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# DECISION AND RATE ORDER

## EB-2024-0038

### LAKEFRONT UTILITIES INC.

**Application for rates and other charges to be effective January  
1, 2025 – Phase 2**

**BEFORE:**        **Pankaj Sardana**  
                      Presiding Commissioner

**Patrick Moran**  
Commissioner

**Vinay Sharma**  
Commissioner

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July 31, 2025

## 1. OVERVIEW

The Ontario Energy Board (OEB) is approving changes to the rates that Lakefront Utilities Inc. (Lakefront Utilities) charges to distribute electricity to its customers effective January 1, 2025 with an implementation date of August 1, 2025.

As a result of this Decision and Rate Order, there will be a monthly total bill increase of \$0.58 for a residential customer with a monthly consumption of 750 kWh. This change does not factor in applicable taxes or the Ontario Electricity Rebate.

## 2. CONTEXT AND PROCESS

Lakefront Utilities filed its application on September 9, 2024 under section 78 of the *Ontario Energy Board Act, 1998* and in accordance with Chapter 3 (Incentive Rate-Setting Applications) of the OEB's *Filing Requirements for Electricity Distribution Rate Applications* (Filing Requirements). The application was based on the Price Cap Incentive Rate-setting (Price Cap IR) option, with a five-year term. The application also included a request for incremental funding for the construction of a new 27.6 kV substation and disposition of 2016 to 2023 Group 1 Deferral and Variance Account (DVA) balances.

The Price Cap IR option is one of three incentive rate-setting mechanisms (IRM) used by the OEB.<sup>1</sup> 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 adjustment years.

The OEB follows a standardized and streamlined process for processing 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 then reviews, completes, and includes 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.

Lakefront Utilities serves approximately 10,100 mostly residential and commercial electricity customers in the Town of Cobourg and the Village of Colborne.

Notice of the application was issued on October 3, 2024. The Vulnerable Energy Consumers Coalition (VECC) and the Coalition of Concerned Manufacturers and Businesses of Canada (CCMBC) applied for intervenor status and cost eligibility. The OEB granted intervenor status and cost eligibility to both VECC and CCMBC.

The application was supported by pre-filed written evidence and a completed Rate Generator Model. Additionally, as required during the proceeding, Lakefront Utilities provided updates and clarifications to the evidence.

The proceeding was bifurcated into two phases. The Decision and Order for Phase 1 was issued on March 27, 2025, in which the OEB addressed Lakefront Utilities' request for incremental capital module (ICM) funding for the construction of the new 27.6 kV substation. Procedural Order No. 3, issued April 24, 2025, marked the commencement

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<sup>1</sup> Each of these options is explained in the OEB's [Handbook for Utility Rate Applications](#).

of Phase 2 of the proceeding to address matters related to Lakefront Utilities' rate change and disposition of Group 1 DVA balances from 2016 to 2023. Procedural Order No. 3 established a process for discovery and a written hearing on these matters.

In its reply submission, Lakefront Utilities included a request to recover forgone revenue for 2025 as its rates were declared interim by the OEB, effective January 1, 2025. Through Procedural Order No. 4, the OEB provided for written submissions by OEB staff and intervenors on Lakefront Utilities' forgone revenue request and associated calculations.

By letter dated July 10, 2025, Lakefront Utilities requested the OEB waive the requirements established in Procedural Order No. 4. Included in its letter, Lakefront Utilities provided updates and corrections to its forgone revenue request and associated calculations.

The OEB issued Procedural Order No. 5 on July 15, 2025, which cancelled the deadlines provided in Procedural Order No. 4 and established revised dates for the filing of any submissions from OEB staff and intervenors on the forgone revenue request. Procedural Order No. 5 also required Lakefront Utilities to file an updated Rate Generator Model reflecting two separate forgone revenue rate riders – one for forgone revenue associated with its distribution rates and the other for the ICM. This direction was issued in response to Lakefront Utilities' initial approach of applying the forgone revenue amounts directly to the Service Charge and ICM rate rider.

OEB staff filed a submission on Lakefront Utilities' forgone revenue request on July 22, 2025. Lakefront Utilities filed its reply on July 23, 2025.

### 3. DECISION OUTLINE

Each of the following issues is addressed in this Decision and Rate Order, together with the OEB's findings.

- Annual Adjustment Mechanism
- Retail Transmission Service Rates
- Group 1 Deferral and Variance Accounts
- Forgone Revenue

Instructions for implementing Lakefront Utilities' new rates and charges are set out in the final section of this Decision and Rate Order.

This Decision and Rate Order does not address rates and charges approved by the OEB in prior proceedings, such as specific service charges<sup>2</sup> and loss factors, which are beyond the 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.

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<sup>2</sup> Certain service charges are subject to annual inflationary adjustments to be determined by the OEB through a generic order. For example, the OEB's Decision and Order in EB-2024-0226, September 26, 2024, established the adjustment for energy retailer service charges, effective January 1, 2025; and the OEB's Decision and Order in EB-2024-0227, issued September 26, 2024, established the 2025 Wireline Pole Attachment Charge, effective January 1, 2025.

4. ANNUAL ADJUSTMENT MECHANISM

Lakefront Utilities applied to change its rates, effective January 1, 2025. The proposed rate change is 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.<sup>3</sup>

The components of the Price Cap IR adjustment formula applicable to Lakefront Utilities are set out in the table below. Inserting these components into the formula results in a 3.60% increase to Lakefront Utilities’ rates: **3.60% = 3.60% - (0.00% + 0.00%)**.

Table 4.1: Price Cap IR Adjustment Formula

Components		Amount
Inflation factor <sup>4</sup>		3.60%
Less: X-factor	Productivity factor <sup>5</sup>	0.00%
	Stretch factor (0.00% to 0.60%) <sup>6</sup>	0.00%

An inflation factor of 3.60% applies to all IRM applications for the 2025 rate year. 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. The productivity component assigned to Lakefront Utilities is 0.00%.<sup>7</sup> The stretch factor assigned to any distributor is based on the distributor’s total cost performance as benchmarked against other distributors in Ontario. The stretch factor assigned to Lakefront Utilities is 0.00%.<sup>8</sup>

The resulting rate adjustment is 3.60%.

