



**Lakefront
Utilities
Inc.**

207 Division Street, Box 577, Cobourg, Ontario K9A 4L3 • www.lusi.on.ca • Tel: (905) 372-2193 • Fax: (05) 372-2581

October 1, 2010

**Ontario Energy Board
Attention: Kirsten Walli; Board Secretary
2300 Yonge Street, 27th Floor, P.O. Box 2319
Toronto, ON. M4P 1E4**

Dear Ms. Walli,

**2011 3rd Generation Incentive Rate Mechanism Adjustment (3GIRM) Application
Ontario Energy Board File Number EB-2010-0095**

In accordance with instructions released August 23rd, 2010, “Process for 2011 Incentive Regulation Mechanism (“IRM”) Distribution Rate Applications”, Lakefront Utilities Inc. (“LUI”) is filing a 2011 IRM3 rate application in Tranche 2, with a due date of October 1, 2010.

This application contains the following parts:

- Manager’s Summary
- 2011 IRM3 Rate Generator;
- 2011 IRM3 Shared Tax Savings Workform;
- 2011 IRM3 Revenue Cost Ratio Adjustment Workform;
- 2011 IRM3 Deferral and Variance Account Workform;
- 2011 RTSR Adjustment Workform;
- Smart Meter Rate Calculation;
- LRAM and SSM Support documents from Burman Energy Consulting;
- A PDF copy of the proposed 2011 Tariff sheet generated by the Rate Generator.

An electronic version of this application has been filed on the Ontario Energy Board’s RESS Filing System and Two (2) hard copies have been sent by courier to the Board office to the attention of the Board Secretary.

This application is respectfully submitted for the Board consideration.

Yours truly,

LAKEFRONT UTILITIES INC.

Dereck C. Paul; Vice President

Cc: Bruce R. Craig - President

EB-2010-0095

ONTARIO ENERGY BOARD

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

AND IN THE MATTER OF an application by Lakefront Utilities Inc. for an Order or Orders pursuant to the *Ontario Energy Board Act, 1998*, for 2010 electricity distribution rates and related matters.

APPLICATION

The Applicant is Lakefront Utilities Inc. (“LUI”), License # ED-2002-0545. LUI is an Ontario corporation with its office in the Town of Cobourg. LUI carries on the business of distributing electricity within its licensed Territory in the Town of Cobourg and the Village of Colborne.

LUI hereby applies to the Ontario Energy Board, pursuant to section 78 of the Ontario Energy Board Act, 1998, for an Order or Orders approving the revenue adjustment and customer rates for the distribution of electricity, to be implemented on **May 1, 2011**.

The Ontario Energy Board issued file number EB-2010-0095 to LUI for the 3rd Generation IRM, adjustment. To achieve a revenue adjustment, LUI is seeking approval for rates using the 2011 3rd Generation IRM Rate Generator and Shared Tax Savings Workform for electricity distribution companies.

In addition to completing the required elements of the Board’s filing models that are utilized to calculate the 2011 3GIRM proposed rates, LUI proposes specific items that require Board consideration and approval as follows:

- A 2011 **Smart Meter** Funding Adder (SMFA) of \$3.44 per customer per month effective May 1, 2011.
- Base on the preset disposition threshold of \$0.001/ kWh, disposition of Group 1 **Deferral and Variance** accounts (1550, 1580, 1584, 1586, 1588, 1590 and 1595) balance of \$380,480 over a 1-year period.
- **Revenue/Cost Allocation** adjustment to Street Light Customer Class as per Board approved 4th year of 4 year incremental process.
- Lost Revenue Adjustment Mechanism (**LRAM**), Shared Savings Mechanism (**SSM**) recoveries of \$234,812
- Recording the **2011 Shared Tax Savings** in account 1595
- A one-time recovery of the **Late Payment Penalty Litigation** costs through a one year rate rider.
- Consideration for approval to allow LUI to submit its 2012 Cost of Service rate application and move to a calendar year in 2012 for the distribution rates, so that they mirror the fiscal year of January 1st to December 31st

The 2011 rates will be reflected on a pro-rated basis with pre-May 1, 2011 consumption at the old distribution rate and the post-May 1, 2011 consumption at the new proposed distribution rates.

Distributor Information

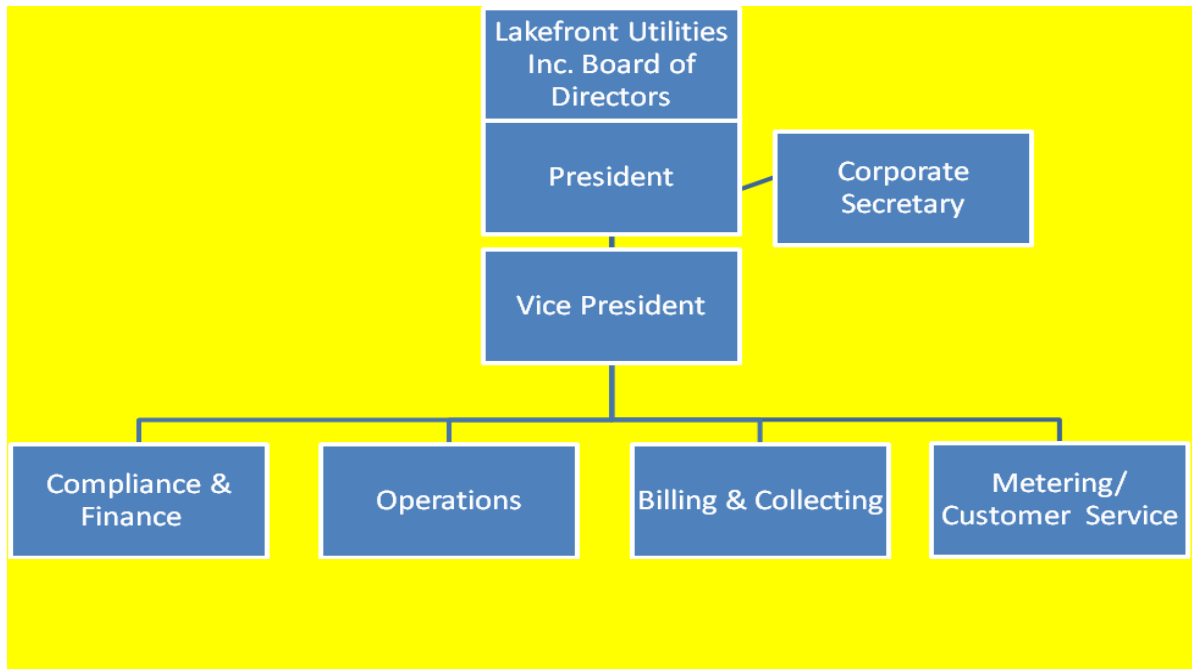
- Name of the distributor - Lakefront Utilities Inc.
- Current license number of the distributor - ED-2002-0545
- Community or communities served - Town of Cobourg, Village of Colborne
- Surround by Hydro One
- Characteristics of the service area - Urban
- Embedded or host distributor - Embedded
- Mailing address - P.O. Box 577, 207 Division Street,
Cobourg, ON K9A 4L3

- Contact Information:
- TITLE: President - Phone: 905-372-2193
NAME: Bruce R. Craig, P.Eng. - Fax: 905-372-2581
- Cell: 905-373-5785
- E-mail: bcraig@lusi.on.ca

- Contact Information:
- TITLE: Vice President - Phone: 905-372-2193
NAME: Dereck C. Paul - Cell: 289-251-3311
- E-mail: dpaul@lusi.on.ca

At December 31, 2009 LUI served 9,570 electric customers. There were 8,243 residential customers, 1,065 General Service customers less than 50 kW, 130 General Service >50-2999 kW customers, and 2 General Service >3000-4999 kW customers. There were 76 Unmetered Scattered Load customers, 52 Sentinel Lighting customers and 2 Street Lighting customers.

Corporate Structure – Lakefront Utilities Inc.



Model Inputs

LUI submits the following explanations and clarifications regarding data entered into the model used in the filing of the company's 3rd Generation IRM Application in order to facilitate a clear understanding of LUI's application.

Rate Generator Model

Sheet A1.1 - LDC Information

LUI specific information was entered here.

Sheet A3.1 - Sheet Selection

LUI chose the respective worksheets from this tab to "Show" what forms were being used.

Sheet B1.1 – Set up Tariff Sheet Rate Classes – General

LUI is not proposing to change the currently approved customer classes.

The customer classes are:

- Residential
- General Service Less Than 50 kW
- General Service 50 to 2,999 kW
- General Service 3,000 to 4,999 kW
- Unmetered Scattered Load
- Sentinel Lighting
- Street Lighting

Sheet C1.1 and J1.1 – Smart Meter Funding Adder

LUI has \$2.00 as its current adder and this is reflected in Rate Generator model “ C1.1 - Current Smart Meter Funding Adder.”

On June 25, 2008, the Government of Ontario enacted regulations under the *Electricity Act, 1998* (O. Reg. 233/08 and O. Reg. 235/08) and the *Ontario Energy Board Act, 1998* (O. Reg. 234/08) with respect to smart meter activity.

LUI is one of the LDCs included in the London RFP process and the Government amendments to the Ontario Regulations (O. Reg. 427/06 Smart Meter: Discretionary Metering Activity and Procurement Principles).

On August 13, 2008 LUI received its ranking from the London process and the resulting two smart meter vendors, as confirmed by the Fairness Commissioner Mr. Peter Sorensen.

LUI participated with the Cornerstone Hydro Electric Concepts (CHEC) group of utilities, in establishing the meter supply contract, installation contract and the old meter disposal contract to achieve the most economic solution and operational efficiencies.

On August 27, 2009, LUI signed a contract with the selected vendor, Sensus, to begin procurement and deployment of smart meters. LUI started smart meter installation August 28, 2009 and has approximately 92% meters installed in its service territory at the time of this application (October 1, 2010). We anticipate completing the residential meter installation by the end of 2010. In accordance with the Board’s Guideline (G-2008-2002) dated October 22, 2008, LUI established accounts 1555 and 1556 to track smart meter related capital and operating costs, respectively. Revenues from smart meter funding adder (“SMFA”) are recorded in account 1555 and investments in smart meters are recorded in the 1555 capital variance account.

