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BY EMAIL

January 31, 2025

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

Dear Ms. Marconi:

**Re: Ontario Energy Board (OEB) Staff Submission
Lakefront Utilities Inc. (Lakefront Utilities)
Application for 2025 Distribution Rates
OEB File Number: EB-2024-0038**

Please find attached OEB staff's submission in the above referenced proceeding, pursuant to Procedural Order No. 2.

Yours truly,

Harshleen Kaur
Advisor, Incentive Rate-setting

Encl.

cc: All parties in EB-2024-0038



ONTARIO ENERGY BOARD

OEB Staff Submission

Lakefront Utilities Inc.

Application for 2025 Rates

EB-2024-0038

January 31, 2025

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Introduction

Lakefront Utilities Inc. (Lakefront Utilities) filed an incentive rate-setting mechanism (IRM) application with the Ontario Energy Board (OEB) on September 9, 2024, under section 78 of the *Ontario Energy Board Act, 1998* seeking approval for changes to its electricity distribution rates to be effective January 1, 2025. Lakefront Utilities' application is based on a Price Cap Incentive Rate-setting (Price Cap IR) option.

Consistent with Chapter 3 of the OEB's *Filing Requirements for Electricity Distribution Rate Applications*, Lakefront Utilities applied the Price Cap IR adjustment factor to adjust the monthly service charge and distribution volumetric rate during the incentive rate-setting years. An inflation factor of 3.60% applies to all IRM applications for the 2025 rate year.¹ The stretch factor assigned to Lakefront Utilities is 0.00%,² resulting in a rate adjustment of 3.60% based on the Price Cap adjustment formula. OEB staff has no concerns with Lakefront Utilities' proposed price cap adjustment.

Lakefront Utilities has also requested approval for:

1. Updating the Retail Transmission Service Rates (RTSRs)
2. Disposition of Group 1 Deferral and Variance Account (DVA) balances
3. Incremental Capital Module (ICM) funding

OEB staff has no concerns with Lakefront Utilities' request regarding the RTSRs. OEB staff is not providing submissions on the disposition of the Group 1 DVA balances at this time, in accordance with the scope of the proceeding established in Procedural Order No. 1.³ In this document, OEB staff has made detailed submissions below on the ICM funding request.

Incremental Capital Module (ICM)

Background

Lakefront Utilities has requested \$2,535,311 in ICM funding for the construction of a new 27.6 kV distribution station, referred to as MS28-3. The distribution station was built over two years, 2022 and 2023, and then placed in-service in December 2023.

¹ OEB Letter, 2025 Inflation Parameters, issued June 20, 2024

² Empirical Research in Support of Incentive Rate-Setting: 2023 Benchmarking Update, Report to the Ontario Energy Board, July 2024, p. 23, Table 5

³ In Procedural Order No. 1, issued October 28, 2024, the OEB determined that matters related to the rate change and request for incremental capital funding would be adjudicated, while the OEB will consider the final disposition of the variance account balances at a later date.

Lakefront Utilities has not requested relief for the related 2023 and 2024 revenue requirement. Instead, Lakefront Utilities has requested relief for 2025 onward, as 2025 is the IRM application rate year in which the ICM request has been submitted.

Lakefront Utilities states “...the sudden need for the project in 2023 was driven by unforeseen residential developments, notably influenced by the Provincial Government’s incentives to encourage faster home construction.”⁴ Lakefront Utilities also indicates that it determined it was not appropriate to collect capital contributions from developers towards the construction of the distribution station.

The total incremental revenue requirement associated with Lakefront Utilities’ ICM request is \$158,577 for 2025. Lakefront Utilities proposes recovery of the incremental annual revenue requirement through ICM rate riders effective January 1, 2025. The revenue requirement for the Residential class will be recovered via a fixed rate rider, while rate riders for all other classes will be based on current fixed and variable revenue proportions.

OEB Staff Submission

In making its submission on the 2025 ICM funding request, OEB staff considered the OEB’s established criteria for ICM funding set out in the *Report of the Board - New Policy Options for the Funding of Capital Investments: The Advanced Capital Module* (the ACM Report). These criteria are materiality, need, and prudence.⁵

OEB staff does not support Lakefront Utilities’ request for ICM funding and submits that the OEB should not approve any funding amount. OEB staff agrees that through the revised ICM model contained in Attachment B to this submission, the project does meet the criteria of need and materiality. However, OEB staff submits that the application does not meet the prudence criteria, nor does it meet the revenue offset and timing requirements outlined in the ACM Report, among other concerns identified.