<sup>3</sup> 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 (other than the Wireline Pole Attachment charge), and microFIT charge.

<sup>4</sup> OEB Letter, 2025 Inflation Parameters, issued June 20, 2024

<sup>5</sup> 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

<sup>6</sup> Report to the Ontario Energy Board – “Empirical Research in Support of Incentive Rate-Setting: 2023 Benchmarking Update”, prepared by Pacific Economics Group LLC., August 6, 2024

<sup>7</sup> 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

<sup>8</sup> Report to the Ontario Energy Board – “Empirical Research in Support of Incentive Rate-Setting: 2023 Benchmarking Update”, prepared by Pacific Economics Group LLC., August 6, 2024

OEB staff submitted on June 3, 2025, that it had no concerns with Lakefront Utilities' proposed adjustment.

### **Findings**

Lakefront Utilities' request for a 3.60% rate increase is in accordance with the annually updated parameters set by the OEB. The adjustment is approved, and Lakefront Utilities' new rates shall be implemented on August 1, 2025.

## 5. RETAIL TRANSMISSION SERVICE RATES

In Ontario, some distributors are connected directly to a licensed transmitter, while others may be embedded, or partially-embedded, within the distribution system of another licensed distributor. Lakefront Utilities is fully embedded within Hydro One Networks Inc.'s (Hydro One) distribution system.

To recover its cost of transmission services, Lakefront Utilities requests approval to adjust the Retail Transmission Service Rates (RTSRs) that it charges its customers in accordance with the host-RTSRs for Hydro One.

OEB staff submitted on June 3, 2025, that it had no concerns with Lakefront Utilities' requested adjustment to its RTSRs.

### Findings

Lakefront Utilities' proposed adjustment to its RTSRs is approved.

The RTSRs have been adjusted based on the current OEB-approved host-RTSRs for Hydro One.

Host-RTSRs<sup>9</sup> are typically approved annually by the OEB. In the event that the OEB updates the host-RTSRs during Lakefront Utilities' 2025 rate year, any resulting differences (from the prior-approved host-RTSRs) will be captured in Retail Settlement Variance Accounts 1584 (Retail Transmission Network Charge) and 1586 (Retail Transmission Connection Charge).

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<sup>9</sup> EB-2024-0032, Rate Order, December 19, 2024



## 6. GROUP 1 DEFERRAL AND VARIANCE ACCOUNTS

In each year of an IRM term, the OEB will review a distributor's Group 1 DVAs to determine whether those balances should be disposed of. OEB policy states that Group 1 account balances should be disposed of 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 can justify why balances should not be disposed of.<sup>10</sup> If the net balance does not exceed the threshold, a distributor may still request disposition.<sup>11</sup>

The 2023 year-end net balance for Lakefront Utilities' Group 1 accounts eligible for disposition, including interest projected to December 31, 2024, is a debit of \$364,083, and pertains to variances accumulated during the 2023 calendar year (the disposition balances for Accounts 1588 and 1589 pertain to variances accumulated during the 2016 to 2023 period). This amount represents a total claim of \$0.0015 per kWh, which exceeds the disposition threshold.

Lakefront Utilities requested disposition of this amount over a five-month period from August 2025 to December 2025. OEB staff submitted on July 22, 2025, that it had no concerns with Lakefront Utilities' proposal to recover the 2016 to 2023 Group 1 DVA balances over a five-month 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. "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, either as a standalone charge or embedded in the Regulated Price Plan (RPP).<sup>12</sup> A similar mechanism applies to Class A and Class B customers for Capacity Based Recovery (CBR) charges.<sup>13</sup> The balance in the GA variance account is attributable to non-RPP Class B customers and is disposed of through a separate rate rider. The balance in the CBR Class B variance account is attributable to all Class B customers.

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<sup>10</sup> Report of the OEB – "Electricity Distributors' Deferral and Variance Account Review Initiative" (EDDVAR), EB-2008-0046, July 31, 2009

<sup>11</sup> OEB letter, "Update to the Electricity Distributors' Deferral and Variance Account Review ("EDDVAR Report"), released July 2009 (EB-2008-0046)", issued July 25, 2014

<sup>12</sup> For additional details on the Global Adjustment charge, refer to the Independent Electricity System Operator (IESO)'s [website](#).

<sup>13</sup> 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](#).

Lakefront Utilities had one or more Class A customers during the period in which variances accumulated so it has applied to have the balance of the CBR Class B variance account disposed of through a separate rate rider for Class B customers to ensure proper allocation between Class A and Class B customers.

### **Accounts 1588 and 1589 Disposition**

Lakefront Utilities' disposition request for the Group 1 DVAs included the disposition of a debit balance of \$760,614 for Accounts 1588 and 1589. This balance pertains to variances accumulated during the 2016 to 2023 period, inclusive of interest to December 31, 2024.

