

Ontario Energy
Board
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de l'Ontario
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March 16, 2004

Mark McCaig
President & CEO
Fort Frances Power Corporation
320 Portage Avenue
Fort Frances ON
P9A 3P9

Dear Mr. McCaig:

**Re: Distribution Rate Application
Board Decision and Order and Interim Rate Schedule**

Attached is the Board's Decision and Order and Interim Rate Schedule with respect to your company's distribution rate application regarding the partial recovery of Regulatory Assets.

Yours truly,

A handwritten signature in black ink, appearing to read "P. O'Dell", written over a horizontal line.

Peter H. O'Dell
Assistant Secretary

cc. Intervenors of record



RP-2004-0047
EB-2004-0033

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 Fort Frances
Power Corporation for an order or orders approving or fixing
just and reasonable rates.

BEFORE: Bob Betts
Presiding Member

Paul Vlahos
Member

DECISION AND ORDER

On January 15, 2004 the Ontario Energy Board ("the Board") issued filing guidelines to all electricity distribution utilities for distribution rate adjustments related to the recovery of Regulatory Assets, to be effective March 1, 2004 and implemented on April 1, 2004.

The Applicant filed an application for such adjustment. Notice of the proceeding was published on February 5, 2004 in major newspapers in the province.

While the Board had originally intended to approve the disposal of RSVA amounts on a final basis, on analysis of the applications by distributors and the reporting of RSVA amounts in these applications, the Board has now determined that all rate changes should be interim. In the Board's view, it would be premature to set these rates final based on the quality of the data contained in many of the applications and the fact that the audit sampling process by the Board has not been completed.

The Board received some interventions in these proceedings, mainly concerned with Phase Two of the process. The only intervenor to make specific submissions on Phase One of the proceeding was the School Energy Coalition, ("SEC") who objected to any interim increase in rates over and above the RSVA amounts on the basis that appropriate

evidence had not been filed on these amounts. The Board is not convinced by SEC's arguments and sees no reason that Phase One cannot proceed. Phase One only contemplates partial recovery on an interim basis at this time. In Phase Two, the Board will review all applications to ensure that only prudent and reasonably incurred costs are recovered over the four year period mandated by the Minister.

In light of the above, the Board finds that it is in the public interest to order as follows.

THE BOARD ORDERS THAT:

- 1) The rate schedule attached is approved on an interim basis, effective March 1, 2004, to be implemented on April 1, 2004. All other rates currently in effect that are not shown on the attached schedule remain in force. If the Applicant's billing system is not capable of prorating to accommodate the April 1, 2004 implementation date, the new rates shall be implemented with the first billing cycle for electricity taken or considered to have been taken from April 1, 2004.
- 2) The Applicant shall notify its customers of the rate changes by including the brochure provided by the Board through a different process, no later than with the first customer bill reflecting the new rates, and provide to the Board samples of any other notices sent by the Applicant to its customers with respect to the rate changes. The Board expects the Applicant to provide notice to all customers about the rate changes, no later than with the first bill reflecting the new rates.

DATED at Toronto, March 16, 2004

ONTARIO ENERGY BOARD

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Peter H. O'Dell
Assistant Secretary

Interim Rates
Fort Frances Power Corporation
Schedule of Changed Distribution Rates and Charges

Effective Date: March 1, 2004

Implementation Date: April 1, 2004

RP-2004-0047

EB-2004-0033

RESIDENTIAL

Monthly Service Charge	(per month)	\$9.88
Distribution Volumetric Rate	(per kWh)	\$0.0068

GENERAL SERVICE < 50 KW

Monthly Service Charge	(per month)	\$23.43
Distribution Volumetric Rate	(per kWh)	\$0.0049

GENERAL SERVICE > 50 KW

Monthly Service Charge	(per month)	\$192.19
Distribution Volumetric Rate	(per kW)	\$2.8963

STREET LIGHTING

Monthly Service Charge	(per connection)	\$0.96
Distribution Volumetric Rate	(per kW)	\$2.3296