

Lakeland Power Distribution Ltd.

**Application for electricity distribution rates and other
charges beginning May 1, 2025**

Decision on Issues List and Confidentiality

January 15, 2025

Lakeland Power Distribution Ltd. (Lakeland Power) filed a cost of service application with the Ontario Energy Board (OEB) on October 31, 2024 under section 78 of the *Ontario Energy Board Act, 1998*, seeking approval for changes to the rates that Lakeland Power charges for electricity distribution, beginning May 1, 2025. The application was accepted by the OEB as complete on November 14, 2024, and a Notice of Hearing was issued on November 25, 2024.

The OEB issued Procedural Order No. 1 on December 17, 2024. Procedural Order No. 1 approved School Energy Coalition (SEC), Trestle Brewing Company and Vulnerable Energy Consumers Coalition (VECC) as intervenors in this proceeding.

Procedural Order No. 1, among other matters, set out a process for the submissions on Lakeland Power's request that certain documents (or portions of documents) be treated as confidential and be redacted from the public record. Procedural Order No. 1 also made provision for parties to recommend any revisions to the standard Issues List for electricity distribution rate applications for the OEB's consideration.

Confidentiality Request

By letter dated November 21, 2024, Lakeland Power requested that the OEB allow certain information to be treated as confidential and redacted from the public record.¹ Redacted versions of the exhibits were filed for the public record of this proceeding and unredacted versions were filed confidentially with the OEB pursuant to the [Rules of Practice and Procedure](#) and the [Practice Direction on Confidential Filings](#) (Practice Direction). The confidentiality requests relate to the following:

¹ EB-2024-0039, Lakeland Power Letter - 2025 Cost of Service Rate Application Re-Submission, November 21, 2024

Item	Request for Confidential Treatment	Reference
1	Information related to unit pricing and/or billing rates	Exhibit 4, PDF Pages 218-219, 226, 229
2	Information relating to signatures and initials	Exhibit 4, PDF Pages 218, 220, 223-233
3	Specific information regarding information technology infrastructure within Lakeland Power's service area	Exhibit 4, PDF Pages 230-233
4	Bank account numbers contained in a Letter of Agreement with a banking institution	Exhibit 5, PDF Pages 23-24
5	Names, salary, and/or compensation benefits for individual Lakeland Power employees	Exhibit 6, PDF Pages 29 and 48-49

With respect to items 1 and 2, Lakeland Power stated that these are presumptively confidential under section 4 of the Practice Direction.

With respect to item 3, the redacted information includes IP addresses and laptop serial numbers. Lakeland Power stated that disclosure of this information could affect the security of Lakeland Power and potentially external parties and should remain redacted.

With respect to item 4, Lakeland Power stated that the redaction of bank account information protects its commercial or financial information and requests that this information remain permanently redacted.

With respect to item 5, Lakeland Power stated that the redacted information is "personal information" under the Freedom of Information and Protection of Privacy Act (FIPPA). In Procedural Order No. 1, the OEB agreed that information regarding the employee names and compensation is protected from disclosure by FIPPA and shall remain redacted and shall not be provided to the intervenors in this proceeding.

For items 1, 2, 3 and 4, Procedural Order No.1 noted that parties that wish to object to these confidentiality requests should refer to sections 4 and 5 of the Practice Direction and follow the timelines and process in sections 5.1.6 and 5.1.7 of the Practice Direction. Procedural Order No. 1 stated that Lakeland Power should follow the timelines and process in section 5.1.8 of the Practice Direction if it wishes to respond to any objections.

Only OEB staff filed a submission on Lakeland Power's request for confidentiality.² OEB staff made a submission on items 1 and 2. No response was received from Lakeland Power.

With respect to item 1, OEB staff submitted that it has no concerns with the redactions proposed specifically relating to the unit pricing and/or billing rates. However, OEB staff argued that the information relating to the length of the term of the agreement does not fall within the "Categories of Information that will Presumptively Be Considered Confidential" in accordance with the Practice Direction.³

With respect to the redactions in item 2, in its submission OEB staff did not agree with Lakeland Power's statement that signatures and initials are presumptively confidential under section 4 of the Practice Direction.⁴ OEB staff submitted that the OEB may determine that it is appropriate to redact the signatures in this case; however, it should not be on the basis that the information is presumptively confidential.

Findings

With respect to item 1, the OEB agrees with OEB staff that the terms of contracts are not captured by Section 4 of the Practice of Direction and therefore are not subject to confidentiality. Lakeland Power shall file with the OEB a revised version (public and confidential) of item 1 reflecting the OEB's findings and provide a revised public version to all parties. Information relating to unit pricing and billing rates will remain confidential.