A breakdown of how Lakefront Utilities’ application relates to each criterion in the ACM Report is found in the subsequent sections below.

Materiality

There are three elements to the materiality criterion. The application must first meet the materiality threshold, which determines a distributor’s maximum eligible capital funding. Second, the distributor must demonstrate that the project is not a minor expenditure in

⁴ Lakefront Utilities Inc. 2025 IRM Application EB-2024-0038, p. 47

⁵ The ACM Report p. 16

comparison to the overall capital budget. Finally, the incremental funding must have a significant influence on the operation of the distributor.

Materiality Threshold

The OEB uses the materiality threshold formula which considers both the growth of the utility and the inflationary increase since the last rebasing year, to determine the maximum eligible incremental capital amount. The OEB provides distributors with an Excel spreadsheet to be used in ACM and ICM applications⁶ (the ICM model) that, with the required inputs, calculates the maximum eligible incremental capital amount, the resulting revenue requirement, and the rate riders for the subject rate year.

Although OEB staff does not support approving this ICM request, OEB staff took steps to ensure that a correct version of the ICM model has been produced to illustrate the revenue that the project may attract over the 2023-2026 period.

Through interrogatories, OEB staff requested Lakefront Utilities to revise the ICM model with information back-dated as if it had been prepared in 2022. This approach constructs the calculations for the materiality threshold, maximum allowable capital amount, revenue requirement, and rate riders as if they had been constructed in an application filed for 2023 rates (i.e., the year the project was placed in service). The revised ICM model provides the projected annual revenue requirement starting in 2023. Lakefront Utilities provided the ICM model, as requested. However, OEB staff has made corrections to the data included in the ICM model as outlined in Attachment A, while the ICM model is provided in Attachment B.

OEB staff submits that the changes in the OEB staff version of the ICM model accurately reflect the information that would have been used in 2022. As such, OEB staff requests that Lakefront Utilities verify and correct OEB staff's changes, as required with explanations, in its reply submission.

Lakefront Utilities has calculated the first-year depreciation expense for the project as a half-year of the depreciation totaling \$28,013.⁷ OEB policy allows for a full-year's depreciation, capital cost allowance, and return on capital, for all years of a Price Cap IR plan, except for the final year prior to rebasing.⁸ In the model Lakefront Utilities submitted in response to interrogatories, the depreciation expense used was the full year's depreciation expense. The OEB staff ICM model continues this approach and

⁶ [2025 ACM ICM Model.xlsx](#)

⁷ EB-2024-0038, IR Response Staff-2

⁸ The ACM Report, p. 23

uses the full year depreciation of \$56,026 to be consistent with OEB policy.

The OEB staff ICM model produces a Materiality Threshold of \$2,247,331 and a Maximum Eligible Incremental Capital of \$2,117,497, with a resulting revenue requirement for 2023 of \$142,837.

OEB staff wishes to emphasize that the amount calculated by the ICM model is *not* the amount that OEB staff would have supported Lakefront Utilities to collect from customers if it had filed the ICM funding request in its application for 2023 rates. The impact of revenue offsets due to capital contributions are not included in the ICM model, since the amounts are unclear, as outlined in the *Revenue Offsets* section below. OEB staff submits that if the OEB were to approve Lakefront Utilities' ICM request, either in full or in part, the revenue requirement should be reduced by estimated revenue offsets. However, as noted earlier, OEB staff reiterates that no ICM funding amount should be approved.

Also of note, the schedule of rates and charges submitted by Lakefront Utilities included the rate adders for the period January 1, 2025, “until December 31, 2026.”⁹ OEB staff submits that if an ICM rate rider (of some form) is approved, the end date of the rate rider in the tariff should be “effective until the effective date of the next cost of service-based rate order.”

Project-Specific Materiality Threshold

The ACM Report addressed the project-specific materiality threshold criterion as follows:

Minor expenditures in comparison to the overall capital budget should be considered ineligible for ACM or ICM treatment. A certain degree of project expenditure over and above the [OEB]-defined threshold calculation is expected to be absorbed within the total capital budget.¹⁰ [sic]

Lakefront Utilities states that the ICM project is material on a project-specific basis. The project is more than net capital expenditures of any year from 2017 through 2022.

