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**Commission de l'énergie  
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**BY E-MAIL**

December 30, 2010

Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Fort Frances Power Corporation  
2011 IRM2 Distribution Rate Application  
Board Staff Interrogatories  
Board File No. EB-2010-0128**

In accordance with the Notice of Application and Written Hearing, please find attached Board Staff Interrogatories in the above proceeding. Please forward the following to Fort Frances Power Corporation and to all other registered parties to this proceeding.

In addition please advise Fort Frances Power Corporation that responses to interrogatories are due by January 20<sup>th</sup> 2011.

Yours truly,

*Original Signed By*

Kelli Dobson  
Analyst – Applications & Regulatory Audit

Encl.

**Fort Frances Power Corporation  
2011 EDR 2<sup>nd</sup> Generation IRM  
EB-2010-0128**

**Board Staff Interrogatories**

**1. Ref: Smart Meter – 5.1 PILS**

**Sheet 5. PILs**

**PILs Calculation**

	2006	2007	2008	2009	2010	2011
	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Actual	Forecasted
<b>INCOME TAX</b>						
Net Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization	\$ -	\$ -	\$ 27,629.59	\$ 61,260.73	\$ 67,262.29	\$ -
CCA - Smart Meters	\$ -	\$ -	-\$ 22,568.21	-\$ 48,691.11	-\$ 50,155.96	-\$ 46,143.48
CCA - Computers	\$ -	\$ -	-\$ 24,993.96	-\$ 40,394.38	-\$ 22,330.62	-\$ 10,048.78
CCA - Other Equipment	\$ -	\$ -	-\$ 1,678.21	-\$ 3,267.39	-\$ 2,860.53	-\$ 2,288.43
Change in taxable income	\$ -	\$ -	-\$ 21,610.79	-\$ 31,092.15	-\$ 8,084.82	-\$ 58,480.69
Tax Rate (3. LDC Assumptions and Data)	36.12%	36.12%	33.50%	33.00%	32.00%	30.50%
Income Taxes Payable	\$ -	\$ -	-\$ 7,239.61	-\$ 10,260.41	-\$ 2,587.14	-\$ 17,836.61

- Please explain why 2011 Forecasted Amortization is referencing cell -'4. Smart Meter Rev Req'!R47 instead of cell -'4. Smart Meter Rev Req'!T47.
- If Fort Frances is of the view that the data included in the application is more appropriate to use, please explain why. If not, please re-file the referenced sheet with the correct data and staff will make the necessary adjustments to the Smart Meter model.