With respect to item 2, the OEB finds that the signatures of senior Lakeland Power officials are not presumptively confidential under the Practice Direction. However given the signatures themselves are not key or critical to the application, the OEB finds that they can be redacted in keeping with Section 11 of the practice of direction which states:

Where a document to be filed includes information that the filing party reasonably believes is not relevant to the proceeding, the party may file:

(a) a confidential, un-redacted version of the document containing all of the information for which redactions for non-relevance have been made. This version

² Filed December 20, 2024

³ Practice Direction, Appendix B

⁴ Practice Direction, Appendix B

of the document is to be marked “Confidential – Not Relevant” and must identify all portions of the document for which non-relevance is claimed.

With respect to item 3, the OEB agrees with Lakeland Power that disclosure of the IP addresses and laptop serial numbers could affect the security of Lakeland Power and potentially external parties and therefore can remain redacted.

With respect to item 4, the OEB agrees with Lakeland Power that the redaction of bank account information protects its commercial or financial information and this information can remain permanently redacted.

Issues List

OEB staff filed a letter on January 8, 2025, advising the OEB that parties had come to an agreement to revise the standard Issues List for Lakeland Power’s 2025 distribution rate application by adding two issues, Issues 7.3 and 7.4. However, the parties have not been able to come to an agreement with respect to an additional issue proposed by SEC. More details on the disputed issue are outlined below.

In addition, OEB staff’s letter requested that the OEB waive the requirement under Rule 26.02(e)(ii) of the *Rules of Practice and Procedure* that interrogatories correspond to the issues list as parties may want to file interrogatories according to the exhibit numbers in the Application.

Disputed Issue

SEC proposed that the following issue should be added to the issues list for this proceeding:

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?

VECC agreed with the proposed addition. Lakeland Power did not agree with the proposed addition.

SEC, VECC and Lakeland Power filed submissions on the disputed issue.

SEC submitted that on a broader level, it is concerned that, without seeing the context of the corporate group, the OEB will not be in a position to determine whether charges

from unregulated companies to the utility are reasonable and appropriate. SEC also noted that information on revenue allocation is also relevant. SEC stated that “if an affiliate uses utility resources, and marks them up substantially when charging third parties, the amounts paid to the utility for those resources have to be tested for reasonableness.”⁵

Lakeland Power’s submission noted affiliate allocation issues have been raised within the scope of standard issues as part of Lakeland Power’s prior cost of service applications. Further, Lakeland Power stated that the expanded issue proposed by SEC appears to attempt to put the existence and operation of Lakeland Power’s affiliates on trial, seeking to ask whether they are “appropriate in light of the relative size, complexity, and needs of the Applicant and each of its affiliates”. This is not the appropriate forum to litigate this issue. And lastly, Lakeland Power noted that “as the second question is currently framed, LDPL has concerns about whether any revenues or other payments from a third party to an LDC affiliate is within the scope of the OEB’s jurisdiction. Neither of the parties to such a transaction are regulated by the OEB.”⁶

VECC stated that the issue of affiliate transactions is an issue in any cost of service proceeding. The issue VECC believes the OEB needs to consider is not whether SEC may explore the issue of affiliate cost and revenue as they impact the application, it is to determine whether the issue merits specific mention. VECC observed that in the past, the OEB has made determinations that if a specific issue is subsumed within the broader then it need not be specifically identified. VECC suggested the OEB not do that and instead add the specific issue as submitted by SEC.

Findings

The OEB notes that affiliate transactions and the cost allocation methods represent a material portion of Lakeland Power’s Operations & Maintenance budget, and therefore discovery of these issues is certainly within scope of this proceeding. However, the OEB finds that issue 2.2 of the issues list provides sufficient latitude to enable the parties to explore and make submissions on the quantum of costs related to charges to and from the affiliates of Lakeland Power that should flow through rates. To the extent there are questions or submissions related to staff or services that Lakeland Power supplies to its affiliates or third parties, these matters appear to be generally covered by Issue 3.3: Is the proposed Other Revenue forecast appropriate?

⁵ SEC_Sub_Lakeland_20250110, p.3

⁶ LPDL_Sub_Issues List_20250113, p. 2

The approved issues list for purposes of this proceeding is attached to this Decision as Schedule A. The OEB has also considered the request to file interrogatories according to exhibit numbers and approves that request as well for this proceeding.

The OEB may update the Issues List as necessary to further define the scope of the proceeding.

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. Lakeland Power shall file with the OEB a revised version (public and confidential) of item 1 reflecting the OEB's findings by **January 17, 2025**.
2. The approved Issues List is attached to this Decision as Schedule A.

DATED at Toronto, **January 15, 2025**

ONTARIO ENERGY BOARD

Nancy Marconi

Registrar

SCHEDULE A
APPROVED ISSUES LIST
LAKELAND POWER DISTRIBUTION LTD.
EB-2024-0039
JANUARY 15, 2024

APPROVED ISSUES LIST

EB-2024-0039

LAKELAND POWER DISTRIBUTION LTD

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?