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Energy
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DECISION AND RATE ORDER

EB-2021-0040

LAKELAND POWER DISTRIBUTION LTD.

**Application for rates and other charges to be effective May
1, 2022**

BY DELEGATION, BEFORE: Theodore Antonopoulos
Vice President
Applications

March 24, 2022

1 OVERVIEW

The Ontario Energy Board is approving changes to the rates that Lakeland Power Distribution Ltd. (Lakeland Power) charges to distribute electricity to its customers, effective May 1, 2022.

As a result of this Decision, there will be a monthly total bill increase of \$2.93 for a residential customer consuming 750 kWh, effective May 1, 2022. This change does not factor in applicable taxes or the Ontario Electricity Rebate.

2 CONTEXT AND PROCESS

Lakeland Power filed its application on October 13, 2021 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](#). 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 four adjustment years.

The OEB follows a standardized and streamlined process for hearing 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.

Lakeland Power serves approximately 13,000 mostly residential and commercial electricity customers in the Town of Bracebridge, Town of Huntsville, Town of Parry Sound, Town of Sundridge, Village of Burk's Falls and Municipality of Magnetawan.

The application was supported by pre-filed written evidence and a completed Rate Generator Model and as required during the proceeding, Lakeland Power 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 Lakeland Power's 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 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 adjustments to be determined by the OEB through a generic order. For example, the Decision and Order EB-2021-0301, issued November 25, 2021 established the adjustment for energy retailer service charges, effective January 1, 2022; and the Decision and Order EB-2021-0302, issued December 16, 2021, established the 2022 Wireline Pole Attachment Charge, effective January 1, 2022.

4 ANNUAL ADJUSTMENT MECHANISM

Lakeland Power has applied to change its rates, effective May 1, 2022, 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 Lakeland Power are set out in the table below. Inserting these components into the formula results in a 3.15% increase to Lakeland Power's rates: **3.15% = 3.30% - (0.00% + 0.15%)**.

Table 4.1: Price Cap IR Adjustment Formula

Components		Amount
Inflation Factor ⁴		3.30%
X-Factor	Productivity ⁵	0.00%
	Stretch (0.00% to 0.60%) ⁶	0.15%

An inflation factor of 3.30% applies to all IRM applications for the 2022 rate year.

On August 6, 2021, the OEB issued a Notice on its own motion to initiate a proceeding to consider the inflation factor to be used to set rates for electricity transmitters and electricity and natural gas distributors for the year 2022. The OEB issued its Decision and Order on November 18, 2021, establishing the 2022 inflation factor.

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 2022 rate year.

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 charge, rural or remote electricity rate protection charge, standard supply service – administrative charge, transformation and primary metering allowances, loss factors, specific service charges, microFIT charge, and retail service charges.

⁴ EB-2021-0212, Decision and Order, November 18, 2021

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: 2020 Benchmarking Update”, prepared by Pacific Economics Group LLC., August 2021

The stretch factor component of the X-factor is distributor specific. The OEB has established five stretch factor groupings, within a range from 0.00% to 0.60%. The stretch factor assigned to any particular distributor is based on the distributor's total cost performance as benchmarked against other distributors in Ontario. The stretch factor assigned to Lakeland Power is 0.15%, resulting in a rate adjustment of 3.15%.

Findings

Lakeland Power's request for a 3.15% rate adjustment is in accordance with the annually updated parameters set by the OEB. The adjustment is approved, and Lakeland Power's new rates shall be effective May 1, 2022.

5 RETAIL TRANSMISSION SERVICE RATES

Lakeland Power is fully embedded within Hydro One Networks Inc.'s distribution system.

To recover its cost of transmission services, Lakeland Power requests approval to adjust the retail transmission service rates (RTSRs) that it charges its customers in accordance with the host distributor RTSRs currently in effect.

Findings

Lakeland Power's proposed adjustment to its RTSRs is approved. The RTSRs were adjusted based on the current OEB-approved host-RTSRs.⁷

Host-RTSRs are typically approved annually by the OEB. In the event that new host-RTSRs take effect during Lakeland Power's 2022 rate year, any resulting differences (from the prior-approved host-RTSRs) are to be captured in Retail Settlement Variance Accounts 1584 (Retail Transmission Network Charge) and 1586 (Retail Transmission Connection Charge).

