



PUBLIC INTEREST ADVOCACY CENTRE
LE CENTRE POUR LA DÉFENSE DE L'INTÉRÊT PUBLIC

September 3, 2026

VIA E-MAIL

Ritchie Murray
Registrar (registrar@oeb.ca)
Ontario Energy Board
Toronto, ON

Dear Mr. Murray:

Re: EB-2026-0054 Lakefront Utilities Inc. (LUI)
2027 Cost of Service Application
Interrogatories of the Vulnerable Energy Consumers Coalition (VECC)

Please find attached the revised interrogatories of VECC in the above-noted proceeding. We have also directed a copy of the same to the Applicant.

Yours truly,

Mark Garner
Consultants for VECC/PIAC

Mark C. Garner

Digitally signed by Mark C.
Garner

Date: 2026.09.03 15:29:53 -04'00'

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REQUESTOR NAME	VECC
TO:	Lakefront Utilities Inc. (LUI)
DATE:	September 3, 2026
CASE NO:	EB-2026-0054
APPLICATION NAME	2027 Cost of Service

1.0 ADMINISTRATION (EXHIBIT 1)

1.0-VECC-1

Reference: Exhibit 1, page 43

- a) Please explain why the customer notice for this application provides only the typical residential bill impact for the total bill and not also the increase on the just the distribution portion of the bill?

1.0-VECC-2

Reference: Exhibit 1, page 47 /Exhibit 4, page 62

"Lakefront met with representatives from United Way Northumberland, the Salvation Army, and Habitat for Humanity to discuss affordability pressures and barriers facing vulnerable customers. Across these discussions, several consistent themes emerged: ...

Limited awareness and underutilization of assistance programs such as OESP and LEAP.

Table 27 – LEAP Contributions

Year	Agency administration and program delivery	Total grants disbursed	Total funds disbursed	Accepted Applicants	Avg. grant per accepted applicant
2022BA					
2022	1,500	14,722.42	16,222.42	35	420.64
2023	1,500	10,057.57	11,557.57	26	386.83
2024	1,500	10,846.69	12,921.37	27	401.73
2025	1,500				
2026	1,500	8,500	10,000	25	400
2027	1,500	8,500	10,000	25	400

- a) What steps is LUI taking to address the finding of limited awareness of LEAP funding?
- b) Why is forecast LEAP funding for 2027 less than that disbursed in years 2022-2024?
- c) What were the funds disbursed in 2025?
- d) What amount of funds have been disbursed to date for 2026?

1.0-VECC-3

Reference: Exhibit 1, page 50

- a) Please update the LUI scorecard for 2025 results.

1.0-VECC-4

Reference: Exhibit 1, pages 59 60

- a) The statement. “[H]owever, *achieved ROE has remained below the approved level, with 2024 earnings reaching only 8.24% against an 8.66% target.*” Is inconsistent with Table 20 which shows 2024 achieved ROE of 6.60% (and 8.24% for 2025). Please reconcile.

2.0 RATE BASE AND CAPITAL (EXHIBIT 2)

2.0-VECC -5

Reference: Exhibit 2, DSP Final, page 47
Exhibit 3, page 5

Preamble: The Application states (DSP Final, page 47):
“LUI has experienced modest but steady growth in its service territory. New residential subdivisions in LUI’s service territory, as well as incremental commercial development, are expected to contribute to demand over the 2027–2031 planning horizon. Industrial activity is forecast to remain stable, contributing selectively to load requirements. LUI expects overall peak demand to stay roughly flat over the forecast period. The main growth pressure comes from residential subdivisions in Cobourg such as Densmore Meadows rather than broad-based load growth. That said, if a large industrial customer were to electrify a process or if EV adoption accelerates faster than expected, LUI could see localized capacity pressure on specific feeders.”

The Application states (Exhibit 3, page 5):

“While the region continues to market industrial and commercial lands, no confirmed infrastructure or development projects are expected to materially impact load within the bridge or test years.”

