



EB-2007-0551

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 Lakeland Power Distribution Ltd. for an order or orders approving or fixing just and reasonable distribution rates and other charges for 2007.

BEFORE: Paul Sommerville
Presiding Member

Paul Vlahos
Member

Ken Quesnelle
Member

RATE ORDER

On January 26, 2007, Lakeland Power Distribution Ltd. ("Lakeland Power") filed an application with the Ontario Energy Board (the "Board") under section 78 of the Ontario Energy Board Act, 1998; S.O. c.15, Schedule B, for an order or orders approving or fixing just and reasonable rates for the distribution of electricity effective May 1, 2007. The Board assigned file number EB-2007-0551 to the application.

In addition to the automatic price index adjustment mechanism, Lakeland Power requested recovery of \$217,870 for costs that it incurred as a result of the damage inflicted to the distribution system of Lakeland Power by an August 2006 storm. The request was made on the basis of the Z Factor provisions in the

December 20, 2006 *Report of the Board on Cost of Capital and 2nd Generation Incentive Regulation for Ontario's Electricity Distributors* (the "Board Report").

In addition to Lakeland Power, three other Ontario electricity distributors also made applications to the Board for recovery of costs incurred due to extraordinary events, namely severe storms, which inflicted significant damage to their respective distribution systems. All four distributors requested recovery of these costs through the Z Factor recovery mechanism outlined in the Board Report.

On April 30, 2007 the Board issued decisions for each of the applicants, establishing new distribution rates reflecting only the automatic price index adjustment. The Board set the approved distribution rates as interim pending a more detailed review of the applicants' Z Factor claims.

In order to expedite the review of issues related to the storm damage cost claims, the Board convened a combined oral hearing, which reviewed the storm damage cost claims for the four applicants. The oral hearing took place on June 11, 2007 at the Board's offices in Toronto.

On July 31, 2007 the Board released its combined Decision with Reasons (the "Decision"). The Board directed each of the applicants to file with the Board and all intervenors of record, revised rate riders reflecting the Board's findings.

Lakeland Power filed its revised rate riders with the Board and all intervenors on August 8, 2007. The revised information reflected changes to Lakeland Power's original application as required by the Decision.

In its Decision, the Board provided five days for intervenors to comment on the re-filing. No comments were received by the Board.

Upon reviewing the materials as submitted by Lakeland Power, the Board finds it appropriate to issue the final 2007 rate order effective September 1, 2007, reflecting the Board's Decision. The Board finds the rates and charges in the Tariff of Rates and Charges attached as Appendix "A" to this order to be just and reasonable.

THE BOARD ORDERS THAT:

1. The Tariff of Rates and Charges for Lakeland Power attached as Appendix "A" to this order is approved as final.
2. Lakeland Power shall notify its customers of the rate changes no later than with the first bill reflecting the new rates.

ISSUED at Toronto, August 17, 2007

ONTARIO ENERGY BOARD

Original Signed By

Peter H. O'Dell
Assistant Board Secretary

Lakeland Power Distribution Ltd.

TARIFF OF RATES AND CHARGES

Effective September 1, 2007

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

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APPLICATION

- The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Codes, Guidelines or Orders of the Board, and amendments thereto as approved by the 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, Guideline or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.
- This schedule does not contain any rates and charges relating to the electricity commodity (e.g. the Regulated Price Plan).

EFFECTIVE DATES

DISTRIBUTION RATES - September 1, 2007 for all consumption or deemed consumption services used on or after that date.
SPECIFIC SERVICE CHARGES - September 1, 2007 for all charges incurred by customers on or after that date.
LOSS FACTOR ADJUSTMENT – September 1, 2007 unless the distributor is not capable of prorating changed loss factors jointly with distribution rates. In that case, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

SERVICE CLASSIFICATIONS

Residential

This classification refers to the supply of electrical energy to residential customers residing in detached, semi detached, town house (freehold or condominium) dwelling units, duplexes or triplexes. Supply will be limited up to a maximum of 200 amp @ 240/120 volt. Further servicing details are available in our Condition of Service.

General Service Less Than 50 kW

This classification refers to a non-residential account taking electricity at 750 volts or less whose monthly peak demand is less than or is expected to be less than 50 kW. Further servicing details are available in our Condition of Service.

General Service 50 to 4,999 kW

This classification refers to a non residential account whose monthly average peak demand is equal to or greater than, or is expected to be equal to or greater than 50 kW but less than 5,000 kW. Further servicing details are available in our Condition of Service.

Unmetered Scattered Load

This classification refers to a non-residential account taking electricity at 240/120 or 120 volts whose monthly peak demand is less than or expected to be less than 50 kW and is unmetered. A detailed calculation of the load will be calculated for billing purposes. Further servicing details are available in our Condition of Service.

