



EB-2007-0761

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 approving or fixing just and
reasonable rates and other charges for the distribution of
electricity to be effective May 1, 2008.

BEFORE: Gordon Kaiser
Presiding Member

Cynthia Chaplin
Member

DECISION AND RATE ORDER

Lakefront Utilities Inc. (“Lakefront”) is a licensed distributor of electricity providing service to consumers within its licensed service area. Lakefront filed an application with the Ontario Energy Board for an order or orders approving or fixing just and reasonable rates for the distribution of electricity and other charges, to be effective May 1, 2008.

The Board assigned file number EB-2007-0761 to the application and issued a Notice of Application and Hearing on November 16, 2007. The School Energy Coalition (“SEC”) and the Vulnerable Energy Consumers Coalition (“VECC”) requested and were granted intervenor status.

The Board issued an interim rates order on April 22, 2008 declaring Lakefront’s current rates interim, effective May 1, 2008, pending the issuance of final rates for 2008.

The Board issued its Decision on Lakefront's application on May 9, 2008. In the Decision, the Board ordered Lakefront to file a Draft Rate Order reflecting the Board's findings. The Board indicated that it expected Lakefront to file detailed supporting material, including all relevant calculations showing the impact of this Decision on the Company's proposed revenue requirement, the allocation of the approved revenue requirement to the customer classes and the determination of the final rates.

Lakefront filed its Draft Rate Order on May 27, 2008. SEC and VECC had the opportunity to file comments within 6 days from the date of the filing of the Draft Rate Order. The Board received comments from VECC on June 2, 2008 on OM&A, amortization, 2008 capital budget, rate base, and cost allocation. The Board also received a submission from Board staff on June 3, 2008 indicating that Lakefront's Draft Rate Order did not reflect the findings in the Decision and did not provide the necessary justifications and explanations to adequately support the calculations provided in the draft rate order.

Lakefront responded to VECC's comments and Board staff's submission by filing a revised Draft Rate Order and an optional Draft Rate Order on June 11, 2008. The Board, in a letter on June 26, 2008, specifically directed Lakefront to make an adjustment to its revised Draft Rate Order so that it conforms to the Decision. On June 27, 2008 Lakefront filed a final revised Draft Rate Order.

The Board has reviewed the information provided in the final revised Draft Rate Order and the proposed Tariff of Rates and Charges. Three items merit comment by the Board; PILs, Time of Use Rates, and Deferral Account Rate Riders.

PILs

In recent Decisions, the Board has denied the addition and deduction of deemed or actual interest expense in the calculation of PILs.¹ For ratemaking purposes, the Board limits a distributor's recovery of interest expense on long-term debt held by an affiliate to an amount based on the Board's deemed debt rate. In supporting PILs documentation to the Draft Rate Order, but not submitted in the original evidence, Lakefront explained Other Additions and Other Deductions. The interest addition and deduction which Lakefront has explained, when combined with another now explained item practically net to zero, leaving the PILs expense little changed. Although the Board does not

¹ For example, Oshawa PUC Networks Inc. EB-2007-0710

approve the additions and deductions as described above, the Board accepts the PILs expense requested in the final revised Draft Rate Order of June 27, 2008.

Time of Use Rates

The Board notes that the approved tariff sheet does not include the continuation of Lakefront's current General Service 50 to 2,999 kW Time of Use service classification. There are no customers for this class making moot the allocation of embedded cost to determine a rate.

Deferral Account Rate Riders

The Board noted in Lakefront's Decision that a one year recovery period of the Deferral Account Rate Riders ("riders") is acceptable. However, to coincide with the rate year, the effective end date for the riders will be April 30, 2009, resulting in a collection period less than 12 months, based on the date of this Rate Order. The Board has therefore increased the riders filed in Lakefront's Draft Rate Order of June 27, 2008 by a factor of 1.2 to address the shorter collection period.

For completeness of the regulated charges, the Board has included in the Tariff of Rates and Charges, the charges pertaining to services provided to retailers or consumers regarding the supply of competitive electricity, which are referenced in Chapter 12 of the 2006 Electricity Distribution Rate Handbook.

THE BOARD ORDERS THAT:

1. The Tariff of Rates and Charges set out in Appendix "A" of this Rate Order is approved, effective the date of this order, for electricity consumed or estimated to have been consumed on and after such date.
2. The Tariff of Rates and Charges set out in Appendix "A" of this Order supersedes all previous distribution rate schedules approved by the Ontario Energy Board for Lakefront Utilities Inc. and is final in all respects.
3. Lakefront Utilities Inc. shall notify its customers of the rate changes no later than with the first bill reflecting the new rates.

