario's Electricity Distributors (EB-2010-0379) (Issued November 21, 2013, and updated December 4, 2013), the OEB has calculated the value of the inflation factor for incentive rate setting under the Price Cap IR and Annual Index plans, for rate changes effective in 2024, to be 4.80%. The derivation of this is shown in the following table.

Table 1: 2024 Input Price Index – Board Issued June 29, 2023

Table 1: Non-Labour Component - GDP-IPI (FDD) – National⁵

Year	Q1	Q2	Q3	Q4	Annual	Annual % Change	Weight
2021	116.4	117.5	119.1	121.0	118.500		
2022	123.6	125.3	126.2	127.5	125.650	5.9%	70%

Table 2: Labour Component – AWE – All Employees – Ontario⁶

Year	Annual	Annual % Change	Weight
2021	\$1,166.72		
2022	\$1,194.21	2.3%	30%

Table 3: Resultant Values – Annual Growth for the 2-Factor IPI Formula

Year	Annual GDP-IPI % Change (Table 1)	Weight	AWE % Change (Table 2)	Weight	Annual IPI	Annual % Change
2021					119.1	
2022	5.9%	70%	2.3%	30%	125.0	4.8%

The price cap adjustment as determined in the 2024 IRM Rate Generator Model submitted with this application is based on a Price Cap Index of 4.80%, which has been used to determine the 2024 Distribution Rates, as follows:

1. Price Escalator of 4.80%
2. Minus a Productivity Factor of 0.0%
3. Minus a Stretch Factor of 0.00% based on LUI's July 2022 OEB approved Stretch Factor Group I, and
4. The resulting Price Cap Index of 4.80%

LUI proposes 2024 distribution rate adjustments to monthly Fixed Service Charge and Distribution Volumetric Rate for all rate classes reflecting the calculated values that are generated by the 2024 Rate Generator Model.

Proposed distribution rates appear in Proposed Tariff of Rates and Charges – Appendix B, based on the 4.80% Price Cap Index.

3.2.2 Revenue to Cost Ratios

Revenue to cost ratios measure the relationship between the revenues expected from a class of customers and the level of costs associated to that class. The Board has established target ratio ranges for Ontario electricity distributors in its Review of Electricity Distribution Cost Allocation Policy (EB-2012-0219), dated March 31, 2011.

LUI is not proposing to adjust its revenue to cost ratios in this proceeding as its revenue to cost ratios were adjusted and set as part of the 2022 Cost of Service Application – EB-2021-0039.

3.2.3 Rate Design for Residential Electricity

On April 2, 2015, the OEB released its *Board Policy: A New Distribution Rate Design for Residential Electricity Customers* (EB-2012-0410), which stated that electricity distributors will transition to a fully fixed monthly distribution service charge for residential customers. This was implemented over a period of four years, beginning in 2016.

Lakefront's 2019 IRM filing was the last year of Lakefront's Utilities' transition period and, accordingly, 2019 was the final year in which Lakefront Utilities' rates were adjusted upwards by more than the mechanistic adjustment alone.

3.2.4 Retail Transmission Rates

LUI is charged Ontario Uniform Transmission Rates (UTR) by Hydro One Networks, and in turn has Board approved retail transmission service rates to charge end user customers in order to recover the expenses. Based on Hydro One Networks most recent Decision and Rate Order of the Board in the EB-2016-0081 proceeding, the UTRS's effective January 1, 2023, are:

- \$4.6545/kW/mth for Network Service Rate
- \$0.6056/kW/mth for Line Connection Service Rate
- \$2.8924/kW/mth for Transformation Connection Service Rate

LUI understands that the model will be updated by the OEB staff with the 2024 rates once they are available.

Variance accounts are used to track the timing and rate differences in UTR's paid and RTSR's billed; they are recorded in USoA Accounts 1585 and 1586. On June 28, 2012, the Ontario Energy Board (the "Board") issued revision 4.0 of *the Guideline G-2008-0001 Electricity Distribution Retail Transmission Service Rates (the "Guideline")*. This Guideline outlines the information that the Board requires electricity distributors to file when proposing adjustments to their retail transmission service rates.

The billing determinants used on Tab 10: RTSR Current Rates of the 2024 IRM Rate Generator Model were derived from the RRR 2.1.5 Performance Based Regulation filing for the annual consumption in compliance with the instruction to use the most recent reported RRR billing determinants. The billing determinants are non-loss adjusted.

The OEB has provided a model for electrical distributors to calculate and predict the distributor's specific RTSRs based on a comparison of historical transmission costs adjusted for the new UTR levels and the revenues generated under existing RTSRs. LUI has completed the model and included the 2022 historical RTSR Network and RTSR Connection data on Tab 12: TRSR – Historical Wholesale of the 2024 IRM Rate Generator Model. LUI acknowledges that parties to the proceeding will have an opportunity to review the resulting rates as part of the rate process. A summary of the current and proposed RTSRs from the 2024 IRM Rate Generator are provided in the table below:

Table 2: Summary of Retail Transmission Rate Changes

Network Service Rate				
Rate Class	Unit	Current	Proposed RTSR	Increase
		RTSR	Network	(Decrease)
Residential	kWh	0.0086	0.0093	8.14%
GS<50 kW	kWh	0.0079	0.0086	8.86%
GS 50-2999 kW	kW	3.1655	3.4270	8.26%
GS 3000-4999 kW	kW	3.5407	3.8332	8.26%
USL	kWh	0.0089	0.0096	7.87%
Sentinel Lighting	kW	2.3993	2.5974	8.26%
Street Lighting	kWh	2.3876	2.5848	8.26%

Line & Transformation Connection Rate				
Rate Class	Unit	Current	Proposed RTSR	Increase
		RTSR	Network	(Decrease)
Residential	kWh	0.0060	0.0071	18.33%
GS<50 kW	kWh	0.0054	0.0064	18.52%
GS 50-2999 kW	kW	2.1589	2.5459	17.93%
GS 3000-4999 kW	kW	2.5464	3.0029	17.93%
USL	kWh	0.0066	0.0078	18.18%
Sentinel Lighting	kW	1.7039	2.0094	17.93%
Street Lighting	kWh	1.6691	1.9683	17.93%

Distributors charge retail transmission service rates to their customers to recover the amounts they pay to a transmitter, a host distributor or both for transmission services. All transmitters charge Uniform Transmission Rates approved by the OEB to distributors connected to the transmission system. Host distributors charge host-RTSRs to distributors embedded within the host's distribution system.

Lakefront Utilities is fully embedded within Hydro One Networks Inc.'s distribution system and is requesting approval to adjust the RTSRs it charges its customers to reflect the rates that it pays for transmission services. Lakefront Utilities Inc. does not have control over the Hydro One charges and, therefore cannot provide an explanation for the increased charges.

3.2.5 Low Voltage Service Rates

Lakefront's most recent low voltage costs charged by Hydro One are \$869,533. Considering Lakefront's low voltage charge was updated as part of the 2022 Cost of Service Application (EB-2021-0039), Lakefront does not consider it necessary to provide:

- Actual low voltage costs for the last five historical years and year-over-year variances.
- Support for the updated low voltage costs.
- Allocation of low voltage costs to customer classes.
- Proposed low voltage rates by customer class.

3.2.6 Deferral and Variance Accounts Balance Disposition

Continuity Schedule

Chapter 3 of the Board's Filing Requirements and the *Report of the Board on Electricity Distributors' Deferral and Variance Accounts Review Report* (the EDDVAR Report) provide that under the Price Cap IR, the distributor's Group 1 audited accounts balances will be reviewed and disposed of if the pre-set disposition threshold of \$0.001 per kWh (debit or credit) is exceeded. Distributors must file in their application Group 1 balances as at December 31, 2022, to determine if the threshold has been exceeded. Lakefront's total claim of \$1,649,489 exceeds the threshold; therefore, the Group 1 account balances have been requested for disposition over a one year period.

LUI has completed the Board Staff's 2024 IRM Rate Generator Tab 3: 2022 Continuity Schedule and has projected interest to December 31, 2023 balances. Actual interest has been calculated based on the Board's prescribed rates. Forecasted interest for January 1, 2023, to December 31, 2023, is based upon the last Board prescribed rate of 4.89%. Deferral and RSVA balance match the 2022 Audited Financial Statements.

Lakefront confirms that no adjustments have been made to balances previously approved by the OEB on a final basis.

Table 3: Deferral and Variance Account Disposition Balances

Group 1 Accounts	USoA	Principal	Interest to December 31, 2023	Total Claim
LV Variance Account	1550	257,121	35,557	292,677
Smart Metering Entity Charge Variance Account	1551	(36,031)	(2,231)	(38,262)
RSVA - Wholesale Market Service Charge	1580	724,851	45,871	770,722
RSVA - Wholesale Market Service Charge - Sub-account CBR Class B	1580	(43,737)	(2,955)	(46,692)
RSVA - Retail Transmission Network Charge	1584	515,239	32,663	547,902
RSVA - Retail Transmission Connection Charge	1586	115,262	7,880	123,142
Group 1 Total (including Account 1589 - Global Adjustment)		1,532,705	116,785	1,649,490

Table 4: Explanation of Variance Between Proposed Disposition and RRR

Group 1 Accounts	USoA	RRR Filing	Balance per Tab 3	Difference	Explanation
LV Variance Account	1550	280,106	280,104	1	Rounding
Smart Metering Entity Charge Variance Account	1551	(36,502)	(36,500)	(2)	Rounding
RSVA - Wholesale Market Service Charge	1580	690,725	735,277	(44,552)	Difference is balance in 1580 - Class B.
RSVA - Wholesale Market Service Charge - Sub-account CBR Class B	1580	0	(44,553)	44,553	See above
RSVA - Retail Transmission Network Charge	1584	522,706	522,707	(1)	Rounding
RSVA - Retail Transmission Connection Charge	1586	117,507	117,506	1	Rounding
RSVA - Power (excluding Global Adjustment)	1588	179,866	(0)	179,867	Balance not disposed as currently under audit
RSVA - Power - Sub-account - Global Adjustment	1589	(1,787,064)	(0)	(1,787,064)	Balance not disposed as currently under audit
Disposition and Recover/Refund of Regulatory Balances (2022)	1595	1,517,464	1,517,468	(4)	Rounding
Group 1 Total (including Account 1589 - Global Adjustment)		1,484,808	3,092,008	(1,607,200)	

Global Adjustment (3.2.6.2)

Lakefront Utilities' non-RPP Class B customers are billed using the IESO's Global Adjustment First (1st) Estimate. The GA variance account 1589 RSVA – Global Adjustment captures the difference between the amounts billed to the non-RPP customers on 1st estimate and the actual amount paid by Lakefront Utilities to the IESO for non-RPP customers.

Lakefront Utilities had eleven customers transition from Class B to Class A for Global Adjustment in 2017 and has used the Rate Generator Model to calculate the customer specific GA rate rider. Class A customers are billed their share of the actual Global Adjustment, charged by the IESO, based on their individual Peak Demand Factor.

GA Workform

In accordance with the filing requirements, Lakefront has completed the GA Analysis Workform that has been filed on the OEB's website in live Microsoft Excel format.

