

**BY E-MAIL**

May 5, 2025

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

Dear Nancy Marconi:

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

In accordance with Procedural Order No. 3, please find attached the Ontario Energy Board (OEB) staff interrogatories in the above proceeding. The applicant and intervenors have been copied on this filing.

Lakefront Utilities Inc.'s responses to interrogatories are due by May 20, 2025.

Any questions relating to this letter should be directed to Harshleen Kaur at [harshleen.kaur@oeb.ca](mailto:harshleen.kaur@oeb.ca) or at 416-440-8136. The OEB's toll-free number is 1-888-632-6273.

Yours truly,

Harshleen Kaur  
Advisor, Incentive Rate-Setting

Attach.

**OEB Staff Phase 2 Interrogatories**  
**2025 Electricity Distribution Rates Application**  
**Lakefront Utilities Inc. (Lakefront Utilities)**  
**EB-2024-0038**  
**May 5, 2025**

Please note, Lakefront Utilities Inc. (Lakefront Utilities) is responsible for ensuring that all documents it files with the OEB, including responses to OEB staff interrogatories and any other supporting documentation, do not include personal information (as that phrase is defined in the *Freedom of Information and Protection of Privacy Act*), unless filed in accordance with rule 9A of the OEB's *Rules of Practice and Procedure*.

**Phase 2 Staff Interrogatories-1**

**Ref. 1: Manager's Summary, p. 21**

**Ref. 2: OEB Letter: Errata for December 14, 2023 Decision and Rate Order, EB-2023-0035, May 24, 2024**

**Preamble:**

In Ref. 1, Lakefront Utilities states the following:

LUI proposes that in this application that a modified calculation be employed to true up this error and the following split outlined in Table 5 be used for the 2024 OEB disposition. This is based on the premise that LUI discontinued the collection in July 2024. Of the \$743K as per modified disposition below LUI has collected \$811K to date. The over collection will be finalized when LUI applies for the 2024 1595 disposition in our 2027 COS application.

In the May 2024 OEB letter, the OEB agreed with Lakefront Utilities' proposed approach to address the error which is to change the sunset date to June 30, 2024 for both the Rate Rider for Disposition of Deferral/Variance Accounts (2024) and the Rate Rider for Disposition of Capacity Based Recovery Account (2024).

**Question(s):**

- a) Given that the approved revised sunset date for the rate riders is June 30, 2024, please explain why both rate riders were discontinued in July 2024?
- b) Please provide the calculation supporting the \$811K collected through the 2024 rate riders breaking down by rate class and by month.

**Phase 2 Staff Interrogatories-2**

**Ref. 1: Chapter 3 Filing Requirements for Electricity Distribution Rate Applications Filed in 2024 for Rates Taking Effect in 2025**

## **Ref. 2: Lakefront Utilities 2025 IRM Rate Generator Model, April 28, 2025**

### **Preamble:**

Page 10 of the Chapter 3 Filing Requirements states, “The opening principal amounts as well as the opening interest amounts for Group 1 balances, shown in the continuity schedule, must reconcile with the last applicable, approved closing balances.”

Additionally, page 13 of the Chapter 3 Filing Requirement states, “All distributors are required to complete and submit the GA Analysis Workform for each year that has not previously been approved by the OEB for disposition”.

In the DVA continuity schedule of Ref. 2, Lakefront Utilities reported a credit principal adjustment of \$146,203 to Account 1588 and a credit principal adjustment of \$24,258 to Account 1589 in 2023.

### **Question(s):**

- a) Please provide the continuity schedule for Accounts 1588 and 1589 starting 2015 – 2021.
- b) Please provide an updated GA Analysis Workform for 2023 to reflect the principal adjustments reported in 2023 in Ref. 2.

## **Phase 2 Staff Interrogatories-3**

### **Ref. 1: Manager’s Summary, p. 41**

### **Preamble:**

In Ref. 1, Lakefront Utilities states the following:

LUI has determined that it owes the IESO \$1.9M. It also has determined that it needs to collect back from our customers \$722K in 1588 and \$198K in GA. These values have been incorporated into Sheet 3 of the IRM generator. In addition, LUI has determined that outstanding interest in the amount of a credit of \$29K is owed.

### **Question(s):**

- a) Please provide a breakdown of the amounts owing to the IESO.
- b) Has Lakefront Utilities settled with the IESO yet for the amounts owing?
  - i. If not, why not and please provide the plan of settling the amounts with the IESO.

