



EB-2011-0413

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

AND IN THE MATTER OF an application by Lakeland Power Distribution Ltd. for an order or orders approving or fixing just and reasonable distribution rates related to Smart Meter deployment, to be effective May 1, 2012.

BEFORE: Ken Quesnelle
Presiding Member

Marika Hare
Member

DECISION AND ORDER

Introduction

Lakeland Power Distribution Ltd. ("Lakeland"), a licensed distributor of electricity, filed an application (the "Application") with the Ontario Energy Board (the "Board") on December 2, 2011 under section 78 of the *Ontario Energy Board Act*, 1998, S.O. 1998, c. 15, (Schedule B), seeking approval for changes to the rates that Lakeland charges for electricity distribution, to be effective May 1, 2012.

Lakeland, in its Application, sought Board approval for the disposition and recovery of costs related to smart meter deployment, offset by Smart Meter Funding Adder ("SMFA") revenues collected from May 1, 2006 to April 30, 2012. Lakeland requested approval of proposed Smart Meter Disposition Riders ("SMDRs") and Smart Meter Incremental Revenue Requirement Rate Riders ("SMIRRs") effective May 1, 2012.

The Application is based on the Board's policy and practice with respect to recovery of smart meter costs.¹

The Board issued its Letter of Direction and Notice of Application and Hearing (the "Notice") on January 19, 2012. The Vulnerable Energy Consumers' Coalition ("VECC") requested and was granted intervenor status and cost award eligibility. No letters of comment were received. The Notice established that the Board would consider the Application by way of a written hearing and established timelines for discovery and submissions.

While the Board has considered the entire record in this proceeding, it has made reference only to such evidence as is necessary to provide context to its findings. The following issues are addressed in this Decision and Order:

- Costs incurred with respect to Smart Meter Deployment and Operation;
- Cost Allocation;
- Stranded Meter Costs; and
- Implementation.

Costs Incurred with Respect to Smart Meter Deployment and Operation

In the Application, Lakeland sought the following approvals:

- a. Smart Meter Disposition Rider (SMDR) – An actual cost recovery rate rider of \$1.20 per Residential customer per month and \$2.21 per General Service less than 50kW customer per month for the period May 1, 2012 to April 30, 2013. This rate rider will collect the difference between the 2006 to December 31, 2011 revenue requirement related to smart meters deployed as of December 31, 2011 [plus interest on operations, maintenance and administration and depreciation expenses] and the smart meter funding adder collected from May 1, 2006 to April 30, 2012 [and corresponding interest on the principal balance of SMFA revenues].
- b. Smart Meter Incremental Revenue Requirement Rate Rider (SMIRR) – A forecasted cost recovery rate rider of \$3.17 per Residential customer per

¹ *Guideline G-2008-0002: Smart Meter Funding and Cost Recovery*, issued October 22, 2008. On December 15, 2011, the Board issued *Guideline -2011-0001: Smart Meter Funding and Cost Recovery – Final Disposition*. While Lakeland's Application was filed prior to the issuance of *Guideline G-2011-0001*, Lakeland's Application is compliant with it. In preparing its Application, Lakeland used Smart Meter Model, Version 2.17, and prepared its application considering recent Board decisions on smart meter cost disposition and recovery.

month and \$5.61 per General Service less than 50kW customer per month for the period May 1, 2012 to April 30, 2013. This rate rider will collect the 2012 incremental revenue requirement related to smart meter costs to be incurred from January 1, 2012 to December 31, 2012.

- c. Smart Meter Funding Adder (SMFA) – A termination of Lakeland’s current SMFA of \$2.50 per metered customer per month effective May 1, 2012 to reflect the smart meter costs approved for recovery through the SMDR and SMIRR rate riders above.

With respect to the last item, Board staff noted in its submission that the termination of the SMFA as of April 30, 2012 was determined by the Board in its decision with respect to Lakeland’s 2011 IRM application (EB-2010-0096), and has been taken into account in Lakeland’s 2012 IRM application (EB-2011-0180). The Board will not address this further in this Decision.

In responses to interrogatories, Lakeland made corrections to various data in the Smart Meter Model and revised its proposed rate riders for smart meter cost recovery. In addition, in response to an interrogatory from VECC, Lakeland calculated class-specific SMDRs and SMIRRs based on separate models of the costs. This is further addressed below.