In its 2018 IRM application, Lakefront Utilities proposed to withdraw its request for the disposition of the 2016 Group 1 DVA balances. The OEB accepted the proposal and required a third-party audit of the December 31, 2017 balances in Accounts 1588 and 1589 and the related settlement process.<sup>14</sup> In Lakefront Utilities' 2019 IRM application, the OEB denied disposition of the 2017 Group 1 balances due to concerns over post-audit corrections made by Lakefront Utilities to the audited 2017 balances in Accounts 1588 and 1589. The OEB ordered an updated audit report relating to the 2017 balances to be filed as part of Lakefront Utilities' 2020 IRM application.<sup>15</sup>

Subsequently, in its 2020 IRM Application, the OEB denied disposition of Lakefront Utilities' Group 1 account balances from 2016 to 2018, citing ongoing concerns with Accounts 1588 and 1589 balances, and referred the matter to the OEB's Inspection and Enforcement department for the consideration of Lakefront Utilities' processes regarding RPP settlement claims with the Independent Electricity System Operator (IESO).<sup>16</sup>

The disposition of Lakefront Utilities' Group 1 DVA balances was not required in its 2021 IRM application as the balances were below the disposition threshold.<sup>17</sup> In the 2022 Cost of Service<sup>18</sup> and the 2023 IRM<sup>19</sup> applications, the Group 1 balances, excluding Accounts 1588 and 1589, were approved by the OEB, while the OEB's Inspection and Enforcement department audit on Accounts 1588 and 1589 was ongoing. In the 2024 IRM application, the OEB approved disposition on a final basis of Group 1 account balances, excluding Accounts 1588 and 1589. The OEB also approved Lakefront Utilities' request to further defer the disposition of Accounts 1588

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<sup>14</sup> EB-2017-0057, Decision and Rate Order, December 14, 2017

<sup>15</sup> EB-2018-0049, Decision and Order, December 20, 2018

<sup>16</sup> EB-2019-0050, Decision and Rate Order, December 12, 2019

<sup>17</sup> EB-2020-0036, Decision and Rate Order, December 10, 2020

<sup>18</sup> EB-2021-0039, Decision and Order, October 28, 2021

<sup>19</sup> EB-2022-0046, Decision and Rate Order, December 8, 2022

and 1589 due to Lakefront Utilities' workforce constraints and the need to review the 2022 OEB Inspection Report.<sup>20</sup>

In the current application, Lakefront Utilities originally requested an interim disposition of Accounts 1588 and 1589 to allow time for the OEB's Inspection and Enforcement team to complete its follow-up audit of eight years of balances in these two accounts.<sup>21</sup> As part of its response to Procedural Order No. 3,<sup>22</sup> Lakefront Utilities confirmed the completion of the OEB follow-up audit of Accounts 1588 and 1589. Lakefront Utilities further confirmed that the disposition balances for these accounts had been adjusted in the updated IRM Rate Generator Model to reflect the findings of the OEB follow-up audit,<sup>23</sup> in accordance with the OEB's *Accounting Procedures Handbook* and related guidelines.

OEB staff accepted Lakefront Utilities' requested disposition of its December 31, 2023, Group 1 DVA balances, including Accounts 1588 and 1589. OEB staff submitted that the requested dispositions should be granted on a final basis rather than on an interim basis as initially proposed by Lakefront Utilities.<sup>24</sup>

Furthermore, OEB staff submitted that Lakefront Utilities should continue implementing effective and adequate controls, as highlighted in the OEB Follow-up Inspection Report, noting that the lack of adequate controls continues to raise concerns about the ongoing accuracy of Lakefront Utilities' reported balances.

In its reply submission,<sup>25</sup> Lakefront Utilities submitted that it accepts OEB staff's recommendation for the final disposition of Group 1 DVAs, including Accounts 1588 and 1589, in the total amount of \$364,083 over 12 months. However, in its July 18, 2025 letter,<sup>26</sup> Lakefront Utilities noted that it adjusted the recovery period for 2016 to 2023 Group 1 DVA balances to five months based on the assumption that the final rates would have an implementation date of August 1, 2025.

OEB staff, in its July 22, 2025 submission, supported Lakefront Utilities' proposal to recover the 2016 to 2023 Group 1 DVA balances over a five-month period, based on the assumption that the final rates will have an implementation date of August 1, 2025.<sup>27</sup>

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<sup>20</sup> EB-2023-0035, Decision and Rate Order, December 14, 2023

<sup>21</sup> Manager's Summary, S.3.2.6.3, p. 38

<sup>22</sup> EB-2024-0038, Response to Procedural Order No. 3, April 28, 2025

<sup>23</sup> EB-2024-0038, OEB Inspection Report, May 5, 2025

<sup>24</sup> OEB Staff Submission, June 3, 2025

<sup>25</sup> Lakefront Utilities Reply Submission, June 16, 2025

<sup>26</sup> Lakefront Utilities Response to Procedural Order No. 5, June 18, 2025

<sup>27</sup> OEB Staff Submission, July 22, 2025

In its reply submission,<sup>28</sup> Lakefront Utilities confirmed that the Group 1 DVA balances will be recovered over five months from August 2025 to December 2025.

### **IESO Adjustments**

In this application, Lakefront Utilities stated that, following its review of Accounts 1588 and 1589, it identified a payable to the IESO related to RPP settlement adjustments in the amount of \$1,906,608.<sup>29</sup> This RPP settlement adjustment amount was revised to \$1,590,418 as part of the OEB follow-up review findings.<sup>30 31</sup>

In response to Phase 2 interrogatories, Lakefront Utilities confirmed that it had not settled with the IESO and that it had been waiting to confirm the final balances approved by the OEB.<sup>32</sup> Lakefront Utilities will approach the IESO for settlement instructions once these final balances are confirmed.<sup>33</sup>

OEB staff agreed with the settlement amounts incorporated into the Group 1 DVA balances based on the results of the OEB's follow-up inspection. OEB staff submitted that Lakefront Utilities should contact the IESO and settle the RPP adjustments as soon as possible, as the onus is on the utility to ensure timely and accurate settlements with the IESO to avoid the accumulation of payables or receivables (including carrying charges).<sup>34</sup>

Lakefront Utilities submitted that it had communicated with the IESO regarding the RPP settlement adjustments, and negotiations for an agreed repayment plan are currently underway.<sup>35</sup>