## Phase 2 Staff Interrogatories-4

Ref. 1: Manager's Summary, p. 44

Ref. 2: Lakefront Utilities 2025 IRM Rate Generator Model, April 28, 2025

Ref. 3: Instructions for DVA Continuity Schedule – 2025 Rates, pp. 6-9

### Preamble:

In Ref. 1, Lakefront Utilities states that it had one customer transition from Class A to Class B as of July 2021, and subsequently from Class B to Class A, as of July 2022.

In Tab 6 of Ref. 2, Lakefront Utilities reported no transition customers between Class A and Class B during the period the Accounts 1589 and 1580 balance accumulated. Additionally, Lakefront Utilities reported nil information in 3b.

### Question(s):

- a) Please reconcile the above two conflicting statements and provide an updated Continuity Schedule to report the appropriate information for the Class A customers and transition customers following the instructions provided in Ref. 3.

## Phase 2 Staff Interrogatories-5

Ref. 1: Lakefront Utilities 2025 IRM Rate Generator Model, April 28, 2025

### Preamble:

On December 10, 2024, the OEB set its new Rural or Remote Electricity Rate Protection (RRRP) charge at \$0.0015 kWh. There was no change to the Wholesale Market Service rate. The Rate Generator Model noted in Ref. 1 does not reflect an updated RRRP charge.

#### Regulatory Charges

Effective Date of Regulatory Charges		January 1, 2024	January 1, 2025
Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0014	0.0015
Standard Supply Service - Administrative Charge (if applicable)	\$/kWh	0.25	0.25

### Question(s):

- a) In Tab 18 of Ref. 1 please make the necessary update for the updated RRRP charge. As applicable, please ensure the update is reflected in other tabs.

## Phase 2 Staff Interrogatories-6

### Ref. 1: Lakefront Utilities 2025 IRM Rate Generator Model, April 28, 2025

#### Preamble:

On November 1, 2024, the OEB issued a letter regarding 2025 UTRs and Hydro One Sub-Transmission Rates. The OEB determined to use UTRs to calculate 2025 Retail Service Transmission rates (RTSR) to improve regulatory efficiency, allowing for this data to feed into the rate applications including annual updates for electricity distributors on a timelier basis. The OEB also directed distributors to update their 2025 application with Hydro One Networks Inc.'s host RTSRs.

#### UTRs

Uniform Transmission Rates		Unit	2023 Jan to Jun		2023 Jul to Dec		2024 Jan to Jun		2024 Jul to Dec		2025
Rate Description			Rate				Rate				Rate
Network Service Rate		kW	\$	5.60	\$	5.37	\$	5.78	\$	6.12	\$ 6.37
Line Connection Service Rate		kW	\$	0.92	\$	0.88	\$	0.95	\$	0.95	\$ 1.00
Transformation Connection Service Rate		kW	\$	3.10	\$	2.98	\$	3.21	\$	3.21	\$ 3.39

#### Hydro One Sub-Transmission Rates

Hydro One Sub-Transmission Rates		Unit	2023		2024		2025
Rate Description			Rate		Rate		Rate
Network Service Rate		kW	\$	4.6545	\$	4.9103	\$ 5.3280
Line Connection Service Rate		kW	\$	0.6056	\$	0.6537	\$ 0.6882
Transformation Connection Service Rate		kW	\$	2.8924	\$	3.3041	\$ 3.4894
Both Line and Transformation Connection Service Rate		kW	\$	3.4980	\$	3.9578	\$ 4.1776

#### Question(s):

- a) In Tab 11 of Ref. 1 please make the necessary updates as well as confirm the accuracy of the resulting RTSRs following these updates.

## Phase 2 Staff Interrogatories-7

### Ref. 1: Lakefront Utilities 2025 IRM Rate Generator Model, April 28, 2025

#### Preamble:

On September 13, 2024, the OEB published the Q4 2024 prescribed accounting interest rate applicable to the carrying charges of deferral, variance and construction work in progress (CWIP) accounts of natural gas utilities, electricity distributors and other rate-regulated entities.

#### Question(s):

- a) In Tab 3 of Ref. 1 please make the necessary updates to reflect the Q4 2024 OEB-prescribed interest rates of 4.40% for the Rate Generator Model.