Commodity Accounts 1588 and 1589 (3.2.6.3)

Lakefront Utilities confirms that it follows the OEB's letter dated May 23, 2017 – Guidance on the Disposition of Accounts 1588 and 1589:

- RPP settlement true-up claims are conducted monthly;
- The balances in Lakefront's RSVA Power (1588) and Global Adjustment (1589) variance accounts that are requested for disposition reflect RPP settlement amounts pertaining to the period that is being requested for disposition.

Lakefront also confirms that it has appropriate controls, processes, and systems in place in order to:

- Accurately and on a timely basis calculate RPP transactions and claims to the IESO;
- Provide reasonable assurance of the validity and accuracy of RPP claims;

- Accurately describe the processes conducted to submit RPP claims to the IESO if requested;
- Determine the amount of the settlement claims that pertain to RPP true-up adjustments for the previous fiscal year;

Lakefront confirms that it has implemented the new accounting guidance (related to Accounts 1588 and 1589 – February 21, 2019). A review of historical balances, results of the review, and adjustments occurred in 2017 during Lakefront's special purpose audit.

Lakefront Utilities Inc.'s President certifies that Lakefront Utilities Inc. has robust processes and internal controls in place for the preparation, review, verification, and oversight of the account balances being disposed of.

Capacity Based Recovery (CBR) (3.2.6.4)

Lakefront Utilities follows the OEB's Accounting Guidance on CBR issued on July 25, 2016. The variance recorded in Account 1580 – Variances – WMS, sub-account CBR Class B is the difference between the billed WMS revenues of \$0.0004/kWh and the charges from the IESO under Charge Type 1351.

Class A customers are billed their share of the actual Capacity Based Recovery, charged by the IESO under Charge Type 1350, based on their respective Peak Demand Factor.

Disposition of Account 1595 (3.2.6.5)

Lakefront confirms that the residual balances for vintage Account 1595 have only been requested once the disposition balance is a year after the rate rider's sunset date has expired and the balances have been externally audited. Lakefront is not requesting the disposition of any Account 1595 balances.

3.2.7 LRAM Variance Account (LRAMVA)

For CDM programs delivered, the Board established Account 1568 as the LRAMVA to capture the variance between the OEB-approved CDM forecast and actual customer rate class level results.

In accordance with the Board's Guidelines for Electricity Distributor Conservation and Demand Management (EB-2012-0003) issued April 26, 2012, at a minimum, distributors must apply for disposition of the balance in the LRAMVA at the time of their Cost of Service rate applications. Distributors may also apply for the disposition of the balance of the LRAMVA on IRM rate applications if the balance is deemed significant by the applicant.

LUI is not applying for an LRAM Disposition in this application.

3.2.8 Tax Changes

Lakefront Utilities Inc. has completed the 2024 IRM Rate Generator tabs related to tax changes for IRM applications to calculate the savings due to rate payers as a result of corporate tax savings implemented since the 2022 Cost of Service Decision (EB-2021-0039). Under the 4th Generation IRM, the Board determined that a 50/50 sharing of the impact of currently known legislated tax changes as applied to the tax level reflected in the Board-approved base rates for a distributor is appropriate. The calculated annual tax changes over the plan term will be allocated to customer rate classes based on the most recent Board-approved base year distribution revenue.

LUI completed Tab 8: Shared Tax – Rate Rider to calculate rate riders for tax change, which indicates a shared tax savings is nil.

3.2.9 Z-Factor Claims / Advanced Capital Module / Incremental Capital Module

Lakefront Utilities Inc. is not applying for recovery of Incremental Capital, Advanced Capital, or Z-Factor in this proceeding.

Lakefront considered both a Z-Factor claim and an Incremental Capital Module. However, Lakefront notes that the modules and calculations developed by the OEB do not make it achievable. Lakefront encourages the OEB to review the calculations in the future.

3.2.10 Off-Ramps

LUI's current distribution rates were rebased and approved by the OEB in 2022 and included an expected (deemed) regulatory return on equity of 8.66%. The OEB allows a distributor to earn within +/- 3% of the expected return on equity. The actual return on equity for 2022 was 10.87%, which indicates an under-earning when compared to the Board Approved 2022 rate of return.

Table 5: Summary of ROE

Year	Approved ROE	Achieved ROE	Over (Under) Earned
2022	8.66%	10.87%	2.21%
2021	8.78%	5.93%	(2.85%)
2020	8.78%	5.49%	(3.29%)
2019	8.78%	7.58%	(1.20%)
2018	8.78%	7.76%	(1.02%)
2017	8.78%	6.57%	(2.21%)
2016	9.12%	7.72%	(1.40%)
2015	9.12%	7.69%	(1.43%)
2014	9.12%	6.50%	(2.62%)
2013	9.12%	9.20%	0.08%
2012	9.12%	11.40%	2.28%
2011	8.57%	8.64%	0.07%

The above indicates that Lakefront's actual earnings are not in excess of the dead band (i.e. 300 basis points).

Bill Impacts

As shown in the table, the impact of the Rate Design on the Residential class is marginal.

LUI has included bill impacts for the following classes:

- Residential – RPP and non-RPP
- GS<50 kW – RPP and non-RPP
- GS 50-2999 kW
- GS 3000-4999 kW
- Unmetered Scattered Load
- Sentinel Lighting
- Streetlighting

Detailed bill impacts for each rate class are provided in Appendix C.

Table 6: Summary of Bill Impacts

Rate Class	Usage kWh	kW	Current Total Bill	Proposed Total Bill	\$ Difference	% Difference
Residential - RPP	750		\$124.81	\$128.37	\$3.57	2.86%
Residential - non-RPP	750		\$151.48	\$155.47	\$3.98	2.63%
Residential - RPP - 10th percentile	299		\$65.65	\$67.91	\$2.26	3.44%
Residential - non-RPP - 10th percentile	299		\$78.13	\$80.64	\$2.52	3.22%
GS <50 kW - RPP	2,000		\$305.68	\$314.19	\$8.51	2.78%
GS <50 kW - non-RPP	2,000		\$373.69	\$383.18	\$9.49	2.54%
GS 50-2999 kW	72,000	200	\$12,678.87	\$13,029.89	\$351.02	2.77%
GS 3000-4999 kW	1,245,322	2,822	\$213,756.33	\$221,084.63	\$7,328.30	3.43%
Unmetered Scattered Load	600		\$99.52	\$102.55	\$3.03	3.05%
Sentinel Lighting	68	0.2037	\$18.20	\$18.79	\$0.60	3.27%
Street Lighting	29	0.077	\$7.54	\$7.64	\$0.11	1.42%

Index to Appendices

The following are appended to and form part of this Application;

Appendix A	Current Tariff Sheet
Appendix B	Proposed Tariff Sheet
Appendix C	Bill Impacts
Appendix D	Compliance Inspection Report
Appendix E	Z-Factor Report
Appendix F	ICM Report

Appendix A: Current Tariff Sheet

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

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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
Effective and Implementation Date January 1, 2023
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EB-2022-0046

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 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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EB-2022-0046

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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EB-2022-0046

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.

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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.

TARIFF OF RATES AND CHARGES

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EB-2022-0046

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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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.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2023

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EB-2022-0046

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

Lakefront Utilities Inc.
TARIFF OF RATES AND CHARGES
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EB-2022-0046

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.

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	4.55
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Lakefront Utilities Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2023
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EB-2022-0046

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.

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.

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

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

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	\$	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

Appendix B: Proposed Tariff Sheet

Lakefront Utilities Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2024
This schedule supersedes and replaces all previously
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EB-2023-0035

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	\$	26.80
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 (2024) - effective until December 31, 2024		
Applicable only for Class B Customers	\$/kWh	(0.0003)
Rate Rider for Disposition of Deferral/Variance Accounts (2024) - effective until December 31, 2024	\$/kWh	0.0066
Rate Rider for Disposition of Deferral/Variance Account 1550 - effective until December 31, 2026	\$/kWh	0.0012
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0093
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0071

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0007
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Lakefront Utilities Inc.
TARIFF OF RATES AND CHARGES
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EB-2023-0035

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	\$	27.71
Smart Metering Entity Charge - effective until December 31, 2027	\$	0.42
Distribution Volumetric Rate	\$/kWh	0.0102
Low Voltage Service Rate	\$/kWh	0.0046
Rate Rider for Disposition of Capacity Based Recovery Account (2024) - effective until December 31, 2024		
Applicable only for Class B Customers	\$/kWh	(0.0003)
Rate Rider for Disposition of Deferral/Variance Accounts (2024) - effective until December 31, 2024	\$/kWh	0.0069
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	0.0064

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0007
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Lakefront Utilities Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2024
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EB-2023-0035

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	\$	100.83
Distribution Volumetric Rate	\$/kW	4.0251
Low Voltage Service Rate	\$/kW	1.8420
Rate Rider for Disposition of Capacity Based Recovery Account (2024) - effective until December 31, 2024		
Applicable only for Class B Customers	\$/kW	(0.0931)
Rate Rider for Disposition of Deferral/Variance Accounts (2024) - effective until December 31, 2024	\$/kW	2.7601
Rate Rider for Disposition of Deferral/Variance Account 1550 - effective until December 31, 2026	\$/kW	0.4584
Retail Transmission Rate - Network Service Rate	\$/kW	3.4270
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.5459

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0007
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Lakefront Utilities Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2024
This schedule supersedes and replaces all previously
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EB-2023-0035

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	\$	6,037.86
Distribution Volumetric Rate	\$/kW	2.2350
Low Voltage Service Rate	\$/kW	2.1726
Rate Rider for Disposition of Deferral/Variance Accounts (2024) - effective until December 31, 2024	\$/kW	3.7376
Rate Rider for Disposition of Deferral/Variance Account 1550 - effective until December 31, 2026	\$/kW	0.5004
Retail Transmission Rate - Network Service Rate	\$/kW	3.8332
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	3.0029

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0007
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Lakefront Utilities Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2024
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EB-2023-0035

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)	\$	10.76
Distribution Volumetric Rate	\$/kWh	0.0160
Low Voltage Service Rate	\$/kWh	0.0057
Rate Rider for Disposition of Capacity Based Recovery Account (2024) - effective until December 31, 2024		
Applicable only for Class B Customers	\$/kWh	(0.0003)
Rate Rider for Disposition of Deferral/Variance Accounts (2024) - effective until December 31, 2024	\$/kWh	0.0070
Rate Rider for Disposition of Deferral/Variance Account 1550 - effective until December 31, 2026	\$/kWh	0.0012
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0096
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0078

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0007
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Lakefront Utilities Inc.
TARIFF OF RATES AND CHARGES
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EB-2023-0035

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)	\$	6.49
Distribution Volumetric Rate	\$/kW	14.7818
Low Voltage Service Rate	\$/kW	1.4538
Rate Rider for Disposition of Capacity Based Recovery Account (2024) - effective until December 31, 2024		
Applicable only for Class B Customers	\$/kW	(0.0905)
Rate Rider for Disposition of Deferral/Variance Accounts (2024) - effective until December 31, 2024	\$/kW	2.5331
Rate Rider for Disposition of Deferral/Variance Account 1550 - effective until December 31, 2026	\$/kW	0.4035
Retail Transmission Rate - Network Service Rate	\$/kW	2.5974
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.0094

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0007
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Lakefront Utilities Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2024
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EB-2023-0035

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)	\$	2.04
Distribution Volumetric Rate	\$/kW	5.3511
Low Voltage Service Rate	\$/kW	1.4240
Rate Rider for Disposition of Capacity Based Recovery Account (2024) - effective until December 31, 2024		
Applicable only for Class B Customers	\$/kW	(0.0928)
Rate Rider for Disposition of Deferral/Variance Accounts (2024) - effective until December 31, 2024	\$/kW	2.5942
Rate Rider for Disposition of Deferral/Variance Account 1550 - effective until December 31, 2026	\$/kW	0.4522
Retail Transmission Rate - Network Service Rate	\$/kW	2.5848
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.9683

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0007
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Lakefront Utilities Inc.
TARIFF OF RATES AND CHARGES
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EB-2023-0035

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	\$	4.55
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Lakefront Utilities Inc.
TARIFF OF RATES AND CHARGES
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EB-2023-0035

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.

