

DECISION AND RATE ORDER

EB-2023-0035

LAKEFRONT UTILITIES INC.

**Application for rates and other charges to be effective
January 1, 2024**

BY DELEGATION, BEFORE: **James Sidlofsky**
Senior Legal Counsel
Legal Services & Strategic Policy

December XX, 2023

1. OVERVIEW

The Ontario Energy Board is approving changes to the rates that Lakefront Utilities Inc. (Lakefront Utilities) charges to distribute electricity to its customers, effective January 1, 2024.

As a result of this Decision, there will be a monthly total bill increase of \$5.16 for a residential customer consuming 750 kWh. This change does not factor in applicable taxes or the Ontario Electricity Rebate.

2. CONTEXT AND PROCESS

Lakefront Utilities filed its application on August 17, 2023 under section 78 of the *Ontario Energy Board Act, 1998* and in accordance with Chapter 3 of the OEB's [Filing Requirements for Incentive Rate-Setting Applications](#) (Filing Requirements). The application was based on the Price Cap Incentive Rate-setting (Price Cap IR) option, with a five-year term.

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

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

Lakefront Utilities serves approximately 10,100 mostly residential and commercial electricity customers in the Town of Cobourg and the Village of Colborne.

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

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

3. DECISION OUTLINE

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

- Annual Adjustment Mechanism
- Retail Transmission Service Rates
- Group 1 Deferral and Variance Accounts

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

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

² Certain service charges are subject to annual inflationary adjustments to be determined by the OEB through a generic order. For example, the Decision and Order EB-2023-0193, issued September 26, 2023 established the adjustment for energy retailer service charges, effective January 1, 2024; and the Decision and Order EB-2023-0194, issued September 26, 2023, established the 2024 Wireline Pole Attachment Charge, effective January 1, 2024.

4. ANNUAL ADJUSTMENT MECHANISM

Lakefront Utilities has applied to change its rates, effective January 1, 2024, based on a mechanistic rate adjustment using the OEB-approved **inflation minus X-factor** formula applicable to IRM applications. The adjustment applies to distribution rates (fixed and variable) uniformly across all customer classes.³

The components of the Price Cap IR adjustment formula applicable to Lakefront Utilities are set out in the table below. Inserting these components into the formula results in a 4.80% increase to Lakefront Utilities' rates: **4.80% = 4.80 - (0.00% + 0.00%)**.

Table 4.1: Price Cap IR Adjustment Formula

Components		Amount
Inflation factor ⁴		4.80%
Less: X-factor	Productivity factor ⁵	0.00%
	Stretch factor (0.00% to 0.60%) ⁶	0.00%

An inflation factor of 4.80% applies to all IRM applications for the 2024 rate year. The X-factor is the sum of the productivity factor and the stretch factor. It is a productivity offset that varies among different groupings of distributors. Subtracting the X-factor from inflation ensures that rates decline in real, constant-dollar terms, providing distributors with a tangible incentive to improve efficiency or else experience declining net income. The productivity component of the X-factor is based on industry conditions over a historical study period and applies to all IRM applications for the 2024 rate year. The stretch factor component of the X-factor is one of five stretch factor groupings established by the OEB, ranging from 0.00% to 0.60%. The stretch factor assigned to any distributor is based on the distributor's total cost performance as benchmarked against other distributors in Ontario. The stretch factor assigned to Lakefront Utilities is 0.00%, resulting in a rate adjustment of 4.80%.

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

⁴ [OEB Letter, 2024 Inflation Parameters, issued June 29, 2023](#)

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

⁶ Report to the Ontario Energy Board – “Empirical Research in Support of Incentive Rate-Setting: 2022 Benchmarking Update”, prepared by Pacific Economics Group LLC., July 2023

Findings

Lakefront Utilities' request for a 4.80% rate adjustment is in accordance with the annually updated parameters set by the OEB. The adjustment is approved, and Lakefront Utilities' new rates shall be effective January 1, 2024.