### **Error Identified in the Last Approved Rate Riders in the 2024 IRM Proceeding**

Lakefront Utilities proposed a modified calculation to true up the over-collection resulting from erroneous rate riders approved in its 2024 IRM proceeding.<sup>36</sup> The proposed modified true-up amount of \$67,915 is based on the actual amount collected and will be addressed through the disposition of Account 1595, Sub-Account 2024, in Lakefront Utilities' 2027 Cost of Service application. This differs from the OEB's previously approved true-up approach outlined in the May 28, 2024 OEB Errata letter, which

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<sup>28</sup> Reply Submission, July 23, 2025

<sup>29</sup> Manager's Summary, p. 41

<sup>30</sup> Responses to Phase 2 Interrogatories, Staff Interrogatories – 3 a), May 20, 2025

<sup>31</sup> Lakefront Utilities DVA Inspection Report, Appendix 2, May 5, 2025

<sup>32</sup> Responses to Phase 2 Interrogatories, Staff Interrogatories – 3 b), May 20, 2025

<sup>33</sup> Responses to Phase 2 Interrogatories, Staff Interrogatories – 3 b) i, May 20, 2025

<sup>34</sup> OEB Staff Submission, June 3, 2025

<sup>35</sup> Lakefront Utilities Reply Submission, June 16, 2025

<sup>36</sup> Manager's Summary, pp. 18-21

indicated that the discrepancy would be trued up through Sub-account 2024 under Account 1595, with eligibility for disposition in the 2026 rate year.<sup>37</sup>

OEB staff accepted Lakefront Utilities' proposed modified true-up amount because the quantification is based on the actual amount collected. OEB staff submitted that the proposed disposition of Account 1595, Sub-account 2024, in the 2027 rate application complies with Chapter 3 of the Filing Requirements, given that the balance of sub-account 1595 (2024) will be eligible for disposition in the 2027 rate year after the 2026 balances have been audited.<sup>38</sup>

Lakefront Utilities acknowledged the correction of the previously identified error in the 2024 IRM proceeding and supported the disposition approach, using Account 1595, Sub-account 2024, to be disposed of on a final basis in its 2027 Cost of Service application.<sup>39</sup>

## Findings

The balances proposed for 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 debit balance of \$364,083 as of December 31, 2023, including interest projected to December 31, 2024, for Group 1 accounts on a final 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 and Number		Principal Balance (\$) A	Interest Balance (\$) B	Total Claim (\$) C=A+B
LV Variance Account	1550	(467,895)	(35,059)	(502,954)
Smart Metering Entity Charge Variance Account	1551	(21,576)	(1,498)	(23,074)
RSVA - Wholesale Market Service Charge	1580	(257,931)	(18,338)	(276,269)
Variance WMS - Sub-account CBR Class B	1580	30,215	1,368	31,583

<sup>37</sup> EB-2023-0035, [OEB Letter: Errata for December 14, 2023 Decision and Rate Order, May 28, 2024](#)

<sup>38</sup> OEB Staff Submission, June 3, 2025

<sup>39</sup> Lakefront Utilities Reply Submission, June 16, 2025

RSVA - Retail Transmission Network Charge	1584	135,346	9,923	145,270
RSVA - Retail Transmission Connection Charge	1586	213,519	15,395	228,914
RSVA – Power	1588	576,786	75,884	652,670
RSVA - Global Adjustment	1589	174,683	(66,739)	107,944
<b>Total for Group 1 accounts</b>		<b>\$ 383,146</b>	<b>\$ (19,063)</b>	<b>\$ 364,083</b>

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*.<sup>40</sup> 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 of through final rate riders, charges, or payments, as calculated in the Rate Generator Model. The final rate riders, charges, and payments, as applicable, will be in effect over a five-month period from August 1, 2025 to December 31, 2025.<sup>41</sup>

Since Lakefront Utilities filed its IRM application, it received an Inspection Report from OEB staff entitled Follow-Up Inspection of Group 1 DVA Balances for 1588 and 1589 (the Follow-Up Report). Given that the continuing lack of adequate accounting and financial controls raises concern about the ongoing accuracy of Lakefront Utilities' reported balances as indicated in the Follow-Up Report, Lakefront Utilities should submit a report to the OEB detailing the actions it has taken to implement effective and robust controls. These measures should aim to ensure the accuracy of settlement processes and the balances in Accounts 1588 and 1589, as well as to maintain ongoing compliance with regulatory requirements.

<sup>40</sup> Article 220, Account Descriptions, *Accounting Procedures Handbook for Electricity Distributors*, effective January 1, 2012

<sup>41</sup> 2025 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. FORGONE REVENUE

In its reply submission, dated June 16, 2025, Lakefront Utilities included an Excel spreadsheet titled Calculation of July 1 Retroactive Rate Adjustments in support of its request for approval to recover forgone incremental revenue for 2025. This request was made on the basis that the OEB declared Lakefront Utilities' rates interim, effective January 1, 2025. Lakefront Utilities sought approval to recover forgone revenue for the period from January to June 2025, based on an assumed implementation date of July 1, 2025.

The OEB issued Procedural Order No. 4 to establish a process for written submissions on Lakefront Utilities' request for forgone revenue. In a letter dated July 10, 2025, Lakefront Utilities requested that the OEB waive the requirements established in Procedural Order No. 4 and expedite the final issuance of its electricity distribution rates with an implementation date of August 1, 2025. Lakefront Utilities also submitted an updated Excel spreadsheet entitled Calculation of August 1 Retroactive Rate Adjustments, which incorporated corrections to its original request. These updates included a revision to the effective date of its ICM for the new 27.6 kV substation from January 1, 2025 to May 1, 2025 and a revised implementation date for its electricity distribution rates from July 1, 2025 to August 1, 2025.

In Procedural Order No. 5, the OEB directed Lakefront Utilities to file a revised Rate Generator Model that separately identified forgone revenue rate riders for both distribution rates and the ICM. This direction was issued because Lakefront Utilities had incorrectly applied the forgone revenue amounts directly to the Service Charge and ICM rate rider.