- a) Please outline the new residential subdivisions currently expected in LUI's service territory over the 2027-2031 planning period. As part of the response please indicate the timing, number of new connections and MWs associated with each.
- b) Please outline the incremental commercial development currently expected in LUI's service territory over the 2027-2031 planning period. As part of the response please indicate the timing and the incremental MWs of load expected.
- c) Please provide a schedule that sets out LUI's current connection requests and indicate the timing and kW associated with each along with the type of customer involved (e.g., residential or commercial/industrial).

2.0-VECC -6

Reference: Exhibit 2, DSP pages, 24-25

Table 5.2-7: Historical Reliability Performance Metrics - LOS and MED Adjusted

Metric	2021	2022	2023	2024	2025	Average
<i>Loss of Supply Adjusted</i>						
SAIDI	0.99	31.67	2.80	3.22	3.05	8.35
SAIFI	0.60	1.47	2.02	1.33	1.37	1.36
CAIDI	1.63	21.54	1.38	2.42	2.23	5.84
<i>Loss of Supply and Major Event Days Adjusted</i>						
SAIDI	0.99	0.63	2.80	3.22	3.05	2.14
SAIFI	0.60	0.36	2.02	1.33	1.37	1.14
CAIDI	1.65	1.75	1.39	2.42	2.23	1.89

“Figure 5.2-6 shows that average restoration times (CAIDI) have stayed reasonably consistent once LOS and MED events are removed averaging 1.88 hours over the period.”

- a) Table 5.2-7 shows a noticeable increase in outage duration since 2023 (as measured by both SAIDI and CAIDI / LOS and MED adjusted results). What are the reasons for this trend?
- b) Does LUI have any specific initiatives during the rate plan aimed at reducing the outage times for both planned and unplanned outages?

2.0-VECC -7

Reference: Exhibit 2 DSP, page 32

Table 5.2-14: RPQR Reliability Performance Targets (2027-2031)¹²

Year	2027	2028	2029	2030	2031
SAIDI Target (hours)	2.45	2.44	2.44	2.43	2.42
SAIFI Target	1.14	1.12	1.10	1.09	1.07

- a) The SAIFI target for 2027 appears to have been set at the 2021-2025 average (see Table 5.2-7). However, the SAID target of 2.45 for 2027 is set above the 2021-2025 average (MED and LOS adjusted). Please why.

2.0-VECC -8

Reference: Exhibit 2, DSP, pages, 27 -31

“Defective equipment and supply related events as the primary contributors to reliability outcomes and directly inform LUI’s 2027– 2031 investment plan.”

- a) Please provide the most common type of defective equipment causing “defective equipment cause code outages” in each year 2021 through 2025.
- b) Please explain how the most common types of defective equipment caused outages are being addressed in the proposed DSP.

2.0-VECC -9

Reference: Exhibit 2, DSP, page 62, Table 5.4-4 / APPL_COS_2027 Filing_Requirements Chapter2 Appendices_20260626.xlsm

- a) The amounts for system access and total net capital spending in 2024 shown at Table 5.4-6 do not appear to match those shown at Appendix 2-AB shown in the Excel Model Chapter2 Appendices_20260626.xlsm (e.g. net actual capital expenditures are shown as \$2,222 in the former and \$1,670 in the latter and CWIP is shown as \$2,228). Similar inconsistencies as between the Total net plan and actuals capital expenditures reported in the Table at page 62 of the DSP and that shown in the Chapter 2 Excel model. Please reconcile

2.0-VECC -10

Reference: Exhibit 2, Appendix 2-AB

- a) Please explain how the System Access capital contribution forecast of \$728,800 was estimated for 2027.
- b) Please explain how the 2028-2031 estimate of system access capital contributions of \$806,824 was calculated.
- c) Please identify which projects in System Service are expected to attract a capital contribution of \$202,008 (2027 -2029) and how that contribution estimate was calculated.

2.0-VECC -11

Reference: Exhibit 2, Appendix 2-AA

- a) Please update Appendix 2-AA to show the 2026 January – August spending to-date and the forecast Sept-Dec. year-end forecast.

