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and filed through the Board's web portal***

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street - 27th Floor
Toronto, ON M4P 1E4

Attention: Kirsten Walli, Board Secretary

Dear Ms. Walli:

**Re: ACH Limited Partnership - Application for Licence Amendment, EB-2011-0065
AbiBow Canada Inc. - Application for Licence Amendment, EB-2011-0068
(collectively, the "Application")**

We are counsel to Fort Frances Power Corporation ("FFPC"). We are writing to request intervenor status for FFPC in this proceeding.

We have not yet had the opportunity to review the complete Application and Evidence in this proceeding (as it does not yet appear to be available on the Board's website nor on www.abitibibowater.com). Nonetheless, it appears that this Application might result in a change of ownership or control of the Fort Frances Generating Station. FFPC has a vital interest in Fort Frances Generating Station and respectfully seeks intervenor status to protect that interest.

Since 1905, the residents of the Town of Fort Frances have enjoyed the benefit of a contract between the Town and the local pulp and paper mill (the "1905 Agreement"). The 1905 Agreement obligates the mill owner or, more precisely, the owner of the generation assets at the mill, to provide the Town of Fort Frances with a significant amount of electric power at a very beneficial price. FFPC is the steward of the 1905 Agreement on behalf of the Town residents.

In 1983, in the decision of *Town of Fort Frances v. Boise Cascade Canada Ltd.*, the Supreme Court of Canada confirmed the unqualified right of Fort Frances to receive, in perpetuity, from the Fort Frances Generating Station, the supply of 4,000 horsepower of electricity (2.984 megawatts) at a rate of \$14.00 per horsepower per annum.

Historically, there was a physical tie between the Town of Fort Frances and the generation assets on the Rainy River. Today, there is no physical connection, and the generation assets simply feed power into the grid. As a result, the obligation to deliver power under the 1905 Agreement has become a financial obligation as opposed to a physical delivery obligation. The 1905 Agreement is accordingly filed with the IESO as a physical bilateral contract between FFPC and ACH Limited Partnership. To comply with the physical bilateral contract and the Supreme Court of Canada decision, FFPC calculates a credit to reflect the value of the 1905 Agreement to apply to the bills of eligible customers so as to ensure that eligible customers are effectively being supplied power at a blended rate which reflects the benefits of the 1905 Agreement.

FFPC respectfully seeks intervenor status to urge upon the Board that, as a condition of any licence amendment in relation to the Fort Frances Generating Station, the purchaser of the Fort Frances Generating Station ought to be required to assume the obligation to permanently supply to Fort Frances 4,000 horsepower of electricity at the rate of \$14.00 per horsepower per annum.

FFPC respectfully requests that it be granted intervenor status in the Application with full rights of participation, including the ability to pose interrogatories and make written and/or oral submissions in respect of its interests.

Yours very truly,

DAVIS LLP

Per:



Kelly Friedman

KYF/bxn

cc: **Via Email**

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Joerg Ruppenstein, President and CEO, Fort Frances Power Corporation