⁷ EB-2021-0032, Decision and Rate Order, December 14, 2021

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 in order 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.⁸ If the net balance does not exceed the threshold, a distributor may still request disposition.

The 2020 year-end net balance for Lakeland Power's Group 1 accounts eligible for disposition, including interest projected to April 30, 2022, is a credit of \$289,096, and pertains to variances accumulated during the 2020 calendar year. This amount represents a total credit claim of \$0.0010 per kWh, which meets the disposition threshold. Lakeland Power has requested disposition of this amount over a one-year period.

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 totals, either as a standalone charge or embedded in the Regulated Price Plan (RPP).⁹ A similar mechanism applies to Class A and Class B customers for Capacity Based Recovery (CBR) charges.¹⁰ The balance in the GA variance account is attributable to non-RPP Class B customers and is disposed through a separate rate rider. The balance in the CBR Class B variance account is attributable to all Class B customers.

Lakeland Power had Class A customers during the period in which variances accumulated, however, the CBR Class B rate riders calculated rounded to zero at the fourth decimal place in one or more of the rate classes. In this event, the balance of the CBR Class B variance account is disposed along with Account 1580 – Wholesale Market Service Charge through the general Deferral and Variance Account rate rider.

During the period in which variances accumulated, Lakeland Power had customers transition between Class A and Class B. Under the general principle of cost causality, customer groups that cause variances which are recorded in Group 1 accounts should

⁸ Report of the OEB – "Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR)", EB-2008-0046, July 31, 2009

⁹ For additional details on the Global Adjustment charge, refer to the Independent Electricity System Operator (IESO)'s [website](#).

¹⁰ 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](#).

be responsible for paying (or receiving credits) for their disposal. Lakeland Power has proposed to allocate a portion of the GA and CBR Class B balances to its transition customers, based on their customer-specific consumption levels.¹¹ The amounts allocated to each transition customer are proposed to be recovered (or refunded, as applicable), by way of 12 equal monthly installments.

Lakeland Power's 2017, 2018 and 2019 Group 1 balances were approved on an interim basis in previous proceedings. The 2019 transactions were the first year in which Lakeland Power recorded Group 1 balances on a harmonized basis between the former Parry Sound and legacy Lakeland Power rate zones. The OEB approved the 2017, 2018 and 2019 amounts on an interim basis pending Lakeland Power's completion of an internal review of its commodity account settlement and reconciliation process for historical balances. The OEB expected Lakeland Power to complete its implementation of the OEB's Accounting Guidance, including its review of this guidance in the context of its 2017 to 2020 Group 1 balances, in advance of filing its IRM application for 2022 rates.

Lakeland Power is now seeking interim disposition of all 2020 year-end Group 1 balances in this proceeding and to maintain the interim nature of the previously disposed balances for 2017 to 2019. The interim nature of the new request is due to the added complexity of deferred GA charges in 2020, of which a retrospective review by Lakeland Power in the 2022 calendar year may yield further adjustments.¹² Lakeland Power is of the view that it would be prudent to have more time before requesting final disposition of all prior account balances disposed on an interim basis. Lakeland Power expects to seek final approval of all prior interim dispositions as part of its subsequent IRM application for 2023 rates.¹³

Findings

The OEB approves Lakeland Power's proposal. While the OEB expected to finalize all prior historical balances approved on an interim basis as part of this 2022 rates proceeding, the OEB accepts Lakeland Power's request for more time to confirm the balances, including to assess the impact of deferred GA charges in 2020.

The OEB notes that 2020 will mark the fourth consecutive year in which balances are not disposed on a final basis. The OEB expects that further interim deferrals will not, and should not, be needed given the extent of time that Lakeland Power has had to confirm historical balances. Any further delay in finalizing balances will raise potentially

¹¹ 2022 IRM Rate Generator Model, Tab 6.1a GA Allocation and Tab 6.2a CBR B_Allocation

¹² On May 1, 2020, the Province of Ontario issued an Emergency Order to allow for the deferral of a portion of the GA for all non-RPP Class A and Class B customers to provide immediate, temporary relief on electricity bills due to the COVID-19 pandemic.

¹³ Correspondence from Lakeland Power, February 28, 2022

significant issues regarding intergenerational inequities should significant changes be required to the balances approved and disposed to date on an interim basis.¹⁴

If Lakeland Power needs to seek external support, it should do so. Lakeland Power may also seek the advice of OEB staff should it find it helpful to finalize the historical balances.