2.0-VECC -12

Reference: Exhibit 2, Appendix L – SS-003, Appendix 2-AA

- a) In Appendix L (Material Investment Narratives Summary Table (PDF page 297) shows the Distribution System Automation (SS-003) project spending in 2027 as \$404,678 (also shown as Table 5.4-15 page 82 of DSP). Appendix 2-AA (Excel) shows the spending on this program in 2027 as \$606,686 (line 83). Please reconcile.
- b) The total for this program at Appendix L is listed as \$1.28M over the 2027-2031 period. The amount in Appendix 2-AA – line 83 shows the cumulative 2027-2030 amount as \$1,891,101. Please reconcile.
- c) Please provide the scope of work on SS-003 in 2027 and (separately) the scope of work in 2028.

2.0-VECC -13

Reference: Exhibit 2, DSP, pages 70-, Tables 5.4-11, 5.4-12, 5.4-13, Table 5.4-14 / Appendix 2-AA APPL_COS_2027 Filing Requirements Chapter2 Appendices_20260626.xlsm

- a) Tables 5.4-11 through -13 do not appear to match the equivalent sums shown in Appendix 2-AA. Please reconcile.
- b) Table 5.4-14 does not appear to match the figures in Appendix 2-AA for the years 2028, 2029 and 2030. Please reconcile.

2.0-VECC -14

Reference: Exhibit 2, page 7 of 62 / Appendix 2-BA and Appendix 2-AB

*“All capital expenditures included in this application reflect assets that have been placed into service. LUI does not include work in progress (WIP) in rate base. **Accordingly, capital expenditures and in-service additions are equivalent for the purposes of this application.**”* (emphasis added)

- a) It does not appear that the actual net capital expenditures matches the additions as shown in Appendix 2-BA. For example, in 2025 Additions the Total PP&E for Rate Base Purposes is listed as \$2,764,569. Appendix 2-AB - Capital Expenditures list the 2025 total capital expenditures as \$3.061M with Net Capital Expenditures of \$2.411M. Please clarify how this is consistent with the referenced statement.

2.0-VECC -15

Reference: Exhibit 2, section 2.2.6, pages 26, 36 Table 17

“After the ICM proceeding, LUI completed a review of developments benefiting from the station and identified development-related capital contributions totaling \$136,562. One development contribution in the amount of \$32,343 has been collected, and the remaining contributions of \$104,219 are expected to be collected as development proceeds.”

- a) At total of \$489,468 has been identified in contribution for the 2022-2026 period. Is LUI seeking the remainder of the estimated contributions identified? If so how does it propose to account for any future contributions related to these developments identified in Table 17.
- b) Has the collected \$136k in contributions been recognized in the 2027 opening rate base calculation?

2.0-VECC -16

Reference: Exhibit 2, section 2.2.6, pages 29-

Component	Cost Share	Index Source	Q1 2022 Index	Q4 2025 Index	Escalation Factor	Original Cost	Escalated Cost
Labour / Construction	42%	StatCan Table 18-10-0289	94.7	109.5	1.1563	\$1,092,034	\$1,262,719
Equipment	58%	StatCan Table 18-10-0284	111.5	141.5	1.2691	\$1,505,049	\$1,910,057
Total	100%	Weighted composite			1.2206	\$2,597,083	\$3,172,776

- a) LUI presents evidence on escalating the cost of MS28-3. It is unclear to us the purpose of this evidence. Is LUI proposing to recover the calculated \$3.172M?

3.0 OPERATING REVENUE (EXHIBIT 3)

3.0-VECC -17

Reference: Exhibit 3, pages 3 and 20

- a) Please provide revised versions of Tables 1 and 2 based on the existing customer classes (i.e., GS 50-2,999 and GS 3,000 -4,999).
- b) Please provide versions of Table 15 based on the existing customer classes (i.e., GS 50-2,999 and GS 3,000-4,999).