The adder is a tool designed to provide advance funding and thus to mitigate the anticipated rate impact of smart meter costs when recovery of those costs is approved by the Board.

In LUI’s 2006 COS Application (EB-2005-0387), LUI was granted approval for a Smart Meter Funding Adder (SMFA) of \$0.30 and in our 2008 Rate Rebasing application (EB-2007-0761), LUI filed materials of its Smart Meter budget and was approved for a SMFA of \$1.00. In 2010, LUI completed the Smart Meter Rate Calculation model and was granted an SMFA increase by the Board from \$1.00 to \$2.00.

LUI has Smart Meter expenses of over \$1,524,400 to date at the time of this application filing.

Smart Meter revenue recoveries from the Board approved funding adders, inclusive from May 1, 2006 to **August 2010**, totals \$324,379 including interest improvements (please refer to details in attached Smart Meter Rate Calculation model sheet 7, Funding Adder Collected). The current rate adder is accumulating approximately \$221,000 annually.

Forecast budgeted capital cost for smart meters is \$1.9M and forecast OM&A costs to 2012 is \$435K.

In the Application, LUI is requesting approval to increase the SMFA to \$3.44 per customer per month based on the figures the Smart Meter Rate Calculation model is producing. LUI submits that this increase will serve a two-fold purpose. It will continue the smooth transition to the final Smart Meter Rate Rider, ensuring there is less chance of the need for a major increase in a single year, and mitigate future rate shock by allowing for additional recovery of revenues to offset the projected costs associated with Smart Meter implementation expenses. Increasing the Smart Meter Funding Adder to \$3.44 will increase LUI's annual revenue base on metered accounts to approximately \$389,601 annually as per the table below:

Customer Class	Customers	Fix charge	Projected
	as of Dec 2009 (Year-End)	Unit Revenues \$/Cust	Smart Meter Funding Adder Revenue (\$)
Residential	8,243	3.44	340,271
General Service Less Than 50 kW	1,065	3.44	43,963
General Service 50 to 2,999 kW	130	3.44	5,366
TOTAL	9,438		389,601

LUI submits that our customers will be better served through a staged approach to the final adder which will eventually be calculated in a separate Smart Meter Rate Rider application process upon full completion of the project with actual figures.

LUI has reviewed the impact of an increase to \$3.44 for the SMFA and determined that it does not create any material impact to customer charges within the proposed 2011 Distribution rates.

LUI included \$3.44 in "J1.1 - Uniform Service Charge Amount". This item will be reflected separately in the Tariff sheet.

Sheet C2.3 – Deferral Account Rate Rider

This sheet consists of the Deferral Variance Account Rate Rider in LUI's 2010 Tariff sheet. The volumetric Deferral Variance Account Rate Rider which was approved for disposition in 2010 has a "Sunset Date" of April 30, 2011.

Sheet C3.1 – Current Low Voltage Volumetric Rate

LUI's current approved Low Voltage volumetric rates are inputted in column F of this sheet.

Sheet C3.3 Global Adjustment Delivery

LUI has input the 2010 Board approved Global Adjustment for the three related classes. This rate rider is in effect until April 30, 2011.

LUI submits that, in reviewing the recoveries of the RSVA Global Adjustment sub-account 1588, it has determined that the rates for the three classes of customers – GS 50 to 2,999 kW, GS 3,000 to 4,999 kW and Street Lighting – were erroneously calculated in establishing the rates for May 1, 2010.

In LUI's 2010 IRM Deferral and Variance Account Workform, incorrect calculations were used in sheet B1.3 (Rate Class and Bill Det), column M for the Billed kWh for Non-RPP customers. The **monthly** average figures were used instead of the 2008 **annual** total. This in effect generated rate riders for the three classes of customers in sheet F1.1b (Calc Glob Adj Rate Rider) that were higher than it should be.

Original incorrect figures:

GS > 50 – 2,999 kW =	7,749,137 kWh
GS > 3,000 – 4,999 kW =	3,532,226 kWh
Street Lighting =	166,805 kWh

The correct figures that should have been used in sheet B1.3 column M are respectively:

GS > 50 – 2,999 kW =	87,585,369 kWh
GS > 3,000 – 4,999 kW =	43,016,692 kWh
Street Lighting =	2,001,656 kWh

LUI is proposing to cancel and re-bill the May and June invoices that were produced for the 69 non-RPP accounts that were affected by the erroneous Rate Rider for Global Adjustment Sub-Account and request permission from the Board to issue an amended order rescinding the 2010 Global Adjustment Rate rider and issuing a revised tariff sheet effective November 1, 2010 as per the below supporting evidence with this request. LUI will then reconcile account 1595 and apply for disposition of any residual in our 2012 application.

II. Supporting Evidence

The following documentary evidence will be relied upon for these motions:

All materials on the record;

- a) Corrected IRM Deferral and Variance Workform (updated)
- b) Corrected 2010 – 3 GIRM Rate Generator (updated)
- c) Corrected Tariff of Rates and Charges (updated)

Old incorrect worksheets:



Name of LDC: Lakefront Utilities Inc.
File Number: EB-2009-0233
Effective Date: Saturday, May 01, 2010

Calculation of Global Adjustment Rate Rider

Rate Rider Recovery Period - Years One

Rate Rider Effective To Date
Saturday, April 30, 2011

Rate Class	Vol Metric	Non-RPP kWh	Billed kW	kWh	Non-RPP	1590	1595	Total G = C + D + E + F	Rate Rider kWh
		A	B	C	D	E	F		H = G / A (kWh) or H = G / B (kW)
Residential	kWh	0	0	0	0	0	0	0	0.0000
General Service Less Than 50 kW	kWh	0	0	0	0	0	0	0	0.0000
General Service 50 to 2,999 kW	kW	7,749,137	18,413	0	98,060	0	0	98,060	5.32560
General Service 3,000 to 4,999 kW	kW	3,532,226	6,612	0	44,698	0	0	44,698	6.76013
Unmetered Scattered Load	kWh	0	0	0	0	0	0	0	0.00000
Sentinel Lighting	kW	0	0	0	0	0	0	0	0.00000
Street Lighting	kW	166,805	431	0	2,111	0	0	2,111	4.89746
		<u>11,448,168</u>	<u>25,456</u>	<u>0</u>	<u>144,869</u>	<u>0</u>	<u>0</u>	<u>144,869</u>	

Enter the above value onto Sheet "J2.6 Global Adjustment Rate Rider" of the 2010 OEB IRM2 Rate Generator

New corrected update worksheets:



Name of LDC: Lakefront Utilities Inc.
File Number: EB-2009-0233
Effective Date: Saturday, May 01, 2010

Calculation of Global Adjustment Rate Rider

Rate Rider Recovery Period - Years One

Rate Rider Effective To Date
Saturday, April 30, 2011

Rate Class	Vol Metric	Non-RPP kWh	Billed kW	kWh	Non-RPP	1590	1595	Total G = C + D + E + F	Rate Rider kWh
		A	B	C	D	E	F		H = G / A (kWh) or H = G / B (kW)
Residential	kWh	0	0	0	0	0	0	0	0.00000
General Service Less Than 50 kW	kWh	0	0	0	0	0	0	0	0.00000
General Service 50 to 2,999 kW	kW	87,585,369	208,112	0	95,687	0	0	95,687	0.45978
General Service 3,000 to 4,999 kW	kW	43,016,692	80,519	0	46,996	0	0	46,996	0.58366
Unmetered Scattered Load	kWh	0	0	0	0	0	0	0	0.00000
Sentinel Lighting	kW	0	0	0	0	0	0	0	0.00000
Street Lighting	kW	2,001,656	5,177	0	2,187	0	0	2,187	0.42241
		<u>132,603,717</u>	<u>293,808</u>	<u>0</u>	<u>144,869</u>	<u>0</u>	<u>0</u>	<u>144,869</u>	

Enter the above value onto Sheet "J2.6 Global Adjustment Rate Rider" of the 2010 OEB IRM2 Rate Generator



Name of LDC: Lakefront Utilities Inc.
File Number: EB-2009-0233
Effective Date: May 1, 2010

Applied For Monthly Rates and Charges General

Proposed Tariff Sheet

Current and Proposed Tariff
Sheets

Rate Class

Residential Regular

Rate Description	Metric	Rate
Service Charge	\$	9.25
Service Charge Smart Meter Funding Adder	\$	2.00
Distribution Volumetric Rate	\$/kWh	0.0133
Low Voltage Volumetric Rate	\$/kWh	0.0013
Distribution Volumetric Deferral Account Rate Rider One – effective until Saturday, April 30, 2011	\$/kWh	0.00100
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0052
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0042
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Rate Class

General Service Less Than 50 kW

Rate Description	Metric	Rate
Service Charge	\$	23.14
Service Charge Smart Meter Funding Adder	\$	2.00
Distribution Volumetric Rate	\$/kWh	0.0085
Low Voltage Volumetric Rate	\$/kWh	0.0012
Distribution Volumetric Deferral Account Rate Rider One – effective until Saturday, April 30, 2011	\$/kWh	0.00113
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0047
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0038
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Rate Class

General Service 50 to 2,999 kW

Rate Description	Metric	Rate
Service Charge	\$	188.37
Service Charge Smart Meter Funding Adder	\$	2.00
Distribution Volumetric Rate	\$/kW	3.5044
Low Voltage Volumetric Rate	\$/kW	0.4864
Distribution Volumetric Deferral Account Rate Rider One – effective until Saturday, April 30, 2011	\$/kW	0.49482
Distribution Volumetric Global Adjustment Rate Rider – effective until Saturday, April 30, 2011	\$/kW	0.45978
Retail Transmission Rate – Network Service Rate	\$/kW	1.9184
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.5225
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Rate Class

