



**Lakefront
Utilities
Inc.**

207 Division Street, P.O. Box 577, Cobourg, ON K9A 4L3 • www.lakefrontutilities.com • Tel: 905-372-2193

June 16, 2025

BY RESS and EMAIL

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

Dear Mr. Murray,

**Re: Lakefront Utilities Inc. (LUI)
2025 Distribution Rate Application – Phase 2 (EB-2024-0038)
Reply to OEB Staff Submission dated June 3, 2025**

Lakefront Utilities Inc. (LUI) acknowledges receipt of the OEB Staff Submission dated June 3, 2025, regarding our Phase 2 application for the 2025 Distribution Rates (EB-2024-0038). We appreciate OEB staff's thorough review and detailed comments.

LUI confirms our acceptance of the OEB staff recommendations, specifically:

1. **Final Disposition of Group 1 Deferral and Variance Accounts (DVAs):**
LUI agrees with the OEB staff's recommendation for the final disposition of Group 1 DVAs, including Accounts 1588 and 1589, in the total amount of \$364,803 over a 12-month period.
2. **IESO RPP Settlement Adjustments:**
LUI is actively engaged with the Independent Electricity System Operator (IESO) regarding the RPP settlement adjustments totaling approximately \$1.9 million payable. We have communicated our position to the IESO, and negotiations for an agreed repayment plan are currently underway. LUI is committed to resolving this matter promptly and will ensure accurate and timely settlements moving forward to prevent recurrence of similar issues.
3. **Correction of 2024 Rate Rider Error:**
We acknowledge the correction of the previously identified error in the 2024 IRM proceeding. LUI supports the recommended disposition approach using Account 1595 Sub-account 2024, scheduled for final disposition as part of our 2027 Cost of Service application.



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Additionally, we would like to address the interim status awarded for our rates effective January 1, 2025. Given the timing of the final OEB decision and implementation anticipated to occur by July 1, 2025, LUI requests approval for retroactive rate adjustments to recover differences incurred over the initial six-month interim period. To ensure accuracy and consistency, we propose applying a 12/6 factor to each rate, as the basis for calculating these retroactive recovery amounts. Detailed calculations supporting this retroactive adjustment are provided in the attached Appendix.

The resulting rate impacts before and after the retroactive adjustment for the six-month delay are summarized below. LUI notes that the changes in rates primarily reflect the expiration, as of June 30, 2024, of the Rate Rider for the Disposition of Deferral/Variance Accounts (2024). This rider, approved as part of the prior IRM application, was made effective until June 30, 2024, and is no longer included in the current rates.

Accordingly, LUI submits that the resulting rate adjustments—after incorporating the retroactive alignment—do not represent a material impact on ratepayers, particularly given that the removal of the expiring rider was anticipated and accounts for most of the observed change.

Rate Impacts

	Final before retroactive	Final after retroactive
Residential 750 kWh	2.35%	4.52%
GS<50kW 2,500 kWh	2.28%	4.36%
GS>50kW to 2,999 kW	2.96%	5.03%
GS>3,000 kW	1.64%	3.22%

We appreciate the continued cooperation and support from OEB staff throughout this proceeding.

Lakefront Utilities Inc. appreciates the review and consideration of the matters addressed in this application. Should you have any questions, please feel free to contact us at regulatory@lusi.on.ca.

Respectfully submitted.

Danielle Wakelin
Manager of Regulatory Compliance
Lakefront Utilities Inc.



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Enclosure: Appendix – Calculation of July 1st Retroactive Rate Adjustments

cc: All parties in EB-2024-0038