3.0-VECC -18

Reference: Exhibit 3, page 4

Preamble: The Application states: *“Historically, the GS 3,000-4,999 kW rate class has contained a single customer. LUI’s review of customer demand and billing characteristics indicates that the customer’s demand exceeds the 3,000 kW threshold only intermittently and does not consistently exhibit the load characteristics for which the class was originally established. Following a review of current and forecast customer demand levels, LUI has determined that maintaining separate GS 50-2,999 kW and GS 3,000-4,999 kW rate classes is no longer appropriate. The GS 3,000-4,999 kW class contains only a single customer whose demand exceeds 3,000 kW on a limited number of occasions during the year.”*

- a) For the one customer currently in the GS 3,000-4,999 class please provide a schedule that indicates for each of the past 5 years the number of months in each year that the customer’s billing demand was 3,000 kW or greater..
- b) For the one customer currently in the GS 3,000-4,999 class please provide a schedule that indicates the customer’s average annual billing demand (i.e., average billing demand for the 12 months) for each of the past 5 years.

3.0-VECC -19

Reference: Exhibit 3, page 5

Preamble: The Application states: *“Residential customer growth has generally been modest and aligned with historical trends. While customer additions increased by approximately 3% in 2024, this is considered an above-average year rather than a new long-term growth trend. The bridge and test year forecasts therefore reflect continued growth from known development activity but do not assume sustained annual growth at 2024 levels.”*

- a) What does LUI consider to be the “historical trend” in Residential customer growth?
- b) What was the Residential customer growth for 2025 and how does this align with the “historical trend”?

3.0-VECC -20

Reference: Exhibit 3, pages 6-7

Preamble: The Application states:

“The most significant adjustment relates to the cessation of manufacturing operations at Weetabix Canada Inc. Following the public announcement by Post Holdings in April 2025 and the subsequent cessation of production activities, a substantial and permanent reduction in electricity consumption occurred within LUI’s service territory. Historical production-related consumption associated with the facility was removed from the historical wholesale purchase data used to develop the regression model.” (page 6)

and

“The forecast therefore reflects underlying system demand excluding the former manufacturing load while retaining the residual facility load expected to remain connected during the bridge and test years.”(pg. 7)

- a) How did LUI determine the “former manufacturing load” and distinguish it from the residual facility load?

3.0-VECC -21

Reference: Exhibit 3, page 7

Preamble: The Application states:

“The bridge and test year forecasts reflect continued residential and commercial development activity within the Cobourg, Port Hope and Cramahe service territory and incorporate known customer additions included in the customer forecast. No additional material customer-specific or economic adjustments were required.”

- a) Please outline the “continued residential and commercial development activity within the Cobourg, Port Hope and Cramahe service territory”.
- b) Please explain why, based on known continued residential and commercial development activity within the Cobourg, Port Hope and Cramahe service territory, no addition customer-specific or economic adjustments were required.

3.0-VECC -22

Reference: Exhibit 3, pages 10-11
Load Forecast Model, Adjustments and Var Tab

Preamble: The Application states (Table 5 Note):

“Wholesale purchases reflect net system load delivered to LUI. Embedded generation (e.g., MicroFIT) is not included in wholesale purchases and reduces the amount of energy required from the host distributor.”

- a) Please explain why embedded generation purchases (e.g., MicroFIT) were excluded from the “purchase” values used to estimate the regression model.
- b) Please provide:
 - i. a revised version of Table 5 that also includes both purchases for HONI and embedded generation purchases.
 - ii. a revised Load Forecast Model where the purchase values used as the dependent variable included embedded generation

3.0-VECC -23

Reference: Exhibit 3, page 12

Preamble: The Application states:
“LUI tested and included a “Customer Count” variable.”

- a) What customer classes are included in the customer count variable?

3.0-VECC -24

Reference: Exhibit 3, page 14

- a) Why does LUI use the HDD and CDD value as reported at the Ottawa International Airport? Are there not closer locations that could provide the required data?

3.0-VECC -25

Reference: Exhibit 3, page 17

Preamble: The text preceding the last table on page 17 states:
“After completing the regression, the coefficients are applied to the historical wholesale purchases to produce weather-normalized values.”

