



February 21, 2012

Ontario Energy Board  
P.O. Box 2319, 27<sup>th</sup> Floor  
2300 Yonge Street  
Toronto, ON M4P 1E4  
Attn: Kirsten Walli, Board Secretary

Dear Ms. Walli:

Re: **Fort Frances Power Corporation**  
**2012 IRM2 Distribution Rate Application**  
**Reply to Board Staff Interrogatories**  
**Board File No. EB-2011-0146**

This letter acknowledges the Board staff interrogatories dated February 8, 2012. Fort Frances Power Corporation respectfully submits two (2) copies of its responses to Board Staff Interrogatories for the 2012 IRM Distribution Rate Application and encloses the following:

- Responses to Board Staff Interrogatories
- Appendix 3-A, Special Purpose Charge Invoice
- Appendix B, 2001-2012 Calculation of PILs Collected Approved Amounts-Revised
- Appendix C, FFPC\_LRAM\_2006-2010\_For Submission

An electronic copy has been sent through the Ontario Energy Board's RESS on-line filing system and via email, including a copy to all registered parties.

Please contact the undersigned for any additional information.

Regards,

A handwritten signature in black ink, appearing to read 'Lori Cain', is written over the printed name.

Lori Cain

Finance and Regulatory Officer

cc Michael Buonaguro, Counsel for Vulnerable Energy Consumers Coalition (VECC)

## Fort Frances Power Corporation – Response to Board Staff Interrogatories

### 2012 Electricity Distribution Rates - Fort Frances Power Corporation - EB-2011-0146

#### Group 1 Deferral and Variance Account Balances

##### 1. Ref: 2012 IRM3 Rate Generator, Sheet 9 Ref: Manager's Summary, pages 6-7

Board Staff notes that Fort Frances has not calculated projected interest on its Group 1 balances for the periods from Jan 1, 2011 to December 31, 2011 and January 1 2012 to April 30, 2012.

- a) Please calculate carrying charges for the periods noted above, and provide these amounts for each account. Board staff will update the model accordingly.

**Response:** As calculated below.

Account Descriptions	Account Number	Projected	Projected
		Interest from Jan 1, 2011 to December 31,	Interest from January 1, 2012 to April 30, 2012
LV Variance Account	1550		
RSVA - Wholesale Market Service Charge	1580	-\$ 4,125	-\$ 1,361
RSVA - Retail Transmission Network Charge	1584	\$ 190	\$ 62
RSVA - Retail Transmission Connection Charge	1586	-\$ 5,952	-\$ 1,965
RSVA - Power (excluding Global Adjustment)	1588	\$ 6,410	\$ 2,115
RSVA - Power - Sub-Account - Global Adjustment	1588	-\$ 516	-\$ 170
Recovery of Regulatory Asset Balances	1590	-\$ 508	-\$ 168
Disposition and Recovery of Regulatory Balances	1595		
Disposition and Recovery of Regulatory Balances	1595		
<b>Group 1 Sub-Total (including Account 1588 - Global Adjustment)</b>		-\$ 4,501	-\$ 1,487
<b>Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)</b>		-\$ 3,985	-\$ 1,317
<b>RSVA - Power - Sub-Account - Global Adjustment</b>	<b>1588</b>	-\$ 516	-\$ 170
<b>Special Purpose Charge Assessment Variance</b>	<b>1521</b>		\$ 61
<b>Deferred Payments in Lieu of Taxes</b>	<b>1562</b>	-\$ 277	-\$ 92
<b>Group 1 Total + 1521 + 1562</b>		-\$ 4,778	-\$ 1,518

- b) Please confirm if the disposition threshold continues to be met when 2011/12 carrying charges are applied to these accounts. It will not be necessary to provide a new IRM model. This will automatically update with Board staff's adjustments applied as in part a), above.

**Response:** FFPC continues to meet the disposition threshold when the carrying charges are applied. The new threshold is a credit of  $-\$.00487$ , based on the 2010 billing determinants, divided into the revised Group 1 balances.