On July 18, 2025, Lakefront Utilities submitted the updated Rate Generator Model that included rate riders for forgone revenue. Lakefront Utilities also noted that it had revised the recovery period for 2016 to 2023 Group 1 DVA balances to five months (covering the period from August to December 2025). To calculate the forgone revenue rate rider for distribution revenue, Lakefront Utilities applied a 12/5 factor (twelve months of incremental revenue to be recovered over five months) based on an implementation date of August 1, 2025. For the ICM-related forgone revenue rate rider, an 8/5 factor was applied, reflecting eight months of revenue recovery over five months, with the ICM rate rider effective May 1, 2025, and an implementation date of August 1, 2025.

In its submission on July 22, 2025, OEB staff did not oppose Lakefront Utilities' request to recover forgone revenue as its rates had been declared interim effective January 1, 2025. OEB staff submitted that the calculation of the forgone revenue rate rider for distribution revenue appeared to be appropriate. However, concerns were identified

regarding the calculation for the ICM forgone revenue rate rider and the completeness of the Rate Generator Model.

On July 23, 2025, Lakefront Utilities provided its reply submission. Lakefront Utilities addressed the calculation errors identified by OEB staff and provided a corrected Rate Generator Model and supporting calculations.

## Findings

The OEB finds that Lakefront Utilities has now appropriately addressed the issues identified in Procedural Order No. 5 and by OEB staff. The corrected Rate Generator Model separates the forgone revenue rate riders from base rates, as required, and applies recovery factors that align with the proposed August 1, 2025 implementation date. The OEB finds the recovery factors of 12/5 for base distribution revenue and 8/5 for the ICM rider to be reasonable in the circumstances.

Accordingly, the OEB approves Lakefront Utilities' request to recover forgone revenue for the 2025 rate year, including amounts related to both base distribution revenue and the ICM for the new 27.6 kV substation. The forgone revenue shall be recovered through separate rate riders effective August 1, 2025, and ending December 31, 2025.



## 8. IMPLEMENTATION

This Decision and Rate Order 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 following regulatory rates and charges set out in Table 8.1.

**Table 8.1: Regulatory Rates and Charges**

<b>Rates</b>	<b>per kWh (\$)</b>
Rural or Remote Electricity Rate Protection (RRRP)	0.0015
Wholesale Market Service (WMS) billed to Class A and B Customers	0.0041
Capacity Based Recovery (CBR) billed to Class B Customers	0.0004
<b>Charges</b>	<b>(\$)</b>
Smart Metering Entity Charge	0.42
microFIT Charge	5.00
Standard Supply Service - Administrative Charge (if applicable)	0.25

Each of the 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 and WMS rates were set by the OEB on December 10, 2024.<sup>42</sup>

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 September 8, 2022.<sup>43</sup>

In the *Report of the Board: Review of Electricity Distribution Cost Allocation Policy*,<sup>44</sup> the OEB indicated that it will review the default province-wide microFIT charge annually to ensure it continues to reflect actual costs in accordance with the established methodology. On November 19, 2024, the OEB issued a letter advising electricity

<sup>42</sup> EB-2024-0282, Decision and Order, December 10, 2024

<sup>43</sup> EB-2022-0137, Decision and Order, September 8, 2022

<sup>44</sup> EB-2010-0219, Report of the Board “Review of Electricity Distribution Cost Allocation Policy”, March 31, 2011

distributors that the microFIT charge shall be \$5.00 for the duration of the 2025 rate year (January 1 to December 31, 2025).<sup>45</sup>

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<sup>45</sup> OEB Letter, “Review of Fixed Monthly Charge for microFIT Generator Service Classification”, issued November 19, 2024

## 9. ORDER

### THE ONTARIO ENERGY BOARD ORDERS THAT:

1. Lakefront Utilities Inc.'s final distribution rates shall be effective January 1, 2025 with an implementation date of August 1, 2025, in accordance with this Decision and Rate Order.
2. The Tariff of Rates and Charges set out at Schedule A of this Decision and Rate Order is deemed draft until the following procedural steps have been complied with:
  - i. Lakefront Utilities Inc. shall review the Tariff of Rates and Charges and shall file with the OEB a written confirmation of its completeness and accuracy, or provide a detailed explanation of any inaccuracies or missing information, by August 7, 2025.
  - ii. The Tariff of Rates and Charges will be considered final if Lakefront Utilities Inc. does not provide a submission to the OEB that inaccuracies were found or information was missing pursuant to item 2.i.
  - iii. If the OEB receives a submission from Lakefront Utilities Inc. to the effect that inaccuracies were found or information was missing pursuant to item 2.i, the OEB will consider the submission and issue a final Rate Order.
3. Lakefront Utilities Inc. shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new rates.
4. Lakefront Utilities Inc. shall file a report with the OEB, as part of its next IRM application, outlining the steps that it has taken to implement effective and adequate controls to ensure the accuracy of its settlements and the balances in Accounts 1588 and 1589, and to ensure continued compliance with its regulatory requirements.

### COST AWARDS

The OEB will issue a separate decision on cost awards once the following steps are completed:

1. VECC and CCMBC shall submit to the OEB and copy Lakefront Utilities Inc. their cost claims for Phases 1 and 2 of this proceeding, as applicable, no later than August 7, 2025.
2. Lakefront Utilities Inc. may file with the OEB and forward to VECC and CCMBC any

objections to the claimed costs by August 18, 2025.

3. VECC and CCMBC may file with the OEB and forward to Lakefront Utilities Inc. any responses to any objections for cost claims by August 25, 2025.
4. Lakefront Utilities Inc. shall pay the OEB's costs incidental to this proceeding upon receipt of the OEB's invoice.

Parties are responsible for ensuring that any documents they file with the OEB, such as applicant and intervenor evidence, interrogatories and responses to interrogatories or any other type of document, **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](#).