- a) Is the last table on page 17 meant to provide the weather normalized historical purchase values?
- b) If yes please explain how this is accomplished.
- c) Please provide a schedule (in Excel format) that sets out the following for each of the years 2016-2025:
 - a. The total actual HDD values
 - b. The annual HDD value based on “normal weather”
 - c. The difference between item (i) and item (ii)
 - d. The product item (iii) and the HDD coefficient from the regression model
 - e. The total actual CDD values
 - f. The annual CDD value based on “normal weather”
 - g. The difference between item (v) and item (vi)
 - h. The product item (vii) and the CDD coefficient from the regression model
 - i. The sum of items (iv) and (viii)

3.0-VECC -26

Reference: Exhibit 3, pages 18-21
Load Forecast Model, Weather Sensitive Forecast Tab and Non-Weather Sensitive Tab

Preamble: The Application states:
"A trend analysis was applied to the historical allocation ratios to develop forecast allocation ratios for 2026 and 2027. This approach was selected because it better reflects the observed evolution of class consumption patterns than a simple historical average." (page 18)

- a) Please confirm that for those classes which have load that is weather sensitive the historical annual allocation ratios will be impacted by the annual HDD and CDD values.
- b) For each of the customer classes where the results of the trend analysis were used to forecast 2026 and 2027, please indicate whether the trend was statistically significant?
- c) Please explain why USL customer class load is considered to be weather-sensitive.
- d) For each of the Residential, GS<50, GS 50-4,999 and USL classes please provide the forecasts for 2026 and 2027 based on the historical (10-year) average allocation ratio (as opposed to the trend).

3.0-VECC -27

Reference: Exhibit 3, pages 4 (Table 3) and 20-22
Load Forecast Model, Weather Sensitive Forecast Tab, Non-Weather Sensitive Tab and Final LF Tb

Preamble: The Application states:
"The demand forecast for this class is based on a long-term average intensity method, which is appropriate given the small, non-weather-sensitive, and highly stable nature of the customer group. A 10-year average kW-per-customer value is used to represent the class's typical demand intensity, and the forecast customer count is based on the geometric mean of historical customers to avoid overstating year-to-year fluctuations in this very small population." (page 21)

- a) In the Application the GS 50-4,999 class' kWh load forecast for 2027 is based on using the trend allocation approach applied to weather sensitive classes (per page 20 and the Weather Sensitive Tab). However, the class' kW load forecast for 2027 is based on an average/customer allocation approach (per Non-Weather Sensitive Tab) which produces a different kWh forecast for the class. Please explain this inconsistency.
- b) Please explain why for the GS 50-4,999 and Sentinel classes a 10-year

average of the kW/customer was used to forecast the 2027 billing kW when in each case the values in the initial years vary materially from those in the later years of the period.

- c) For the GS 50-4,999 class does each customer only have one connection (i.e., does the number of customers equal the number of connections)?

3.0-VECC -28

Reference: Exhibit 3, page 29

Preamble: The Application states:

“LUI’s persisting CDM impacts are reflected in historical wholesale purchases and are therefore embedded in the load forecast. As a result, no separate adjustment has been made. LUI has not been responsible for delivering CDM programs since April 2019 and is not planning or aware of any distributor-initiated CDM activities during the test year. While provincial programs such as Save on Energy (Stream 1 and Stream 2) continue to operate, these initiatives are administered by the IESO and are not forecasted at the distributor level at this time.”

- a) Is LUI current planning on implementing any local eDSM (Stream 2) programs in 2027?
- b) Please confirm that the historical purchased power values used by LUI to determine its regression model included the impacts of new CDM programs that were implemented in each of the years 2016-2025.
 - i. If not confirmed please explain why.
 - ii. If confirmed, does this not mean that the forecast implicitly assumed the continued introduction of similar new CDM programs in 2026 and 2027?

4.0 OM&A (EXHIBIT 4)

4.0 -VECC -29

Reference: Exhibit 4, page 22

- a) Does account 5130 “Maintenance of Overhead Services” include services other than vegetation management? If yes, please provide just the vegetation management costs for each year 2022 to 2027.

4.0 -VECC -30

Reference: Exhibit 4, page 19

- a) How was the bad debt estimate of 58,987 for 2027 calculated?