General Service 3,000 to 4,999 kW

Rate Description	Metric	Rate
Service Charge	\$	1,760.21
Service Charge Smart Meter Funding Adder	\$	2.00
Distribution Volumetric Rate	\$/kW	1.0229
Low Voltage Volumetric Rate	\$/kW	0.5570
Distribution Volumetric Deferral Account Rate Rider One – effective until Saturday, April 30, 2011	\$/kW	0.67090
Distribution Volumetric Global Adjustment Rate Rider – effective until Saturday, April 30, 2011	\$/kW	0.58366
Retail Transmission Rate – Network Service Rate	\$/kW	2.1455
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.7957
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Rate Class

Unmetered Scattered Load

Rate Description	Metric	Rate
Service Charge (per connection)	\$	11.18
Distribution Volumetric Rate	\$/kWh	0.0292
Low Voltage Volumetric Rate	\$/kWh	0.0014
Distribution Volumetric Deferral Account Rate Rider One – effective until Saturday, April 30, 2011	\$/kWh	0.00101
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0055
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0047
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Rate Class

Sentinel Lighting

Rate Description	Metric	Rate
Service Charge (per connection)	\$	4.64
Distribution Volumetric Rate	\$/kW	11.4303
Low Voltage Volumetric Rate	\$/kW	0.3754
Distribution Volumetric Deferral Account Rate Rider One – effective until Saturday, April 30, 2011	\$/kW	0.64082
Retail Transmission Rate – Network Service Rate	\$/kW	1.4540
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.2015
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Rate Class

Street Lighting

Rate Description	Metric	Rate
Service Charge (per connection)	\$	2.91
Distribution Volumetric Rate	\$/kW	18.4232
Low Voltage Volumetric Rate	\$/kW	0.3708
Distribution Volumetric Deferral Account Rate Rider One – effective until Saturday, April 30, 2011	\$/kW	0.48646
Distribution Volumetric Global Adjustment Rate Rider – effective until Saturday, April 30, 2011	\$/kW	0.42241
Retail Transmission Rate – Network Service Rate	\$/kW	1.4469
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.1770
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Sheet C4.1 – Curr Rates & Chgs General

The monthly rates and charges from LUI’s 2010 approved Tariff of Rates and Charges have been input into the model on this sheet, where applicable.

Sheet C7.1 – Base Distribution Rates General

This sheet has the current base Fixed and Volumetric rates.

Sheet D1.2 - Revenue Cost Ratio Adj – Gen

This worksheet contains the resultant adjustments as found in the 2011 IRM3 Revenue Cost Ratio Adjustment Workform, Sheet C1.9

LUI has calculated the increase in revenue for the Street Lighting class resulting from the Board’s decision.

In its Decision and Order of May 9, 2008, the Ontario Energy Board directed LUI, to use a two (2) year phase-in process to reallocate Sentinel Lights class and a four (4) year phase-in process to reallocate the Street Light class, up to the minimum level criteria established by the Board, as follows:

“The Board directs Lakefront to increase the rate for Street Lights so that the ratio is 25%. This increase is approximately one quarter of the way to the target minimum of 70%. The Board further directs Lakefront to adjust this rate annually so that the revenue to cost ratio increases in 15% increments each year during the IRM period (in other words, to 40% in 2009, 55% in 2010, and 70% in 2011). Similarly, the Board directs Lakefront to increase the rate for Sentinel Lights that the ratio is 55% in 2008, and to further adjust the rate so the ratio is 70% in 2009.

To the extent that additional revenue is forecast to be collected from the Street Lights and Sentinel Lights classes, the rates of the GS<50kW and GS 50-2,999kW classes shall be adjusted downward to yield the total revenue requirement.”

LUI has complied by moving the Sentinel Lighting class to a revenue-to-cost ratio of 70% and the Street Lighting class to a revenue-to-cost ratio of 40% in the 2009 3GIRM. LUI has further adjusted the Street Lighting class to the required 55% in the 2010 3GIRM submission, and proposes the following Revenue to Cost ratios as determined by the 2011 IRM3 Revenue Cost Ratio Adjustment Workform:

- Residential 98%
- GS<50 kW 107%
- GS>50-2,999 kW 154%
- GS 3,000-4,000 kW 20%
- Unmetered Scattered 100%
- Sentinel Lighting 70%
- Street Lighting 70%

Please refer to Sheet C1.5 of the 2011 IRM3 Revenue Cost Ratio Adjustment Workform. It is the determination by the model of the Proposed Revenue to Cost Ratios. The sheet verifies the percentages listed above and additionally determines the impact in dollars of the reallocation of those dollar to the GS<50kW and GS 50-2,999kW classes.

LUI has not made any adjustments to the Residential, General Service > 3,000 - 4,999 kW or Unmetered Scattered Load classes.

Note: As a result of following this direction, the total bill impact for the Street Lighting class is an increase of 32% (refer to page 22 below).

Sheet E1.1 – Rate Rebalanced Base Distribution Rates

This sheet shows the impact on the base Volumetric Distribution Charge after the revenue cost ration adjustment is included.

Sheet F1.1 & F1.2 - GDP-IPI Price Cap Adjustment Worksheet

LUI is aware the components of the Price Cap Adjustment currently calculated in sheet F1.1 and reflected on sheet F1.2 as a 0.18% adjustment may be changed by the OEB prior to the approval of the 2011 rates.

Sheet G1.1 – After Price Cap Base Distribution Rates General

This sheet reflects the base Monthly Service and Volumetric Distribution Charges after the Price Cap adjustment have been applied.

Sheet J1.1 – Applied For Smart Meter Funding Adder

The \$3.44 for a Smart Meter Funding Adder is a figure derived from the actual 2008, 2009 and forecast 2010, 2011 figures in the Smart Meter Rate Calculation Model. LUI is applying for this increase to ease future rate shock to its customers. Please refer to additional comments above relating to this item in sheet C1.1.

Sheet J2.4 - Deferral Variance Account Disposition (2011)

LUI has calculated the Deferral Account Rate Rider with a sunset date of April 30, 2012 in accordance with the Sheet G1.1a Calculation of Deferral Variance Recovery Rate Rider without Global Adjustment of the Deferral and Variance Account Workform submitted with this Application. LUI has chosen a one year recovery. The Sheet D1.5 in the Deferral and Variance Account Workform contains insignificant variances in the final column, which can be identified as follows:

The RESS filed for the 1588 Power Variance Account was \$2,302,749, however the actual balance in the account at year end, for final audit purposes, was \$1,548,751. Given the time frame required to file RESS filing and LUI's year-end audit, LUI's accruals were not yet taking into account when filing RESS. The additional Power Account Global Adjustment Account also encompassed this same issue - due to the timing of year end accruals.

Sheet J2.5 Lost Revenue Adjustment Mechanism (LRAM)

The Ontario Energy Board (OEB) introduced the LRAM/SSM processes outlined in the March 28, 2008 Guidelines for Electricity Distributor Conservation and Demand Management EB-2008-0037 ("CDM Guidelines") for rate-based applications to recover revenues lost to customer energy conservation, and to share in gains from effective CDM programs prior to the completion of Third Tranche CDM programs.

LUI delivered several Conservation and Demand Management (CDM) programs under the Third Tranche CDM funding and implemented additional Ontario Power Authority (OPA) provincial programs from 2005 to 2009. LUI has reported energy savings of 5,552,774 kWh, and reduced peak demand by more than 7,423 kW.

CDM activities related to Third Tranche expenditures and OPA-sponsored programs have resulted in foregone revenues of \$234,811.60 for LUI as set out in the Appendixes A1 and A2. LUI seeks to remediate this lost revenue through Lost Revenue Adjustment Mechanism (LRAM) and Shared Savings Mechanism (SSM).

LRAM calculations are made from the energy savings data from measured CDM program results, or other documented results as applied to the affected rate class for both Third Tranche and OPA programming, which represent the potential for lost revenue to the LDC, and may be claimed under LRAM.

SSM calculations are calculated at 5% of the net present value of the future net benefits from CDM investments.

The application for LRAM/SSM compensation is part of LUI's 2011 IRM filing and is based on its 2005 to 2009 inclusive CDM results.

METHODOLOGY

The OEB issued Guidelines for Electricity Distributor Conservation and Demand Management, EB-2008-0037 were applied to the preparation of this LRAM/SSM Application.

LUI engaged Burman Energy Consulting Group Inc. as third party to validate assumptions and processes to complete the LRAM/SSM submission consistent with other LDC submissions.

LUI reviewed the applicable CDM program results and TRC calculations to maintain consistency with the CDM Guidelines. In assessing and applying results from CDM programming to LRAM/SSM calculations, program results were assumed to begin after the program has been implemented.

LRAM was calculated as the product of demand/energy savings by customer class and the Board-approved variable distribution charge appropriate to each respective class (net of Regulatory Asset Recovery rate riders). OPA sponsored program kW/kWhs were deemed eligible for LRAM.

SSM was calculated at 5% of the net benefits (TRC) created by CDM portfolio investments.

The timing of results used in LRAM calculations for OPA sponsored programs are from the OPA Conservation Results issued August 13, 2010.

RESULTS AND PROPOSED RIDER:

LRAM amounts were identified by rate class consistent with the CDM Guidelines for programs that impacted revenues from 2005 to 2009 for both Third Tranche and OPA CDM programs. No forecast or other adjustment for the effects of CDM programs was made to the load quantities used in the preparation of LUI's rate cases in prior years. The entire actual load reduction achieved by the eligible third Tranche CDM programs is subject to LRAM treatment. SSM provides for a recovery of 5% of the net benefits (TRC) created by CDM portfolio investments. As set out in the CDM Guidelines, program net benefits are determined by the present value of the avoided electricity costs over the technology's/program's life minus the present value of program costs.

All results are net of free ridership. For all programs/projects, the most recently published OPA assumptions and measures list were used in LRAM calculations in accordance with OEB’s direction letter, Conservation and Demand Management (“CDM”) Input Assumptions Board File No. EB-2008-0352, January 27, 2009 and consistent with the Decision and Order EB 2009-0192 for Horizon Utilities Corporation.