Lakeland’s costs in aggregate and on a per meter basis are summarized in the following table, as confirmed by Lakeland in its response to a Board staff interrogatory.

	2006	2007	2008	2009	2010	2011	2012	Total
Capital		\$ 41,990	\$ 64,725	\$ 1,630,024	\$ 452,112	\$ 81,221	\$ 17,107	\$ 2,287,179
OM&A				\$ 31,283	\$ 53,427	\$ 79,846	\$ 106,250	\$ 270,806
Number of Smart Meters				8945	421	131	123	9620
							Total	Average per meter
							Total (capex + opex)	\$ 2,557,985 \$ 265.90
							Capex only	\$ 2,287,179 \$ 237.75

Source: Board staff IR # 14

Both Board staff and VECC noted that Lakeland’s costs per meter, both for capital and on a combined capital and operating basis are generally higher than have been observed for other applications dealt with to date. VECC noted in its submissions that Lakeland’s per meter costs of \$237.75 for capital costs only and \$265.90 for capital and operating costs are higher than the range for 9 out of 12 urbanized utilities, excluding

Hydro One Networks Inc., as documented in Appendix A of the Board's Decision with Reasons EB-2007-0063. VECC also noted that the average per meter capital cost, based on data reported by all utilities to September 30, 2009, was \$186.76,² and that updated data reported for the period ending September 30, 2010, showed an industry average capital cost of \$226.92.³ While Board staff and VECC noted Lakeland's higher costs, they also submitted that Lakeland had adequately provided explanations for these higher costs.

The Board agrees that Lakeland has provided adequate explanation of the circumstances in its operating environment that support the higher per meter costs. The Board accepts that circumstances such as scale, non-contiguous service areas, and topography and forestation can impact on the costs for deployment and reliable operation of smart meters and remote meter reading. In addition, as smart meters are a relatively new technology, it is understandable that there might be some additional costs to address issues beyond the utility's ability to anticipate or manage in this initial implementation.

The Board notes that authorization to procure and deploy smart meters has been done in accordance with Government regulations, including successful participation in the London Hydro RFP process, overseen by the Fairness Commissioner, to select (a) vendor(s) for the procurement and/or installation of smart meters and related systems. There is thus a significant degree of cost control discipline that distributors, including Lakeland, are subject to in smart meter procurement and deployment.

The Board notes that Lakeland has participated as one of the member utilities of the Cornerstone Hydro Electric Concepts ("CHEC") group.⁴ As documented in Lakeland's Application, CHEC participation has enabled the member utilities to address common issues and to seek efficient solutions for issues related to smart meter deployment and operations and to Time-of-Use implementation. VECC noted that Lakeland's participation in CHEC does demonstrate cost efficiencies, and that Lakeland has documented other operational savings to offset, at least in part, the incurred costs for smart meters.⁵

² VECC, Submission, March 17, 2012, page 3, referencing the Board's *Sector Smart Meter Audit Review Report*, dated March 31, 2010.

³ *Ibid.*, referencing the *Monitoring Report Smart Meter Investment – September 2010*, March 3, 2011

⁴ CHEC is a collaborative initiative by the following utilities to seek synergies in various utility operations, procurement and regulatory processes: Centre Wellington Hydro, COLLUS Power, Innisfil Power, Lakefront Utilities, Lakeland Power Distribution Ltd., Midland Power, Orangeville Hydro, Parry Sound Power, Rideau St. Lawrence Distribution, Wasaga Distribution, Wellington North Power, and West Coast Huron Energy. See Lakeland's Application, pg. 2.

⁵ VECC's submission, March 17, 2012, pp. 2-3

The Board finds that Lakeland's documented costs, as applied for, related to smart meter procurement, installation and operation, and including costs related to TOU rate implementation, are reasonable. As such, the Board approves the disposition for recovery of the costs for smart meter deployment and operation.

Cost Allocation

In its Application, Lakeland proposed class-specific SMDRs and SMIRRs. Initial smart meter funding was provided by a uniform SMFA collected from all metered customers, and there was no specific Board direction for recording of costs and revenues by class.