- c) If the disposition threshold as calculated by Fort Frances in part b), above does not continue to be met, please confirm that Fort Frances will not seek disposition of its Group 1 Deferral and Variance Account balances.

**Response:** FFPC will continue to seek disposition as the threshold has been met.

## 2. Ref: EB-2010-0128 Decision and Order, page 8

The Board's Decision EB-2010-0128 that,

"The Board directs the applicant to file a detailed reconciliation of its RRR balances for the subject period, with the Board by June 30, 2011 and to file any final reconciliation of all group 1 accounts (including the global adjustment sub-account) at the time of filing its next rate application, regardless of whether the threshold is exceeded."

Board staff notes that Fort Frances had not filed a detailed reconciliation of its RRR balances for the subject period with the Board by June 30, 2011.

Board staff further notes that in the 2012 deferral and variance accounts continuity schedule filed in the current rate proceeding, column BJ principal balances and column BO interest balances agree with column BW RRR balances.

- a) Please confirm that it is Fort Frances' position that the continuity schedule represents the reconciliation as requested by the Board in the Board Decision EB-2010-0128.

**Response:**

*FFPC acknowledges that the continuity schedule in the current rate proceeding represents the reconciliation as requested by the Board in the Board Decision EB-2010-0128. This reconciliation is a result of the Group 1 DVA audit completed with OEB Board staff in November 2011.*

## Special Purpose Charge Assessment Variance Account Rate Rider

### 3. Ref: Manager's Summary, page 7 Ref: 2012 IRM3 Rate Generator, Sheet 9

Board Staff is unable to verify the carrying charges applied to Account 1521 from the information entered into the continuity table on Sheet 9 of the IRM3 Rate Generator.

- a) Please provide a copy of Fort Frances' original SPC invoice.

**Response:** *A scanned copy of the invoice is attached. Please see Item "Attachment 3-A"*

- b) Please complete the following table: **Response:**

SPC Assessment (Principal balance)	Amount recovered from customers in 2010	December 31, 2010 Year End Principal Balance	December 31, 2010 Year End Carrying Charges Balance	Amount recovered from customers in 2011	Carrying Charges for 2011	December 31, 2011 Year End Principal Balance	December 31, 2011 Year End Carrying Charges Balance	Forecast April 30, 2012 Carrying Charges Balance	Total for Disposition (Principal and Interest)
\$32606.	\$-18810.	\$13795.	\$122	\$-11,709.	\$61.	\$2087.	\$183.	\$10.	\$2280.



## Billing Determinants

### 4. Ref: IRM3 Rate Generator, Sheet 10 Ref: Chapter 3 of the Filing requirements for Transmission and Distribution Applications, section 1.3

Board Staff is unable to verify the billing determinants as described in part a), below entered into Sheet 10 of the IRM3 Rate Generator as identical with the 2010 RRR data provided to the Board. Chapter 3, section 1.3 of the Filing Requirements specifies the components of the application, stating that the application must include, among other components, "Supporting documentation cited within the application (e.g. excerpt of relevant past decision, relevant Reporting and Record-keeping Requirements ("RRR") data and Revenue Requirement Work Form ("RRWF"))".

- a) Please verify and provide corrected billing determinants as required for Metered kWh and Distribution Revenue on sheet 10. Board staff will make any required corrections in the final model for this proceeding.

#### Response:

##### Customers, Demand and Revenues

Rate Class	Customers/Connections	Billed kW	Billed kWh	Revenues Account (4080)
Residential Customers	3,307		38,880,708.00	828,910.89
General Service < 50 kW Customers	419		14,833,271.00	238,420.79
General Service ≥ 50 kW Customers	51	65,577	26,245,189.00	381,775.84
Large User (>5,000 kW) Customers				
Street Lighting Connections	1,005	3,310	1,085,823.00	23,735.89
Sentinel Lighting Connections				
Sub Transmission Customers				
Intermediate Service				
Scattered Unmetered Load Connections	6		67,445.00	618.26
Embedded Distributor(s)				
Total (Auto-Calculated)	4,789	68,887	81,112,436.00	1,473,461.67

Please change the billing determinants to the 2010 RRR Filing 2.1.5, Customers, Demand and Revenue, filed on May 2, 2011, as featured above. As the Board is aware, FFPC has not rebased since the 2006 EDR Decision and the numbers reflected in the 'Distribution Revenue<sup>1</sup>', below, are from the 2006 EDR Decision, 7-1 Allocation- Base Revenue Requirement.