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5. RETAIL TRANSMISSION SERVICE RATES (RTSRs)

Lakefront Utilities is fully embedded within Hydro One Networks Inc.'s (Hydro One) distribution system. On September 28, 2023, the OEB announced preliminary Uniform Transmission Rates (UTRs) effective January 1, 2024.⁷ The OEB also announced that an embedded distributor should update its RTSRs with Hydro One's proposed host-RTSRs.⁸

On August 17, 2023, Hydro One filed its 2024 distribution Custom IR update application with proposed new Sub-Transmission (ST) rates. The OEB determined that distributors with January 1 rates affected by Hydro One's host-RTSRs should update their 2024 rate applications with Hydro One's proposed ST RTSRs. Accordingly, Lakefront Utilities updated its RTSRs based on Hydro One's updated host-RTSRs.

To recover its cost of transmission services, Lakefront Utilities requests approval to adjust the RTSRs that it charges its customers in accordance with the proposed host-RTSRs for Hydro One.

Findings

Lakefront Utilities' proposed adjustment to its RTSRs is approved. The RTSRs have been adjusted based on the proposed host-RTSRs for Hydro One.⁹

In the event that final UTRs and/or host-RTSRs differ from the preliminary UTRs and/or proposed host-RTSRs, the resulting differences will be captured in Retail Settlement Variance Accounts 1584 (Retail Transmission Network Charge) and 1586 (Retail Transmission Connection Charge).

⁷ EB-2023-0222, OEB Letter "2024 Preliminary Uniform Transmission Rates, issued September 28, 2023

⁸ EB-2023-0222, OEB Letter "2024 Preliminary Uniform Transmission Rates, issued September 28, 2023

⁹ Ibid

6. GROUP 1 DEFERRAL AND VARIANCE ACCOUNTS

In each year of an IRM term, the OEB will review a distributor's Group 1 deferral and variance accounts to determine whether those balances should be disposed. OEB policy states that Group 1 account balances should be disposed if they exceed, on a net basis (as a debit or credit), a pre-set disposition threshold of \$0.001 per kWh, unless a distributor justifies why balances should not be disposed of.¹⁰ If the net balance does not exceed the threshold, a distributor may still request disposition.¹¹

The 2022 year-end net balance for Lakefront Utilities' Group 1 accounts eligible for disposition, excluding accounts 1588 and 1589, and including interest projected to December 31, 2023, is a debit of \$1,655,620 and pertains to variances accumulated during the 2022 calendar year. This amount represents a total claim of \$0.0067 per kWh, which exceeds the disposition threshold. Lakefront Utilities has requested disposition of this amount over a one-year period.

Lakefront Utilities is not seeking the disposition of balances in Accounts 1588 and 1589 in this application. In Lakefront Utilities' 2020 IRM Decision and Rate Order,¹² the OEB did not approve the disposition of Lakefront Utilities' Group 1 account balances from January 1, 2016 to December 31, 2018 due to concerns with Accounts 1588 and 1589 balances. The OEB referred the matter to the OEB's Audit and Investigations department for the consideration of Lakefront Utilities' processes regarding RPP settlement claims with the IESO.

In its 2021 IRM Decision and Rate Order,¹³ the disposition of Lakefront Utilities' Group 1 account balances was not required because it did not exceed the disposition threshold.

In its 2022 Cost of Service Decision and Order,¹⁴ the OEB accepted the settlement proposal to dispose of Lakefront Utilities' Group 1 account balances as of December 31, 2020, excluding Accounts 1588 and 1589 and to dispose of the balances in Accounts 1588 and 1589 in the next IRM application subsequent to the completion of the OEB's audit.

In the 2023 IRM Decision and Rate Order,¹⁵ the OEB approved disposition on a final basis of Group 1 account balances, excluding Accounts 1588 and 1589. Furthermore,

¹⁰ Report of the OEB – "Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR)." EB-2008-0046, July 31, 2009

¹¹ OEB letter, "Update to the Electricity Distributors' Deferral and Variance Account Review ("EDDVAR Report"), released July 2009 (EB-2008-0246)", issued July 25, 2014

¹² EB-2019-0050

¹³ EB-2020-0036

¹⁴ EB-2021-0039

¹⁵ EB-2022-0046

the OEB directed the disposal of Accounts 1588 and 1589 in the subsequent rate application following the completion of the audit.