However, it was recognized by the Board that, as there would be differing costs in different customer classes, in large part due to the costs of the meters themselves, and to the extent that accurate data was available from the utility's records, the principle of cost causality would support class-specific cost recovery. To this end, the Board's guidelines⁶ have indicated that a utility is expected to address the allocation of costs in its application seeking the disposition of smart meter costs recorded in accounts 1555 and 1556. Further, in recent decisions, the Board has reviewed and approved the evolution of approaches for calculating class-specific rate riders.⁷

In response to Board staff interrogatory # 15, Lakeland updated the proposed class-specific SMDRs and SMIRRs to reflect corrections to the data and model discovered through the interrogatory process. In response to VECC interrogatory # 12, Lakeland filed smart meter models on a class basis to calculate alternative class-specific smart meter rate riders, whereby costs are directly attributed in each model. In their submissions, both Board staff and VECC were uncertain whether the response to VECC IR # 12 reflected the corrections noted in Board staff IR #15. In its reply submission, Lakeland provided updated models and class-specific smart meter rate riders analogous to VECC IR # 12 but also reflecting the corrections acknowledged in Board staff IR # 15. The resulting SMDRs and SMIRRs from the two approaches, and those proposed in the original Application are documented in the following table:

⁶ See footnote 1.

⁷ The Board's decisions with respect to PowerStream Ltd.'s 2010 and 2011 smart meter applications (respectively, EB-2010-0209 and EB-2011-0128) confirmed approaches for allocating costs and calculating class-specific rate riders for recovery of smart meter costs. The approach approved in Decision EB-2011-0128, or an analogous or improved approach is expected where data of adequate quality at a class level is available.

	Application (December 2, 2011)	Board staff IR # 15 (Revenue Requirement Allocation)	VECC IR # 12 revised in Reply Submission (Cost Causality Allocation)
Residential			
SMDR	\$1.20	\$1.25	\$1.15
SMIRR	\$3.17	\$3.22	\$3.51
GS < 50 kW			
SMDR	\$2.21	\$2.31	\$2.86
SMIRR	\$5.61	\$5.73	\$4.24

Lakeland has confirmed that it agrees to revise the original SMDRs and SMIRRs applied for, but it has not taken a position as to which alternative scenario is most appropriate and has deferred to the Board in this regard.

In this Application, the Board considers the cost causality approach proposed by VECC to be more exacting and principled, and will accept it where the utility has calculated it and is reasonably confident with the underlying data at the customer class level. As such, the Board approves the class-specific SMDRs and SMIRRs as calculated according to the methodology used in VECC IR # 12 and updated in Lakeland's reply submission to reflect corrections to the data.

As proposed by Lakeland, the Board finds that the approved SMDRs will be in effect for twelve months from May 1, 2012 to April 30, 2013. The SMIRRs are monthly fixed rates based on the annualized revenue requirement and remain in effect until the effective date of the utility's next cost of service rate order, at which point the capital and operating costs are directly incorporated into the rate base and revenue requirement. As Lakeland is scheduled to rebase its rates for 2013, the Board notes that the SMIRR will be in effect from May 1, 2012 until April 30, 2013.

Stranded Meter Costs

In its Application, Lakeland proposed not to dispose of stranded meters by way of stranded meter rate riders at this time, but to deal with disposition in its next rebasing application, scheduled for 2013 rates. Neither VECC nor Board staff took issue with Lakeland's proposal. Board staff submitted that Lakeland's proposal is also compliant with Guideline G-2011-0001. The Board agrees.

Lakeland duly noted Board staff's submission that the distributor should be prepared to address and quantify any operational efficiencies and cost savings resulting from smart

meter deployment in the next cost of service application.

Implementation

In granting its approval for the historically incurred costs and the costs projected for 2012, the Board considers Lakeland to have completed its smart meter deployment. Going forward, no capital and operating costs for new smart meters and the operations of smart meters shall be tracked in Accounts 1555 and 1556. Instead, costs shall be recorded in regular capital and operating expense accounts (e.g. Account 1860 for meter capital costs) as is the case with other regular distribution assets and costs.