Rate Class	Unit	Metered kWh	Metered kW	Billed kWh for Non-RPP Customers	Estimated kW for Non-RPP Customers	Distribution Revenue <sup>1</sup>	1590 Recovery Share
Residential	\$/kWh	38,248,034		1,000,000	-	797,156	47%
General Service Less Than 50 kW	\$/kWh	14,658,007		200,000	-	301,269	26%
General Service 50 to 4,999 kW	\$/kW	25,818,123	65,577	22,352,558	56,775	299,026	25%
Unmetered Scattered Load	\$/kWh	65,171			-		0%
Street Lighting	\$/kW	1,068,154	3,310	1,085,823	3,365	22,212	1%
<b>Total</b>		<b>79,857,489</b>	<b>68,887</b>	<b>24,638,381</b>	<b>60,139</b>	<b>1,419,663</b>	<b>100%</b>

FFPC proposes to revise the '1590 Recovery Share' to the 2011 Billing Determinant percentage below to properly represent our current customer rate base. The Town of Fort Frances, which is serviced solely by Fort Frances Power Corporation, has experienced a significant decline in our GS<50 rate class due to a recessionary local business economy. If the 2006 EDR Recovery Share percentages are used, the mechanistic calculation of rates and the Disposition of Regulatory Asset Balances may be flawed. For the 'Estimated kW for Non-RPP', please use 56,775 for GS and 3,310 for ST.

	2006 EDR-IG Customer Data	2006 Billing Determinant	Uplifted 2010 Billed kWh	Uplifted 2010 Non-RPP Billed kWh	2010 Billing Determinant	Uplifted 2011 Billed kWh	Uplifted 2011 Non-RPP Billed kWh	2011 Billing Determinant
Residential	38,358,635	46.84%	40,211,595	2,091,560	48.25%	40,251,710	1,432,215	48.40%
GS <50 kW	21,690,034	26.48%	15,618,557	498,595	18.74%	15,643,485	361,457	18.81%
GS 50 to 4,999 kW	20,657,710	25.22%	26,245,189	23,255,170	31.49%	25,992,367	22,744,385	31.26%
USL			67,445		0.08%	65,170		0.08%
ST	1,191,139	1.45%	1,205,563	1,205,563	1.45%	1,209,488	1,209,488	1.45%
<b>Total</b>	<b>81,897,518</b>	<b>100.00%</b>	<b>83,348,349</b>	<b>27,050,888</b>	<b>100.00%</b>	<b>83,162,220</b>	<b>25,747,545</b>	<b>100.00%</b>

b) Please provide supporting documentation for billing determinants provided.

**Response:**

Further to the information provided above, please note the notable decrease in the third quarter of 2011 for the 'Uplifted 2011 Non-RPP Billed kWh' for the RES (1,432,215 kWh) and GS<50kW (361,457 kWh); which is the retailer kWh billed consumption for 2011. At least 50% of our retailer enrolled RES customers (approximately 70 customers are remaining from a peak of 180) have returned to LDC Standard Supply and FFPC has only one GU retailer enrolled customer. Please note the monthly retailer consumption statistics for 2011 below:

2011	Residential	GS<50	
JAN	187,787	56,757	
FEB	259,382	40,880	
MAR	203,452	28,294	
APR	150,790	29,406	
MAY	95,635	18,984	
JUN	120,708	35,156	
JULY	61,315	20,793	
AUG	113,455	40,686	182,935 Average per month
SEPT	59,074	28,178	
OCT	80,234	30,939	
NOV	49,580	19,537	
DEC	50,803	11,846	82,548 Average per month
	<b>1,432,215</b>	<b>361,457</b>	

Please leave the 'Uplifted 2011 Non-RPP Billed kWh' quantities in the model as submitted as they correctly represent the billed uplifted kWh for Non-RPP customers, adjusted to current volumetric forecasts due to the significant decline in retailer enrolled customers.