Appendix A2 summarizes the CDM load impacts by program and rate class and the resultant revenue impacts.

The sum of all program LRAM calculations, including OPA sponsored programs is \$196,513.82 and SSM calculations total \$38,297.79 for a total LRAM/SSM rate rider of \$234,811.60. The Tables below provides the summary LRAM/SSM calculation and rate rider by rate class. LUI is requesting a 1 (one) year rate rider for the LRAM. The volumetric rate rider was input into Sheet J2.5 of the 2011 IRM3 Rate Generator Model.

LRAM & SSM Totals

Rate Class

	LRAM \$	SSM \$	TOTAL \$
<u>Third Tranche</u>			
RESIDENTIAL	\$10,442.52	\$8,590.41	\$19,032.93
<u>OPA Programs</u>			
RESIDENTIAL	\$58,410.88		\$58,410.88
GENERAL SERVICE <50KW	\$7,374.89		\$7,374.89
General Service>50kW to 2,999kW	\$72,742.99		\$72,742.99
GENERAL SERVICE (3,000-4,999kW)	\$33,091.28		\$33,091.28
<u>Lakefront Funded Programs</u>			
Street Lighting	\$14,451.26	\$29,707.38	\$44,158.63
	\$196,513.82	\$38,297.79	\$234,811.60

Rate Class	Total \$	Metered kWh/kW	Vol Metric	1 year Rate Rider
Residential	\$77,443.81	73,195,401	kWh	0.001058
GS<50 KW	\$7,374.89	34,961,659	kWh	0.000211
GS>50 - 2,999 kW	\$72,742.99	290,143	kW	0.025071
GS>3,000-4,999 kW				
Intermediate	\$33,091.28	51,168	kW	0.646718
Street Lighting	\$44,158.63	3,736	kW	11.8198
	\$234,811.60			

Lakefront Utilities Inc.

LRAM / SSM 2011 RATE RIDER

Rate Class	Amounts (Up to 2009)		Metered Units (2009)	Metrics	Rate Riders		One Year	Two Year	Three Year
	LRAM	SSM			Rate Rider	Rate Rider	Rate Rider		
	\$	\$			Total	Total	Total		
					LRAM \$/unit (kWh or kW)	SSM \$/unit (kWh or kW)	\$/unit (kWh or kW)	\$/unit (kWh or kW)	\$/unit (kWh or kW)
Residential	68,853.40	8,590.41	73,195,401	kWh	0.000941	0.000117	0.001058	0.000529	0.000353
GS < 50 kW	7,374.89		34,961,659	kWh	0.000211	0.000000	0.000211	0.000105	0.000070
GS >50 - 2,999 kW	72,742.99	0.00	290,143	kW	0.250714	0.000000	0.250714	0.125357	0.083571
GS >3,000 - 4,999 kW	33,091.28		51,168	kW	0.646718	0.000000	0.646718	0.323359	0.215573
Street Lighting	14,451.26	29,707.38	3,736	kW	3.868110	7.951654	11.819764	5.909882	3.939921
Total	196,513.82	38,297.79							

	1 Yr	2 Yr	3 Yr
	Amount Recovered		
39.63% Residential	93,055	46,528	31,018
3.77% GS < 50 kW	8,862	4,431	2,954
14.15% GS >50 - 2,999 kW	33,234	16,617	11,078
19.85% GS >3,000 - 4,999 kW	46,601	23,300	15,534
22.60% Street Lighting	53,060	26,530	17,687
100.00% Total	234,812	117,406	78,271

Sheet J2.7 – Tax Change Rate Rider

This worksheet contains the resultant adjustments found in the 2011 IRM3 Shared Tax Savings Workform sheet F1.3 which calculates the Tax change Distribution Volumetric Rate Rider per class for the \$37,190 shared tax savings.

Sheet J3.1 - Applied For Low Voltage Volumetric Rate

LUI is not requesting a change to the Low Voltage Volumetric Rate and respectfully requests approval of the Low Voltage Volumetric Rates that are in place effective May 1, 2010 for May 1, 2011 rate implementation as reflected on Sheet J3.1.

Sheet J3.31 - Applied For Global Adjustment Sub-Account Disposition – Delivery 2011

LUI respectfully requests approval of the Global Adjustment Sub-Account Disposition as calculated on Sheet J3.1 and continuation of the Global Adjustment recoveries from the GS>50-2,999kW, GS>3,000-4,999 and Street Lighting rate classes only. LUI has chosen a one year recovery for the Global Adjustment.

Sheet L1.1 and L2.1 - Applied for Transmission Network and Connection General

LUI completed the RTSR Adjustment Workform and has input the resulting Transmission Network and Transmission Connection volumetric rates for each rate class in sheets L1.1 and L2.1 respectfully. LUI is aware the Ontario Energy Board may change these rates to reflect a Hydro One rate change that comes into effect January 1, 2011. The RTSR Adjustment Workform is included with this rate application in Excel electronic format. LUI respectfully requests approval of the Transmission Network and Connection General rates as reflected on Sheet L1.1 and L2.1. LUI has incorporated the change to these rates as set out in Chapter 3 of the Filing Requirements for Transmission and Distribution Applications dated July 8, 2010.

Sheet M4.1 - MicroFit Generator

LUI is applying for the continuation of the monthly service charge of \$5.25 as approved by the Ontario Energy Board on this sheet. No input was required on this sheet.

Sheet N1.1 - Applied For Monthly Rates and Charges General

LUI respectfully requests approval of the Monthly Rates and Charges as set out on sheet N1.1.

Sheet N3.1 - Current and Applied for Loss Factor

LUI's current approved Total Loss Factor – Secondary Metered Customer < 5,000 kW is 1.0541 and Total Loss Factor – Primary Metered Customer < 5,000 kW is 1.0456. LUI is not requesting any change to its loss factor in this filing.

Sheet O1.1 – Summary of Changes to Service and Distribution Volumetric Charges

This sheet shows the changes to the base service and volumetric charges for each class including the revenue to cost ratio and price cap adjustments.

Sheet O1.2 and O1.3– Summary of Changes to Tariff Rate Adders

This sheet shows the requested rate adders in each customer class.

Sheet O2.1 – Calculation of Bill Impact

The output from the Bill Impact Generator has produced the following comparisons between current and proposed rates and has been provided in the following pages:

Calculation of Bill Impacts

RTSR Loss Adjusted Metered kWh Yes

RTSR Loss Adjusted Metered kW No

Residential

Monthly Rates and Charges	Metric	Current Rate	Applied For Rate
Service Charge	\$	9.25	9.27
Service Charge Rate Adder(s)	\$	2.00	3.44
Service Charge Rate Rider(s)	\$	-	-
Distribution Volumetric Rate	\$/kWh	0.0133	0.0133
Distribution Volumetric Rate Adder(s)	\$/kWh	-	-
Low Voltage Volumetric Rate	\$/kWh	0.0013	0.0013
Distribution Volumetric Rate Rider(s)	\$/kWh	0.0010	0.0022
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0052	0.0054
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0042	0.0043
Wholesale Market Service Rate	\$/kWh	0.0052	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013	0.0013
Special Purpose Charge	\$/kWh	0.0004	0.0004
Standard Supply Service – Administration Charge (if applicable)	\$/kWh	0.25	0.25

Consumption	800 kWh	- kW
RPP Tier One	600 kWh	Load Factor

Loss Factor 1.0541

Residential	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Energy First Tier (kWh)	600	0.0650	39.00	600	0.0650	39.00	0.00	0.0%	33.40%
Energy Second Tier (kWh)	244	0.0750	18.30	244	0.0750	18.30	0.00	0.0%	15.67%
Sub-Total: Energy			57.30			57.30	0.00	0.0%	49.08%
Service Charge	1	9.25	9.25	1	9.27	9.27	0.02	0.2%	7.94%
Service Charge Rate Adder(s)	1	2.00	2.00	1	3.44	3.44	1.44	72.0%	2.95%
Service Charge Rate Rider(s)	1	0.00	0.00	1	0.00	0.00	0.00	0.0%	0.00%
Distribution Volumetric Rate	800	0.0133	10.64	800	0.0133	10.64	0.00	0.0%	9.11%
Distribution Volumetric Rate Adder(s)	800	0.0000	0.00	800	0.0000	0.00	0.00	0.0%	0.00%
Low Voltage Volumetric Rate	800	0.0013	1.04	800	0.0013	1.04	0.00	0.0%	0.89%
Distribution Volumetric Rate Rider(s)	800	0.0010	0.80	800	0.0022	1.76	0.96	120.0%	1.51%
Total: Distribution			23.73			26.15	2.42	10.2%	22.40%
Retail Transmission Rate – Network Service Rate	844	0.0052	4.39	844	0.0054	4.56	0.17	3.9%	3.91%
Retail Transmission Rate – Line and Transformation Connection Service Rate	844	0.0042	3.54	844	0.0043	3.63	0.09	2.5%	3.11%
Total: Retail Transmission			7.93			8.19	0.26	3.3%	7.01%
Sub-Total: Delivery (Distribution and Retail Transmission)			31.66			34.34	2.68	8.5%	29.41%
Wholesale Market Service Rate	844	0.0052	4.39	844	0.0052	4.39	0.00	0.0%	3.76%
Rural Rate Protection Charge	844	0.0013	1.10	844	0.0013	1.10	0.00	0.0%	0.94%
Special Purpose Charge	844	0.0004	0.34	844	0.0004	0.34	0.00	0.0%	0.29%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.0%	0.21%
Sub-Total: Regulatory			6.08			6.08	0.00	0.0%	5.21%
Debt Retirement Charge (DRC)	800	0.00700	5.60	800	0.00700	5.60	0.00	0.0%	4.80%
Total Bill before Taxes			100.64			103.32	2.68	2.7%	88.50%
HST	100.64	13%	13.08	103.32	13%	13.43	0.35	2.7%	11.50%
Total Bill			113.72			116.75	3.03	2.7%	100.00%

