

BY E-MAIL

January 8, 2025

Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4

Dear Ms. Marconi:

**Re: Lakeland Power Distribution Ltd. (Lakeland Power)
Application for 2025 Electricity Distribution Rates
Ontario Energy Board File Number: EB-2024-0039**

In accordance with Procedural Order No. 1, OEB staff advises the OEB that parties have come to an agreement to revise the standard Issues List for Lakeland Power's 2025 distribution rate application by adding two issues. However, parties have not been able to come to an agreement with respect to an additional issue proposed by the School Energy Coalition (SEC).

The Trestle Brewing Company reiterated its concerns outlined in its intervention request¹, but did not make comments directly related to the proposed issues list.

Agreed Upon Matters

The proposed revised Issues List attached includes the following agreed upon revisions:

- An addition of issue 7.3
- An addition of issue 7.4

Further, parties are requesting that the OEB waive the requirement under rule 26.02(e)(ii) of the *Rules of Practice and Procedure* that the interrogatories correspond to the issues list. Parties are requesting that they be permitted to file interrogatories according to the exhibit numbers in the application. Parties believe this approach is more efficient and likely less costly.

OEB staff also advises that parties indicated that, given that the proposed revised Issues List was prepared prior to the interrogatory process, parties may wish to raise additional matters for inclusion on the Issues List after the responses to the interrogatories are received.

Matters Not Agreed Upon

SEC proposed to add the following issue to the Issues List:

¹ Trestle Brewing Company, Intervenor Request Letter, December 6, 2024

Are the charges and allocations from the Applicant to affiliates, and the charges and allocations from affiliates to the Applicant, appropriate in light of the relative size, complexity, and needs of the Applicant and each of its affiliates? Further, are any revenues or other payments from third parties appropriately allocated between the Applicant and its affiliates?

The Vulnerable Energy Consumers Coalition agreed with the proposed addition.
Lakeland Power did not agree with the proposed addition.

Yours truly,

Georgette Vlahos
Advisor – Electricity Distribution Rates

Cc: All parties in EB-2024-0039

SCHEDULE A

LAKELAND POWER DISTRIBUTION LTD.

EB-2024-0039

**PROPOSED ISSUES LIST WITH THE TWO AGREED UPON ISSUES
ADDED**

Proposed Issues List

1. Capital Spending and Rate Base

- 1.1 Are the proposed capital expenditures and in-service additions appropriate?
- 1.2 Are the proposed rate base and depreciation amounts appropriate?

2. OM&A

- 2.1 Are the proposed OM&A expenditures appropriate?
- 2.2 Is the proposed shared services cost allocation methodology and the quantum appropriate?

3. Cost of Capital, PILs, and Revenue Requirement

- 3.1 Is the proposed cost of capital (interest on debt, return on equity) and capital structure appropriate?
- 3.2 Is the proposed PILs (or Tax) amount appropriate?
- 3.3 Is the proposed Other Revenue forecast appropriate?
- 3.4 Have all impacts of any changes in accounting standards, policies, estimates and adjustments been properly identified and recorded, and is the rate-making treatment of each of these impacts appropriate?
- 3.5 Is the proposed calculation of the Revenue Requirement appropriate?

4. Load Forecast

- 4.1 Is the proposed load forecast methodologies and the resulting load forecasts appropriate?

5. Cost Allocation, Rate Design, and Other Charges

- 5.1 Are the proposed cost allocation methodology, allocations, and revenue-to-cost ratios, appropriate?
- 5.2 Is the proposed rate design, including fixed/variable splits, appropriate?
- 5.3 Are the proposed Retail Transmission Service Rates and Low Voltage rates appropriate?
- 5.4 Are the proposed loss factors appropriate?
- 5.5 Are the Specific Service Charges and Retail Service Charges appropriate?
- 5.6 Are rate mitigation proposals required and appropriate?

6. Deferral and Variance Accounts

- 6.1 Are the proposals for deferral and variance accounts, including the balances in the existing accounts and their disposition, requests for new accounts, requests for discontinuation of accounts, and the continuation of existing accounts, appropriate?

7. Other

- 7.1 Is the proposed effective date appropriate?
- 7.2 Has the applicant responded appropriately to all relevant OEB directions from previous proceedings?
- 7.3 Is the continuation of Lakeland Power's \$10 utility-specific microFIT rate appropriate?
- 7.4 Is the proposed request for Distribution Rate Protection (DRP) funding appropriately calculated and appropriately applied to "a consumer who has an account with Lakeland Power Distribution Ltd. that falls within a residential-rate classification, within the former Parry Sound Power service area" as set out in O.Reg 198/17?