**5. Ref: RTSR Work Form, Sheet 4 Ref: Chapter 3 of the Filing Requirements for Transmission and Distribution Applications, section 1.3**

Board Staff is unable to verify the billing determinants as described in part a), below entered into Sheet 4 of the RTSR Work Form as identical with the 2010 RRR data provided to the Board. Chapter 3, section 1.3 of the Filing Requirements specifies the components of the application, stating that the application must include, among other components, "Supporting documentation cited within the application (e.g. excerpt of relevant past decision, relevant Reporting and Record-keeping Requirements ("RRR") data and Revenue Requirement Work Form ("RRWF"))."



- a) Please verify and provide corrected billing determinants as required for non-loss adjusted Metered kWh and kW. Board staff will make any required corrections in the final model for this proceeding.

**Response:** Please change the billing determinants to the 2010 RRR Filing 2.1.5, Customers, Demand and Revenue filing on May 2, 2011, as featured below.

- b) Please provide supporting documentation for billing determinants provided.

**Response:** RRR Filing 2.1.5, Customers, Demand and Revenue, as below.

Customers, Demand and Revenues

Rate Class	Customers/Connections	Billed kW	Billed kWh	Revenues Account (4080)
Residential Customers	3,307		38,980,708.00	828,910.89
General Service < 50 kW Customers	419		14,833,271.00	238,420.79
General Service >= 50 kW Customers	51	65,577	26,245,189.00	381,775.84
Large User (>5,000 kW) Customers				
Street Lighting Connections	1,006	3,310	1,085,823.00	23,735.89
Sentinel Lighting Connections				
Sub Transmission Customers				
Intermediate Service				
Scattered Unmetered Load Connections	6		67,445.00	618.26
Embedded Distributor(s)				
Total (Auto-Calculated)	4,789	68,887	81,112,436.00	1,473,461.67

(Slight non-material statistical consumption differences between RRR reporting and submitted information are due to unbilled revenue adjustments.)

## 6. Ref: 2012 IRM3 Tax Savings Workform Ref: Chapter 3 of the Filing Requirements for Transmission and Distribution Applications, section 1.3 Ref: EB-2005-0366 Decision and Order

Board Staff is unable to verify the billing determinants entered into Sheet 3 of the 2012 IRM3 Tax Savings Workform as identical with those contained in Fort Frances' most recent Board-approved rates. Specifically, Fort Frances has included 67,445 kWh for Unmetered Scattered Load in addition to the kWh calculated for each rate class in Fort Frances' 2006 cost of service proceeding (EB-2005-0366). Board staff notes that in that proceeding, the Board's Decision established a new subclass for Unmetered Scattered Load to be billed in the same manner as the GS <50kW class, stating that the rate design change "will not affect the revenue requirement of the applicant".

Chapter 3, section 1.3 of the Filing Requirements specifies the components of the application, stating that the application must include, among other components, "Supporting documentation cited within the application (e.g. excerpt of relevant past decision, relevant Reporting and Record-keeping Requirements ("RRR") data and Revenue Requirement Work Form ("RRWF"))".

- a) Please confirm that the kWh attributed to Unmetered Scattered Load should be a subset of those approved in EB-2005-0366 for GS <50kW.

**Response:** Yes, the 67,445 kWh should be a subset of the EB-2005-0366 for GS <50kW.

Rate Group	Rate Class	Fixed Metric	Vol Metric	Re-based Billed Customers or Connections A	Re-based Billed kWh B	Re-based Billed kW C	Rate ReBal Base Service Charge D	Rate ReBal Base Distribution Volumetric Rate kWh E	Rate ReBal Base Distribution Volumetric Rate kW F
RES	Residential	Customer	kWh	3,383	38,358,635		11.89	0.0087	
GSLT50	General Service Less Than 50 kW	Customer	kWh	485	21,884,534		28.64	0.0065	
GSGT50	General Service 50 to 4,999 kW	Customer	kW	43	20,657,710	51,490	238.80		3.5459
USL	Unmetered Scattered Load	Connection	kWh	6	67,445		28.64	0.0065	
SL	Street Lighting	Connection	kW	1,006	1,191,139	2,942	1.15		3.0098

- b) Please confirm that the Base Revenue Requirement in that proceeding was allocated on the basis of a total calculated kWh of 82,092,018.