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.

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)	\$	37.78
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	\$	

Lakefront Utilities Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2024
This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

EB-2023-0035

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.

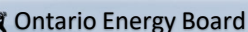
One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	117.02
Monthly fixed charge, per retailer	\$	46.81
Monthly variable charge, per customer, per retailer	\$/cust.	1.16
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust.	0.69
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust.	(0.69)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.59
Processing fee, per request, applied to the requesting party	\$	1.16
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)	\$	4.68
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)	\$	2.34

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

Appendix C: Bill Impacts



Incentive Rate-setting Mechanism Rate Generator for 2024 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. **Those distributors that are still in the process of moving to fully fixed residential rates should refer to section 3.2.3 of Chapter 3 of the Filing Requirements for Incentive Rate-Setting 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 of \$0.1076/kWh (IESO's Monthly Market Report for May 2023) 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

[illegible]

Table 2

[illegible]

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

	Current OEB-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 25.57	1	\$ 25.57	\$ 26.80	1	\$ 26.80	\$ 1.23	4.81%
Distribution Volumetric Rate	\$ -	750	\$ -	\$ -	750	\$ -	\$ -	
Fixed Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Volumetric Rate Riders	\$ -	750	\$ -	\$ -	750	\$ -	\$ -	
Sub-Total A (excluding pass through)			\$ 25.57			\$ 26.80	\$ 1.23	4.81%
Line Losses on Cost of Power	\$ 0.0937	29	\$ 2.73	\$ 0.0937	29	\$ 2.73	\$ -	0.00%
Total Deferral/Variance Account Rate Riders	\$ 0.0066	750	\$ 4.95	\$ 0.0078	750	\$ 5.85	\$ 0.90	18.18%
CBR Class B Rate Riders	\$ 0.0001	750	\$ (0.08)	\$ 0.0003	750	\$ (0.23)	\$ (0.15)	200.00%
GA Rate Riders	\$ -	750	\$ -	\$ -	750	\$ -	\$ -	
Low Voltage Service Charge	\$ 0.0051	750	\$ 3.83	\$ 0.0051	750	\$ 3.83	\$ -	0.00%
Smart Meter Entity Charge (if applicable)	\$ 0.42	1	\$ 0.42	\$ 0.42	1	\$ 0.42	\$ -	0.00%
Additional Fixed Rate Riders	\$ (0.14)	1	\$ (0.14)	\$ -	1	\$ -	\$ 0.14	-100.00%
Additional Volumetric Rate Riders	\$ -	750	\$ -	\$ -	750	\$ -	\$ -	
Sub-Total B - Distribution (includes Sub-Total A)			\$ 37.28			\$ 39.40	\$ 2.12	5.69%
RTSR - Network	\$ 0.0086	779	\$ 6.70	\$ 0.0093	779	\$ 7.25	\$ 0.55	8.14%
RTSR - Connection and/or Line and Transformation Connection	\$ 0.0060	779	\$ 4.67	\$ 0.0071	779	\$ 5.53	\$ 0.86	18.33%
Sub-Total C - Delivery (including Sub-Total B)			\$ 48.65			\$ 52.17	\$ 3.52	7.24%
Wholesale Market Service Charge (WMSC)	\$ 0.0045	779	\$ 3.51	\$ 0.0045	779	\$ 3.51	\$ -	0.00%
Rural and Remote Rate Protection (RRRP)	\$ 0.0007	779	\$ 0.55	\$ 0.0007	779	\$ 0.55	\$ -	0.00%
Standard Supply Service Charge	\$ 0.25	1	\$ 0.25	\$ 0.25	1	\$ 0.25	\$ -	0.00%
TOU - Off Peak	\$ 0.0740	473	\$ 34.97	\$ 0.0740	473	\$ 34.97	\$ -	0.00%
TOU - Mid Peak	\$ 0.1020	135	\$ 13.77	\$ 0.1020	135	\$ 13.77	\$ -	0.00%
TOU - On Peak	\$ 0.1510	143	\$ 21.52	\$ 0.1510	143	\$ 21.52	\$ -	0.00%
Total Bill on TOU (before Taxes)			\$ 123.20			\$ 126.73	\$ 3.52	2.86%
HST	13%		\$ 16.02	13%		\$ 16.47	\$ 0.46	2.86%
Ontario Electricity Rebate	11.7%		\$ (14.41)	11.7%		\$ (14.83)	\$ (0.41)	
Total Bill on TOU			\$ 124.81			\$ 128.37	\$ 3.57	2.86%

In the manager's summary, discuss the reas

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

	Current OEB-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 26.44	1	\$ 26.44	\$ 27.71	1	\$ 27.71	\$ 1.27	4.80%
Distribution Volumetric Rate	\$ 0.0097	2000	\$ 19.40	\$ 0.0102	2000	\$ 20.40	\$ 1.00	5.15%
Fixed Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Volumetric Rate Riders	\$ 0.0002	2000	\$ 0.40	\$ -	2000	\$ -	\$ (0.40)	-100.00%
Sub-Total A (excluding pass through)			\$ 46.24			\$ 48.11	\$ 1.87	4.04%
Line Losses on Cost of Power	\$ 0.0937	78	\$ 7.27	\$ 0.0937	78	\$ 7.27	\$ -	0.00%
Total Deferral/Variance Account Rate Riders	\$ 0.0064	2,000	\$ 12.80	\$ 0.0081	2,000	\$ 16.20	\$ 3.40	26.56%
CBR Class B Rate Riders	\$ 0.0001	2,000	\$ (0.20)	\$ 0.0003	2,000	\$ (0.60)	\$ (0.40)	200.00%
GA Rate Riders	\$ -	2,000	\$ -	\$ -	2,000	\$ -	\$ -	
Low Voltage Service Charge	\$ 0.0046	2,000	\$ 9.20	\$ 0.0046	2,000	\$ 9.20	\$ -	0.00%
Smart Meter Entity Charge (if applicable)	\$ 0.42	1	\$ 0.42	\$ 0.42	1	\$ 0.42	\$ -	0.00%
Additional Fixed Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Additional Volumetric Rate Riders	\$ -	2,000	\$ -	\$ -	2,000	\$ -	\$ -	
Sub-Total B - Distribution (includes Sub-Total A)			\$ 75.73			\$ 80.60	\$ 4.87	6.43%
RTSR - Network	\$ 0.0079	2,078	\$ 16.41	\$ 0.0086	2,078	\$ 17.87	\$ 1.45	8.86%
RTSR - Connection and/or Line and Transformation Connection	\$ 0.0054	2,078	\$ 11.22	\$ 0.0064	2,078	\$ 13.30	\$ 2.08	18.52%
Sub-Total C - Delivery (including Sub-Total B)			\$ 103.36			\$ 111.76	\$ 8.40	8.13%
Wholesale Market Service Charge (WMSC)	\$ 0.0045	2,078	\$ 9.35	\$ 0.0045	2,078	\$ 9.35	\$ -	0.00%
Rural and Remote Rate Protection (RRRP)	\$ 0.0007	2,078	\$ 1.45	\$ 0.0007	2,078	\$ 1.45	\$ -	0.00%
Standard Supply Service Charge	\$ 0.25	1	\$ 0.25	\$ 0.25	1	\$ 0.25	\$ -	0.00%
TOU - Off Peak	\$ 0.0740	1,260	\$ 93.24	\$ 0.0740	1,260	\$ 93.24	\$ -	0.00%
TOU - Mid Peak	\$ 0.1020	360	\$ 36.72	\$ 0.1020	360	\$ 36.72	\$ -	0.00%
TOU - On Peak	\$ 0.1510	380	\$ 57.38	\$ 0.1510	380	\$ 57.38	\$ -	0.00%
Total Bill on TOU (before Taxes)			\$ 301.75			\$ 310.16	\$ 8.40	2.78%
HST	13%		\$ 39.23	13%		\$ 40.32	\$ 1.09	2.78%
Ontario Electricity Rebate	11.7%		\$ (35.31)	11.7%		\$ (36.29)	\$ (0.98)	
Total Bill on TOU			\$ 305.68			\$ 314.19	\$ 8.51	2.78%

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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	1.0388	
Proposed/Approved Loss Factor	1.0388	

	Current OEB-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 96.21	1	\$ 96.21	\$ 100.83	1	\$ 100.83	\$ 4.62	4.80%
Distribution Volumetric Rate	\$ 3.8407	200	\$ 768.14	\$ 4.0251	200	\$ 805.02	\$ 36.88	4.80%
Fixed Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Volumetric Rate Riders	\$ 0.0137	200	\$ 2.74	\$ -	200	\$ -	\$ (2.74)	-100.00%
Sub-Total A (excluding pass through)			\$ 867.09			\$ 905.85	\$ 38.76	4.47%
Line Losses on Cost of Power	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	
Total Deferral/Variance Account Rate Riders	\$ 2.4583	200	\$ 491.66	\$ 3.2185	200	\$ 643.70	\$ 152.04	30.92%
CBR Class B Rate Riders	\$ 0.0438	200	\$ (8.76)	\$ 0.0931	200	\$ (18.62)	\$ (9.86)	112.56%
GA Rate Riders	\$ -	72,000	\$ -	\$ -	72,000	\$ -	\$ -	
Low Voltage Service Charge	\$ 1.8420	200	\$ 368.40	\$ 1.8420	200	\$ 368.40	\$ -	0.00%
Smart Meter Entity Charge (if applicable)	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Additional Fixed Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Additional Volumetric Rate Riders	\$ -	200	\$ -	\$ -	200	\$ -	\$ -	
Sub-Total B - Distribution (includes Sub-Total A)			\$ 1,718.39			\$ 1,899.33	\$ 180.94	10.53%
RTSR - Network	\$ 3.1655	200	\$ 633.10	\$ 3.4270	200	\$ 685.40	\$ 52.30	8.26%
RTSR - Connection and/or Line and Transformation Connection	\$ 2.1589	200	\$ 431.78	\$ 2.5459	200	\$ 509.18	\$ 77.40	17.93%
Sub-Total C - Delivery (including Sub-Total B)			\$ 2,783.27			\$ 3,093.91	\$ 310.64	11.16%
Wholesale Market Service Charge (WMSC)	\$ 0.0045	74,794	\$ 336.57	\$ 0.0045	74,794	\$ 336.57	\$ -	0.00%
Rural and Remote Rate Protection (RRRP)	\$ 0.0007	74,794	\$ 52.36	\$ 0.0007	74,794	\$ 52.36	\$ -	0.00%
Standard Supply Service Charge	\$ 0.25	1	\$ 0.25	\$ 0.25	1	\$ 0.25	\$ -	0.00%
Average IESO Wholesale Market Price	\$ 0.1076	74,794	\$ 8,047.79	\$ 0.1076	74,794	\$ 8,047.79	\$ -	0.00%
Total Bill on Average IESO Wholesale Market Price			\$ 11,220.24			\$ 11,530.88	\$ 310.64	2.77%
HST	13%		\$ 1,458.63	13%		\$ 1,499.01	\$ 40.38	2.77%
Ontario Electricity Rebate	11.7%		\$ -	11.7%		\$ -	\$ -	
Total Bill on Average IESO Wholesale Market Price			\$ 12,678.87			\$ 13,029.89	\$ 351.02	2.77%

In the manager's summary, discuss the reas.