General Service Less Than 50 kW

Monthly Rates and Charges	Metric	Current Rate	Applied For Rate
Service Charge	\$	23.14	22.35
Service Charge Rate Adder(s)	\$	2.00	3.44
Service Charge Rate Rider(s)	\$	-	-
Distribution Volumetric Rate	\$/kWh	0.0085	0.0082
Distribution Volumetric Rate Adder(s)	\$/kWh	-	-
Low Voltage Volumetric Rate	\$/kWh	0.0012	0.0012
Distribution Volumetric Rate Rider(s)	\$/kWh	0.0011	0.0014
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0047	0.0049
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0038	0.0039
Wholesale Market Service Rate	\$/kWh	0.0052	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013	0.0013
Special Purpose Charge	\$/kWh	0.0004	0.0004
Standard Supply Service – Administration Charge (if applicable)	\$/kWh	0.25	0.25

Consumption	2,000 kWh	- kW
RPP Tier One	750 kWh	Load Factor

Loss Factor 1.0541

General Service Less Than 50 kW	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Energy First Tier (kWh)	750	0.0650	48.75	750	0.0650	48.75	0.00	0.0%	17.58%
Energy Second Tier (kWh)	1,359	0.0750	101.93	1,359	0.0750	101.93	0.00	0.0%	36.75%
Sub-Total: Energy			150.68			150.68	0.00	0.0%	54.33%
Service Charge	1	23.14	23.14	1	22.35	22.35	-0.79	(3.4)%	8.06%
Service Charge Rate Adder(s)	1	2.00	2.00	1	3.44	3.44	1.44	72.0%	1.24%
Service Charge Rate Rider(s)	1	0.00	0.00	1	0.00	0.00	0.00	0.0%	0.00%
Distribution Volumetric Rate	2,000	0.0085	17.00	2,000	0.0082	16.40	-0.60	(3.5)%	5.91%
Distribution Volumetric Rate Adder(s)	2,000	0.0000	0.00	2,000	0.0000	0.00	0.00	0.0%	0.00%
Low Voltage Volumetric Rate	2,000	0.0012	2.40	2,000	0.0012	2.40	0.00	0.0%	0.87%
Distribution Volumetric Rate Rider(s)	2,000	0.0011	2.20	2,000	0.0014	2.80	0.60	27.3%	1.01%
Total: Distribution			46.74			47.39	0.65	1.4%	17.09%
Retail Transmission Rate – Network Service Rate	2,109	0.0047	9.91	2,109	0.0049	10.33	0.42	4.2%	3.72%
Retail Transmission Rate – Line and Transformation Connection Service Rate	2,109	0.0038	8.01	2,109	0.0039	8.23	0.22	2.7%	2.97%
Total: Retail Transmission			17.92			18.56	0.64	3.6%	6.69%
Sub-Total: Delivery (Distribution and Retail Transmission)			64.66			65.95	1.29	2.0%	23.78%
Wholesale Market Service Rate	2,109	0.0052	10.97	2,109	0.0052	10.97	0.00	0.0%	3.96%
Rural Rate Protection Charge	2,109	0.0013	2.74	2,109	0.0013	2.74	0.00	0.0%	0.99%
Special Purpose Charge	2,109	0.0004	0.84	2,109	0.0004	0.84	0.00	0.0%	0.30%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.0%	0.09%
Sub-Total: Regulatory			14.80			14.80	0.00	0.0%	5.34%
Debt Retirement Charge (DRC)	2,000	0.00700	14.00	2,000	0.00700	14.00	0.00	0.0%	5.05%
Total Bill before Taxes			244.14			245.43	1.29	0.5%	88.49%
HST	244.14	13%	31.74	245.43	13%	31.91	0.17	0.5%	11.51%
Total Bill			275.88			277.34	1.46	0.5%	100.00%

General Service 50 to 2,999 kW

Monthly Rates and Charges	Metric	Current Rate	Applied For Rate
Service Charge	\$	188.37	182.69
Service Charge Rate Adder(s)	\$	2.00	3.44
Service Charge Rate Rider(s)	\$	-	-
Distribution Volumetric Rate	\$/kW	3.5044	3.3988
Distribution Volumetric Rate Adder(s)	\$/kW	-	-
Low Voltage Volumetric Rate	\$/kW	0.4864	0.4864
Distribution Volumetric Rate Rider(s)	\$/kW	0.4948	0.5200
Retail Transmission Rate – Network Service Rate	\$/kW	1.9184	1.9987
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.5225	1.5466
Wholesale Market Service Rate	\$/kWh	0.0052	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013	0.0013
Special Purpose Charge	\$/kWh	0.0004	0.0004
Standard Supply Service – Administration Charge (if applicable)	\$/kWh	0.25	0.25

Consumption	435,000 kWh	1,480 kW
RPP Tier One	750 kWh	Load Factor 40.3%

Loss Factor 1.0541

General Service 50 to 2,999 kW	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Energy First Tier (kWh)	750	0.0650	48.75	750	0.0650	48.75	0.00	0.0%	0.08%
Energy Second Tier (kWh)	457,784	0.0750	34,333.80	457,784	0.0750	34,333.80	0.00	0.0%	57.83%
Sub-Total: Energy			34,382.55			34,382.55	0.00	0.0%	57.91%
Service Charge	1	188.37	188.37	1	182.69	182.69	-5.68	(3.0)%	0.31%
Service Charge Rate Adder(s)	1	2.00	2.00	1	3.44	3.44	1.44	72.0%	0.01%
Service Charge Rate Rider(s)	1	0.00	0.00	1	0.00	0.00	0.00	0.0%	0.00%
Distribution Volumetric Rate	1,480	3.5044	5,186.51	1,480	3.3988	5,030.22	-156.29	(3.0)%	8.47%
Distribution Volumetric Rate Adder(s)	1,480	0.0000	0.00	1,480	0.0000	0.00	0.00	0.0%	0.00%
Low Voltage Volumetric Rate	1,480	0.4864	719.87	1,480	0.4864	719.87	0.00	0.0%	1.21%
Distribution Volumetric Rate Rider(s)	1,480	0.4948	732.30	1,480	0.5200	769.60	37.30	5.1%	1.30%
Total: Distribution			6,829.05			6,705.82	-123.23	(1.8)%	11.29%
Retail Transmission Rate – Network Service Rate	1,480	1.9184	2,839.23	1,480	1.9987	2,958.08	118.85	4.2%	4.98%
Retail Transmission Rate – Line and Transformation Connection Service Rate	1,480	1.5225	2,253.30	1,480	1.5466	2,288.97	35.67	1.6%	3.86%
Total: Retail Transmission			5,092.53			5,247.05	154.52	3.0%	8.84%
Sub-Total: Delivery (Distribution and Retail Transmission)			11,921.58			11,952.87	31.29	0.3%	20.13%
Wholesale Market Service Rate	458,534	0.0052	2,384.38	458,534	0.0052	2,384.38	0.00	0.0%	4.02%
Rural Rate Protection Charge	458,534	0.0013	596.09	458,534	0.0013	596.09	0.00	0.0%	1.00%
Special Purpose Charge	458,534	0.0004	183.41	458,534	0.0004	183.41	0.00	0.0%	0.31%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.0%	0.00%
Sub-Total: Regulatory			3,164.13			3,164.13	0.00	0.0%	5.33%
Debt Retirement Charge (DRC)	435,000	0.00700	3,045.00	435,000	0.00700	3,045.00	0.00	0.0%	5.13%
Total Bill before Taxes			52,513.26			52,544.55	31.29	0.1%	88.50%
HST	52,513.26	13%	6,826.72	52,544.55	13%	6,830.79	4.07	0.1%	11.50%
Total Bill			59,339.98			59,375.34	35.36	0.1%	100.00%

General Service 3,000 to 4,999 kW - Intermediate Use

Monthly Rates and Charges	Metric	Current Rate	Applied For Rate
Service Charge	\$	1,760.21	1,763.38
Service Charge Rate Adder(s)	\$	2.00	3.44
Service Charge Rate Rider(s)	\$	-	-
Distribution Volumetric Rate	\$/kW	1.0229	1.0247
Distribution Volumetric Rate Adder(s)	\$/kW	-	-
Low Voltage Volumetric Rate	\$/kW	0.5570	0.5570
Distribution Volumetric Rate Rider(s)	\$/kW	0.6709	1.1303
Retail Transmission Rate – Network Service Rate	\$/kW	2.1455	2.2353
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.7957	1.8241
Wholesale Market Service Rate	\$/kWh	0.0052	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013	0.0013
Special Purpose Charge	\$/kWh	0.0004	0.0004
Standard Supply Service – Administration Charge (if applicable)	\$/kWh	0.25	0.25