Sentinel Lighting

This classification refers to accounts that are an unmetered lighting load supplied to a sentinel light. Further servicing details are available in our Condition of Service.

Street Lighting

This classification refers to accounts concerning roadway lighting for a Municipality, Regional Municipality, and/or the Ministry of Transportation. This lighting will be controlled by photocells. The consumption for these customers will be based on the calculated connected load times as established in the approved OEB Street Lighting Load Shape Template. Further servicing details are available in our Condition of Service.

Lakeland Power Distribution Ltd.

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MONTHLY RATES AND CHARGES

Residential

Service Charge	\$	14.92
Service Charge Rate Rider for Storm Damage Cost Recovery – effective until August 31, 2008	\$	0.80
Distribution Volumetric Rate	\$/kWh	0.0132
Distribution Volumetric Rate Rider for Storm Damage Cost Recovery – effective until August 31, 2008	\$/kWh	0.0006
Regulatory Asset Recovery	\$/kWh	0.0079
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0057
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0050
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

General Service Less Than 50 kW

Service Charge	\$	30.17
Service Charge Rate Rider for Storm Damage Cost Recovery – effective until August 31, 2008	\$	1.61
Distribution Volumetric Rate	\$/kWh	0.0097
Distribution Volumetric Rate Rider for Storm Damage Cost Recovery – effective until August 31, 2008	\$/kWh	0.0004
Regulatory Asset Recovery	\$/kWh	0.0059
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0052
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0045
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

General Service 50 to 4,999 kW

Service Charge	\$	501.51
Service Charge Rate Rider for Storm Damage Cost Recovery – effective until August 31, 2008	\$	25.83
Distribution Volumetric Rate	\$/kW	2.6613
Distribution Volumetric Rate Rider for Storm Damage Cost Recovery – effective until August 31, 2008	\$/kW	0.0726
Regulatory Asset Recovery	\$/kW	1.9115
Retail Transmission Rate – Network Service Rate	\$/kW	2.1218
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.7882
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Unmetered Scattered Load

Service Charge (per connection)	\$	14.95
Service Charge (per connection) Rate Rider for Storm Damage Cost Recover –effective until August 31, 2008	\$	1.66
Distribution Volumetric Rate	\$/kWh	0.0097
Distribution Volumetric Rate Rider for Storm Damage Cost Recover –effective until August 31, 2008	\$/kWh	0.0008
Regulatory Asset Recovery	\$/kWh	0.0130
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0052
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0045
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Lakeland Power Distribution Ltd.

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Sentinel Lighting

Service Charge (per connection)	\$	1.26
Service Charge (per connection) Rate Rider for Storm Damage Cost Recover –effective until August 31, 2008	\$	0.08
Distribution Volumetric Rate	\$/kW	5.1560
Distribution Volumetric Rate Rider for Storm Damage Cost Recover –effective until August 31, 2008	\$/kW	0.2681
Regulatory Asset Recovery	\$/kW	0.9154
Retail Transmission Rate – Network Service Rate	\$/kW	1.6083
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.4113
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Street Lighting

Service Charge (per connection)	\$	0.84
Service Charge (per connection) Rate Rider for Storm Damage Cost Recover –effective until August 31, 2008	\$	0.05
Distribution Volumetric Rate	\$/kW	3.5071
Distribution Volumetric Rate Rider for Storm Damage Cost Recover –effective until August 31, 2008	\$/kW	0.1627
Regulatory Asset Recovery	\$/kW	1.1016
Retail Transmission Rate – Network Service Rate	\$/kW	1.6002
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.3824
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Specific Service Charges

Customer Administration		
Arrears certificate	\$	15.00
Statement of account	\$	15.00
Request for other billing information	\$	
15.00		
Income tax letter	\$	15.00
Returned cheque charge (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
Non-Payment of Account		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge – no disconnection	\$	30.00
Collection of account charge – no disconnection - after regular hours	\$	165.00
Disconnect/Reconnect at meter – during regular hours	\$	65.00
Disconnect/Reconnect at meter – after regular hours	\$	185.00
Disconnect/Reconnect at pole – during regular hours	\$	185.00
Disconnect/Reconnect at pole – after regular hours	\$	415.00
Temporary service install & remove – overhead – no transformer	\$	500.00
Install/Remove load control device – during regular hours	\$	65.00
Install/Remove load control device – after regular hours	\$	185.00
Specific Charge for Access to the Power Poles – per pole/year	\$	22.35
Allowances		
Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.60)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

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LOSS FACTORS

Total Loss Factor – Secondary Metered Customer < 5,000 kW
Total Loss Factor – Primary Metered Customer < 5,000 kW

1.0428
1.0323