The OEB completed the audit of Accounts 1588 and 1589, and Lakefront Utilities received the final compliance Inspection Report on December 22, 2022. Lakefront Utilities filed the Inspection Report as part of its evidence in this proceeding.¹⁶ Lakefront Utilities advised that the Inspection Report's findings and resulting adjustments related to Accounts 1588 and 1589 were not assessed prior to Lakefront Utilities 2022-year end financial statement. In its response to staff questions on implementing the results of the inspection report, Lakefront Utilities acknowledged constraints in workforce expertise, citing the impact of the Chief Financial Officer's departure on the utility's capabilities.¹⁷ Lakefront Utilities asserts that it has now retained qualified personnel and further affirmed its commitment to perform a full review of Accounts 1588 and 1589 with a target to include the disposition of Accounts 1588 and 1589 in its 2025 IRM application.¹⁸

Included in the Group 1 accounts are certain variances related to costs that are paid for by a distributor's customers on different bases, depending on their classification. Namely, "Class A" customers, who participate in the Industrial Conservation Initiative, pay for Global Adjustment (GA) charges based on their contribution to the five highest Ontario demand peaks over a 12-month period. "Class B" customers pay for GA charges based on their monthly consumption, either as a standalone charge or embedded in the Regulated Price Plan (RPP).¹⁹ A similar mechanism applies to Class A and Class B customers for Capacity Based Recovery (CBR) charges.²⁰ The balance in the GA variance account is attributable to non-RPP Class B customers and is disposed of through a separate rate rider. The balance in the CBR Class B variance account is attributable to all Class B customers.

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

During the period in which Account 1589 balances accumulated, Lakefront Utilities had one or more customers transition between Class A and Class B. Under the general

¹⁶ EB-2023-0035, Application and Evidence

¹⁷ EB-2023-0035, Application and Evidence, [OEB Staff Questions and Responses](#), October 16, 2023

¹⁸ Ibid.

¹⁹ For additional details on the Global Adjustment charge, refer to the Independent Electricity System Operator (IESO)'s [website](#).

²⁰ All Class B customers (RPP and non-RPP) pay the CBR as a separate charge based on their monthly consumption. For additional details on the CBR for Class A customers, refer to the IESO's [website](#).

principle of cost causality, customer groups that cause variances that are recorded in Group 1 accounts should be responsible for paying (or receiving credits) for their disposal. However, for the reasons discussed above, Lakefront Utilities is not seeking disposition of the balance in Account 1589 and has not provided customer specific consumption levels in this year's application.

Findings

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

The OEB approves the disposition of a debit balance of \$1,655,620 as of December 31, 2022, including interest projected to December 31, 2023, for Group 1 accounts (excluding Accounts 1588 and 1589) on a final basis. The OEB understands that Lakefront Utilities currently intends to seek disposition of the balances in Accounts 1588 and 1589 as part of its application in 2024 for changes to the rates that it charges to distribute electricity to its customers, effective January 1, 2025. In light of the circumstances described by Lakefront Utilities in its prefiled evidence and its responses to OEB staff questions, the OEB will not require the disposition of the balances in those accounts at this time. However, the OEB expects Lakefront Utilities to request the disposition of these account balances in its application for distribution rates effective January 1, 2025.

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

Table 6.1: Group 1 Deferral and Variance Account Balances Except Accounts 1588 and 1589

Account Name	Account Number	Principal Balance (\$) A	Interest Balance (\$) B	Total Claim (\$) C=A+B
LV Variance Account	1550	257,121	36,585	293,706
Smart Metering Entity Charge Variance Account	1551	(36,031)	(2,375)	(38,406)
RSVA - Wholesale Market Service Charge	1580	724,851	48,770	773,622
Variance WMS - Sub-account CBR Class B	1580	(43,737)	(3,130)	(46,867)

RSVA - Retail Transmission Network Charge	1584	515,239	34,724	549,963
RSVA - Retail Transmission Connection Charge	1586	115,262	8,341	123,603
Total for Group 1 accounts except Accounts 1588 and 1589		1,532,705	122,916	1,655,620

The balance of each of the Group 1 accounts approved for disposition shall be transferred to the applicable principal and carrying charge sub-accounts of Account 1595. Such transfer shall be pursuant to the requirements specified in the *Accounting Procedures Handbook for Electricity Distributors*.²¹ The date of the transfer must be the same as the effective date for the associated rates, which is generally the start of the rate year.