4.0 -VECC -31

Reference: Exhibit 4, page 29

“During 2023, the increase was primarily driven by consulting costs incurred to support vacancies in the Director of Engineering and Operations and Director of Finance and Regulatory positions. These transitional consulting costs contributed to the increase in Administrative and General OM&A”

- a) Please identify and provide all the consulting costs separately (by category /r consultant) for each year 2022 to 2025.

4.0 -VECC -32

Reference: Exhibit 4, page 32

- a) Please explain the nature of the exceptionally large bad debt costs of \$210,278 in 2025.

4.0 -VECC -33

Reference: Exhibit 4, page 40

- a) Please provide a copy of the KPMG Governance Review report.
- b) Please provide any additional KPMG (other than that at Appendix 4E) or other consulting reports with respect to the cost allocation review

4.0 -VECC -34

Reference: Exhibit 4, page 56

- a) Please provide the annual EDA membership fees for each year 2022 through 2027.

4.0 -VECC -35

Reference: Exhibit 4, page 72

“Beginning in 2026, LUI initiated a plan to strengthen internal capabilities and reduce dependence on consultant-supported functions. Key staffing additions included:

- Director of Engineering and Operations;*
- Engineering and Distribution Supervisor;*
- GIS/SCADA and Engineering Design resource;*
- Purchasing and Inventory support resource;*
- Metering support resource; and*
- Additional customer service support.”*

- a) Please provide an update on the referenced 2026 additions, identifying if the position has been filled, and if not the current status of the recruitment effort, and the salary band for the position (as advertised for recruitment).

4.0 -VECC -36

Reference: Exhibit 4, Table 41/Appendix 2-N

- a) In 2023 LUI's payments for shared services to LUSI (\$3.218k – 58k Office Rental to LUSI) exceeded the actual LUI OM&A for that year (\$3,132,855). Please explain how that is possible.
- b) Using the format of Appendix 2-JA and for each year 2022 through to 2027 please show the LUSI and the non-LUSI costs by each OM&A category.

4.0 -VECC -37

Reference: Exhibit 4, Appendix 2-K

- a) Please provide a table showing:
 - i. the name of each LUI job/position category for the 21 proposed FTE roles in 2027;
 - ii. the number of FTEs proposed for each job position;
 - iii. the number of FTEs currently employed in each category;
 - iv. the salary band of each category
 - v. the average time allocated in a given position category to LUI (based on last full year 2025 and for the average of all employees in that category).

5.0 COST OF CAPITAL (EXHIBIT 5)

5.0-VECC-38

Reference: Exhibit 5, Table 4

"The promissory note was amended and restated in 2019 to reflect an interest rate consistent with OEB-approved parameters, with the rate to be updated at each approved cost of service proceeding. The debt remains outstanding today as a long-term financing instrument supporting LUI's capital structure, rather than a short-term or temporary borrowing"

- a) Appendix 2-OB shows a rate of 3.49% for the affiliated debt from the Town of Cobourg and 3.46% of the Affiliated debt from LUSI. The Board's current long-term debt rate is 4.73% (OEB Letter of October 31, 2025). Please clarify if either or both affiliated debt issuances are meant to be presented at the Board's current long-term debt rate (i.e. prior to the 2026 expected update). If so please recalculate the weighted cost of long-term debt and provide this in a revised Appendix 2-OA and Appendix 2-OB.

6.0 REVENUE REQUIREMENT (EXHIBIT 6)

6.0-VECC-39

Reference: Exhibit 6, page 15

- a) Please provide the basis for the 2026 and 2027 forecasts for the each of the USOAs in Table 8.
- b) In the case of USOA #4210 please provide a schedule that sets out the number of poles, the applicable rates and the resulting revenues for 2024 through 2027.
- c) In the case of USOA #4082 and #4084, do the forecast revenues for 2027 reflect the proposed 2027 Retail Service Charges as set out in Exhibit 8, page 17?

7.0 COST ALLOCATION (EXHIBIT 7)

7.0-VECC-40

Reference: Exhibit 7, pages 4-5

Preamble: The Application states:
"In sheet 14, Break-out of Assets, LUI reviewed its primary and secondary assets to ensure that the model uses the most up-to-date information."

- a) What was the review undertaken by LUI regarding the split between primary and secondary assets based on?