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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	1.0388	
Proposed/Approved Loss Factor	1.0388	

	Current OEB-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 5,761.32	1	\$ 5,761.32	\$ 6,037.86	1	\$ 6,037.86	\$ 276.54	4.80%
Distribution Volumetric Rate	\$ 2.1326	2822	\$ 6,018.20	\$ 2.2350	2822	\$ 6,307.17	\$ 288.97	4.80%
Fixed Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Volumetric Rate Riders	\$ -	2822	\$ -	\$ -	2822	\$ -	\$ -	
Sub-Total A (excluding pass through)			\$ 11,779.52			\$ 12,345.03	\$ 565.51	4.80%
Line Losses on Cost of Power	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	
Total Deferral/Variance Account Rate Riders	\$ 2.8874	2,822	\$ 8,148.24	\$ 4.2380	2,822	\$ 11,959.64	\$ 3,811.39	46.78%
CBR Class B Rate Riders	\$ 0.0019	2,822	\$ 5.36	\$ -	2,822	\$ -	\$ (5.36)	-100.00%
GA Rate Riders	\$ -	1,245,322	\$ -	\$ -	1,245,322	\$ -	\$ -	
Low Voltage Service Charge	\$ 2.1726	2,822	\$ 6,131.08	\$ 2.1726	2,822	\$ 6,131.08	\$ -	0.00%
Smart Meter Entity Charge (if applicable)	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Additional Fixed Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Additional Volumetric Rate Riders	\$ -	2,822	\$ -	\$ -	2,822	\$ -	\$ -	
Sub-Total B - Distribution (includes Sub-Total A)			\$ 26,064.20			\$ 30,435.74	\$ 4,371.54	16.77%
RTSR - Network	\$ 3.5407	2,822	\$ 9,991.86	\$ 3.8332	2,822	\$ 10,817.29	\$ 825.43	8.26%
RTSR - Connection and/or Line and Transformation Connection	\$ 2.5464	2,822	\$ 7,185.94	\$ 3.0029	2,822	\$ 8,474.18	\$ 1,288.24	17.93%
Sub-Total C - Delivery (including Sub-Total B)			\$ 43,242.00			\$ 49,727.22	\$ 6,485.22	15.00%
Wholesale Market Service Charge (WMSC)	\$ 0.0045	1,293,640	\$ 5,821.38	\$ 0.0045	1,293,640	\$ 5,821.38	\$ -	0.00%
Rural and Remote Rate Protection (RRRP)	\$ 0.0007	1,293,640	\$ 905.55	\$ 0.0007	1,293,640	\$ 905.55	\$ -	0.00%
Standard Supply Service Charge	\$ 0.25	1	\$ 0.25	\$ 0.25	1	\$ 0.25	\$ -	0.00%
Average IESO Wholesale Market Price	\$ 0.1076	1,293,640	\$ 139,195.72	\$ 0.1076	1,293,640	\$ 139,195.72	\$ -	0.00%
Total Bill on Average IESO Wholesale Market Price			\$ 189,164.89			\$ 195,650.12	\$ 6,485.22	3.43%
HST	13%		\$ 24,591.44	13%		\$ 25,434.51	\$ 843.08	3.43%
Ontario Electricity Rebate	11.7%		\$ -	11.7%		\$ -	\$ -	
Total Bill on Average IESO Wholesale Market Price			\$ 213,756.33			\$ 221,084.63	\$ 7,328.30	3.43%

In the manager's summary, discuss the reas.

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

	Current OEB-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 10.27	1	\$ 10.27	\$ 10.76	1	\$ 10.76	\$ 0.49	4.77%
Distribution Volumetric Rate	\$ 0.0153	600	\$ 9.18	\$ 0.0160	600	\$ 9.60	\$ 0.42	4.58%
Fixed Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Volumetric Rate Riders	\$ -	600	\$ -	\$ -	600	\$ -	\$ -	
Sub-Total A (excluding pass through)			\$ 19.45			\$ 20.36	\$ 0.91	4.68%
Line Losses on Cost of Power	\$ 0.0937	23	\$ 2.18	\$ 0.0937	23	\$ 2.18	\$ -	0.00%
Total Deferral/Variance Account Rate Riders	\$ 0.0065	600	\$ 3.90	\$ 0.0082	600	\$ 4.92	\$ 1.02	26.15%
CBR Class B Rate Riders	\$ 0.0001	600	\$ (0.06)	\$ 0.0003	600	\$ (0.18)	\$ (0.12)	200.00%
GA Rate Riders	\$ -	600	\$ -	\$ -	600	\$ -	\$ -	
Low Voltage Service Charge	\$ 0.0057	600	\$ 3.42	\$ 0.0057	600	\$ 3.42	\$ -	0.00%
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)			\$ 28.89			\$ 30.70	\$ 1.81	6.27%
RTSR - Network	\$ 0.0089	623	\$ 5.55	\$ 0.0096	623	\$ 5.98	\$ 0.44	7.87%
RTSR - Connection and/or Line and Transformation Connection	\$ 0.0066	623	\$ 4.11	\$ 0.0078	623	\$ 4.86	\$ 0.75	18.18%
Sub-Total C - Delivery (including Sub-Total B)			\$ 38.55			\$ 41.55	\$ 2.99	7.77%
Wholesale Market Service Charge (WMSC)	\$ 0.0045	623	\$ 2.80	\$ 0.0045	623	\$ 2.80	\$ -	0.00%
Rural and Remote Rate Protection (RRRP)	\$ 0.0007	623	\$ 0.44	\$ 0.0007	623	\$ 0.44	\$ -	0.00%
Standard Supply Service Charge	\$ 0.25	1	\$ 0.25	\$ 0.25	1	\$ 0.25	\$ -	0.00%
TOU - Off Peak	\$ 0.0740	378	\$ 27.97	\$ 0.0740	378	\$ 27.97	\$ -	0.00%
TOU - Mid Peak	\$ 0.1020	108	\$ 11.02	\$ 0.1020	108	\$ 11.02	\$ -	0.00%
TOU - On Peak	\$ 0.1510	114	\$ 17.21	\$ 0.1510	114	\$ 17.21	\$ -	0.00%
Total Bill on TOU (before Taxes)			\$ 98.24			\$ 101.24	\$ 2.99	3.05%
HST	13%		\$ 12.77	13%		\$ 13.16	\$ 0.39	3.05%
Ontario Electricity Rebate	11.7%		\$ (11.49)	11.7%		\$ (11.84)	\$ (0.35)	
Total Bill on TOU			\$ 99.52			\$ 102.55	\$ 3.03	3.05%

In the manager's summary, discuss the reas

In the manager's summary, discuss the reas

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

	Current OEB-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 6.19	1	\$ 6.19	\$ 6.49	1	\$ 6.49	\$ 0.30	4.85%
Distribution Volumetric Rate	\$ 14.1048	0.2037	\$ 2.87	\$ 14.7818	0.2037	\$ 3.01	\$ 0.14	4.80%
Fixed Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Volumetric Rate Riders	\$ -	0.2037	\$ -	\$ -	0.2037	\$ -	\$ -	
Sub-Total A (excluding pass through)			\$ 9.06			\$ 9.50	\$ 0.44	4.83%
Line Losses on Cost of Power	\$ 0.0937	3	\$ 0.25	\$ 0.0937	3	\$ 0.25	\$ -	0.00%
Total Deferral/Variance Account Rate	\$ 2.6787	0	\$ 0.55	\$ 2.9366	0	\$ 0.60	\$ 0.05	9.63%
Riders								
CBR Class B Rate Riders	\$ 0.0460	0	\$ (0.01)	\$ 0.0905	0	\$ (0.02)	\$ (0.01)	96.74%
GA Rate Riders	\$ -	68	\$ -	\$ -	68	\$ -	\$ -	
Low Voltage Service Charge	\$ 1.4538	0	\$ 0.30	\$ 1.4538	0	\$ 0.30	\$ -	0.00%
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)			\$ 10.14			\$ 10.62	\$ 0.48	4.75%
RTSR - Network	\$ 2.3993	0	\$ 0.49	\$ 2.5974	0	\$ 0.53	\$ 0.04	8.26%
RTSR - Connection and/or Line and Transformation Connection	\$ 1.7039	0	\$ 0.35	\$ 2.0094	0	\$ 0.41	\$ 0.06	17.93%
Sub-Total C - Delivery (including Sub-Total B)			\$ 10.98			\$ 11.56	\$ 0.58	5.32%
Wholesale Market Service Charge (WMSC)	\$ 0.0045	71	\$ 0.32	\$ 0.0045	71	\$ 0.32	\$ -	0.00%
Rural and Remote Rate Protection (RRRP)	\$ 0.0007	71	\$ 0.05	\$ 0.0007	71	\$ 0.05	\$ -	0.00%
Standard Supply Service Charge	\$ 0.25	1	\$ 0.25	\$ 0.25	1	\$ 0.25	\$ -	0.00%
TOU - Off Peak	\$ 0.0740	43	\$ 3.17	\$ 0.0740	43	\$ 3.17	\$ -	0.00%
TOU - Mid Peak	\$ 0.1020	12	\$ 1.25	\$ 0.1020	12	\$ 1.25	\$ -	0.00%
TOU - On Peak	\$ 0.1510	13	\$ 1.95	\$ 0.1510	13	\$ 1.95	\$ -	0.00%
Total Bill on TOU (before Taxes)			\$ 17.97			\$ 18.55	\$ 0.58	3.25%
HST	13%		\$ 2.34	13%		\$ 2.41	\$ 0.08	3.25%
Ontario Electricity Rebate	11.7%		\$ (2.10)	11.7%		\$ (2.17)	\$ (0.07)	
Total Bill on TOU			\$ 18.20			\$ 18.79	\$ 0.59	3.25%