OEB staff submits that the ICM project constitutes a significant portion of Lakefront Utilities' overall capital expenditure forecast and therefore satisfies the project-specific materiality threshold.

⁹ Lakefront Utilities Inc. 2025 IRM Application EB-2024-0038, Appendix B: Proposed Tariff Sheet

¹⁰ The ACM Report, p. 17

Significant Influence on Operations

The ACM Report states that any amount being requested for ICM funding must clearly have a significant influence on the operation of a distributor. Lakefront Utilities states the project has a significant influence on company operations.

OEB staff submits that this project does have a significant influence on company operations given the size of the financial expenditure.

Need

The ACM Report describes the “need” criterion as follows:

- The distributor must pass the Means Test (as defined in the ACM Report)
- 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 derived¹¹

Means Test

Under the Means Test, if a distributor’s return on equity (ROE) exceeds 300 basis points above the deemed ROE embedded in the distributor’s rates, then funding for any incremental capital project will not be allowed.

OEB staff proposes viewing the ICM application as if it had been submitted prior to the distribution station being used and useful in 2023. Table 1 below summarizes Lakefront Utilities’ historical ROE. As can be observed, Lakefront Utilities’ ROE is less than 300 basis points above the deemed ROE for the period of 2019 through 2023.

¹¹ The ACM Report, p. 17

Table 1: ROE¹²

Year	Approved ROE	Achieved ROE	Over (Under) Earned
2023	8.66%	4.27%	(4.39%)
2022	8.66%	10.87%	2.21%
2021	8.78%	5.92%	(2.86%)
2020	8.78%	5.49%	(3.29%)
2019	8.78%	7.58%	(1.20%)

OEB staff agrees that Lakefront Utilities has not exceeded its deemed rate of return by 300 basis points during the period of 2019 through 2023. As a result, Lakefront Utilities would have passed the Means Test for ICM funding had the application been filed in 2022. However, OEB staff reiterates that the ICM funding should not be approved, even though this criterion is met when considered in a historical context.

Discrete Project

The ACM Report indicates that incremental capital funding is for discrete projects¹³. In its application, Lakefront Utilities states that the project is a discrete capital project.¹⁴

OEB staff agrees that this ICM request relates to a discrete project. The project has a clearly defined scope that involves the construction of a new distribution station. OEB staff has previously found that station construction projects both meet the “discrete” requirement and, more generally, can qualify for ICM funding.¹⁵

Directly Related to the Claimed Driver

Lakefront Utilities states that there were three drivers for the distribution station: load growth, 4.16 kV to 27.6 kV conversion, and reliability/redundancy.¹⁶

OEB staff submits that the incremental capital funding request for constructing the new

¹² Lakefront Utilities Inc. 2025 IRM Application EB-2024-0038, p. 46

¹³ This criterion was expanded in 2022 beyond discrete projects to also cover ongoing capital programs in certain circumstances – see Letter of the OEB - Incremental Capital Modules During Extended Deferred Rebasing Periods, February 10, 2022, p. 1. Those extended considerations are not relevant to this ICM request.

¹⁴ Lakefront Utilities Inc. 2025 IRM Application EB-2024-0038, p. 51

¹⁵ EB-2010-0104 Decision and Order, Oakville Hydro Electricity Distribution Inc., March 14, 2011; EB-2010-0130 Decision and Order, Guelph Hydro Electric Systems Inc., March 14, 2011; EB-2012-0124 Decision and Order, Festival Hydro Inc., April 4, 2013; EB-2013-0178 Decision an Order, Wellington North Power Inc., March 13, 2014; EB-2013-0127 Decision and Order, March 13, 2014; EB-2018-0328 Decision and Rate Order, April 4, 2019; EB-2018-0063 Decision and Rate Order, Ottawa River Power, March 28, 2019

¹⁶ EB-2024-0038, IR Response VECC-1

distribution station directly relates to the claimed drivers identified.

Outside of Base Upon Which Rates Were Derived

OEB staff submits that the ICM amounts are outside of the base upon which rates were derived.