7.0-VECC-41

Reference: Exhibit 7, pages 8-9
**CA B&C and Services Weighting Factor Model,
B&C Inputs Tab**

Preamble: The Application states:
"Customer service and collection-related activities (e.g., call handling, staff time) are allocated using a time-based approach, which reflects the relative level of effort required to serve each customer class."
(page 8)

- a) Please explain how the Time Allocation percentages used in the B&C Inputs Tab were derived.
- b) Why are the same time-based allocation factors used for USOA #5320 and #5330?
- c) What activities are included in USOA #5340?

7.0-VECC-42

Reference: Exhibit 7, page 10 /Cost Allocation Model, Tab I6.1

- a) Please confirm that, in Tab I6.1, the existing rates used for the GS 50-4,999 class were the 2026 rates for the GS 50-2,999 class.
- b) What would be the existing blended rates for the new GS 50-4,999 class where:
 - a. The monthly service charge is based on the sum of the 2026 service charges for each of the GS 50-2,999 and GS 3,000-4,999 classes weighted by the forecast 2027 number of customers in each class (assuming the existing customer classes continued)
 - b. The monthly volumetric charge (\$/kW) is based on the sum of the 2026 volumetric charges for each of the GS 50-2,999 and GS 3,000-4,999 classes weighted by the forecast 2027 volumes for each class (assuming the existing customer classes continued).
- c) Please provide a revised version of the Cost Allocation Model which used the result from part (b) as the existing rates for the GS 50-4,999 class.

7.0-VECC-43

Reference: Exhibit 7, page 11
Cost Allocation Model, Tabs I6.2, I7.1 and I7.2

- a) Please explain why Tab I6.2 shows 108 GS 50-4,999 customers but Tab I7.1 only shows 107 meters for the class.
- b) Does each Residential, GS<50 and GS>50 customer only have one meter that is owned and read by LUI.
 - i. If not, please explain which class have more meters that are owned or read by LUI and, in each case, indicate the additional number of meters owned and/or read.
- c) Please explain why, in Tab I6.2, the Secondary Customer count for Street Lighting is only 2.

7.0-VECC-44

Reference: Exhibit 7, page 14

Preamble: The Application states:

"In implementing the regression model, LUI specified hourly load as a function of weather and calendar effects, together with intra-day load variation. The model includes hourly Heating Degree Days (HDD) and Cooling Degree Days (CDD), a weekend indicator, and a set of hourly indicator variables (H0–H23)."

- a) Did the weekend indicator also capture statutory holidays?

7.0-VECC-45

Reference: Exhibit 7, page 24

Preamble: The Application states:

“Accordingly, the Unmetered Scattered Load class was adjusted downward from 1.3780 to 1.2000, while the Sentinel and Streetlight classes were adjusted upward from 0.3774 and 0.6614, respectively, to 0.8000. No material adjustments were made to customer classes whose calculated ratios were already within the acceptable range.”

- a) Please confirm that that adjustments outlined to the revenue to cost ratios for the USL, Sentinel and Streetlight classes result in a revenue surplus.
- b) If confirmed, were any explicit adjustments made to the ratios for the other classes to account for this surplus and, if so, which classes’ ratios were adjusted and by how much?

8.0 RATE DESIGN (EXHIBIT 8)

8.0-VECC-46

Reference: Exhibit 8, pages 4-5

- a) Why is the proposed monthly service charge for the GS 50-4,999 class \$108.33 (same as the existing rate) when the application of the current fixed-variable split yields a value (\$125.66) that is less than the maximum fixed value (\$166.43) produced by the Cost Allocation model?
- b) Why is the proposed monthly service charge for the Streetlight class \$2.19 (same as the existing rate) when the application of the current fixed-variable split yields a value (\$3.14) that is less than the maximum fixed value (\$4.23) produced by the Cost Allocation model?
- c) Why is the proposed monthly service charge of the Sentinel class \$6.97 (same as the existing rate) which is less than both the maximum fixed value (\$9.33) provided by the Cost Allocation model and the value (\$20.41) based on the current fixed-variable split?

