



RP-2005-0020
EB-2006-0011

IN THE MATTER OF the *Ontario Energy Board Act, 1998*,
S.O. 1998, c.15 (Schedule B);

AND IN THE MATTER OF an application by Lakefront
Utilities Inc. for an order or orders pursuant to section 78 of
the *Ontario Energy Board Act, 1998* for 2006 distribution
rates and related matters;

AND IN THE MATTER OF an application by Lakefront Utilities
Inc. for an order or orders pursuant to section 78 of the *Ontario
Energy Board Act, 1998* pertaining to the Final Recovery of
Regulatory Assets - Phase 2.

BEFORE: Paul Vlahos
Presiding Member

Cynthia Chaplin
Member

DECISION WITH REASONS

Background

On November 4, 2005, Lakefront Utilities Inc. (“LUI” or the “Applicant”) submitted an application for final recovery of its regulatory asset balances, pursuant to Chapter 10 of the Board’s December 9, 2004 *Review and Recovery of Regulatory Assets - Phase 2 Decision with Reasons* and the July 12, 2005 regulatory asset

DECISION WITH REASONS

filing guidelines. LUI filed its application under the comprehensive review option, and the application was filed as part of the main 2006 distribution rates application. The regulatory assets claim totalled \$3,216,966, of which \$1,089,517 plus carrying charges represented the total transition cost claim.

The intervenors of record were the Vulnerable Energy Consumers Coalition ("VECC"), Energy Probe Research Foundation ("Energy Probe") and the School Energy Coalition ("SEC").

Pursuant to Procedural Order #1, parties conducted a settlement conference on March 2, 2006. LUI met with the intervenors of record, with the exception of SEC who advised that it would not participate but would rely on the remaining intervenors to negotiate a settlement on behalf of ratepayers. Board Staff were also in attendance but were not party to the settlement proposal. A complete agreement was reached and a settlement proposal was filed with the Board on March 10, 2006. The proposal indicated that SEC had reviewed the agreement and indicated its acceptance of the settlement.

The settlement agreement proposed a reduction in LUI's transition cost claim of \$270,367, resulting in a revised claim of \$819,149 plus carrying charges. All other non-transition cost accounts were accepted as filed. The total revised regulatory asset claim is \$2,986,579.

The Board has reviewed the application, responses to interrogatories, and the settlement proposal. The Board is satisfied that the record is complete and will therefore dispense with an oral hearing.

Board Findings

The Board accepts the application as amended by the settlement agreement. The Board finds that the cost of service consequences resulting from the agreement are acceptable. The Board notes that the consequences of its findings in this Decision will be incorporated into the rate order for LUI that will result from the Decision on LUI's main 2006 distribution rates application.

The Board awards VECC, Energy Probe and SEC 100 percent of their reasonably incurred costs with respect to this comprehensive regulatory assets proceeding. The implementation of this decision on cost awards will be incorporated into the overall process for awarding intervenor costs for the 2006 electricity distribution rates review.

DATED AT Toronto, April 26, 2006

Original signed by

Paul Vlahos
Presiding Member

Original signed by

Cynthia Chaplin
Member