Review of Lakefront Utilities' previous cost of service application¹⁷ confirms that there were no projects included in its 2022-2026 Distribution System Plan to increase supply capacity through the modification of an existing distribution station or construction of a new distribution station. As such, it is clearly a project that is outside of the base upon which rates were derived. Though the lack of such a plan may indicate deficiencies in Lakefront Utilities' planning and forecasting processes.

Prudence

The ACM Report describes the “prudence” criterion as follows:

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 (not necessarily the least initial cost) for ratepayers.¹⁸

OEB staff submits that it is not convinced that the project or its costs are prudent based on Lakefront Utilities' evidence. The ICM application included only anecdotal information regarding the project and need for the distribution station. In response to an interrogatory, Lakefront Utilities included the *Station Capacity Report, Town of Cobourg*¹⁹ conducted by Raven Engineering Inc. (the Raven Report). Lakefront Utilities states the Raven Report was the basis for the capacity planning that resulted in Lakefront Utilities constructing the new distribution station.

In 2020, the 28 kV distribution system in the Town of Cobourg was supplied by two distribution stations, MS28-1 and MS28-2. The distribution stations were rated at 20 MVA and 20/26/32 MVA, respectively. According to the Raven Report, the 28 kV peak load in 2020 was 25.8 MVA. The existing 28 kV stations in Lakefront Utilities' distribution system were noted as not having the capacity to supply peak load during the contingency of loss of one station. The new MS28-3 distribution station (i.e., the project that is subject to the request for incremental capital funding in this application) was

¹⁷ EB-2021-0039

¹⁸ The ACM Report, p. 17

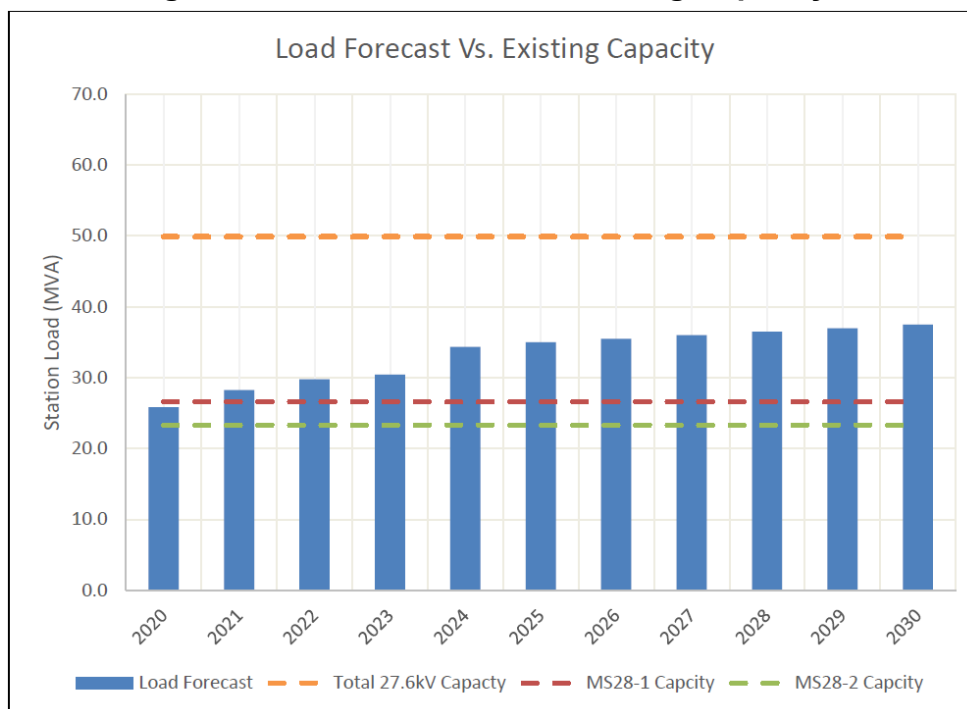
¹⁹ EB-2024-0038, IR Response VECC-2

constructed in 2022 and 2023 on the same property as MS28-1.