In the manager's summary, discuss the reas

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

	Current OEB-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 1.95	1	\$ 1.95	\$ 2.04	1	\$ 2.04	\$ 0.09	4.62%
Distribution Volumetric Rate	\$ 5.1060	0.077	\$ 0.39	\$ 5.3511	0.077	\$ 0.41	\$ 0.02	4.80%
Fixed Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Volumetric Rate Riders	\$ -	0.077	\$ -	\$ -	0.077	\$ -	\$ -	
Sub-Total A (excluding pass through)			\$ 2.34			\$ 2.45	\$ 0.11	4.65%
Line Losses on Cost of Power	\$ 0.1076	1	\$ 0.12	\$ 0.1076	1	\$ 0.12	\$ -	0.00%
Total Deferral/Variance Account Rate Riders	\$ 3.6788	0	\$ 0.28	\$ 3.0464	0	\$ 0.23	\$ (0.05)	-17.19%
CBR Class B Rate Riders	\$ 0.0442	0	\$ (0.00)	\$ 0.0928	0	\$ (0.01)	\$ (0.00)	109.95%
GA Rate Riders	\$ -	29	\$ -	\$ -	29	\$ -	\$ -	
Low Voltage Service Charge	\$ 1.4240	0	\$ 0.11	\$ 1.4240	0	\$ 0.11	\$ -	0.00%
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)			\$ 2.85			\$ 2.91	\$ 0.06	1.98%
RTSR - Network	\$ 2.3876	0	\$ 0.18	\$ 2.5848	0	\$ 0.20	\$ 0.02	8.26%
RTSR - Connection and/or Line and Transformation Connection	\$ 1.6691	0	\$ 0.13	\$ 1.9683	0	\$ 0.15	\$ 0.02	17.93%
Sub-Total C - Delivery (including Sub-Total B)			\$ 3.17			\$ 3.26	\$ 0.09	2.99%
Wholesale Market Service Charge (WMSC)	\$ 0.0045	30	\$ 0.13	\$ 0.0045	30	\$ 0.13	\$ -	0.00%
Rural and Remote Rate Protection (RRRP)	\$ 0.0007	30	\$ 0.02	\$ 0.0007	30	\$ 0.02	\$ -	0.00%
Standard Supply Service Charge	\$ 0.25	1	\$ 0.25	\$ 0.25	1	\$ 0.25	\$ -	0.00%
Average IESO Wholesale Market Price	\$ 0.1076	29	\$ 3.10	\$ 0.1076	29	\$ 3.10	\$ -	0.00%
Total Bill on Average IESO Wholesale Market Price			\$ 6.67			\$ 6.76	\$ 0.09	1.42%
HST	13%		\$ 0.87	13%		\$ 0.88	\$ 0.01	1.42%
Ontario Electricity Rebate	11.7%		\$ -	11.7%		\$ -	\$ -	
Total Bill on Average IESO Wholesale Market Price			\$ 7.54			\$ 7.64	\$ 0.11	1.42%

In the manager's summary, discuss the reas.

In the manager's summary, discuss the reas.

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

	Current OEB-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 25.57	1	\$ 25.57	\$ 26.80	1	\$ 26.80	\$ 1.23	4.81%
Distribution Volumetric Rate	\$ -	750	\$ -	\$ -	750	\$ -	\$ -	
Fixed Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Volumetric Rate Riders	\$ -	750	\$ -	\$ -	750	\$ -	\$ -	
Sub-Total A (excluding pass through)			\$ 25.57			\$ 26.80	\$ 1.23	4.81%
Line Losses on Cost of Power	\$ 0.1076	29	\$ 3.13	\$ 0.1076	29	\$ 3.13	\$ -	0.00%
Total Deferral/Variance Account Rate Riders	\$ 0.0066	750	\$ 4.95	\$ 0.0078	750	\$ 5.85	\$ 0.90	18.18%
CBR Class B Rate Riders	\$ 0.0001	750	\$ (0.08)	\$ 0.0003	750	\$ (0.23)	\$ (0.15)	200.00%
GA Rate Riders	\$ -	750	\$ -	\$ -	750	\$ -	\$ -	
Low Voltage Service Charge	\$ 0.0051	750	\$ 3.83	\$ 0.0051	750	\$ 3.83	\$ -	0.00%
Smart Meter Entity Charge (if applicable)	\$ 0.42	1	\$ 0.42	\$ 0.42	1	\$ 0.42	\$ -	0.00%
Additional Fixed Rate Riders	\$ (0.14)	1	\$ (0.14)	\$ -	1	\$ -	\$ 0.14	-100.00%
Additional Volumetric Rate Riders	\$ -	750	\$ -	\$ -	750	\$ -	\$ -	
Sub-Total B - Distribution (includes Sub-Total A)			\$ 37.68			\$ 39.80	\$ 2.12	5.63%
RTSR - Network	\$ 0.0086	779	\$ 6.70	\$ 0.0093	779	\$ 7.25	\$ 0.55	8.14%
RTSR - Connection and/or Line and Transformation Connection	\$ 0.0060	779	\$ 4.67	\$ 0.0071	779	\$ 5.53	\$ 0.86	18.33%
Sub-Total C - Delivery (including Sub-Total B)			\$ 49.06			\$ 52.58	\$ 3.52	7.18%
Wholesale Market Service Charge (WMSC)	\$ 0.0045	779	\$ 3.51	\$ 0.0045	779	\$ 3.51	\$ -	0.00%
Rural and Remote Rate Protection (RRRP)	\$ 0.0007	779	\$ 0.55	\$ 0.0007	779	\$ 0.55	\$ -	0.00%
Standard Supply Service Charge	\$ 0.25	1	\$ 0.25	\$ 0.25	1	\$ 0.25	\$ -	0.00%
Average IESO Wholesale Market Price	\$ 0.1076	750	\$ 80.70	\$ 0.1076	750	\$ 80.70	\$ -	0.00%
Total Bill on Average IESO Wholesale Market Price			\$ 134.06			\$ 137.58	\$ 3.52	2.63%
HST	13%		\$ 17.43	13%		\$ 17.89	\$ 0.46	2.63%
Ontario Electricity Rebate	11.7%		\$ (15.68)	11.7%		\$ (16.10)	\$ -	
Total Bill on Average IESO Wholesale Market Price			\$ 151.48			\$ 155.47	\$ 3.98	2.63%

In the manager's summary, discuss the reas.

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Customer Class:	RESIDENTIAL SERVICE CLASSIFICATION		
RPP / Non-RPP:	RPP		
Consumption	299	kWh	
Demand	-	kW	
Current Loss Factor	1.0388		
Proposed/Approved Loss Factor	1.0388		

	Current OEB-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 25.57	1	\$ 25.57	\$ 26.80	1	\$ 26.80	\$ 1.23	4.81%
Distribution Volumetric Rate	\$ -	299	\$ -	\$ -	299	\$ -	\$ -	
Fixed Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Volumetric Rate Riders	\$ -	299	\$ -	\$ -	299	\$ -	\$ -	
Sub-Total A (excluding pass through)			\$ 25.57			\$ 26.80	\$ 1.23	4.81%
Line Losses on Cost of Power	\$ 0.0937	12	\$ 1.09	\$ 0.0937	12	\$ 1.09	\$ -	0.00%
Total Deferral/Variance Account Rate Riders	\$ 0.0066	299	\$ 1.97	\$ 0.0078	299	\$ 2.33	\$ 0.36	18.18%
CBR Class B Rate Riders	\$ 0.0001	299	\$ (0.03)	\$ 0.0003	299	\$ (0.09)	\$ (0.06)	200.00%
GA Rate Riders	\$ -	299	\$ -	\$ -	299	\$ -	\$ -	
Low Voltage Service Charge	\$ 0.0051	299	\$ 1.52	\$ 0.0051	299	\$ 1.52	\$ -	0.00%
Smart Meter Entity Charge (if applicable)	\$ 0.42	1	\$ 0.42	\$ 0.42	1	\$ 0.42	\$ -	0.00%
Additional Fixed Rate Riders	\$ (0.14)	1	\$ (0.14)	\$ -	1	\$ -	\$ 0.14	-100.00%
Additional Volumetric Rate Riders	\$ -	299	\$ -	\$ -	299	\$ -	\$ -	
Sub-Total B - Distribution (includes Sub-Total A)			\$ 30.41			\$ 32.07	\$ 1.67	5.49%
RTSR - Network	\$ 0.0086	311	\$ 2.67	\$ 0.0093	311	\$ 2.89	\$ 0.22	8.14%
RTSR - Connection and/or Line and Transformation Connection	\$ 0.0060	311	\$ 1.86	\$ 0.0071	311	\$ 2.21	\$ 0.34	18.33%
Sub-Total C - Delivery (including Sub-Total B)			\$ 34.94			\$ 37.17	\$ 2.23	6.38%
Wholesale Market Service Charge (WMSC)	\$ 0.0045	311	\$ 1.40	\$ 0.0045	311	\$ 1.40	\$ -	0.00%
Rural and Remote Rate Protection (RRRP)	\$ 0.0007	311	\$ 0.22	\$ 0.0007	311	\$ 0.22	\$ -	0.00%
Standard Supply Service Charge	\$ 0.25	1	\$ 0.25	\$ 0.25	1	\$ 0.25	\$ -	0.00%
TOU - Off Peak	\$ 0.0740	188	\$ 13.94	\$ 0.0740	188	\$ 13.94	\$ -	0.00%
TOU - Mid Peak	\$ 0.1020	54	\$ 5.49	\$ 0.1020	54	\$ 5.49	\$ -	0.00%
TOU - On Peak	\$ 0.1510	57	\$ 8.58	\$ 0.1510	57	\$ 8.58	\$ -	0.00%
Total Bill on TOU (before Taxes)			\$ 64.81			\$ 67.04	\$ 2.23	3.44%
HST	13%		\$ 8.43	13%		\$ 8.72	\$ 0.29	3.44%
Ontario Electricity Rebate	11.7%		\$ (7.58)	11.7%		\$ (7.84)	\$ (0.26)	
Total Bill on TOU			\$ 65.65			\$ 67.91	\$ 2.26	3.44%

In the manager's summary, discuss the reas

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Customer Class:	RESIDENTIAL SERVICE CLASSIFICATION	
RPP / Non-RPP:	Non-RPP (Other)	
Consumption	299	kWh
Demand	-	kW
Current Loss Factor	1.0388	
Proposed/Approved Loss Factor	1.0388	