Please quote file number, **EB-2024-0038** for all materials filed and submit them in searchable/unrestricted PDF format with a digital signature through the [OEB's online filing portal](#).

- Filings should clearly state the sender's name, postal address, telephone number and e-mail address.
- Please use the document naming conventions and document submission standards outlined in the [Regulatory Electronic Submission System \(RESS\) Document Guidelines](#) found at the [File documents online page](#) on the OEB's website.
- Parties are encouraged to use RESS. Those who have not yet [set up an account](#), or require assistance using the online filing portal can contact [registrar@oeb.ca](mailto:registrar@oeb.ca) for assistance.
- Cost claims are filed through the OEB's online filing portal. Please visit the [File documents online page](#) of the OEB's website for more information. All participants shall download a copy of their submitted cost claim and serve it on all required parties as per the [Practice Direction on Cost Awards](#).

All communications should be directed to the attention of the Registrar and be received by end of business, 4:45 p.m., on the required date.

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Harshleen Kaur at [Harshleen.Kaur@oeb.ca](mailto:Harshleen.Kaur@oeb.ca), and OEB Counsel, James Sidlofsky at [James.Sidlofsky@oeb.ca](mailto:James.Sidlofsky@oeb.ca).

Email: [registrar@oeb.ca](mailto:registrar@oeb.ca)

Tel: 1-877-632-2727 (Toll free)

**DATED** at Toronto, July 31, 2025

**ONTARIO ENERGY BOARD**

Ritchie Murray  
Acting Registrar

**SCHEDULE A**  
**DECISION AND RATE ORDER**  
**LAKEFRONT UTILITIES INC.**  
**TARIFF OF RATES AND CHARGES**  
**EB-2024-0038**  
**JULY 31, 2025**

# Lakefront Utilities Inc.

## TARIFF OF RATES AND CHARGES

**Effective Date January 1, 2025**

**Implementation Date August 1, 2025**

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

**EB-2024-0038**

### RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to an account taking electricity at 750 volts or less where the electricity is used exclusively in a separately metered living accommodation. Customers shall be residing in single-dwelling units that consist of a detached house or one unit of a semi-detached, duplex, triplex or quadruplex house, with a residential zoning. Separately metered dwellings within a town house complex or apartment building also qualify as residential customers. 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 the Ontario Energy Board approval, such as the Global Adjustment and the HST.

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	27.76
Rate Rider for Recovery of Forgone Distribution Revenue (Jan-Jul 2025) - effective until December 31, 2025	\$	1.34
Rate Rider for Recovery of Incremental Capital (2025) - effective until December 31, 2026	\$	0.36
Rate Rider for Recovery of Forgone Incremental Capital Module Revenue (May-Jul 2025) - effective until December 31, 2025	\$	0.22
Smart Metering Entity Charge - effective until December 31, 2027	\$	0.42
Low Voltage Service Rate	\$/kWh	0.0051
Rate Rider for Disposition of Global Adjustment Account (2025) - effective until December 31, 2025 Applicable only for Non-RPP Customers	\$/kWh	0.0036
Rate Rider for Disposition of Deferral/Variance Accounts (2025) - effective until December 31, 2025	\$/kWh	0.0019
Rate Rider for Disposition of Capacity Based Recovery Account (2025) - effective until December 31, 2025 Applicable only for Class B Customers	\$/kWh	0.0004
Rate Rider for Disposition of Deferral/Variance Account 1550 - effective until December 31, 2026	\$/kWh	0.0012
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0104
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0083

# Lakefront Utilities Inc.

## TARIFF OF RATES AND CHARGES

Effective Date January 1, 2025

Implementation Date August 1, 2025

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

EB-2024-0038

### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0015
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25



# Lakefront Utilities Inc.

## TARIFF OF RATES AND CHARGES

Effective Date January 1, 2025

Implementation Date August 1, 2025

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

EB-2024-0038

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

#### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	28.71
Rate Rider for Recovery of Forgone Distribution Revenue (Jan-Jul 2025) - effective until December 31, 2025	\$	1.40
Rate Rider for Recovery of Incremental Capital (2025) - effective until December 31, 2026	\$	0.37
Rate Rider for Recovery of Forgone Incremental Capital Module Revenue (May-Jul 2025) - effective until December 31, 2025	\$	0.22
Smart Metering Entity Charge - effective until December 31, 2027	\$	0.42
Distribution Volumetric Rate	\$/kWh	0.0106
Rate Rider for Recovery of Forgone Distribution Revenue (Jan-Jul 2025) - effective until December 31, 2025	\$/kWh	0.0006
Low Voltage Service Rate	\$/kWh	0.0046
Rate Rider for Disposition of Global Adjustment Account (2025) - effective until December 31, 2025 Applicable only for Non-RPP Customers	\$/kWh	0.0036
Rate Rider for Disposition of Deferral/Variance Accounts (2025) - effective until December 31, 2025	\$/kWh	0.0024
Rate Rider for Disposition of Capacity Based Recovery Account (2025) - effective until December 31, 2025 Applicable only for Class B Customers	\$/kWh	0.0004
Rate Rider for Disposition of Deferral/Variance Account 1550 - effective until December 31, 2026	\$/kWh	0.0012
Rate Rider for Recovery of Incremental Capital (2025) - effective until December 31, 2026	\$/kWh	0.0001
Rate Rider for Recovery of Forgone Incremental Capital Module Revenue (May-Jul 2025) - effective until December 31, 2025	\$/kWh	0.0001
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0096
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0075

# Lakefront Utilities Inc.

## TARIFF OF RATES AND CHARGES

Effective Date January 1, 2025

Implementation Date August 1, 2025

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

EB-2024-0038

### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0015
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

# Lakefront Utilities Inc.

## TARIFF OF RATES AND CHARGES

Effective Date January 1, 2025

Implementation Date August 1, 2025

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

EB-2024-0038

### GENERAL SERVICE 50 TO 2,999 KW SERVICE CLASSIFICATION

This classification refers to a non residential account whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 3,000 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 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.