**Response:** The correct Base Revenue Requirement total calculated kWh is 82,092,018.

Please verify and provide corrected billing determinants as required for Re-based Billed Customers or Connection, Re-based Billed kWh and Re-based Billed kW. Board staff will make any required corrections in the final model for this proceeding.

**Response:** Please see corrected model below.

- c) Please provide supporting documentation for billing determinants provided.

Rate Group	Rate Class	Fixed Metric	Vol Metric	Re-based Billed Customers or Connections A	Re-based Billed kWh B	Re-based Billed kW C	Rate ReBal Base Service Charge D	Rate ReBal Base Distribution Volumetric Rate kWh E	Rate ReBal Base Distribution Volumetric Rate kW F
RES	Residential	Customer	kWh	3,383	38,358,635		11.89	0.0087	
GSLT50	General Service Less Than 50 kW	Customer	kWh	485	21,884,534		28.64	0.0065	
GSGT50	General Service 50 to 4,999 kW	Customer	kW	43	20,657,710	51,490	238.80		3.5459
USL	Unmetered Scattered Load	Connection	kWh						
SL	Street Lighting	Connection	kW	1,006	1,191,139	2,942	1.15		3.0098

## 7. Ref: EB-2010-0128 Decision and Order, Appendix A, Tariff of Rates and Charges Ref: 2012 IRM3 Rate Generator, Sheet 10, Other Charges

Board Staff notes several inconsistencies between Fort Frances' Specific Service Charges in its last approved Tariff of Rates and Charges and those shown on Sheet 19 of the IRM3 Rate Generator. Specifically, the following items appear in the 2011 approved tariff, but not in the proposed 2012 tariff: Pulling post-dated cheques \$15; Notification charge \$15; and Charge to certify a cheque \$15.

- a) Please confirm if these omissions are errors. If they are errors, Board staff will make the required corrections to the model.

**Response:** The omissions are not errors but are a removal of obsolete, unused charges.



- b) If these are not errors, please provide supporting evidence for the proposed changes to the approved Tariff of Rates and Charges.

**Response:** *The FFPC has not used any of the above charges since de-regulation in 2002 and is proposing to modify the Tariff of Rates and Charges to represent this.*

**8. Ref: EB-2010-0128 Decision and Order, Appendix A, Tariff of Rates and Charges Ref: 2012 IRM3 Rate Generator, Sheet 10, Other Charges**

Board Staff notes several inconsistencies between Fort Frances' Specific Service Charges in its last approved Tariff of Rates and Charges and those shown on Sheet 19 of the IRM3 Rate Generator. Specifically, the following items show rates that have changed from those in the approved tariff: Account set up charge/change of occupancy \$30 (previously \$15); Disconnect/Reconnect at meter after regular hours \$245 (previously \$185); Disconnect/Reconnect at pole during regular hours \$185 (previously \$45); Install/Remove load control device after regular hours \$65 (previously \$185); and Install/Remove load control device during regular hours \$185 (previously \$65).

- a) Please confirm if these changed rates are errors. If they are errors, Board staff will make the required corrections to the model.

**Response:** *The changes FFPC's Specific Charges are proposed to best reflect the actual costs borne by FFPC to perform the services for customers. FFPC has not adjusted these charges for over ten years and the cost components have increased greatly. Please accept our proposal to adjust these charges, with the exception of the following, please correct to:*

*Install/Remove load control device after regular hours \$65  
Install/Remove load control device during regular hours \$185*

- b) If these are not errors, please provide supporting evidence for the proposed changes to the approved Tariff of Rates and Charges.