The Raven Report includes forecasted 28 kV load growth in the Town of Cobourg area, based on three factors:

1. Load Growth: General load growth was estimated using a 0.5% annual growth rate per the 2020 Load Forecast Study
2. Planned Developments: A forecast for the additional load due to planned developments was completed, which included eight planned developments that could have added an additional 3.97 MVA between 2021 and 2030
3. Voltage Conversion: The impact of Lakefront Utilities’ plan to convert 4 kV load to 27.6 kV load was forecast to total 5.7 MVA from 2021-2024

Figure 1: Load Forecast Vs. Existing Capacity²⁰



The Raven Report also includes analysis of options for capacity relief and provided three recommendations:

1. Upgrade the MS28-2 transformer primary cables and primary drop leads to increase the capacity of the distribution station from 23.3 MVA to 32.0 MVA

²⁰ EB-2024-0038, IR Response VECC-2

2. Construct the new MS28-3, which is the action Lakefront Utilities undertook
3. Delay additional voltage conversion until the new distribution station is constructed

Lakefront Utilities undertook the second recommendation – constructing the new distribution station. However, OEB staff notes the information provided by Lakefront Utilities in this application did not identify or provide a cost estimate for the first recommendation. OEB staff would expect that, due to the smaller scope of work, the cost to increase capacity at MS28-2, and making full use of the installed capacity of all the equipment at the existing distribution station, would have been lower than the cost of constructing the new distribution station. However, without more information, OEB staff cannot determine which of the two options would provide a lesser cost per additional MVA capacity.

Further, if Lakefront Utilities increased the capacity of MS28-2 to 32 MVA, MS28-2 would have been able to supply the forecast peak system load until 2024 under single station contingency, but MS28-1 (rated at 20 MVA) could not. If Lakefront Utilities had deferred its voltage conversion program, the MS28-2 could supply the load for a longer future period.

OEB staff notes that there do not appear to be any technical challenges, such as voltage drop, with the location of MS28-2, as it is currently used to back up MS28-1.

After reviewing the evidence filed by Lakefront Utilities, and without further discovery, OEB staff still has unanswered questions. These questions remain, in OEB staff's view, because Lakefront Utilities filed its application without the quantitative information and system details required to support the business case and to justify the request for incremental capital funding.

- **MS28-2 Capacity Increase:** Lakefront Utilities did not explain why it did not implement the first recommendation in the Raven Report and increased the capacity at distribution station MS28-2. This increased capacity would have deferred the need for a new distribution station. Lakefront Utilities also did not provide a cost-benefit analysis of the two recommendations to increase capacity at MS28-2 and construct a new distribution station.
- **Contingency of Loss of One Station:** Planning a distribution system to handle loss of a station is a practice that allows for enhanced reliability and system

operability. Not all local distribution companies plan for this contingency level. OEB staff does not endorse a particular system design but supports customers' needs and preferences. Lakefront Utilities has not presented a risk analysis of the likelihood of a single station failure or the change in risk if the capacity at distribution station MS28-2 was increased and could supply the total load. There is no discussion about why Lakefront Utilities could not manage the single station failure risk (with or without the upgrade to MS28-2) until the next cost of service application. Furthermore, Lakefront Utilities has not explained what steps were taken to limit the risk of two stations on one property being subject to the same outage event, if the event is related to the physical location of the station (e.g., flooding, fire, or sabotage).

- 2022 Cost of Service Application: After reviewing the Raven Report from 2020, OEB staff does not understand why Lakefront Utilities did not include the capacity increase at MS28-2 and/or the new distribution station construction in its 2022 cost of service application. OEB staff notes that an ACM option was available to Lakefront Utilities at that time. Again, this may indicate deficiencies in Lakefront Utilities planning and forecasting capabilities.

Based on the information provided by Lakefront Utilities in the application and responses to interrogatories, OEB staff is not convinced that Lakefront Utilities took the most appropriate action in constructing the new distribution station. OEB staff therefore submits that the funding amount requested by Lakefront Utilities for the project is not prudent.