Consumption	1,750,000	kWh	4,000	kW
RPP Tier One	750	kWh	Load Factor	60.0%

Loss Factor 1.0541

General Service 3,000 to 4,999 kW - Intermediate Use	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Energy First Tier (kWh)	750	0.0650	48.75	750	0.0650	48.75	0.00	0.0%	0.02%
Energy Second Tier (kWh)	1,843,926	0.0750	138,294.45	1,843,926	0.0750	138,294.45	0.00	0.0%	63.68%
Sub-Total: Energy			138,343.20			138,343.20	0.00	0.0%	63.71%
Service Charge	1	1,760.21	1,760.21	1	1,763.38	1,763.38	1.44	0.2%	0.81%
Service Charge Rate Adder(s)	1	2.00	2.00	1	3.44	3.44	1.44	72.0%	0.00%
Service Charge Rate Rider(s)	1	0.00	0.00	1	0.00	0.00	0.00	0.0%	0.00%
Distribution Volumetric Rate	4,000	1.0229	4,091.60	4,000	1.0247	4,098.80	7.20	0.2%	1.89%
Distribution Volumetric Rate Adder(s)	4,000	0.0000	0.00	4,000	0.0000	0.00	0.00	0.0%	0.00%
Low Voltage Volumetric Rate	4,000	0.5570	2,228.00	4,000	0.5570	2,228.00	0.00	0.0%	1.03%
Distribution Volumetric Rate Rider(s)	4,000	0.6709	2,683.60	4,000	1.1303	4,521.20	1,837.60	68.5%	2.08%
Total: Distribution			10,765.41			12,614.82	1,849.41	17.2%	5.81%
Retail Transmission Rate – Network Service Rate	4,000	2.1455	8,582.00	4,000	2.2353	8,941.20	359.20	4.2%	4.12%
Retail Transmission Rate – Line and Transformation Connection Service Rate	4,000	1.7957	7,182.80	4,000	1.8241	7,296.40	113.60	1.6%	3.36%
Total: Retail Transmission			15,764.80			16,237.60	472.80	3.0%	7.48%
Sub-Total: Delivery (Distribution and Retail Transmission)			26,530.21			28,852.42	2,322.21	8.8%	13.29%
Wholesale Market Service Rate	1,844,676	0.0052	9,592.32	1,844,676	0.0052	9,592.32	0.00	0.0%	4.42%
Rural Rate Protection Charge	1,844,676	0.0013	2,398.08	1,844,676	0.0013	2,398.08	0.00	0.0%	1.10%
Special Purpose Charge	1,844,676	0.0004	737.87	1,844,676	0.0004	737.87	0.00	0.0%	0.34%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.0%	0.00%
Sub-Total: Regulatory			12,728.52			12,728.52	0.00	0.0%	5.86%
Debt Retirement Charge (DRC)	1,750,000	0.00700	12,250.00	1,750,000	0.00700	12,250.00	0.00	0.0%	5.64%
Total Bill before Taxes			189,851.93			192,174.14	2,322.21	1.2%	88.50%
HST	189,851.93	13%	24,680.75	192,174.14	13%	24,982.64	301.89	1.2%	11.50%
Total Bill			214,532.68			217,156.78	2,624.10	1.2%	100.00%

Unmetered Scattered Load

Monthly Rates and Charges	Metric	Current Rate	Applied For Rate
Service Charge	\$	11.18	11.20
Service Charge Rate Adder(s)	\$	-	-
Service Charge Rate Rider(s)	\$	-	-
Distribution Volumetric Rate	\$/kWh	0.0292	0.0293
Distribution Volumetric Rate Adder(s)	\$/kWh	-	-
Low Voltage Volumetric Rate	\$/kWh	0.0014	0.0014
Distribution Volumetric Rate Rider(s)	\$/kWh	0.0010	0.0011
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0055	0.0057
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0047	0.0048
Wholesale Market Service Rate	\$/kWh	0.0052	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013	0.0013
Special Purpose Charge	\$/kWh	0.0004	0.0004
Standard Supply Service – Administration Charge (if applicable)	\$/kWh	0.25	0.25

Consumption	2,000 kWh	0 kW
RPP Tier One	750 kWh	Load Factor

Loss Factor 1.0541

Unmetered Scattered Load	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Energy First Tier (kWh)	750	0.0650	48.75	750	0.0650	48.75	0.00	0.0%	15.61%
Energy Second Tier (kWh)	1,359	0.0750	101.93	1,359	0.0750	101.93	0.00	0.0%	32.63%
Sub-Total: Energy			150.68			150.68	0.00	0.0%	48.24%
Service Charge	1	11.18	11.18	1	11.20	11.20	0.02	0.2%	3.59%
Service Charge Rate Adder(s)	1	0.00	0.00	1	0.00	0.00	0.00	0.0%	0.00%
Service Charge Rate Rider(s)	1	0.00	0.00	1	0.00	0.00	0.00	0.0%	0.00%
Distribution Volumetric Rate	2,000	0.0292	58.40	2,000	0.0293	58.60	0.20	0.3%	18.76%
Distribution Volumetric Rate Adder(s)	2,000	0.0000	0.00	2,000	0.0000	0.00	0.00	0.0%	0.00%
Low Voltage Volumetric Rate	2,000	0.0014	2.80	2,000	0.0014	2.80	0.00	0.0%	0.90%
Distribution Volumetric Rate Rider(s)	2,000	0.0010	2.00	2,000	0.0011	2.20	0.20	10.0%	0.70%
Total: Distribution			74.38			74.80	0.42	0.6%	23.95%
Retail Transmission Rate – Network Service Rate	2,109	0.0055	11.60	2,109	0.0057	12.02	0.42	3.6%	3.85%
Retail Transmission Rate – Line and Transformation Connection Service Rate	2,109	0.0047	9.91	2,109	0.0048	10.12	0.21	2.1%	3.24%
Total: Retail Transmission			21.51			22.14	0.63	2.9%	7.09%
Sub-Total: Delivery (Distribution and Retail Transmission)			95.89			96.94	1.05	1.1%	31.04%
Wholesale Market Service Rate	2,109	0.0052	10.97	2,109	0.0052	10.97	0.00	0.0%	3.51%
Rural Rate Protection Charge	2,109	0.0013	2.74	2,109	0.0013	2.74	0.00	0.0%	0.88%
Special Purpose Charge	2,109	0.0004	0.84	2,109	0.0004	0.84	0.00	0.0%	0.27%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.0%	0.08%
Sub-Total: Regulatory			14.80			14.80	0.00	0.0%	4.74%
Debt Retirement Charge (DRC)	2,000	0.00700	14.00	2,000	0.00700	14.00	0.00	0.0%	4.48%
Total Bill before Taxes			275.37			276.42	1.05	0.4%	88.50%
HST	275.37	13%	35.80	276.42	13%	35.93	0.13	0.4%	11.50%
Total Bill			311.17			312.35	1.18	0.4%	100.00%

Sentinel Lighting

Monthly Rates and Charges	Metric	Current Rate	Applied For Rate
Service Charge	\$	4.64	4.65
Service Charge Rate Adder(s)	\$	-	-
Service Charge Rate Rider(s)	\$	-	-
Distribution Volumetric Rate	\$/kW	11.4303	11.4509
Distribution Volumetric Rate Adder(s)	\$/kW	-	-
Low Voltage Volumetric Rate	\$/kW	0.3754	0.3754
Distribution Volumetric Rate Rider(s)	\$/kW	0.6408	- 0.2735
Retail Transmission Rate – Network Service Rate	\$/kW	1.4540	1.5148
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.2015	1.2205
Wholesale Market Service Rate	\$/kWh	0.0052	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013	0.0013
Special Purpose Charge	\$/kWh	0.0004	0.0004
Standard Supply Service – Administration Charge (if applicable)	\$/kWh	0.25	0.25

Consumption	180 kWh	0.50 kW
RPP Tier One	750 kWh	Load Factor 49.3%

Loss Factor 1.0541

Sentinel Lighting	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Energy First Tier (kWh)	190	0.0650	12.35	190	0.0650	12.35	0.00	0.0%	40.51%
Energy Second Tier (kWh)	0	0.0750	0.00	0	0.0750	0.00	0.00	0.0%	0.00%
Sub-Total: Energy			12.35			12.35	0.00	0.0%	40.51%
Service Charge	1	4.64	4.64	1	4.65	4.65	0.01	0.2%	15.25%
Service Charge Rate Adder(s)	1	0.00	0.00	1	0.00	0.00	0.00	0.0%	0.00%
Service Charge Rate Rider(s)	1	0.00	0.00	1	0.00	0.00	0.00	0.0%	0.00%
Distribution Volumetric Rate	0.50	11.4303	5.72	0.50	11.4509	5.73	0.01	0.2%	18.79%
Distribution Volumetric Rate Adder(s)	0.50	0.0000	0.00	0.50	0.0000	0.00	0.00	0.0%	0.00%
Low Voltage Volumetric Rate	0.50	0.3754	0.19	0.50	0.3754	0.19	0.00	0.0%	0.62%
Distribution Volumetric Rate Rider(s)	0.50	0.6408	0.32	0.50	-0.2735	-0.14	-0.46	(143.8)%	-0.46%
Total: Distribution			10.87			10.43	-0.44	(4.0)%	34.21%
Retail Transmission Rate – Network Service Rate	0.50	1.4540	0.73	0.50	1.5148	0.76	0.03	4.1%	2.49%
Retail Transmission Rate – Line and Transformation Connection Service Rate	0.50	1.2015	0.60	0.50	1.2205	0.61	0.01	1.7%	2.00%
Total: Retail Transmission			1.33			1.37	0.04	3.0%	4.49%
Sub-Total: Delivery (Distribution and Retail Transmission)			12.20			11.80	-0.40	(3.3)%	38.70%
Wholesale Market Service Rate	190	0.0052	0.99	190	0.0052	0.99	0.00	0.0%	3.25%
Rural Rate Protection Charge	190	0.0013	0.25	190	0.0013	0.25	0.00	0.0%	0.82%
Special Purpose Charge	190	0.0004	0.08	190	0.0004	0.08	0.00	0.0%	0.26%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.0%	0.82%
Sub-Total: Regulatory			1.57			1.57	0.00	0.0%	5.15%
Debt Retirement Charge (DRC)	180	0.00700	1.26	180	0.00700	1.26	0.00	0.0%	4.13%
Total Bill before Taxes			27.38			26.98	-0.40	(1.5)%	88.49%
HST	27.38	13%	3.56	26.98	13%	3.51	-0.05	(1.4)%	11.51%
Total Bill			30.94			30.49	-0.45	(1.5)%	100.00%

Street Lighting

Monthly Rates and Charges	Metric	Current Rate	Applied For Rate
Service Charge	\$	2.91	3.84
Service Charge Rate Adder(s)	\$	-	-
Service Charge Rate Rider(s)	\$	-	-
Distribution Volumetric Rate	\$/kW	18.4232	24.2929
Distribution Volumetric Rate Adder(s)	\$/kW	-	-
Low Voltage Volumetric Rate	\$/kW	0.3708	0.3708
Distribution Volumetric Rate Rider(s)	\$/kW	0.4865	12.1904
Retail Transmission Rate – Network Service Rate	\$/kW	1.4469	1.5074
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.1770	1.1956
Wholesale Market Service Rate	\$/kWh	0.0052	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013	0.0013
Special Purpose Charge	\$/kWh	0.0004	0.0004
Standard Supply Service – Administration Charge (if applicable)	\$/kWh	0.25	0.25