8.0-VECC-47

Reference: Exhibit 8, pages 7-10

- a) In Table 10, how were the forecast LV charges for 2026 (\$753,270) determined?

8.0-VECC-48

Reference: Exhibit 8, page 13
Chapter 2 Appendices, Appendix 2-R

- a) Please provide a revised version of Appendix 2-R that includes LUI's purchases of embedded generation.
- b) Please provide a revised version of Appendix 2-R where the Supply Facilities Loss Factor is calculated as directed in the footnotes (i.e., "Actual Supply Facility Loss Factor as calculated by dividing (A + C + D) by (B + C + D)").

8.0-VECC-49

Reference: Load Forecast Model, Weather Sensitive Forecast Tab and Non-Weather Sensitive Tab
RTSR Workform, Tabs 3 and 5

- a) For the Residential and GS<50 classes, please reconcile the kWh volumes used for the Residential and GS<50 classes in the RTSR Workform (Tab 3) with the 2025 kWh values in the Weather Sensitive Forecast Tab.
- b) Please confirm that the values used for the Units Billed in the RTSR Workform (Tab 5) are based on 2025 actuals.

9.0 DEFERRAL AND VARIANCE ACCOUNTS (EXHIBIT 9)

9.0 –VECC -50

Reference: Exhibit 9, page 21
DVA Continuity Schedule, Tab 5
Exhibit 4, page 99 of 102
Cost Allocation Model, E4 Tab

Preamble: The Application states:
"The total balance has been allocated to customer classes using the approved Distribution Revenue Allocation factors, consistent with the manner in which distribution revenues are recovered from customer classes for Group 2 accounts."

- a) Please confirm that per Tab 5 of the DVA Continuity Schedule that Management Fee Refund is allocated to customer classes based on kWh.
- b) With respect to the table setting out the analysis of the Management Fee for LUSI (Exhibit 4, page 99 of 102) please provide a schedule that sets out for each of the cost centers identified (e.g., Executive, Finance, etc.) the USOA account where the costs are recorded. If recorded in more than one USOA please provide a percentage breakdown by account.

- c) Based on how these costs are allocated to customer classes (per the Cost Allocation Model, Tab E4), please explain why kWh is the appropriate allocator for the Management Fee refund.

9.0 –VECC - 51

Reference: Exhibit 9, Section 9.2.4, page 12

Table 7 – Continuity of ICM Rate Rider Revenues

Description	Amount (\$)
Rate rider revenues collected in 2025	50,044
Additional approved funding recorded in 2026	71,418
Total ICM rate rider revenues at rebasing	124,559
Transfer to Account 4080 upon rebasing	(124,559)
Closing balance	0

- a) It is unclear to us the derivation/origin of the \$71,418. Please clarify how this amount was calculated and where it was approved.

9.0 –VECC - 52

Reference: Exhibit 9, Exhibit 4, page 63

LUI states at Exhibit 4: “Consistent with OEB policy, if actual LEAP EFA grant payments exceed the approved budget due to customer need, LUI will record the incremental amount in the established LEAP EFA Funding Deferral sub-account for future disposition.”

The following extract is from the current (EB-2026-0029) Canadian Niagara Power Inc. cost of service application

“For regulatory efficiency, the OEB also established a generic deferral account, effective March 1, 2024, to allow rate-regulated electricity and natural gas distributors to record incremental LEAP EFA contributions that are beyond the amounts embedded in distribution rates. This has helped to ensure that no eligible LEAP EFA applicant should be denied assistance due to lack of funding. This deferral account was effective March 1, 2024, and given the ongoing need in CNPI’s service territory, CNPI has accumulated material balances into this deferral account and is seeking disposition (see Exhibit 9). **The Accounting Order (EB-2023-0135) within the February 2024 OEB letter states that it is not expected that distributors will need the new deferral accounts beyond their next cost-base rate applications.**” (emphasis added)

- a) What is the basis for LUI’s proposal to maintain a LEAP variance account?

9.0 –VECC - 53

Reference: Exhibit 9, , page 15

- a) Please provide a list of all Group 2 deferral or variance accounts LUI is seeking to continue for 2027.

End of document