The balances proposed for interim 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 credit balance of \$289,096 as of December 31, 2020, including interest projected to April 30, 2022 for Group 1 accounts on an interim basis.

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

Account Name	Account Number	Principal Balance (\$) A	Interest Balance (\$) B	Total Claim (\$) C=A+B
LV Variance Account	1550	(7,189)	(457)	(7,646)
Smart Meter Entity Variance Charge	1551	(1,588)	10	(1,578)
RSVA - Wholesale Market Service Charge	1580	(209,267)	(966)	(210,233)
Variance WMS - Sub-account CBR Class B	1580	(7,402)	(55)	(7,456)
RSVA - Retail Transmission Network Charge	1584	34,240	717	34,957
RSVA - Retail Transmission Connection Charge	1586	71,171	929	72,100
RSVA - Power	1588	(262,446)	2,440	(260,006)

¹⁴ The OEB reminds Lakeland Power that the OEB will allow adjustments to prior period account balances once those balances have been approved on a final basis as per the OEB's October 31, 2019 letter on "Adjustments to Correct for Errors in Electricity Distributor "Pass-Through" Variance Accounts After Disposition". However, consistent with the OEB's past practice, an asymmetrical approach to the correction of an error may be appropriate. For example, if a distributor repeats an error, and if correcting the error is solely to the benefit of the distributor, the OEB may not approve part or all of the correction and of any associated carrying charges.

RSVA - Global Adjustment	1589	83,191	(875)	82,316
Disposition and Recovery of Regulatory Balances (2018)	1595	(2,540)	10,991	8,451
Totals for Group 1 accounts		(301,830)	12,734	(289,096)

The balance of each of the Group 1 accounts approved for disposition shall be transferred to the applicable principal and interest carrying charge sub-accounts of Account 1595. Such transfer shall be pursuant to the requirements specified in the *Accounting Procedures Handbook for Electricity Distributors*.¹⁵ 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 through interim rate riders, charges, or payments, as calculated in the Rate Generator Model. The interim rate riders, charges, and payments, as applicable, will be in effect over a one-year period from May 1, 2022 to April 30, 2023.¹⁶

¹⁵ Article 220, Account Descriptions, Accounting Procedures Handbook for Electricity Distributors, effective January 1, 2012

¹⁶ 2022 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)	\$0.0005
Wholesale Market Service (WMS) billed to Class A and B Customers	\$0.0030
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, WMS and CBR rates were set by the OEB on December 16, 2021.¹⁷

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 on March 1, 2018.¹⁸

¹⁷ EB-2021-0300, Decision and Order, December 16, 2021

¹⁸ EB-2017-0290, Decision and Order, March 1, 2018

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 May 1, 2022 for electricity consumed or estimated to have been consumed on and after such date. Lakeland Power Distribution Ltd. shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new rates.

DATED at Toronto, March 24, 2022

ONTARIO ENERGY BOARD

Nancy Marconi
Registrar

Schedule A

To Decision and Rate Order

Tariff of Rates and Charges

OEB File No: EB-2021-0040

DATED: March 24, 2022

Lakeland Power Distribution Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2022

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2021-0040

RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to residential customers residing in detached, semi detached, town house (freehold or condominium) dwelling units, duplexes or triplexes. Supply will be limited up to a maximum of 200 amp @ 240/120 volt. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	36.55
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Low Voltage Service Rate	\$/kWh	0.0042
Rate Rider for Disposition of Global Adjustment Account (2022) - effective until April 30, 2023 Applicable only for Non-RPP Customers - Approved on an Interim Basis	\$/kWh	0.0018
Rate Rider for Disposition of Deferral/Variance Accounts (2022) - effective until April 30, 2023 - Approved on an Interim Basis	\$/kWh	(0.0013)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0071
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0051

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Lakeland Power Distribution Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2022

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2021-0040

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 peak demand is less than or is expected 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 Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	41.57
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Distribution Volumetric Rate	\$/kWh	0.0122
Low Voltage Service Rate	\$/kWh	0.0039
Rate Rider for Disposition of Global Adjustment Account (2022) - effective until April 30, 2023 Applicable only for Non-RPP Customers - Approved on an Interim Basis	\$/kWh	0.0018
Rate Rider for Disposition of Deferral/Variance Accounts (2022) - effective until April 30, 2023 - Approved on an Interim Basis	\$/kWh	(0.0013)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0066
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0047

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Lakeland Power Distribution Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2022

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EB-2021-0040

GENERAL SERVICE 50 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 expected to be equal to or greater than 50 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 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 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.

