

Decision on Lakeland Power's Application to Recover Storm Damage Costs

On July 30, 2026, the Ontario Energy Board (OEB) issued its [Decision and Order](#) which addresses Lakeland Power Distribution Ltd.'s (Lakeland Power) request to recover costs incurred due an ice storm and a lightning storm.

FAST FACTS

- A major ice storm moved through Lakeland Power's area on March 29 and 30, 2025. Approximately 60% of Lakeland Power's customers were affected by the storm; 7,564 customers were without power simultaneously.
- On June 13, 2024, a lightning storm was the cause of a critical failure of a transformer, resulting in a power outage affecting 2,500 customers.
- Lakeland Power asked the OEB to recover costs these through a Z-factor application; a special process that utilities can use when unexpected events create significant damage and extra expenses.
- The OEB uses a three-fold test for these special applications. A utility asking to recover costs through a Z-factor must show the OEB that it meets three requirements:
 - **Causation:** The costs must be directly caused by the event and not already covered through regular rates.
 - **Materiality:** The costs must be large enough to matter for the utility and must exceed the OEB's materiality threshold, which varies based on the size of the utility.
 - **Prudence:** The costs must have been incurred responsibly and represent a cost-effective option for customers.
- The OEB approved recovery of \$2,309,043 of Lakeland Power's \$2,762,913 request.¹

OEB REVIEW

Utilities, like Lakeland Power, are required to explain and justify spending such as the costs outlined in this Z-factor application. Not all proposed costs are approved.

For the 2025 ice storm, the OEB approved recovery of \$1,048,728, but not recovery of \$253,527 in additional costs related to regular staff time, pole replacement costs and unused reactive capital funds.

¹ All figures exclude carrying charges

For the 2024 lightning storm, The OEB approved recovery of \$1,260,315, but not recovery of \$200,344 in rental costs and vehicle expenses.

The exact Z-factor rate riders and bill impacts for Lakeland Power's ratepayers will be finalized once the OEB issues a rate order reflecting the Decision and Order.

INTERVENORS

Intervenors are individuals or groups who have permission to participate in a hearing before the OEB because they have a substantial interest in the proceeding. The School Energy Coalition and Vulnerable Energy Consumers Coalition were approved as intervenors.

ABOUT THE OEB

The OEB is the independent regulator of Ontario's electricity and natural gas sectors. We protect the interests of consumers and enable the delivery of clean, reliable, secure and affordable energy that supports economic growth across the province. This includes ensuring that the people and businesses of Ontario pay rates that are reasonable while allowing for needed investments in an energy system that sustains our economy.

A key part of how we deliver on this mandate is through independent adjudication. When an application comes before us, the OEB applies a rigorous, impartial review that balances our legislated objectives and is free from interference.

Learn more at oeb.ca.

Contact Us

Media Inquiries

Phone: 416-544-5171

Email: oebmedia@oeb.ca

Consumer Inquiries

416-314-2455/1-877-632-2727

Ce document est aussi disponible en français.

This Backgrounder was prepared by OEB staff to inform Ontario's energy consumers about the OEB's decision and is not for use in legal or regulatory proceedings. It is not part of the OEB's reasons for decision; those may be found in the Decision and Order issued July 30, 2026, which is the official OEB document.