Offsets

The ACM Report describes the need to consider revenue offsets:

Distributors must also include a discussion on any offsets associated with each incremental project for which ACM or ICM treatment is proposed due to revenue to be generated through other means (e.g., customer contributions in aid of construction), at the time of the cost of service application, along with an estimate of the revenue requirement impact associated with those offsets.²¹

In its application, Lakefront Utilities states:

Lakefront deliberated on invoking cost-sharing with residential developers, as directed in the Distribution System Code (DSC), to mitigate the financial impact on our existing customers. However, we are persuaded that recent events,

²¹ The ACM Report, p. 18

including the Ontario government's intervention in overturning an OEB directive regarding Enbridge's economic evaluation for rural expansion, may override this requirement. Hence, in this application, we are proposing full recovery of the substation costs from our entire customer base. We seek OEB guidance and direction on this matter to ensure compliance and equitable cost distribution.²²

OEB staff notes that Enbridge Gas Inc. (Enbridge) has historically not collected capital contributions from residential developments through an economic evaluation calculation. This differs from electricity distributors who have historically collected capital contributions from residential developments through an economic evaluation calculation, as per the DSC. Further, the OEB's Decision and Order on Enbridge's application for 2024 rates (Enbridge Decision)²³, and subsequent government intervention as referenced by Lakefront Utilities, only pertains to Enbridge and has no mention of electrical distribution companies.

Lakefront Utilities indicates that it started planning and construction of the new distribution station in 2022. OEB staff notes that this is *prior* to the referenced Enbridge Decision that was issued in December 2023 – the time in which the new distribution station was placed in service. Further, no capital contributions from residential developments for the station, prior to the referenced Enbridge Decision being overturned, have been included in this application by Lakefront Utilities. Lakefront Utilities also did not collect capital contributions for the station from non-residential developments, for example commercial services.

OEB staff acknowledges that in March 2024, the OEB launched a consultation to review policy associated with electricity distribution system expansion for housing developments, with specific focus on connection and revenue horizons²⁴. However, there was no communication from the OEB to industry to implement changes to the requirements in the DSC prior to Lakefront Utilities submitting its application. As such, electricity distributors are expected to follow the DSC and the rules in force, at the time.

OEB staff submits that Lakefront Utilities, like all other electricity distributors is required to follow OEB codes in place at the time they are performing work. Economic evaluations of all developments that could have contributed to offset the costs of the new distribution station should have been performed by Lakefront Utilities according to the version of the DSC in place at the time contracts were established with developers. If the economic evaluation calculations determined that contributions towards the new distribution station were warranted, Lakefront Utilities was required to collect the

²² Lakefront Utilities Inc. 2025 IRM Application EB-2024-0038, pp.54-55

²³ [Decision and Order, EB-2022-0200, Enbridge Gas Inc., December 21, 2023](#)

²⁴ [System Expansion for Housing Developments Consultation | Engage with Us](#)

amounts and apply them to the new distribution station.

Lakefront Utilities states that approximately 85% of the load on the new distribution station will be due to load growth and redundancy.²⁵ However, OEB staff notes that Lakefront Utilities has not provided the amount of capital contributions that should have been collected, and will continue to be collected, towards the construction of the distribution station.

OEB staff submits that Lakefront Utilities should not collect funds from the general rate base to offset its decision to not to collect capital contributions towards the construction of the new distribution station. As information regarding what portion of the new distribution station's costs could have been offset by capital contributions was not provided by Lakefront Utilities, OEB staff submits that none of the distribution station's costs should be collected from the general rate base.

Timing of the Application

According to the ACM Report, requests for incremental capital funding are to be included in the Price Cap IR year for the year in which the asset goes into service.²⁶ OEB staff notes that Lakefront Utilities' last cost of service application²⁷ was for 2022 rates. Construction on the new distribution station began in 2022 and was placed in-service in December 2023. OEB staff concludes, pursuant to the policy outlined in the ACM Report, that Lakefront Utilities should have submitted its request for incremental capital funding for the project in its IRM application for 2023 rates²⁸ (i.e., sought relief for the request in the application it filed in 2022). At the time of filing its IRM application in 2022, OEB staff believes that Lakefront Utilities would have known reasonable costs and associated timing for the project. For this reason, OEB staff does not support Lakefront Utilities' request for incremental capital funding.

OEB staff notes that the ACM Report does not provide an option for retroactive incremental funding. Further, there is a previous Decision and Order in which a similar matter was addressed, Newmarket-Tay Power Distribution Limited's (Newmarket-Tay Power) application²⁹ for 2021 rates. In its decision on Newmarket-Tay Power's application, the OEB denied a request for retroactive incremental capital funding, in part, because Newmarket-Tay Power had not explained "extenuating circumstances to

²⁵ EB-2024-0038, IR Response CCMBC-9

²⁶ The ACM Report, Appendix A

²⁷ Lakefront Utilities Inc. [EB-2021-0039](#)

²⁸ Lakefront Utilities Inc. [EB-2022-0046](#)

²⁹ EB-2020-0041

cause the [OEB] to make an exception.”³⁰ OEB staff submits that Lakefront Utilities has not presented extenuating circumstances in this case and therefore does not support Lakefront Utilities’ request for incremental capital funding.