	Current OEB-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 25.57	1	\$ 25.57	\$ 26.80	1	\$ 26.80	\$ 1.23	4.81%
Distribution Volumetric Rate	\$ -	299	\$ -	\$ -	299	\$ -	\$ -	
Fixed Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Volumetric Rate Riders	\$ -	299	\$ -	\$ -	299	\$ -	\$ -	
Sub-Total A (excluding pass through)			\$ 25.57			\$ 26.80	\$ 1.23	4.81%
Line Losses on Cost of Power	\$ 0.1076	12	\$ 1.25	\$ 0.1076	12	\$ 1.25	\$ -	0.00%
Total Deferral/Variance Account Rate Riders	\$ 0.0066	299	\$ 1.97	\$ 0.0078	299	\$ 2.33	\$ 0.36	18.18%
CBR Class B Rate Riders	\$ 0.0001	299	\$ (0.03)	\$ 0.0003	299	\$ (0.09)	\$ (0.06)	200.00%
GA Rate Riders	\$ -	299	\$ -	\$ -	299	\$ -	\$ -	
Low Voltage Service Charge	\$ 0.0051	299	\$ 1.52	\$ 0.0051	299	\$ 1.52	\$ -	0.00%
Smart Meter Entity Charge (if applicable)	\$ 0.42	1	\$ 0.42	\$ 0.42	1	\$ 0.42	\$ -	0.00%
Additional Fixed Rate Riders	\$ (0.14)	1	\$ (0.14)	\$ -	1	\$ -	\$ 0.14	-100.00%
Additional Volumetric Rate Riders	\$ -	299	\$ -	\$ -	299	\$ -	\$ -	
Sub-Total B - Distribution (includes Sub-Total A)			\$ 30.57			\$ 32.24	\$ 1.67	5.46%
RTSR - Network	\$ 0.0086	311	\$ 2.67	\$ 0.0093	311	\$ 2.89	\$ 0.22	8.14%
RTSR - Connection and/or Line and Transformation Connection	\$ 0.0060	311	\$ 1.86	\$ 0.0071	311	\$ 2.21	\$ 0.34	18.33%
Sub-Total C - Delivery (including Sub-Total B)			\$ 35.10			\$ 37.33	\$ 2.23	6.35%
Wholesale Market Service Charge (WMSC)	\$ 0.0045	311	\$ 1.40	\$ 0.0045	311	\$ 1.40	\$ -	0.00%
Rural and Remote Rate Protection (RRRP)	\$ 0.0007	311	\$ 0.22	\$ 0.0007	311	\$ 0.22	\$ -	0.00%
Standard Supply Service Charge	\$ 0.25	1	\$ 0.25	\$ 0.25	1	\$ 0.25	\$ -	0.00%
Average IESO Wholesale Market Price	\$ 0.1076	299	\$ 32.17	\$ 0.1076	299	\$ 32.17	\$ -	0.00%
Total Bill on Average IESO Wholesale Market Price			\$ 69.14			\$ 71.37	\$ 2.23	3.22%
HST	13%		\$ 8.99	13%		\$ 9.28	\$ 0.29	3.22%
Ontario Electricity Rebate	11.7%		\$ (8.09)	11.7%		\$ (8.35)	\$ -	
Total Bill on Average IESO Wholesale Market Price			\$ 78.13			\$ 80.64	\$ 2.52	3.22%

In the manager's summary, discuss the reas.

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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	1.0388	
Proposed/Approved Loss Factor	1.0388	

	Current OEB-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 26.44	1	\$ 26.44	\$ 27.71	1	\$ 27.71	\$ 1.27	4.80%
Distribution Volumetric Rate	\$ 0.0097	2000	\$ 19.40	\$ 0.0102	2000	\$ 20.40	\$ 1.00	5.15%
Fixed Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Volumetric Rate Riders	\$ 0.0002	2000	\$ 0.40	\$ -	2000	\$ -	\$ (0.40)	-100.00%
Sub-Total A (excluding pass through)			\$ 46.24			\$ 48.11	\$ 1.87	4.04%
Line Losses on Cost of Power	\$ 0.1076	78	\$ 8.35	\$ 0.1076	78	\$ 8.35	\$ -	0.00%
Total Deferral/Variance Account Rate Riders	\$ 0.0064	2,000	\$ 12.80	\$ 0.0081	2,000	\$ 16.20	\$ 3.40	26.56%
CBR Class B Rate Riders	\$ 0.0001	2,000	\$ (0.20)	\$ 0.0003	2,000	\$ (0.60)	\$ (0.40)	200.00%
GA Rate Riders	\$ -	2,000	\$ -	\$ -	2,000	\$ -	\$ -	
Low Voltage Service Charge	\$ 0.0046	2,000	\$ 9.20	\$ 0.0046	2,000	\$ 9.20	\$ -	0.00%
Smart Meter Entity Charge (if applicable)	\$ 0.42	1	\$ 0.42	\$ 0.42	1	\$ 0.42	\$ -	0.00%
Additional Fixed Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Additional Volumetric Rate Riders	\$ -	2,000	\$ -	\$ -	2,000	\$ -	\$ -	
Sub-Total B - Distribution (includes Sub-Total A)			\$ 76.81			\$ 81.68	\$ 4.87	6.34%
RTSR - Network	\$ 0.0079	2,078	\$ 16.41	\$ 0.0086	2,078	\$ 17.87	\$ 1.45	8.86%
RTSR - Connection and/or Line and Transformation Connection	\$ 0.0054	2,078	\$ 11.22	\$ 0.0064	2,078	\$ 13.30	\$ 2.08	18.52%
Sub-Total C - Delivery (including Sub-Total B)			\$ 104.44			\$ 112.84	\$ 8.40	8.04%
Wholesale Market Service Charge (WMSC)	\$ 0.0045	2,078	\$ 9.35	\$ 0.0045	2,078	\$ 9.35	\$ -	0.00%
Rural and Remote Rate Protection (RRRP)	\$ 0.0007	2,078	\$ 1.45	\$ 0.0007	2,078	\$ 1.45	\$ -	0.00%
Standard Supply Service Charge	\$ 0.25	1	\$ 0.25	\$ 0.25	1	\$ 0.25	\$ -	0.00%
Average IESO Wholesale Market Price	\$ 0.1076	2,000	\$ 215.20	\$ 0.1076	2,000	\$ 215.20	\$ -	0.00%
Total Bill on Average IESO Wholesale Market Price			\$ 330.70			\$ 339.10	\$ 8.40	2.54%
HST	13%		\$ 42.99	13%		\$ 44.08	\$ 1.09	2.54%
Ontario Electricity Rebate	11.7%		\$ (38.69)	11.7%		\$ (39.67)		
Total Bill on Average IESO Wholesale Market Price			\$ 373.69			\$ 383.18	\$ 9.49	2.54%

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Appendix D: Compliance Inspection Report

ONTARIO ENERGY BOARD



Inspection Report

Lakefront Utilities Inc.

**Inspection of Group 1 Deferral and Variance
Accounts 1588 and 1589**

December 2022

Table of Contents

1. SUMMARY 2

2. REASON AND AUTHORITY FOR INSPECTION 3

3. OBJECTIVE AND SCOPE 3

4. METHODOLOGY..... 3

APPENDIX 1 4

1. Finding 1.....4

2. Finding 2.....6

3. Finding 3.....8

1. SUMMARY

The Ontario Energy Board's (OEB) Inspection and Enforcement department (I&E staff) conducted an inspection of Lakefront Utilities Inc. (Lakefront Utilities) Group 1 deferral and variance accounts (DVA) 1588 (RSVA Power) and 1589 (RSVA Global Adjustment) for the period of January 1, 2016, to December 31, 2019. The inspection assessed Lakefront Utilities' compliance with applicable enforceable provisions under the *Electricity Act, 1998*, the *Ontario Energy Board Act, 1998*, and related regulations. The inspection also assessed Lakefront Utilities' adherence to the OEB's Accounting Procedures Handbook (APH), and related guidelines for the period of January 1, 2016, to December 31, 2019.

I&E staff made the following findings as detailed in **Appendix 1**. These errors caused no impact to customers as the 2016 to 2019 balances in Accounts 1588 and 1589 have not yet been approved for disposition.

1. Lakefront Utilities did not use actual consumption volumes when recording GA charges for RPP and non-RPP customers. As a result, Lakefront Utilities did not settle RPP variances with the IESO correctly and reported inaccurate 1588 and 1589 balances.
2. Lakefront Utilities did not apply the accrual method of accounting as required by regulation for the period 2016 to 2019 inspected. As a result, Lakefront Utilities reported inaccurate Accounts 1588 and 1589 balances and inaccurate carrying charges.
3. Lakefront Utilities had numerous internal control weaknesses in its regulatory accounting processes.

Sample testing conducted for the period from 2016 to 2019 uncovered that Lakefront Utilities had not fully adopted the OEB's February 2019 accounting guidance in recording transactions in accounts 1588 and 1589 for 2019. Since Lakefront Utilities had not received approval for disposition of 1588 and 1589 account balances for years 2016 to 2018 due to concerns noted in the prior decisions of their rate applications, Lakefront Utilities should apply the accounting guidance to those balances as well as the 2019 balance and adjust the balances as necessary, prior to requesting final disposition.

I&E staff expects Lakefront Utilities to address the findings noted in this report by executing the required actions and making the necessary adjustments in 2022. In addition, Lakefront Utilities should provide an explanation for all the corrective adjustments in the balances for accounts 1588 and 1589 brought forward for disposition in Lakefront Utilities' next rate application.

2. REASON AND AUTHORITY FOR INSPECTION

The inspection was initiated because of concerns identified by the OEB in the Decision and Rate Order relating to Lakefront Utilities' December 31, 2018, balances in Accounts 1588 and 1589 EB-2019-0050, which comprised the cumulative balances from 2016, 2017 and 2018. In particular, the OEB had concerns with the inconsistency of values reported by Lakefront Utilities in the 2017 GA Analysis Workform and the DVA Continuity Schedule for 2017.

The inspection was conducted under the authority of Part VII of the Ontario Energy Board Act, 1998 (Act) by staff appointed as inspectors under section 106 of the Act.

3. OBJECTIVE AND SCOPE

The objective of the inspection was to:

- Verify that the balances in Variance Accounts 1588 and 1589 for the period from January 1, 2016, to December 31, 2019, are accurate, complete and comply with the relevant legislation, based on relevant guidance provided by the OEB and the IESO;
- Review accounting policies and procedures for these accounts to ensure they are properly and consistently applied in accordance with the OEB's Accounting Procedures Handbook, Reporting and Record-Keeping Requirements, and related regulatory guidelines; and
- Review accounting systems and processes currently in place to ensure their adequacy, and that settlements with the IESO follow relevant legislation and regulations and reflect applicable OEB and IESO guidance.

4. METHODOLOGY

I&E Staff reviewed Lakefront Utilities' procedures, systems, and controls with respect to the tracking, recording, calculating, and reporting of the balances in DVAs 1588 and 1589.

Lakefront Utilities staff were interviewed and supporting documents such as IESO invoices, customer billing data, settlement calculations and accounting records were reviewed.

APPENDIX 1 DETAILED FINDINGS

1. Finding

Lakefront Utilities used billed rather than actual consumption volumes when recording Global Adjustment (GA) charges for RPP and non-RPP customers. As a result, Lakefront Utilities did not accurately settle RPP variances with the IESO resulting in inaccurate accounts 1588 and 1589 balances.

1.1 Basis of Finding

I&E staff noted for the sample months in 2016 and 2017, the proration methodology to allocate monthly GA charges invoiced by the IESO between RPP and non-RPP customers was based on billed consumption data rather than actual consumption data as required by the Accounting Procedures Handbook (APH) and purchased wholesale volumes¹ (2019) as required by the OEB's February 2019 accounting guidance².

As a result, Lakefront Utilities did not correctly settle monthly RPP variance settlements with the IESO (i.e., include estimates for unbilled consumption) over 2019 as shown in table 1 below:

¹ Purchased wholesale volume per IESO invoice = (AQEW + Embedded Generation + Load Transfers – Class A vol for GA).

² On February 21, 2019, the OEB issued the Accounting Procedures Handbook Update - Accounting Guidance Related to Commodity Pass-Through Accounts 1588 & 1589 and related Illustrative Model (**effective January 1, 2019**). Based on this, the OEB expects that all transactions recorded in accounts 1588 and 1589 during 2019 will have been accounted for in accordance with this guidance.