Consumption	37 kWh	0.10 kW
RPP Tier One	750 kWh	Load Factor 50.7%

Loss Factor 1.0541

Street Lighting	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Energy First Tier (kWh)	40	0.0650	2.60	40	0.0650	2.60	0.00	0.0%	20.57%
Energy Second Tier (kWh)	0	0.0750	0.00	0	0.0750	0.00	0.00	0.0%	0.00%
Sub-Total: Energy			2.60			2.60	0.00	0.0%	20.57%
Service Charge	1	2.91	2.91	1	3.84	3.84	0.93	32.0%	30.38%
Service Charge Rate Adder(s)	1	0.00	0.00	1	0.00	0.00	0.00	0.0%	0.00%
Service Charge Rate Rider(s)	1	0.00	0.00	1	0.00	0.00	0.00	0.0%	0.00%
Distribution Volumetric Rate	0.10	18.4232	1.84	0.10	24.2929	2.43	0.59	32.1%	19.22%
Distribution Volumetric Rate Adder(s)	0.10	0.0000	0.00	0.10	0.0000	0.00	0.00	0.0%	0.00%
Low Voltage Volumetric Rate	0.10	0.3708	0.04	0.10	0.3708	0.04	0.00	0.0%	0.32%
Distribution Volumetric Rate Rider(s)	0.10	0.4865	0.05	0.10	12.1904	1.22	1.17	2340.0%	9.65%
Total: Distribution			4.84			7.53	2.69	55.6%	59.57%
Retail Transmission Rate – Network Service Rate	0.10	1.4469	0.14	0.10	1.5074	0.15	0.01	7.1%	1.19%
Retail Transmission Rate – Line and Transformation Connection Service Rate	0.10	1.1770	0.12	0.10	1.1956	0.12	0.00	0.0%	0.95%
Total: Retail Transmission			0.26			0.27	0.01	3.8%	2.14%
Sub-Total: Delivery (Distribution and Retail Transmission)			5.10			7.80	2.70	52.9%	61.71%
Wholesale Market Service Rate	40	0.0052	0.21	40	0.0052	0.21	0.00	0.0%	1.66%
Rural Rate Protection Charge	40	0.0013	0.05	40	0.0013	0.05	0.00	0.0%	0.40%
Special Purpose Charge	40	0.0004	0.02	40	0.0004	0.02	0.00	0.0%	0.16%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.0%	1.98%
Sub-Total: Regulatory			0.53			0.53	0.00	0.0%	4.19%
Debt Retirement Charge (DRC)	37	0.00700	0.26	37	0.00700	0.26	0.00	0.0%	2.06%
Total Bill before Taxes			8.49			11.19	2.70	31.8%	88.53%
HST	8.49	13%	1.10	11.19	13%	1.45	0.35	31.8%	11.47%
Total Bill			9.59			12.64	3.05	31.8%	100.00%

Sheet P1.1 Current and Applied for Allowances

LUI has entered for continuance and approval, the currently approved Transformer Allowance as outlined on the 2010 Tariff of Rates and Charges and is not requesting a change to this rate in this filing.

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)

Sheet P2.1 - Current and Applied for Specific Service Charges

LUI respectfully requests approval of the Specific Service Charge rates as input on Sheet P2.1. LUI is not requesting a change to these rates in this filing.

Sheet P3.1 - Current and applied for Retail Service Charges

LUI respectfully requests approval of the rates on Sheet P3.1 as approved by the Ontario Energy Board’s Decision and Order dated March 31, 2010. LUI is not requesting a change to these rates in this filing.

Other Items not reflected in Rate Generator:

1. Recovery of Late Payment Penalty Litigation Costs

LUI is requesting approval of a one-time expense which has not been included in the Rate Generator supplied by the Board. Following approval to recover this amount as a one year rate rider, LUI will adjust the volumetric rates for the classes by amounts shown in the following table:

Note: Sheet B1.3 of the Revenue Cost Ratio Adjustment Workform has been used as the source of the billing determinants and the allocation of the revenue to the customer classes.

- As part of this application, LUI is seeking recovery of a one-time expense in the amount of \$37,057.05 which is expected to be paid on June 30, 2011. If this payment is made, it will serve to resolve long-standing litigation against all former municipal electric utilities (“MEUs”) in the Province in relation to late payment penalty (“LPP”) charges collected pursuant to, first, Ontario Hydro rate schedules and, after industry restructuring, Ontario Energy Board rate orders (the “LPP Class Action”).

	Volumetric Proportion of Revenue from Rates (Rebased 2008 COS)		Litigation Charge	Billing Determinants (2009 Audited RRR)		Proposed Volumetric Adjustment Required		Volumetric Rates prior to Late Payment Penalty		Proposed Final Volumetric Rates	
	\$	%		\$	kWh	kW	\$ per kWh	\$ per kW	\$ per kWh	\$ per kW	\$ per kWh
Residential	1,916,640	46%	17,074.16	73,195,401		0.000233		0.013300		0.013533	
GS <50kW	585,579	14%	5,216.56	34,961,659		0.000149		0.008100		0.008249	
GS 50-2999 kW	1,200,846	29%	10,697.59		290,143		0.0368701		3.413300		3.450170
GS 3000-4999 kW	168,398	4%	1,500.15		51,168		0.0293182		1.024700		1.054018
USL	28,720	1%	255.85	749,638		0.000341		0.029300		0.029641	
Sentinel Lights	4,350	0%	38.75		98		0.3954231		11.450900		11.846323
Street Lights	255,263	6%	2,273.98		3,736		0.6086671		24.292900		24.901567
Total	\$ 4,159,796	100%	\$ 37,057.05								

2. On July 22, 2010, The Honourable Mr. Justice Cumming of the Ontario Superior Court of Justice approved a settlement of the LPP Class Action, the principal terms of which are the following:
 - (a) Former MEUs collectively pay \$17 million in damages;
 - (b) Payment is not due until June 30, 2011; and
 - (c) Amounts paid, after deduction for class counsel fee, will be paid to the Winter Warmth Fund or similar charities.
3. LUI will make a payment of \$37,057.05 by June 30, 2011. This amount represents LUI's share of the settlement, applicable taxes and legal fees. LUI believes that the settlement is in its own best interest as well as of its customers, and that the payment in connection with the settlement will be a prudent one.
4. LUI, along with all other electricity distributors filing for cost of service and IRM applications for 2011 electricity distribution rates (the "LDCs"), proposes that the Board hold a generic hearing at the earliest opportunity to determine if all costs and damages incurred in this litigation and settlement are recoverable from customers and, if so, the form and timing of recovery from customers. If the Board agrees to hold this generic hearing, the LDCs will collectively file written evidence to address the prudence of the settlement, the costs incurred, the methodology of allocating total settlement costs amongst the LDCs, the proposed method of recovery, and any other matters the Board determines appropriate.
5. If the Board determines that it will not hold a generic proceeding, LUI asks to be advised of this fact by the Date of Final Determination so that it can file, to permit adjudication as part of this proceeding, written evidence to address the prudence of the settlement, the costs incurred, the methodology of allocating total settlement costs amongst the LDCs, the proposed method of recovery, and any other matters the Board determines appropriate.

¹ The Date of Final Determination falls on the 30th day after the plaintiffs opt out notice is published in *The Globe and Mail*, which will occur after the expiry of the appeal period. The Date of Final Determination is expected to occur on September 22, 2010.

Other Items not reflected in Rate Generator:

2. Harmonized Sales Tax

Lakefront Utilities Inc. submits that the Board should give further consideration to their Decision and Order (Page 6) of the 2010 3GIRM Rate Application EB-2009-0233. In regards to the Harmonized Sales Tax matter, submitted by Board staff during the application process, the Board ruled:

"The Board therefore directs that, beginning July 1, 2010, Lakefront Utilities Inc. shall record in deferral account 1592 (PILs and Tax Variances, Sub-account HST/OVAT Input Tax Credits (ITCs)), the incremental ITC it receives on distribution revenue requirement items that were previously subject to PST and become subject to HST. Tracking of these amounts will continue in the deferral account until the

effective date of COLLUS' next cost of service rate order. 50% of the confirmed balances in the account shall be returnable to the ratepayers.

The Board may issue more detailed accounting guidance in the future. In that event the Applicant should make the appropriate accounting entries, if and as applicable."

Lakefront Utilities Inc. has been therefore mandated to be exceptionally onerous in tracking the ITC amounts due to factors such as the need to follow tax guidelines in regards to Recaptured ITCs (RITC). The Financial Software package(s) used by Lakefront Utilities Inc. is not developed to provide any automated or simple manual method to apply a set of rules that will apply to appropriately track the incremental ITC. Lakefront Utilities Inc. has found it necessary to use valuable staff hours to complete the work that has been required to ensure the ITC tracking is kept precise and timely. It is expected that additional (incremental) staff and/or staff hours will have to be incurred during the year at a minimum, to ensure appropriate documentation is maintained.

Lakefront Utilities Inc. presents that the Board approves incremental costs to track the HST are placed in deferral account 1592 to eventually result in an incremental HST less cost amount, to be shared on a 50% basis with the ratepayers. Lakefront Utilities Inc. further presents that Board staff be directed to issue a more detailed accounting guidance in this matter. For instance the 50% return to ratepayers will result in a need for a yearly adjustment for financial recording purposes. External auditors will expect the Lakefront Utilities Inc. 50% portion to be expensed or capitalized whichever is applicable at the end of each fiscal period. Board staff confirmation that the 50% sharing is applicable will assist to ensure the correct accounting entries are made.