There are further concerns, in principle, that OEB staff has with retroactive incremental funding applications, which include:

- The ability to review and comment on initial scopes of work and budgets
- The ability to truly explore knowledge and options that were available to the applicant at the time
- Intergenerational inequity for ratepayers

~All of which is respectfully submitted~

³⁰ [EB-2020-0041 Decision and Order, April 22, 2021](#), p.33

ATTACHMENT A
OEB STAFF SUBMISSION
LAKEFRONT UTILITIES INC
EB-2024-0038
JANUARY 31, 2025

OEB staff made changes in *Tab 3. – Growth Factor NUM_CALC1*, as follows.

1. *Billed kWh* for General Service Less than 50 kW GS50-2999 (cell D18) from 64,580,902 to 34,580,902.
2. *Current Approved Distribution Rates* table (cells G17 though I23) was changed from the values in Table A-1 to the values in Table A-2 to reflect the OEB Approved 2022 Rates

Table A-1: Original Data

Rate Class	Monthly Service Charge	Distribution Volumetric Rate kWh	Distribution Volumetric Rate kW
RESIDENTIAL	25.57		
GENERAL SERVICE LESS THAN 50 kW	26.44	0.0097	
GENERAL SERVICE 50 TO 2,999 KW	96.21		3.8407
GENERAL SERVICE 3,000 TO 4,999 KW - INTERMEDIATE USE	5761.32		2.1326
STREET LIGHTING	1.95		5.1060
SENTINEL LIGHTING	6.19		14.1048
UNMETERED SCATTERED LOAD	10.27	0.0153	

Table A-2: 2022 Approved Rates

Rate Class	Monthly Service Charge	Distribution Volumetric Rate kWh	Distribution Volumetric Rate kW
RESIDENTIAL	24.24		
GENERAL SERVICE LESS THAN 50 kW	25.50	0.0090	
GENERAL SERVICE 50 TO 2,999 KW	90.72		3.6300
GENERAL SERVICE 3,000 TO 4,999 KW - INTERMEDIATE USE	5414.01		2.0193
STREET LIGHTING	1.85		4.8397
SENTINEL LIGHTING	5.88		13.4029
UNMETERED SCATTERED LOAD	9.73	0.0145	

OEB staff made changes in *Tab 5. – Rev_Requ_Check*, as follows.

1. *Working Capital Allowance Base* (cell C29) from 33,307,841 to 32,741,662.
2. *Grossed Up Taxes/PILS* (cell C49) from 100,672 to 111,760.

OEB staff made changes in *Tab 9b. – Proposed ACM ICM Projects*, as follows.

1. CCA (cell F25) from 194,712 to 202,825.

Table A-3: OEB staff revision of response to LUI IRR Staff 12a

Year 2023		1820	1830	1835	1840	1845	1850	1855
JOB NAME	TOTAL	DISTRIBUTION STATION	POLES AND FIXTURES	OH CONDUCTORS AND DEVICES	UNDERGROUND CONDUIT	UG CONDUCTORS AND DEVICES	LINE TRANSFORMERS	OVERHEAD SERVICES
New 28kV Station-Victoria Stn 2	2,535,311	2,239,342	17,860	59,905	169,452	41,022	7,230	499
Depreciation rates								
1st year depreciation-2023 (half-year rule unapplied)	56,026	49,763	397	1,089	3,389	1,172	207	9
2nd year depreciation-2024	56,026	49,763	397	1,089	3,389	1,172	207	9
CCA 2023 1st year 8% (half-year rule unapplied)	202,825	179,147	1,429	4,792	13,556	3,282	578	40
CCA 2024 2nd year and thereafter 8%	186,599	164,816	1,315	4,409	12,472	3,019	532	37

 Amounts to be reported in the ACM/ICM Model

ATTACHMENT B
OEB STAFF SUBMISSION
LAKEFRONT UTILITIES INC
EB-2024-0038
JANUARY 31, 2025