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.

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	250.14
Distribution Volumetric Rate	\$/kW	2.8637
Low Voltage Service Rate	\$/kW	1.5720
Rate Rider for Disposition of Global Adjustment Account (2022) - effective until April 30, 2023 Applicable only for Non-RPP Customers - Approved on an Interim Basis	\$/kWh	0.0018
Rate Rider for Disposition of Deferral/Variance Accounts (2022) - effective until April 30, 2023 - Approved on an Interim Basis	\$/kW	(0.5240)
Retail Transmission Rate - Network Service Rate	\$/kW	2.8773
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.0605

Lakeland Power Distribution Ltd.
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MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Lakeland Power Distribution Ltd.

TARIFF OF RATES AND CHARGES

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UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification refers to a non-residential account taking electricity at 240/120 or 120 volts whose monthly peak demand is less than or expected to be less than 50 kW and is unmetered. A detailed calculation of the load will be calculated for billing purposes. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	11.91
Distribution Volumetric Rate	\$/kWh	0.0233
Low Voltage Service Rate	\$/kWh	0.0039
Rate Rider for Disposition of Global Adjustment Account (2022) - effective until April 30, 2023 Applicable only for Non-RPP Customers - Approved on an Interim Basis	\$/kWh	0.0017
Rate Rider for Disposition of Deferral/Variance Accounts (2022) - effective until April 30, 2023 - Approved on an Interim Basis	\$/kWh	(0.0013)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0066
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0047

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Lakeland Power Distribution Ltd.

TARIFF OF RATES AND CHARGES

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EB-2021-0040

SENTINEL LIGHTING SERVICE CLASSIFICATION

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

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	5.99
Distribution Volumetric Rate	\$/kW	20.8096
Low Voltage Service Rate	\$/kW	1.1176
Rate Rider for Disposition of Deferral/Variance Accounts (2022) - effective until April 30, 2023 - Approved on an Interim Basis	\$/kW	(0.4740)
Retail Transmission Rate - Network Service Rate	\$/kW	2.0473
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.4651

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Lakeland Power Distribution Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2022

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2021-0040

STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to accounts concerning roadway lighting for a Municipality, Regional Municipality, and/or the Ministry of Transportation. This lighting will be controlled by photocells. The consumption for these customers will be based on the calculated connected load times as established in the approved Ontario Energy Board Street Lighting Load Shape Template. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	2.21
Distribution Volumetric Rate	\$/kW	10.1516
Low Voltage Service Rate	\$/kW	1.1078
Rate Rider for Disposition of Global Adjustment Account (2022) - effective until April 30, 2023 Applicable only for Non-RPP Customers - Approved on an Interim Basis	\$/kWh	0.0018
Rate Rider for Disposition of Deferral/Variance Accounts (2022) - effective until April 30, 2023 - Approved on an Interim Basis	\$/kW	(0.4556)
Retail Transmission Rate - Network Service Rate	\$/kW	2.0243
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.4521

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Lakeland Power Distribution Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2022

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2021-0040

microFIT SERVICE CLASSIFICATION

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

APPLICATION

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

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

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	10.00
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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)

Lakeland Power Distribution Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2022

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2021-0040

SPECIFIC SERVICE CHARGES

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

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

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

Customer Administration

Arrears certificate	\$	15.00
Account history/Statement of account	\$	15.00
Request for other billing information	\$	15.00
Income tax letter	\$	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

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
Service call - customer owned equipment	\$	30.00
Specific charge for access to the power poles - \$/pole/year (with the exception of wireless attachments) - Approved on an Interim Basis	\$	34.76

Lakeland Power Distribution Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2022

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2021-0040

RETAIL SERVICE CHARGES (if applicable)

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

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

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

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

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

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	107.68
Monthly Fixed Charge, per retailer	\$	43.08
Monthly Variable Charge, per customer, per retailer	\$/cust.	1.07
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust.	0.64
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust.	(0.64)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.54
Processing fee, per request, applied to the requesting party	\$	1.07
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)	\$	4.31
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)	\$	2.15

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	1.0723
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0617