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 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 non-RPP 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 the Ontario Energy Board approval, such as the Global Adjustment and the HST.

#### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	104.46
Rate Rider for Recovery of Forgone Distribution Revenue (Jan-Jul 2025) - effective until December 31, 2025	\$	5.08
Rate Rider for Recovery of Incremental Capital (2025) - effective until December 31, 2026	\$	1.33
Rate Rider for Recovery of Forgone Incremental Capital Module Revenue (May-Jul 2025) - effective until December 31, 2025	\$	0.80

# Lakefront Utilities Inc.

## TARIFF OF RATES AND CHARGES

**Effective Date January 1, 2025**

**Implementation Date August 1, 2025**

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

**EB-2024-0038**

Distribution Volumetric Rate	\$/kW	4.1700
Rate Rider for Recovery of Forgone Distribution Revenue (Jan-Jul 2025) - effective until December 31, 2025	\$/kW	0.2029
Low Voltage Service Rate	\$/kW	1.8420
Rate Rider for Disposition of Global Adjustment Account (2025) - effective until December 31, 2025 Applicable only for Non-RPP Customers	\$/kWh	0.0036
Rate Rider for Disposition of Deferral/Variance Accounts (2025) - effective until December 31, 2025	\$/kW	0.9520
Rate Rider for Disposition of Capacity Based Recovery Account (2025) - effective until December 31, 2025 Applicable only for Class B Customers	\$/kW	0.1475
Rate Rider for Disposition of Deferral/Variance Account 1550 - effective until December 31, 2026	\$/kW	0.4584
Rate Rider for Recovery of Incremental Capital (2025) - effective until December 31, 2026	\$/kW	0.0533
Rate Rider for Recovery of Forgone Incremental Capital Module Revenue (May-Jul 2025) - effective until December 31, 2025	\$/kW	0.0320
Retail Transmission Rate - Network Service Rate	\$/kW	3.8496
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.9809

### **MONTHLY RATES AND CHARGES - Regulatory Component**

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0015
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

# Lakefront Utilities Inc.

## TARIFF OF RATES AND CHARGES

Effective Date January 1, 2025

Implementation Date August 1, 2025

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

EB-2024-0038

### GENERAL SERVICE 3,000 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 forecast to be equal to or greater than 3,000 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 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.

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 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 non-RPP 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 the Ontario Energy Board approval, such as the Global Adjustment and the HST.

#### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	6,255.22
Rate Rider for Recovery of Forgone Distribution Revenue (Jan-Jul 2025) - effective until December 31, 2025	\$	304.30
Rate Rider for Recovery of Incremental Capital (2025) - effective until December 31, 2026	\$	79.46
Rate Rider for Recovery of Forgone Incremental Capital Module Revenue (May-Jul 2025) - effective until December 31, 2025	\$	47.68

# Lakefront Utilities Inc.

## TARIFF OF RATES AND CHARGES

**Effective Date January 1, 2025**

**Implementation Date August 1, 2025**

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

**EB-2024-0038**

Distribution Volumetric Rate	\$/kW	2.3155
Rate Rider for Recovery of Forgone Distribution Revenue (Jan-Jul 2025) - effective until December 31, 2025	\$/kW	0.1127
Low Voltage Service Rate	\$/kW	2.1726
Rate Rider for Disposition of Deferral/Variance Accounts (2025) - effective until December 31, 2025	\$/kW	1.0883
Rate Rider for Disposition of Deferral/Variance Account 1550 - effective until December 31, 2026	\$/kW	0.5004
Rate Rider for Recovery of Incremental Capital (2025) - effective until December 31, 2026	\$/kW	0.0296
Rate Rider for Recovery of Forgone Incremental Capital Module Revenue (May-Jul 2025) - effective until December 31, 2025	\$/kW	0.0178
Retail Transmission Rate - Network Service Rate	\$/kW	4.3058
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	3.5160

### **MONTHLY RATES AND CHARGES - Regulatory Component**

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0015
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

# Lakefront Utilities Inc.

## TARIFF OF RATES AND CHARGES

**Effective Date January 1, 2025**

**Implementation Date August 1, 2025**

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

**EB-2024-0038**

### UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification refers to an account taking electricity at 750 volts or less whose monthly average peak demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The customer will provide detailed manufacturer information/documentation with regard to electrical demand/consumption of the proposed unmetered load. 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 the Ontario Energy Board approval, such as the Global Adjustment and the HST.

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per customer)	\$	11.15
Rate Rider for Recovery of Forgone Distribution Revenue (Jan-Jul 2025) - effective until December 31, 2025	\$	0.55
Rate Rider for Recovery of Incremental Capital (2025) - effective until December 31, 2026	\$	0.14
Rate Rider for Recovery of Forgone Incremental Capital Module Revenue (May-Jul 2025) - effective until December 31, 2025	\$	0.08
Distribution Volumetric Rate	\$/kWh	0.0166
Rate Rider for Recovery of Forgone Distribution Revenue (Jan-Jul 2025) - effective until December 31, 2025	\$/kWh	0.0008
Low Voltage Service Rate	\$/kWh	0.0057
Rate Rider for Disposition of Global Adjustment Account (2025) - effective until December 31, 2025 Applicable only for Non-RPP Customers	\$/kWh	0.0036
Rate Rider for Disposition of Deferral/Variance Accounts (2025) - effective until December 31, 2025	\$/kWh	0.0025
Rate Rider for Disposition of Capacity Based Recovery Account (2025) - effective until December 31, 2025 Applicable only for Class B Customers	\$/kWh	0.0004
Rate Rider for Disposition of Deferral/Variance Account 1550 - effective until December 31, 2026	\$/kWh	0.0012
Rate Rider for Recovery of Incremental Capital (2025) - effective until December 31, 2026	\$/kWh	0.0002
Rate Rider for Recovery of Forgone Incremental Capital Module Revenue (May-Jul 2025) - effective until December 31, 2025	\$/kWh	0.0001
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0109
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0091

