



**Lakefront  
Utilities  
Inc.**

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July 10<sup>th</sup> 2025

**BY RESS and EMAIL**

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

Attention: Ritchie Murray, Acting Registrar

**Re: Request to Waive Procedural Order No. 4 and Expedite Final Rate Issuance**

**Lakefront Utilities Inc. – EB-2024-0038**

Dear Mr. Murray,

Lakefront Utilities Inc. (LUI) respectfully requests that the Ontario Energy Board (OEB) waive the requirements outlined in Procedural Order No. 4, dated July 8, 2025, and expedite the final issuance of electricity distribution rates effective no later than August 1, 2025.

We acknowledge the directive issued in the OEB's March 27, 2025, Decision and Order, indicating the effective start date of the incremental capital module (ICM) as May 1, 2025. We regret the inadvertent oversight in applying a proration to January 1, 2025, and hereby confirm our commitment to fully implement the ICM in accordance with the OEB Panel's direction.

LUI respectfully submits that requiring additional submissions and replies as outlined in Procedural Order No. 4 will unnecessarily delay the final rate approval and implementation process. Given the thoroughness of the submissions already on record, including detailed calculations previously provided by LUI in our June 16, 2025, reply to submission, further procedural steps at this juncture do not serve the best interests of our customers or the utility.

We also respectfully suggest that continuing with the process as stipulated will not yield materially new insights or outcomes and will likely defer the effective date for final rates until at least September 1, 2025. This delay could adversely impact both customers and the utility by prolonging uncertainty and administrative burden.

Further, we contend that the current procedural requirements do not align with efficient regulatory practice. Accordingly, LUI requests that the OEB recognize this error in process and expedite the issuance of the Final Rate Order, effective no later than August 1, 2025, to align with the interests of ratepayers and regulatory efficiency.

Thank you for your prompt attention and consideration of this matter.

Sincerely,

Dereck C. Paul  
President & CEO - Lakefront Utilities Inc.  
Tel.: 905-372-2193 Ext. 5226

## Addendum: Explanation of Proration Values and Adjustment Factors

This addendum provides clarification on the values and adjustment factors used in the calculation of rate proration for the 2025 rate year, as reflected in the accompanying Excel workbook.

### 1. 2025 Effective Rate (all rates except ICM, SME, LV and Account 1550)

- **Original Effective Date:** January 1, 2025
- **Actual Implementation Date:** August 1, 2025
- **Reason for Delay:** Decision delay
- **Adjustment Factor:** 12/5
- **Rationale:**  
To ensure customers are accurately charged for the 2025 rate over the shortened implementation period (August 1, 2025 to December 31, 2025), an adjustment factor of **12/5** is applied. This factor annualizes the rate over the 5-month period, effectively "trueing up" the revenue that would have been collected had the rate been in effect from the original effective date.
- **Sunset Date:** December 31, 2025

### 2. ICM Rate

- **Original Effective Date:** May 1, 2025
- **Actual Implementation Date:** August 1, 2025
- **Reason for Delay:** Decision delay
- **Adjustment Factor:** 20/17
- **Rationale:**  
The adjustment factor of **20/17** is used to true up the ICM rate for the period from August 1, 2025 to December 31, 2026. This factor ensures that the intended revenue for the 20-month period (May 1, 2025 to December 31, 2026) is achieved, despite the rate being implemented 3 months later than planned.
- **Sunset Date:** December 31, 2026

### 3. SME, LV and Account 1550 Carryover Rate Rider

- **Status:** No change
- **Note:** The carryover rate rider is not impacted by the decision delay or the proration adjustments and remains as previously approved.

### Summary:

The adjustment factors (12/5 and 20/17) are applied to compensate for the delayed implementation of new rates, ensuring that the total revenue collected matches what would have been collected had the rates been implemented on their original effective dates. All calculations and proration values in the Excel workbook reflect these adjustments, with sunset dates set to December 31, 2025.