**Response:** *The supporting evidence below demonstrates a simple calculation of charges based on current labour, equipment and overhead charges as supported below. FFPC has not increased any of the Specific Charges since deregulation and the proposed rates better reflect actual costs borne by the LDC.*

Disconnect/Reconnect at Meter After Hours			Disconnect/Reconnect at Pole During Work Hours			Account Set up Charge/New Customer		
All Lineman Work after Hours is Paid at a 4.0 Call Out Rate			Lineman Labour Hours at regular pay 1-2 hours work with bucket truck			Contract Works - 3/4 Hr per customer Fort Frances- Expense to FFPC		
	Rate	Total		Rate	Total		Rate	Total
Labour	\$43.00	\$172.00	Labour	\$43.00	\$86.00	Labour	\$24.00	\$18.00
Benefits	\$16.00	\$64.00	Benefits	\$16.00	\$32.00	Benefits	\$10.00	\$7.50
Truck Cost	\$30.00	\$30.00	Truck Cost	\$60.00	\$60.00	Overhead Costs		\$5.00
		<u>\$266.00</u>			<u>\$178.00</u>	(Building, etc.)		<u>\$30.50</u>



**9. Ref: EB-2010-0128 Decision and Order, Appendix A, Tariff of Rates and Charges Ref: 2012 IRM3 Rate Generator, Sheet 10, Other Charges**

Board Staff notes several inconsistencies between Fort Frances' Specific Service Charges in its last approved Tariff of Rates and Charges and those shown on Sheet 19 of the IRM3 Rate Generator. Specifically, the following 2012 item appears to have been added to the 2011 approved charges: Owner Requested Disconnection/Reconnection during regular hours \$65.

- a) Please confirm if this addition is an error. If so, Board staff will make the required corrections to the model.

**Response:** *This is not an error but a new proposed rate.*

- b) If this is not an error, please provide supporting evidence for this proposed change to the approved Tariff of Rates and Charges.

**Response:** FFPC is increasing this charge to better reflect true cost to the distribution company. This charge is currently used when an existing customer requests a temporary service disconnection to install new house siding or to upgrade an electric service entrance size. This charge is a singular charge for both the 'disconnect and reconnect'.

**Disconnect/Reconnect at Meter Customer Request**

**Lineman Labour at regular pay- 3/4 hour**

	Rate	Total
Labour	\$43.00	\$32.25
Benefits	\$16.00	\$12.00
Truck Cost	\$30.00	\$22.50
		<hr/>
		\$66.75

**10. Ref: Appendix B, 2001-2012 Calculation of PILs Collected Approved Amounts, 2002-2005 GS<50kW Class Energy Statistics Ref: EB-2005-0366 EDR 2006 Model, Sheet 6-2**

Board staff notes certain inconsistencies in the data reported for this rate class.

- a) Please explain the significant decline in energy consumed from 2004 (21,680,941 kWh) to 2005 (16,546,730 kWh) shown in the Monthly Volumes Tab in Appendix B.

**Response:** *In 2005, nine large business customers were transferred from the GS<50kW class to the GS>50kW class as part of the 2004 General Customer annual review. This reclassification of high consumption customers shifted this load to the GS>kW rate class. Documented proof is available upon request.*

- b) The total energy for 2003 and 2004 shown in the 2006 EDR application in Tab 6-2 DEMAND, RATES (Input) does not agree with that data shown for 2003 and 2004 in Appendix B of the current application.

### 2006 EDR Application

Demand Data - kWh			Demand Data - kW		
2002	2003	2004	2002	2003	2004
kWh	kWh	kWh	kW	kW	kW
37,033,883	38,593,915	38,013,472			
21,399,497	22,754,121	17,316,965			
17,081,773	17,581,386	24,700,366	32,520	55,804	60,087
1,174,538	1,177,505	1,221,374	2,207	3,310	3,310
76,689,691	80,105,927	81,252,177	34,727	59,114	63,397

- c) Please explain the inconsistencies between the two sets of statistics for the same years used in the applications.