# Lakefront Utilities Inc.

## TARIFF OF RATES AND CHARGES

Effective Date January 1, 2025

Implementation Date August 1, 2025

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

EB-2024-0038

### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0015
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25



# Lakefront Utilities Inc.

## TARIFF OF RATES AND CHARGES

Effective Date January 1, 2025

Implementation Date August 1, 2025

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

EB-2024-0038

### SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to accounts that are an 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 (per connection)	\$	6.72
Rate Rider for Recovery of Forgone Distribution Revenue (Jan-Jul 2025) - effective until December 31, 2025	\$	0.32
Rate Rider for Recovery of Incremental Capital (2025) - effective until December 31, 2026	\$	0.09
Rate Rider for Recovery of Forgone Incremental Capital Module Revenue (May-Jul 2025) - effective until December 31, 2025	\$	0.05
Distribution Volumetric Rate	\$/kW	15.3139
Rate Rider for Recovery of Forgone Distribution Revenue (Jan-Jul 2025) - effective until December 31, 2025	\$/kW	0.7449
Low Voltage Service Rate	\$/kW	1.4538
Rate Rider for Disposition of Global Adjustment Account (2025) - effective until December 31, 2025 Applicable only for Non-RPP Customers	\$/kWh	0.0036
Rate Rider for Disposition of Deferral/Variance Accounts (2025) - effective until December 31, 2025	\$/kW	0.9080
Rate Rider for Disposition of Capacity Based Recovery Account (2025) - effective until December 31, 2025 Applicable only for Class B Customers	\$/kW	0.1396
Rate Rider for Disposition of Deferral/Variance Account 1550 - effective until December 31, 2026	\$/kW	0.4035
Rate Rider for Recovery of Incremental Capital (2025) - effective until December 31, 2026	\$/kW	0.1967
Rate Rider for Recovery of Forgone Incremental Capital Module Revenue (May-Jul 2025) - effective until December 31, 2025	\$/kW	0.1180
Retail Transmission Rate - Network Service Rate	\$/kW	2.9178
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.3526

**Lakefront Utilities Inc.**  
**TARIFF OF RATES AND CHARGES**

**Effective Date January 1, 2025**

**Implementation Date August 1, 2025**

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

**EB-2024-0038**

**MONTHLY RATES AND CHARGES - Regulatory Component**

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0015
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

# Lakefront Utilities Inc.

## TARIFF OF RATES AND CHARGES

**Effective Date January 1, 2025**

**Implementation Date August 1, 2025**

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approved schedules of Rates, Charges and Loss Factors**

**EB-2024-0038**

### STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting operation, controlled by photo cells. The consumption for these customers will be based on the calculated connected load times the required lighting times 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 the Ontario Energy Board approval, such as the Global Adjustment and the HST.

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per device)	\$	2.11
Rate Rider for Recovery of Forgone Distribution Revenue (Jan-Jul 2025) - effective until December 31, 2025	\$	0.10
Rate Rider for Recovery of Incremental Capital (2025) - effective until December 31, 2026	\$	0.03
Rate Rider for Recovery of Forgone Incremental Capital Module Revenue (May-Jul 2025) - effective until December 31, 2025	\$	0.02
Distribution Volumetric Rate	\$/kW	5.5437
Rate Rider for Recovery of Forgone Distribution Revenue (Jan-Jul 2025) - effective until December 31, 2025	\$/kW	0.2696
Low Voltage Service Rate	\$/kW	1.4240
Rate Rider for Disposition of Global Adjustment Account (2025) - effective until December 31, 2025 Applicable only for Non-RPP Customers	\$/kWh	0.0036
Rate Rider for Disposition of Deferral/Variance Accounts (2025) - effective until December 31, 2025	\$/kW	0.9299
Rate Rider for Disposition of Capacity Based Recovery Account (2025) - effective until December 31, 2025 Applicable only for Class B Customers	\$/kW	0.1514
Rate Rider for Disposition of Deferral/Variance Account 1550 - effective until December 31, 2026	\$/kW	0.4522
Rate Rider for Recovery of Incremental Capital (2025) - effective until December 31, 2026	\$/kW	0.0710
Rate Rider for Recovery of Forgone Incremental Capital Module Revenue (May-Jul 2025) - effective until December 31, 2025	\$/kW	0.0426
Retail Transmission Rate - Network Service Rate	\$/kW	2.9036
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.3047

# Lakefront Utilities Inc.

## TARIFF OF RATES AND CHARGES

Effective Date January 1, 2025

Implementation Date August 1, 2025

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### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0015
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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EB-2024-0038

### 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 the Ontario Energy Board approval, such as the Global Adjustment and the HST.

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	5.00
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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)

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### 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.

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#### Customer Administration

Arrears certificate	\$	15.00
Statement of account	\$	15.00
Pulling post dated cheques	\$	15.00
Request for other billing information	\$	15.00
Easement letter	\$	15.00
Income tax letter	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	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

Service call - customer owned equipment	\$	30.00
Service call - after regular hours	\$	165.00
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
Specific charge for access to the power poles - \$/pole/year (with the exception of wireless attachments)	\$	39.14
Interval meter load management tool charge \$/month	\$	110.00
Service charge for onsite interrogation of interval meter due to customer phone line failure - required weekly until line repaired	\$	60.00

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### 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 the 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	\$	121.23
Monthly fixed charge, per retailer	\$	48.50
Monthly variable charge, per customer, per retailer	\$/cust.	1.20
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust.	0.71
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust.	(0.71)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.61
Processing fee, per request, applied to the requesting party	\$	1.20
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)	\$	4.85
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)	\$	2.42

### 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	1.0388
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0288