Table 1: Adjustment required for RPP settlement claims with IESO for sample months

Period	Jul-16	Dec-16	Nov-17	Dec-17	Apr-18	Dec-18	Sep-19	Dec-19
RPP settlement claims was based on billed consumption volume (kWh) 2016 -2018 a	8,675,779	8,618,445	7,185,502	10,121,759	9,446,998	9,788,459	9,680,304	9,487,101
RPP settlement claims should have been based on actual consumption volume (kWh) b	9,491,412	6,285,586	8,903,210	9,932,301	8,805,391	9,284,524		
<i>Difference in RPP volumes (kWh) was trued-up to actual consumption volume over the following two months (a-b)</i>	(815,633)	2,332,859	(1,717,708)	189,458	641,607	503,935		
RPP settlement claims should have been based on purchased wholesale volume (kWh) 2019 c							7,815,921	11,205,828
<i>RPP volumes (kWh) to be adjusted (b-c)</i>							1,864,383	(1,718,728)
<i>RPP settlement claims (\$) to be adjusted (-ve over/+ve under)</i>							\$ (299,352)	\$ 210,460

Lakefront Utilities extracted incomplete customer consumption data from its billing system, resulting in incorrect proration percentages used to allocate GA charges between RPP and non-RPP customers and incorrect RPP settlements with the IESO.

Subsequent to identifying the billing data extraction errors, I&E staff noted that Lakefront Utilities revised its calculations of the proration percentages used to allocate GA charges between Class B RPP and non-RPP customers using the correct consumption data. For four sample months in 2016 and 2017, I&E staff noted the changes in RPP and non-RPP % based on using correct consumption data is shown in table 2:

Table 2: Adjustment to RPP and non-RPP % on basis of correct consumption reports for Sample Months

	Jul-16		Dec-16		Nov-17		Dec-17	
Based on incorrect billed consumption report	Original incorrect RPP %	Original incorrect non-RPP %	Original incorrect RPP %	Original incorrect non-RPP %	Original incorrect RPP %	Original incorrect non-RPP %	Original incorrect RPP %	Original incorrect non-RPP %
	55	45	50	50	38	62	46	54
Based on correct actual consumption report	Revised correct RPP %	Revised correct non-RPP %	Revised correct RPP %	Revised correct non-RPP %	Revised correct RPP %	Revised correct non-RPP %	Revised correct RPP %	Revised correct non-RPP %
	48	52	53	47	64	36	76	24

Furthermore, I&E staff noted that the RPP billed data used for RPP Settlement claims from 2016 to 2019 did not match the RPP consumption volumes used to allocate GA charges, as shown in table 3 below for the sample month of July 2016:

Table 3: Differing RPP volumes (kWh) used

	RPP Volume (kWh) for Jul 2016
Volume used for RPP settlement claims with IESO (billed consumption)	8,675,779
Initial volume used for allocation of GA charges (incorrect actual consumption)	11,070,375
Revised volume used for allocation of GA charges (correct actual consumption)	9,692,339

These differences in RPP consumption volumes used to allocate GA charges and for RPP settlement claims with IESO result in incorrect allocation of costs between accounts 1588 and 1589, leading to both accounts being misstated by offsetting amounts.

1.2 Expected Action

Lakefront Utilities is expected to reallocate GA costs using RPP and non-RPP actual consumption volumes and percentages for the period from 2016 to 2019 before bringing forward balances in accounts 1588 and 1589 for disposition.

Going forward, Lakefront Utilities must consistently use reliable RPP and non-RPP actual consumption volumes to minimise potential errors in allocation of GA charges between RPP and non-RPP customers.

2. Finding 2

Lakefront Utilities did not apply the accrual method of accounting during the inspection period and as a result, Lakefront Utilities reported inaccurate Accounts 1588 and 1589 balances and incorrect carrying charges.

2.1 Basis of Finding

Lakefront Utilities did not include estimates of unbilled revenue in the monthly RPP settlement claims with the IESO for the years 2016 to 2019. I&E Staff noted that from 2016 to 2019, Lakefront Utilities had recorded power and GA costs in the GL based on actual monthly IESO invoiced amounts.

Although Lakefront Utilities calculated the unbilled consumption each month, it was recorded as an accrual in the General Ledger (GL) only at year-end from 2016 to 2019.

This year-end accrual was not used for the purpose of settling RPP claims with the IESO at year-end. RPP settlement claims adjustments pertaining to unbilled revenues would eventually get captured over the following two months' billing reports when Lakefront Utilities would submit RPP true ups for settlement with the IESO.

In addition, Lakefront Utilities consistently lagged by one month in billing and recording Global Adjustment cost to Class A Customers in the General Ledger during 2017 to 2019 resulting in incorrect variances on which carrying charges were being calculated accrued as noted in the table below:

Period	RSVA Global Adjustment Class A carrying charges
Dec-16	\$ -
Dec-17	\$ 2,462.01
Dec-18	\$ 1,808.52
Dec-19	\$ 3,800.51
Total	\$ 8,071.04

Therefore, the amount billed did not match the Class A GA cost invoiced by IESO for the same period, resulting in a monthly variance leading to incorrect monthly interest calculations in Account 1589. Since Class A GA is a flow through cost for utilities, GA amounts billed to Class A customers should be the same as amounts reported to the IESO.

2.2 Expected Action

Lakefront Utilities is expected to remove the carrying charges related to Class A GA costs from Account 1589 for the years from 2016 to 2019.

For the years from 2016 to 2019 Lakefront Utilities is expected to adjust Accounts 1588 and 1589 to reflect the correct balances based on accrual accounting before bringing the accounts forward for disposition in its next rate proceeding.

Going forward, Lakefront Utilities should ensure the accrual method is used to record monthly and yearly revenues and expenses to be in conformity with the APH.

3. Finding 3

Lakefront Utilities had numerous internal control weaknesses and discrepancies in its regulatory accounting processes.

3.1 Basis of Finding

I&E staff noted several internal control weaknesses in Lakefront Utilities' processes for accounting and reporting on its Accounts 1588 and 1589 balances, including:

1. Lakefront Utilities recorded variances in Accounts 1588 and 1589 on a quarterly basis instead of monthly as required by the APH.
2. The purchased consumption volumes used by Lakefront Utilities to calculate monthly settlements of GA costs did not match with supporting documentation from the IESO.
3. Lakefront Utilities could not provide supporting documentation for the inconsistencies in reporting of Accounts 1588 and 1589 transactions in the GA Analysis Workforms submitted as part of Lakefront Utilities' rate proceedings.
4. Lakefront Utilities could not provide supporting documentation of the annual consumption volumes submitted to the OEB as part of annual Reporting and Record keeping Requirements (RRR) from 2016 to 2019.
5. Lakefront Utilities could not provide supporting documentation for the amounts used to calculate monthly embedded generation settlements with the IESO. Furthermore, embedded generation claim amounts were settled with the IESO on a one-month lag.
6. Lakefront Utilities reported incorrect Class A consumption volumes in April, July, August, and October 2018 to the IESO. As reported Class A consumption volumes affect the IESO's calculation of Class B GA costs, the IESO had to make settlement adjustments with Lakefront Utilities for GA costs in 2018.
7. Lakefront Utilities did not include losses for Class A customers when calculating their peak demand factors. As a result, Lakefront Utilities underbilled an immaterial amount for GA costs for Class A customers from 2017 to 2019.

The above discrepancies and inconsistencies have resulted in inaccurate reporting to the OEB and IESO.

3.2 Expected Action

Going forward, Lakefront Utilities should review and implement additional internal control measures, including management review prior to submissions to IESO/reporting to OEB and for accuracy of DVA balances 1588 and 1589 reported to the OEB.

Appendix E: Z-Factor Report



Overview

On December 23, 2022, Lakefront Utilities Inc. (Lakefront) experienced a potential Z-factor event as a result of a storm that swept through Cobourg and Colborne. This widespread and fast-moving storm caused extensive damage to Lakefront's infrastructure, leading to prolonged power outages for the majority of Lakefront's customers. The storm event was:

1. Outside Lakefront's control.
2. Significantly impacted operations.
3. Resulted in Lakefront incurring material costs.

As identified in greater details below, this report considers if the event meets the Z-factor eligibility criteria set out in Section 2.6 of the Ontario Energy Board's Report on *3rd Generation Incentive Regulation for Ontario's Electricity Distributors* dated July 14, 2018 and Section 3.2.8 of the Board's *Chapter 3 Filing Requirements for Electricity Distribution Rate Applications*, dated May 24, 2022.

Lakefront is seeking recovery of a total of \$122,798 in expenditures associated with the restoration of electricity service to its customers following this event and is considering recovering this amount from rate payers via rate riders effective January 1, 2024.

Background

On December 23, 2022, Lakefront customers in Cobourg and Colborne experienced multiple outages caused by a severe winter storm which impacted many areas of Ontario. Lakefront's dedicated electric crew worked tirelessly through multiple 16-hour shifts in challenging weather conditions to safely restore power to all customers that were impacted.

Despite Lakefront's durable infrastructure and the preparedness of the crews, the severe weather resulted in downed wires from fallen trees because of unrelenting high winds, that caused multiple outages. High winds uprooted trees and scattered debris, creating an environment where LUI's electric crew could not respond quickly enough due to the danger and was frequently having to pivot, including making repairs to infrastructure, and working with the fire department to respond to fire calls. The storm impacted infrastructure and created challenging working conditions for the crews, resulting in a longer than normal restoration period. Lakefront called in contractors to assist with repairs and shortened restoration time.

An example of the continuous damage caused by the storm that delayed restoration is the F2 Feeder that services areas near D'Arcy Street, University Avenue, Walton Street, James Street, John Street, Spencer Street, and Munroe Street. Crews restored the F2 Feeder around 9:30PM on December 23,



2022, restoring power to approximately 2,500 customers. However, as the storm continued, the high winds caused a large tree to uproot and fall at approximately 2:30AM on December 24, 2022, near D'Arcy Street and Queen Street, impacting the F2 Feeder again. Crews started work once again to restore the F2 Feeder, removing the tree, patrolling the feeder, and ultimately restoring the F2 Feeder. Although the F2 Feeder was restored, there was an issue with the reclosure. Crews quickly began work to limit the F2 Feeder, remove the leads from the line, close the bypass switches, and pick up the feeder, finally successfully restoring power. Lakefront's small crew, devoted to our communities, were managing issues and damage similar to this, throughout the storm and after.

The December 2022 storm event was one of the most severe storms in Lakefront's history, with its impact spread over a wide portion of Lakefront's service territory. The harm caused by this extraordinary event was beyond Lakefront's experience and expectations.

Lakefront tracked the costs associated with restoration efforts associated with the December storm events over the subsequent weeks/months.