Lakeland is authorized to continue to use the established sub-account Stranded Meter Costs of Account 1555 to record and track remaining costs of the stranded conventional meters replaced by smart meters. The balance of this sub-account should be brought forward for disposition in Lakeland's next cost of service application.

With this Decision, the Board is providing Lakeland with a draft Tariff of Rates and Charges (Appendix A) that reflects the elements of this Decision. The Board also reviewed the entries in the draft Tariff of Rates and Charges to ensure that, other than the rate riders for smart meter cost recovery approved in this Decision, they are in accordance with the 2012 Board approved Tariff of Rates and Charges as approved in Lakeland's separate Incentive Regulation Mechanism application (EB-2011-0180) issued on March 22, 2012.

THE BOARD ORDERS THAT:

1. Lakeland's new distribution rates shall be effective May 1, 2012.
2. Lakeland and VECC shall review the draft Tariff of Rates and Charges set out in Appendix A. Lakeland and VECC shall file with the Board a written confirmation assessing the completeness and accuracy of the draft Tariff of Rates and Charges, or provide a detailed explanation of any inaccuracies or missing information within **7 days** of the date of issuance of this Decision and Order.
3. If the Board does not receive any submissions from Lakeland and VECC to the effect that inaccuracies were found or information was missing pursuant to item 2 of

this Decision and Order, the draft Tariff of Rates and Charges set out in Appendix A of this Decision and Order will become final effective May 1, 2012, and will apply to electricity consumed or estimated to have been consumed on and after May 1, 2012. Lakeland shall notify its customers of the rate changes no later than with the first bill reflecting the new rates.

4. If the Board receives (a) submission(s) from Lakeland or VECC to the effect that inaccuracies were found or information was missing pursuant to item 2 of this Decision and Order, the Board will consider the submission(s) and will issue a final Tariff of Rates and Charges.

Cost Awards

The Board will issue a separate decision on cost awards once the following steps are completed:

1. VECC shall submit its cost claims no later than **7 days** from the date of issuance of the final Rate Order.
2. Lakeland shall file with the Board and forward to VECC any objections to the claimed costs within **14 days** from the date of issuance of the final Rate Order.
3. VECC shall file with the Board and forward to Lakeland any responses to any objections for cost claims within **21 days** from the date of issuance of the final Rate Order.
4. Lakeland shall pay the Board's costs incidental to this proceeding upon receipt of the Board's invoice.

All filings to the Board must quote file number **EB-2011-0413**, be made through the Board's web portal at, www.errr.ontarioenergyboard.ca and consist of two paper copies and one electronic copy in searchable / unrestricted PDF format. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at www.ontarioenergyboard.ca. If the web portal is not available parties may email their document to BoardSec@ontarioenergyboard.ca. Those who do not have internet

access are required to submit all filings on a CD in PDF format, along with two paper copies. Those who do not have computer access are required to file 2 paper copies.

DATED at Toronto, April 19, 2012

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

Appendix A
To Decision and Order
Draft Tariff of Rates and Charges
Board File No: EB-2011-0413
DATED: April 19, 2012

Lakeland Power Distribution Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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

EB-2011-0413

RESIDENTIAL SERVICE CLASSIFICATION

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

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order 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 or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	15.35
Rate Rider for Disposition of Residual Historical Smart Meter Costs – effective until April 30, 2013	\$	1.15
Rate Rider for Smart Meter Incremental Revenue Requirement – in effect until the effective date of the next cost of service-based rate order	\$	3.51
Distribution Volumetric Rate	\$/kWh	0.0138
Low Voltage Service Rate	\$/kWh	0.0024
Rate Rider for Deferral/ Variance Account Disposition (2012) – effective until April 30, 2013	\$/kWh	0.0001
Rate Rider for Tax Change - effective until April 30, 2013	\$/kWh	(0.0002)
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery – effective until April 30, 2013	\$/kWh	0.0007
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0051
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0040

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Lakeland Power Distribution Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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