## 2. Ref: Smart Meter – 7.1 Funding Adder Collected

### Sheet 7. Smart Meter Funding Adder Collected

Date	Opening	Fund Adder	Int. Rate	Interest	Closing
Jan-06	\$ -	\$ -	6.25%	\$ -	\$ -
Feb-06	\$ -	\$ -	6.25%	\$ -	\$ -
Mar-06	\$ -	\$ -	6.25%	\$ -	\$ -
Apr-06	\$ -	\$ -	4.14%	\$ -	\$ -
May-06	\$ -	\$ 50	4.14%	\$ -	\$ 50
Jun-06	\$ 50	\$ 665	4.14%	\$ 0	\$ 715
Jul-06	\$ 715	\$ 1,041	4.50%	\$ 3	\$ 1,759
Aug-06	\$ 1,759	\$ 895	4.50%	\$ 7	\$ 2,661
Sep-06	\$ 2,661	\$ 793	4.50%	\$ 10	\$ 3,464
Oct-06	\$ 3,464	\$ 1,218	4.50%	\$ 13	\$ 4,695
Nov-06	\$ 4,695	\$ 870	4.50%	\$ 18	\$ 5,583
Dec-06	\$ 5,583	\$ 1,368	4.50%	\$ 21	\$ 6,972
Jan-07	\$ 6,972	\$ 980	4.50%	\$ 27	\$ 7,979
Feb-07	\$ 7,979	\$ 979	4.50%	\$ 31	\$ 8,989
Mar-07	\$ 8,989	\$ 907	4.50%	\$ 34	\$ 9,930
Apr-07	\$ 9,930	\$ 1,051	4.50%	\$ 38	\$ 11,019
May-07	\$ 11,019	\$ 912	4.50%	\$ 42	\$ 11,973
Jun-07	\$ 11,973	\$ 906	4.50%	\$ 46	\$ 12,925
Jul-07	\$ 12,925	\$ 1,047	4.50%	\$ 49	\$ 14,021
Aug-07	\$ 14,021	\$ 911	4.50%	\$ 54	\$ 14,986
Sep-07	\$ 14,986	\$ 844	4.50%	\$ 57	\$ 15,887
Oct-07	\$ 15,887	\$ 1,148	5.14%	\$ 68	\$ 17,103
Nov-07	\$ 17,103	\$ 1,961	5.14%	\$ 73	\$ 19,137
Dec-07	\$ 19,137	\$ 1,079	5.14%	\$ 82	\$ 20,298
Jan-08	\$ 20,298	\$ 806	5.14%	\$ 87	\$ 21,191
Feb-08	\$ 21,191	\$ 979	5.14%	\$ 91	\$ 22,260
Mar-08	\$ 22,260	\$ -44	5.14%	\$ 95	\$ 22,311
Apr-08	\$ 22,311	\$ 837	4.08%	\$ 76	\$ 23,224
May-08	\$ 23,224	\$ 782	4.08%	\$ 79	\$ 24,085
Jun-08	\$ 24,085	\$ 1,259	4.08%	\$ 82	\$ 25,426
Jul-08	\$ 25,426	\$ 889	3.35%	\$ 71	\$ 26,386
Aug-08	\$ 26,386	\$ 976	3.35%	\$ 74	\$ 27,436
Sep-08	\$ 27,436	\$ 1,121	3.35%	\$ 77	\$ 28,633
Oct-08	\$ 28,633	\$ 979	3.35%	\$ 80	\$ 29,692
Nov-08	\$ 29,692	\$ 922	3.35%	\$ 83	\$ 30,696
Dec-08	\$ 30,696	\$ 2,324	3.35%	\$ 88	\$ 33,106
Jan-09	\$ 33,106	\$ -314	2.45%	\$ 68	\$ 32,860
Feb-09	\$ 32,860	\$ 1,034	2.45%	\$ 67	\$ 33,961
Mar-09	\$ 33,961	\$ 1,152	2.45%	\$ 69	\$ 35,182
Apr-09	\$ 35,182	\$ 921	1.00%	\$ 29	\$ 36,132
May-09	\$ 36,132	\$ 973	1.00%	\$ 30	\$ 37,135
Jun-09	\$ 37,135	\$ 4,041	1.00%	\$ 31	\$ 41,207
Jul-09	\$ 41,207	\$ 3,427	0.55%	\$ 19	\$ 44,653
Aug-09	\$ 44,653	\$ 4,598	0.55%	\$ 20	\$ 49,271
Sep-09	\$ 49,271	\$ 3,423	0.55%	\$ 23	\$ 52,717
Oct-09	\$ 52,717	\$ 3,750	0.55%	\$ 24	\$ 56,490
Nov-09	\$ 56,490	\$ 4,273	0.55%	\$ 26	\$ 60,789
Dec-09	\$ 60,789	\$ 3,758	0.55%	\$ 28	\$ 64,575
Jan-10	\$ 64,575	\$ 3,255	0.55%	\$ 30	\$ 67,859
Feb-10	\$ 67,859	\$ -582	0.55%	\$ 31	\$ 67,309
Mar-10	\$ 67,309	\$ 4,259	0.55%	\$ 31	\$ 71,599
Apr-10	\$ 71,599	\$ 3,753	0.55%	\$ 33	\$ 75,385
May-10	\$ 75,385	\$ 4,536	0.55%	\$ 35	\$ 79,955
Jun-10	\$ 79,955	\$ 3,767	0.55%	\$ 37	\$ 83,759
Jul-10	\$ 83,759	\$ 3,378	0.89%	\$ 62	\$ 87,199
Aug-10	\$ 87,199	\$ 4,721	0.89%	\$ 65	\$ 91,984
Sep-10	\$ 91,984	\$ -	0.89%	\$ 68	\$ 92,053
Oct-10	\$ 92,053	\$ -	0.89%	\$ 68	\$ 92,121
Nov-10	\$ 92,121	\$ -	0.89%	\$ 68	\$ 92,189
Dec-10	\$ 92,189	\$ -	0.89%	\$ 68	\$ 92,258
Jan-11	\$ 92,258	\$ -	0.89%	\$ 68	\$ 92,326
Feb-11	\$ 92,326	\$ -	0.89%	\$ 68	\$ 92,394
Mar-11	\$ 92,394	\$ -	0.89%	\$ 69	\$ 92,463
Apr-11	\$ 92,463	\$ -	0.89%	\$ 69	\$ 92,532
May-11	\$ 92,532	\$ -		\$ -	\$ 92,532
Jun-11	\$ 92,532	\$ -		\$ -	\$ 92,532
Jul-11	\$ 92,532	\$ -		\$ -	\$ 92,532
Aug-11	\$ 92,532	\$ -		\$ -	\$ 92,532
Sep-11	\$ 92,532	\$ -		\$ -	\$ 92,532
Oct-11	\$ 92,532	\$ -		\$ -	\$ 92,532
Nov-11	\$ 92,532	\$ -		\$ -	\$ 92,532
Dec-11	\$ 92,532	\$ -		\$ -	\$ 92,532
Jan-12	\$ 92,532	\$ -		\$ -	\$ 92,532
Feb-12	\$ 92,532	\$ -		\$ -	\$ 92,532
Mar-12	\$ 92,532	\$ -		\$ -	\$ 92,532
Apr-12	\$ 92,532	\$ -		\$ -	\$ 92,532
May-12	\$ 92,532	\$ -		\$ -	\$ 92,532
		\$ 89,675		\$ 2,957	

- a) Please confirm calculations for the funding adder are correct. If Fort Frances is of the view the calculations are correct please explain the negative revenues for Mar-08, Jan-09 and Feb 10.

- b) Please explain why calculations for the funding adder are only calculated up until Aug-10 and not Apr-11. If Fort Frances agrees the funding adder should be calculated up until Apr-11, please re-file the referenced sheet with the correct data and staff will make the necessary adjustments to the Smart Meter Model.

**3. Ref: Manager's Summary – 1.8**

- A request to defer clearance of the Regulatory Assets pertaining to Global Adjustment as they relate to the Historical Agreement, as directed by our counsel, Kelly Friedman, Davis LLP. Our counsel has forwarded this request to Mary Anne Aldred, General Counsel, OEB, October 27, 2010 on our behalf.
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- a) Please provide a copy of the request to defer clearance of the Regulatory Assets pertaining to Global Adjustment forwarded to Mary Anne Alder on October 27, 2010