Current Tariff Sheet in effect May 1, 2010:

CURRENT MONTHLY RATES AND CHARGES

Residential

Monthly Rates and Charges - Delivery Component

Service Charge	\$	9.25
Service Charge Smart Meters	\$	2.00
Distribution Volumetric Rate	\$/kWh	0.0133
Low Voltage Volumetric Rate	\$/kWh	0.0013
Distribution Volumetric Def Var Disp 2010 – effective until Saturday, April 30, 2011	\$/kWh	0.0010
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0052
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0042

Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

General Service Less Than 50 kW

Monthly Rates and Charges - Delivery Component

Service Charge	\$	23.14
Service Charge Smart Meters	\$	2.00
Distribution Volumetric Rate	\$/kWh	0.0085
Low Voltage Volumetric Rate	\$/kWh	0.0012
Distribution Volumetric Def Var Disp 2010 – effective until Saturday, April 30, 2011	\$/kWh	0.0011
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0047
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0038

Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

General Service 50 to 2,999 kW

Monthly Rates and Charges - Delivery Component

Service Charge	\$	188.37
Service Charge Smart Meters	\$	2.00
Distribution Volumetric Rate	\$/kW	3.5044
Rate Rider for Global Adjustment Sub-Account Disposition (2010) - Effective until Saturday, April 30, 20	\$/kW	5.32560
Applicable only for Non-RPP Customers		
Low Voltage Volumetric Rate	\$/kW	0.4864
Distribution Volumetric Def Var Disp 2010 – effective until Saturday, April 30, 2011	\$/kW	0.4948
Retail Transmission Rate – Network Service Rate	\$/kW	1.9184
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.5225

Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

General Service 3,000 to 4,999 kW - Intermediate Use		
Monthly Rates and Charges - Delivery Component		
Service Charge	\$	1,760.21
Service Charge Smart Meters	\$	2.00
Distribution Volumetric Rate	\$/kW	1.0229
Rate Rider for Global Adjustment Sub-Account Disposition (2010) - Effective until Saturday, April 30, 2011	\$/kW	6.76010
Applicable only for Non-RPP Customers		
Low Voltage Volumetric Rate	\$/kW	0.5570
Distribution Volumetric Def Var Disp 2010 – effective until Saturday, April 30, 2011	\$/kW	0.6709
Retail Transmission Rate – Network Service Rate	\$/kW	2.1455
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.7957
Monthly Rates and Charges - Regulatory Component		
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25
Unmetered Scattered Load		
Monthly Rates and Charges - Delivery Component		
Service Charge (per connection)	\$	11.18
Distribution Volumetric Rate	\$/kWh	0.0292
Low Voltage Volumetric Rate	\$/kWh	0.0014
Distribution Volumetric Def Var Disp 2010 – effective until Saturday, April 30, 2011	\$/kWh	0.0010
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0055
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0047
Monthly Rates and Charges - Regulatory Component		
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25
Sentinel Lighting		
Monthly Rates and Charges - Delivery Component		
Service Charge (per connection)	\$	4.64
Distribution Volumetric Rate	\$/kW	11.4303
Low Voltage Volumetric Rate	\$/kW	0.3754
Distribution Volumetric Def Var Disp 2010 – effective until Saturday, April 30, 2011	\$/kW	0.6408
Retail Transmission Rate – Network Service Rate	\$/kW	1.4540
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.2015
Monthly Rates and Charges - Regulatory Component		
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Street Lighting		
Monthly Rates and Charges - Delivery Component		
Service Charge (per connection)	\$	2.91
Distribution Volumetric Rate	\$/kW	18.4232
Rate Rider for Global Adjustment Sub-Account Disposition (2010) - Effective until Saturday, April 30, 2011 Applicable only for Non-RPP Customers	\$/kW	4.89750
Low Voltage Volumetric Rate	\$/kW	0.3708
Distribution Volumetric Def Var Disp 2010 – effective until Saturday, April 30, 2011	\$/kW	0.4865
Retail Transmission Rate – Network Service Rate	\$/kW	1.4469
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.1770
Monthly Rates and Charges - Regulatory Component		
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25
microFIT Generator		
Service Charge	\$	5.25
CURRENT 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 pole - during regular hours	\$	65.00
Disconnect/Reconnect at meter - during regular hours	\$	185.00
Disconnect/Reconnect at pole - during regular hours	\$	185.00
Disconnect/Reconnect at pole - after regular hours	\$	415.00
Other		
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	\$	110.00
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)
Current Retail Service Charges (if applicable)		
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		
Total Loss Factor - Primary Metered Customer < 5,000 kW		1.0456
Total Loss Factor - Primary Metered Customer > 5,000 kW		

Proposed Tariff Sheet for rates Effective May 1, 2011:

**Lakefront Utilities Inc.
TARIFF OF RATES AND CHARGES
Effective Sunday, May 01, 2011**

EB-2010-0095

MONTHLY RATES AND CHARGES

Applied For Monthly Rates and Charges

Residential

Monthly Rates and Charges - Delivery Component

Service Charge	\$	9.27
Service Charge Smart Meters	\$	3.44
Distribution Volumetric Rate	\$/kWh	0.0133
Low Voltage Volumetric Rate	\$/kWh	0.0013
Distribution Volumetric Def Var Disp 2011 – effective until Monday, April 30, 2012	\$/kWh	0.00135
Distribution Volumetric Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM) Recovery – effective until Monday, April 30, 2012	\$/kWh	0.0011
Distribution Volumetric Tax Change – effective until Monday, April 30, 2012	\$/kWh	(0.0002)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0054
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0043

Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

General Service Less Than 50 kW

Monthly Rates and Charges - Delivery Component

Service Charge	\$	22.35
Service Charge Smart Meters	\$	3.44
Distribution Volumetric Rate	\$/kWh	0.0082
Low Voltage Volumetric Rate	\$/kWh	0.0012
Distribution Volumetric Def Var Disp 2011 – effective until Monday, April 30, 2012	\$/kWh	0.00134
Distribution Volumetric Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM) Recovery – effective until Monday, April 30, 2012	\$/kWh	0.0002
Distribution Volumetric Tax Change – effective until Monday, April 30, 2012	\$/kWh	(0.0002)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0049
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0039

Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

General Service 50 to 2,999 kW

Monthly Rates and Charges - Delivery Component

Service Charge	\$	182.69
Service Charge Smart Meters	\$	3.44
Distribution Volumetric Rate	\$/kW	3.3988
Rate Rider for Global Adjustment Sub-Account Disposition (2011) - Effective until Monday, April 30, 2012 Applicable only for Non-RPP Customers	\$/kW	0.16979
Low Voltage Volumetric Rate	\$/kW	0.4864
Distribution Volumetric Def Var Disp 2011 – effective until Monday, April 30, 2012	\$/kW	0.53803
Distribution Volumetric Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM) Recovery – effective until Monday, April 30, 2012	\$/kW	0.0251
Distribution Volumetric Tax Change – effective until Monday, April 30, 2012	\$/kW	(0.0431)
Retail Transmission Rate – Network Service Rate	\$/kW	1.9987
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.5466

Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

General Service 3,000 to 4,999 kW - Intermediate Use

Monthly Rates and Charges - Delivery Component

Service Charge	\$	1,763.38
Service Charge Smart Meters	\$	3.44
Distribution Volumetric Rate	\$/kW	1.0247
Rate Rider for Global Adjustment Sub-Account Disposition (2011) - Effective until Monday, April 30, 2012 Applicable only for Non-RPP Customers	\$/kW	0.17162
Low Voltage Volumetric Rate	\$/kW	0.5570
Distribution Volumetric Def Var Disp 2011 – effective until Monday, April 30, 2012	\$/kW	0.49898
Distribution Volumetric Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM) Recovery – effective until Monday, April 30, 2012	\$/kW	0.6467
Distribution Volumetric Tax Change – effective until Monday, April 30, 2012	\$/kW	(0.0154)
Retail Transmission Rate – Network Service Rate	\$/kW	2.2353
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.8241

Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Unmetered Scattered Load

Monthly Rates and Charges - Delivery Component

Service Charge (per connection)	\$	11.20
Distribution Volumetric Rate	\$/kWh	0.0293
Low Voltage Volumetric Rate	\$/kWh	0.0014
Distribution Volumetric Def Var Disp 2011 – effective until Monday, April 30, 2012	\$/kWh	0.00146
Distribution Volumetric Tax Change – effective until Monday, April 30, 2012	\$/kWh	(0.0004)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0057
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0048

Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Sentinel Lighting

Monthly Rates and Charges - Delivery Component

Service Charge (per connection)	\$	4.65
Distribution Volumetric Rate	\$/kW	11.4509
Low Voltage Volumetric Rate	\$/kW	0.3754
Distribution Volumetric Tax Change – effective until Monday, April 30, 2012	\$/kW	(0.2735)
Retail Transmission Rate – Network Service Rate	\$/kW	1.5148
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.2205

Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Street Lighting

Monthly Rates and Charges - Delivery Component

Service Charge (per connection)	\$	3.84
Distribution Volumetric Rate	\$/kW	24.2929
Rate Rider for Global Adjustment Sub-Account Disposition (2011) - Effective until Monday, April 30, 2012 Applicable only for Non-RPP Customers	\$/kW	0.15748
Low Voltage Volumetric Rate	\$/kW	0.3708
Distribution Volumetric Def Var Disp 2011 – effective until Monday, April 30, 2012	\$/kW	0.48409
Distribution Volumetric Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM) Recovery – effective until Monday, April 30, 2012	\$/kW	11.8198
Distribution Volumetric Tax Change – effective until Monday, April 30, 2012	\$/kW	(0.1135)
Retail Transmission Rate – Network Service Rate	\$/kW	1.5074
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.1956

Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

microFIT Generator

Service Charge	\$	5.25
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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 pole - during regular hours	\$	65.00
Disconnect/Reconnect at meter - during regular hours	\$	185.00
Disconnect/Reconnect at pole - during regular hours	\$	185.00
Disconnect/Reconnect at pole - after regular hours	\$	415.00

Other

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	\$	110.00

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 (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	
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0456
Total Loss Factor - Primary Metered Customer > 5,000 kW	