Eligibility Criteria

Z-factor eligibility is defined as unforeseen events that are outside the control of a distributor's ability to manage. The cost to a distributor must be material and its causation clear for a Z-factor claim to be justified. The OEB has set out the eligibility criteria for applications to recover amounts via the Z-factor in its Incentive Regulation Report and its guidelines discussed in section 2.6 of the Z-Factor Guidelines. The OEB's Z-Factor Guidelines state that a distributor must submit evidence that the costs incurred meet the following three eligibility criteria:

1. **Causation:** Amounts should be directly related to the Z-factor event. The amount must be clearly outside of the base upon which rates were derived.
2. **Materiality:** The amounts must exceed the Board-defined materiality threshold and have a significant influence on the operation of the distributor; otherwise, they should be expensed in the normal course and addressed through organizational productivity improvements.
3. **Prudence:** The amount must have been prudently incurred. This means that the distributor's decision to incur the amount must represent the most cost-effective option (not necessarily least initial cost) for ratepayers.

Additionally, the OEB's 2024 Incentive Rate-setting Applications Filing Requirements state:



To be eligible for a Z-factor claim, a distributor must demonstrate that its achieved regulatory return on equity (ROE), during its most recently completed fiscal year, does not exceed 300 basis points above its deemed ROE embedded in its base rates.

Lakefront confirms that its achieved Regulatory Return on Equity (ROE) in the most recently completed fiscal year does not exceed 300 basis points above the deemed ROE embedded in its base. The achieved regulatory ROE for 2022 was 10.87%, which is 2.21% more than the 8.66% OEB approved ROE.

The following sections provide the details on each of the OEB's three eligibility criteria.

Causation

The costs included in this Z-factor recovery claim were directly related to the restoration of service in the wake of the December 23, 2022, storm and have been incurred within a 12-month period. Had the storm not occurred, Lakefront would not have incurred any of the costs required for recovery. Lakefront has verified that the amounts sought for recovery are outside of the base upon which Lakefront's rates were derived.

As noted above, Lakefront had very limited warning based on reports of high winds advancing into its service territory. By 6:30pm on December 23, 2022, the Town of Cobourg declared a Significant Weather Event for the Town of Cobourg.

Materiality

The materiality threshold applicable to Lakefront is \$50,000, which is the threshold applicable to distributors with a revenue requirement less than or equal to \$10 million.

The relief requested of \$6,312 as a result of the expenditures incurred during the December storm does not exceed the materiality threshold of \$50,000.



Table 1: Revenue Requirement Impact of Capital Expenditures

Description		Amount
Incremental Capital		\$122,798
Amortization Expense		(\$1,232)
Incremental Capital to be included in Rate Base		\$121,566
Deemed Short Term Debt (4%)	1.17%	\$57
Deemed Long Term Debt (56%)	3.46%	\$2,355
Deemed Equity (40%)	8.66%	\$4,211
Amortization Expense		\$1,232
Grossed up PILS		(\$1,544)
Revenue Requirement		\$6,312

Prudence

The amounts associated with restoring service to customers following the December storm were incurred prudently, the storm caused extensive damage to Lakefront's distribution system.

Power restoration efforts proceeded non-stop in the immediate aftermath of the storm, with crews and system operators working around the clock to restore power as quickly as possible. The damage was severe and widespread.

During this event Lakefront issued several communications to the public to keep customers informed. These included:

- Outage map on website displaying information regarding outage locations.
- Updated news releases posted to public facing website, mobile application, Facebook, Twitter, and sent to all local media outlets to provide information regarding Lakefront's power restoration efforts, including critical information to ensure public safety.
- Social media updates including restoration efforts, safety messages, information regarding local community relief locations, emergency management for those who require electricity for critical life support, and review of all messages from customers to ensure follow up by operations.

In addition to executing its communications plan, Lakefront conducted its power restoration efforts in a prudent manner. Some of the actions included:



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Inc.**

Z-Factor Analysis

- Lakefront pulled primarily from its existing inventory/stores for capital additions.
- Lakefront utilized all available internal labour, as well as several outside contractors to complete its restoration efforts.

Lakefront's decision to incur these amounts represented the most cost-effective option for rate payers. Lakefront used materials available in its inventory and minimized the costs to procure materials on an emergency basis. Ultimately, Lakefront prioritized and coordinated work to ensure restoration was completed efficiently, and power was restored to customers as quickly as possible.

Conclusion

Although the December 2022 storm meets the criteria for causation and prudence, the revenue requirement impact is well below the materiality threshold of \$50,000.

In conclusion, Lakefront Utilities Inc. should not include a Z-Factor claim in its 2024 IRM filing.

Appendix F: ICM Report



The Incremental Capital Module (ICM) is available to electricity distributors filing under the Price Cap IR. This report reviews whether Lakefront Utilities Inc. should charge customers rate riders to fund the specific incremental capital project related to the new substation during the IRM term.

The OEB's policy for the funding of incremental capital is set out in the *Report of the OEB New Policy Options for the Funding of Capital Investments: Supplemental Report* (EB-2014-0219) and Chapter 3 of the *OEB's Filing Requirements for Electricity Distribution Rate Application* dated July 12, 2018.

The ICM is intended to address the treatment of a distributor's capital investment needs that arise during the Price Cap IR rate-setting plan which are incremental to a materiality threshold. The ICM is available for discretionary and non-discretionary projects, as well as for capital projects not included in the distributor's previously filed Distribution System Plan. In order to qualify for ICM funding, the request must satisfy the eligibility criteria detailed in this report.

Background

The ICM remains available to electricity distributors as an option for Price Cap IR. The ICM is intended to address the treatment of capital investment needs that arise during the rate-setting plan which are incremental to the materiality threshold. The ICM is available for discretionary and non-discretionary projects and for capital projects that were not included in the distributors' last filed Distribution System Plan.

Lakefront Utilities is seeking recovery through an ICM for the estimated costs of a new substation of \$2,200,000.

Prior to the construction of the substation, Lakefront identified a need for additional capacity in Cobourg to meet existing and future demand growth in the East area of Cobourg; at the time supplied by the Brook Road substation. Lakefront determined that a new substation was required to accommodate demand growth and off-load the Brook Road substation which was exceeding capacity. The construction for a new substation is expected to be completed by December 31, 2023.

The total cost of \$2,200,000 is not included in base rates and Lakefront Utilities is considering seeking recovery of this amount through an ICM with rate riders effective January 1, 2024.

Eligible Capital Amount

The Ontario Energy Board (OEB) requires that a distributor requesting relief for incremental capital during the IRM plan term include comprehensive evidence to support the need, including:



- Evidence that the incremental revenue requested will not be covered through other means (e.g., it is not, in full or in part, included in base rates or is being funded by expansion of service to include new customers and other load growth).
- Calculation of each incremental project's revenue requirements that will be offset by revenue generated through other means (e.g., customer contributions in aid of construction).

The project for which Lakefront is requesting an ICM can be offset by revenue generated through other means (e.g., contributions in aid of construction).

Contributor	Load (kW)	Cost Allocation
Existing and active customers (including reserve margin)	6,840	491,625
Development	25,160	1,808,375
Total	32,000	2,300,000

Eligibility Criteria

The requested amount for an ICM claim must be incremental to a distributor's capital requirements within the context of its financial capacities supported by existing rates and satisfy the eligibility criteria:

1. **Materiality:** A capital budget will be deemed to be material, and as such reflect eligible projects, if it exceeds the OEB-defined materiality threshold. Any incremental capital amounts approved for recovery must fit within the total eligible incremental capital amounts and must clearly have a significant influence on the operation of the distributor; otherwise, they should be dealt with at rebasing.
2. **Need:** Amounts must be based on discrete projects and should be directly related to the claimed driver. The amounts must be clearly outside of the base upon which the rates were derived.
3. **Prudence:** The amounts to be incurred must be prudent. This means that the distributor's decision to incur the amounts must represent the most cost-effective option for rate payers.



Materiality

Lakefront Utilities Inc. has calculated its materiality threshold using the Board-approved rate base and depreciation from its 2022 Cost of Service Application (EB-2021-0039), an annual adjustment or price capital index (PCI) of 3.40%, and a growth factor of 0.00%. Lakefront has used the 2023 inflation factor of 3.70%, issued by the OEB on October 20, 2022, to determine the PCI.

The Table below summarizes the calculation of the threshold capital expenditure amount using the Board's formula identified in the ICM Report. The threshold value for 2023 and 2024 is 188% and 190%, respectively which results in threshold capital expenditure values of \$1,881,394 and \$1,907,889, respectively.

Description	Amount
Inflation Factor	3.70%
Less: Productivity Factor	0.00%
Less: Stretch Factor	-0.30%
Price Cap Index (PCI)	3.40%
2022 Volumes at 2023 Rates	\$5,138,578
2023 Volumes at 2023 Rates	\$5,138,578
Number of Years	1
Growth Factor	0.00%
Year	2024
Number of Years Since Rebasing	2
Price Cap Index (PCI)	3.40%
Growth Factor	0.00%
Dead Band	10.00%
Rate Base	\$22,919,093
Depreciation	\$1,001,950
Threshold Value - 2023	187.77%
Threshold Capital Expenditure - 2023	\$1,881,394
Threshold Value - 2024	190.42%
Threshold Capital Expenditure - 2024	\$1,907,889

The threshold level of capital expenditure is the amount that a distributor should be able to manage with its current rates, growth in demand, and normal volatility in business conditions.

The table below identifies the maximum incremental capital amounts of \$383,736. This amount is determined by deducting the applicable threshold capital expenditures from the capital forecast.



Description	2024
Capital Forecast	2,291,625
Less: Materiality Threshold	1,907,889
Maximum Eligible Incremental Capital	383,736

Need

The distributor must satisfy the eligibility criteria of need, comprised of:

- i) Pass the means test
- ii) Amounts to be incurred must be based on discrete projects
- iii) Amounts to be incurred must be outside of the base upon which rates were derived.

The distributor must pass the Means Test as defined in the ICM Report. If a distributor's regulated return on equity (ROE) exceeds 300 basis points above the deemed return on equity embedded in the distributor's rates, funding for any incremental project will not be allowed. Lakefront's 2022 actual ROE was 10.87% which is 2.21% higher than the deemed ROE of 8.66%. Therefore, Lakefront meets the Means Test.

The project identified for the purpose of the ICM filing is distinct and unrelated to a recurring annual capital project.

The project identified is not included in the capital expenditures approved in Lakefront's Cost of Service application (EB-2021-0039) and as such is not funded through existing rates. Management has evaluated the risks and costs associated with deferring the decision to build a new substation. Further, it is noted the new substation (in addition to serving new development) will assist in avoiding compromising the redundancy and reliability of the distribution system.

Prudence

The amount for which Lakefront is seeking approval is prudent, meaning that Lakefront's decision to incur the amounts represents the most cost-effective option for ratepayers.

Calculation of Revenue Requirement

The incremental revenue requirement associated with the ICM funding request of \$383,736 is \$24,503 as identified in the table below.



Details	Amount
Incremental Capital	383,736
Return on Rate Base	20,733
Amortization	6,396
Incremental Grossed-Up PILs	(2,626)
Total	24,503

Conclusion

The capital project meets the three criteria detailed above, however, the incremental revenue requirement of \$24,503 is not significant. Further, the costs of filing an ICM (staff time, OEB, intervenor, and third party) will likely outweigh the incremental revenue.

In conclusion, Lakefront Utilities Inc. should not include an ICM claim in its 2024 IRM filing. The incremental capital of \$383,736 would be added to Lakefront's rate base and would be factored into the 2027 Cost of Service filing and January 1, 2027, rates.