DATED at Toronto, July 17, 2008
ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

Appendix "A"
To The Rate Order Arising from Decision
EB-2007-0761
Lakefront Utilities Inc.

July 17, 2008

Lakefront Utilities Inc.

TARIFF OF RATES AND CHARGES

Effective July 17, 2008

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

EB-2007-0761

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 – July 17, 2008 for all consumption or deemed consumption services used on or after that date.
SPECIFIC SERVICE CHARGES – July 17, 2008 for all charges incurred by customers on or after that date.
RETAIL SERVICE CHARGES – July 17, 2008 for all charges incurred by retailers or customers on or after that date.
LOSS FACTOR ADJUSTMENT – July 17, 2008 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 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.

General Service Less Than 50 kW

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

General Service 50 to 2,999 kW

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.

General Service 3,000 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 forecast to be equal to or greater than 3,000 kW, but less than 5,000 kW.

Unmetered Scattered Load

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.

Sentinel Lighting

This classification refers to accounts that are an unmetered lighting load supplied to a sentinel light.

Street Lighting

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 OEB street lighting load shape template.

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MONTHLY RATES AND CHARGES

Residential

Service Charge	\$	10.26
Distribution Volumetric Rate	\$/kWh	0.0146
Deferral Account Rate Rider – effective until April 30, 2009	\$/kWh	0.0012
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0040
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0038
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administration Charge (if applicable)	\$	0.25

General Service Less Than 50 kW

Service Charge	\$	25.82
Distribution Volumetric Rate	\$/kWh	0.0103
Deferral Account Rate Rider – effective until April 30, 2009	\$/kWh	0.0011
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0037
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0034
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administration Charge (if applicable)	\$	0.25

General Service 50 to 2,999 kW

Service Charge	\$	201.54
Distribution Volumetric Rate	\$/kW	4.2114
Deferral Account Rate Rider – effective until April 30, 2009	\$/kW	0.3325
Retail Transmission Rate – Network Service Rate	\$/kW	1.4910
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.3718
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administration Charge (if applicable)	\$	0.25

General Service 3,000 to 4,999 kW

Service Charge	\$	1,763.11
Distribution Volumetric Rate	\$/kW	1.5745
Deferral Account Rate Rider – effective until April 30, 2009	\$/kW	0.3136
Retail Transmission Rate – Network Service Rate	\$/kW	1.6676
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	1.6179
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administration Charge (if applicable)	\$	0.25

Unmetered Scattered Load

Service Charge (per customer)	\$	11.19
Distribution Volumetric Rate	\$/kWh	0.0306
Deferral Account Rate Rider – effective until April 30, 2009	\$/kWh	0.0018
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0043
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0043
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administration Charge (if applicable)	\$	0.25

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Sentinel Lighting

Service Charge (per connection)	\$	3.51
Distribution Volumetric Rate	\$/kW	9.0386
Deferral Account Rate Rider – effective until April 30, 2009	\$/kW	0.8315
Retail Transmission Rate – Network Service Rate	\$/kW	1.1301
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.0826
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administration Charge (if applicable)	\$	0.25

Street Lighting

Service Charge (per connection)	\$	1.10
Distribution Volumetric Rate	\$/kW	7.3229
Deferral Account Rate Rider – effective until April 30, 2009	\$/kW	0.2628
Retail Transmission Rate – Network Service Rate	\$/kW	1.1245
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.0605
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administration Charge (if applicable)	\$	0.25

Specific Service Charges

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 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
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	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
Install/Remove load control device - during regular hours	\$	65.00
Install/Remove load control device - after regular hours	\$	185.00
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	\$	22.35
Interval Meter Load Management Tool Charge \$/month	\$	110.00

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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 and energy	%	(1.00)

Retail Service Charges (if applicable)

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	\$	100.00
Monthly Fixed Charge, per retailer	\$	20.00
Monthly Variable Charge, per customer, per retailer	\$/cust.	0.50
Distributor-consolidated billing charge, per customer, per retailer	\$/cust.	0.30
Retailer-consolidated billing credit, per customer, per retailer	\$/cust.	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.25
Processing fee, per request, applied to the requesting party	\$	0.50
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)	\$	2.00

LOSS FACTORS

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0541
Total Loss Factor – Secondary Metered Customer > 5,000 kW	N/A
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0456
Total Loss Factor – Primary Metered Customer > 5,000 kW	N/A