The OEB approves these balances to be disposed of through final rate riders, charges, or payments, as calculated in the Rate Generator Model. The final rate riders, charges, and payments, as applicable, will be in effect over a one-year period from January 1, 2024 to December 31, 2024.²²

²¹ Article 220, Account Descriptions, Accounting Procedures Handbook for Electricity Distributors, effective January 1, 2012

²² 2024 IRM Rate Generator Model Tab 6.1 GA, Tab 6.1a GA Allocation, Tab 6.2 CBR B, Tab 6.2a CBR B_Allocation and Tab 7 Calculation of Def-Var RR

7. IMPLEMENTATION

This Decision is accompanied by a Rate Generator Model, applicable supporting models, and a Tariff of Rates and Charges (Schedule A). The Rate Generator Model also incorporates the rates set out in Table 7.1.

Table 7.1: Regulatory Charges

Rate	per kWh
Rural or Remote Electricity Rate Protection (RRRP)	\$0.0014
Wholesale Market Service (WMS) billed to Class A and B Customers	\$0.0041
Capacity Based Recovery (CBR) billed to Class B Customers	\$0.0004

Each of these rates is a component of the “Regulatory Charge” on a customer’s bill, established annually by the OEB through a separate, generic order. The RRRP and WMS rates were set by the OEB on December 7, 2023.²³

The Smart Metering Entity Charge is a component of the “Distribution Charge” on a customer’s bill, established by the OEB through a separate order. The Smart Metering Entity Charge was set by the OEB at \$0.42 on September 8, 2022.²⁴

In the *Report of the Board: Review of Electricity Distribution Cost Allocation Policy*,²⁵ the OEB indicated that it will review the default province-wide microFIT charge annually to ensure it continues to reflect actual costs in accordance with the established methodology. On November 29, 2023, the OEB issued a letter advising electricity distributors that the microFIT charge shall remain at \$4.55 for the duration of the 2024 rate year (January 1 to December 31, 2024).²⁶

²³ EB-2023-0268, Decision and Order, December 7, 2023

²⁴ EB-2022-0137, Decision and Order, September 8, 2022

²⁵ EB-2010-0219, Report of the Board “Review of Electricity Distribution Cost Allocation Policy”, March 31, 2011

²⁶ OEB Letter, “Review of Fixed Monthly Charge for microFIT Generator Service Classification”, issued November 29, 2023

8. ORDER

THE ONTARIO ENERGY BOARD ORDERS THAT

1. The Tariff of Rates and Charges set out in Schedule A of this Decision and Rate Order is approved effective January 1, 2024 for electricity consumed or estimated to have been consumed on and after such date. Lakefront Utilities Inc. shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new rates.

DATED at Toronto, December XX, 2023

ONTARIO ENERGY BOARD

Nancy Marconi
Registrar

SCHEDULE A
DECISION AND RATE ORDER
LAKEFRONT UTILITIES INC.
TARIFF OF RATES AND CHARGES
EB-2023-0035
DECEMBER XX, 2023

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

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	0.0098
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0080

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	0.0014
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 approved schedules of Rates, Charges and Loss Factors

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	0.0090
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0072

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	0.0014
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	(0.0935)
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	3.6153
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.8806

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

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	0.0014
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

DRAFT

Lakefront Utilities Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2024

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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	4.0438
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	3.3976

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

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	0.0014
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

DRAFT

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UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

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

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per customer)	\$	10.76
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	0.0102
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0088

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	0.0014
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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SENTINEL LIGHTING SERVICE CLASSIFICATION

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

APPLICATION

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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	2.7402
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.2735

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	0.0014
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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STREET LIGHTING SERVICE CLASSIFICATION

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

APPLICATION

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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	(0.0931)
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	2.7269
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.2271

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	0.0014
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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microFIT SERVICE CLASSIFICATION

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

APPLICATION

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	4.55
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ALLOWANCES

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

SPECIFIC SERVICE CHARGES

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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	\$	

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RETAIL SERVICE CHARGES (if applicable)

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

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	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