EB-2011-0413

GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION

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

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	36.65
Rate Rider for Disposition of Residual Historical Smart Meter Costs – effective until April 30, 2013	\$	2.86
Rate Rider for Smart Meter Incremental Revenue Requirement – in effect until the effective date of the next cost of service-based rate order	\$	4.24
Distribution Volumetric Rate	\$/kWh	0.0084
Low Voltage Service Rate	\$/kWh	0.0021
Rate Rider for Deferral/ Variance Account Disposition (2012) – effective until April 30, 2013	\$/kWh	0.0001
Rate Rider for Tax Change - effective until April 30, 2013	\$/kWh	(0.0002)
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery – effective until April 30, 2013	\$/kWh	0.0001
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0047
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0037

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Lakeland Power Distribution Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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

EB-2011-0413

GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION

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

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	487.45
Distribution Volumetric Rate	\$/kW	1.4113
Low Voltage Service Rate	\$/kW	0.8393
Rate Rider for Deferral/ Variance Account Disposition (2012) – effective until April 30, 2013	\$/kW	0.0212
Rate Rider for Tax Change - effective until April 30, 2013	\$/kW	(0.0330)
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery – effective until April 30, 2013	\$/kW	0.0054
Retail Transmission Rate – Network Service Rate	\$/kW	1.9996
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.5659

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Lakeland Power Distribution Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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

EB-2011-0413

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

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

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	18.08
Distribution Volumetric Rate	\$/kWh	0.0082
Low Voltage Service Rate	\$/kWh	0.0021
Rate Rider for Deferral/ Variance Account Disposition (2012) – effective until April 30, 2013	\$/kWh	0.0003
Rate Rider for Tax Change - effective until April 30, 2013	\$/kWh	(0.0004)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0047
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0037

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Lakeland Power Distribution Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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

EB-2011-0413

SENTINEL LIGHTING SERVICE CLASSIFICATION

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

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	4.89
Distribution Volumetric Rate	\$/kW	16.936
Low Voltage Service Rate	\$/kW	0.6624
Rate Rider for Deferral/ Variance Account Disposition (2012) – effective until April 30, 2013	\$/kW	0.1002
Rate Rider for Tax Change - effective until April 30, 2013	\$/kW	(0.3070)
Retail Transmission Rate – Network Service Rate	\$/kW	1.4942
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.1540

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Lakeland Power Distribution Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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

EB-2011-0413

STREET LIGHTING SERVICE CLASSIFICATION

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

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	4.83
Distribution Volumetric Rate	\$/kW	14.7836
Low Voltage Service Rate	\$/kW	0.6488
Rate Rider for Deferral/ Variance Account Disposition (2012) – effective until April 30, 2013	\$/kW	0.0971
Rate Rider for Tax Change - effective until April 30, 2013	\$/kW	(0.2972)
Retail Transmission Rate – Network Service Rate	\$/kW	1.4565
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.1429

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Lakeland Power Distribution Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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

EB-2011-0413

microFIT GENERATOR SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Ontario Power Authority's microFIT program and connected to the distributor's distribution system. Further servicing details are available in our Conditions of Service.

APPLICATION

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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 or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	5.25
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Lakeland Power Distribution Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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

EB-2011-0413

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)

SPECIFIC SERVICE CHARGES

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No 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 or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

Customer Administration		
Arrears certificate	\$	15.00
Statement of account	\$	15.00
Request for other billing information	\$	
15.00		
Income tax letter	\$	15.00
Returned cheque charge (plus bank charges)	\$	15.00
Legal letter charge	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Special meter reads	\$	30.00
Non-Payment of Account		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge – no disconnection	\$	30.00
Collection of account charge – no disconnection - after regular hours	\$	165.00
Disconnect/Reconnect at meter – during regular hours	\$	65.00
Disconnect/Reconnect at meter – after regular hours	\$	185.00
Disconnect/Reconnect at pole – during regular hours	\$	185.00
Disconnect/Reconnect at pole – after regular hours	\$	415.00
Temporary service install & remove – overhead – no transformer	\$	500.00
Install/Remove load control device – during regular hours	\$	65.00
Install/Remove load control device – after regular hours	\$	185.00
Specific Charge for Access to the Power Poles – per pole/year	\$	22.35

Lakeland Power Distribution Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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EB-2011-0413

RETAIL SERVICE CHARGES (if applicable)

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order 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 or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

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 monthly charge, per customer, per retailer	\$/cust.	0.30
Retailer-consolidated billing monthly 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

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0585
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0480