**Response:** If the comparison is between the 2006 EDR Application quantities (above) and the Appendix B annual totals, the difference would be that the kWh consumption is not entered for the GS>50 kW and Streetlight class. If the inconsistency is between the annual totals by specific rate class, please note the revised Appendix B has been amended to correct the rate implementation date of May 1, 2002. FFPC did not implement the March 1, 2002 rate decision (RP-2002-0091, EB-2002-0040) until May 1, 2002.

Small discrepancies may be due to the deferral of unbilled revenue/consumption adjustments within the 'Appendix B' document until May and June 2006. Please see the attached 'Appendix B, 2001-2012 Calculation of PILs Collected Approved Amounts- Revised'.

### 11.Ref: Appendix B, 2001-2012 Calculation of PILs Collected Approved Amounts, 2002-2005 GS>50kW Class Energy Statistics Ref: EB-2005-0366 EDR 2006 Model, Sheet 6-2

Board staff notes certain inconsistencies in the data reported for this rate class.

- a) Although the number of customers in this class remains relatively constant over the reported period, the demand by month in 2002 is much lower than similar months in 2003 through 2005. Please explain why.

**Response:** This demand quantity is lower as FFPC transitioned to de-regulated billing in May 2002 and, as FFPC is a winter peaking utility, this demand quantity does not include the peak demand of the 2002 winter season.

- b) The total demand shown for 2005 of 60,087 kW is identical to that shown for 2004 demand in the 2006 EDR application in Tab 6-2 DEMAND, RATES (Input). The 2004 data in the current application does not agree with that shown for 2004 in the 2006 EDR application. Please explain the inconsistencies between the two sets of statistics for the same years used in the applications.

**Response:** The actual demand for the GS>50kW rate class for 2004 is 56,777 kW, by which the 2006 EDR demand was incorrect. The 2005 total demand is 60,086.8 kW as stated in the Appendix B. Differences between the PILs Collected Approved Amounts and the 2006 EDR filing are due to unbilled revenue adjustments at year end.



**12. Ref: Appendix B, 2001-2012 Calculation of PILs Collected Approved Amounts, Unbilled Revenue Accrual as at April 30, 2006**

- a) Please explain how Fort Frances determined the PILs amounts associated with the unbilled revenue accrual as at April 30, 2006 and how this was included in the various Excel worksheets.

**Response:** FFPC implemented a rate change effective May 1, 2006, ending the PILs proxy components. Customers were charged PILS charges until the read date of April 30, 2006 and customers received bills up to two months later with prorated April 2006 PILs charges included. FFPC calculated the unbilled revenue after April 30, 2006 but prorating the April consumption within the May and June 2006 billings. Based on an analysis of prior year end unbilled calculations, FFPC determined that 95% of the May 2006 usage and 29% of the June 2006 usage are attributable to the April 2006 unbilled revenue, with the exception of Street Lights that are billed one month after current month. The chart below details this calculation.

Unbilled Revenue Calculation		May-06	95%	Jun-06	29%	Total Unbilled
Percentage of Unbilled Revenue vs Billed		Total Usage	Prorata	Total Usage	Prorata	Apr-06
Residential	\$/kWh	3390030	3,220,529	2568770	744,943	4,134,973
General Service Less Than 50 l	\$/kWh	1371569	1,302,991	1128748	327,337	1,698,906
General Service 50 to 4,999 kW	\$/kW	4244	4,032	3713	1,077	5,321
Street Lighting- exception	\$/kW	275.85	276	275.85	0	276

Please see the attached 'Appendix B, 2001-2012 Calculation of PILs Collected Approved Amounts- Revised'

- c) Please provide the dollars billed to customers after April 30, 2006 using the rates that were in effect prior to May 1, 2006 and the PILs dollar amounts included in these billings.

**Response:** Please find the amended 'Appendix B, 2001-2012 Calculation of PILs Collected Approved Amounts- Revised' to include the unbilled revenue quantities in May and June 2006 and to remove any consumption prior to May 2002.

In addition to this calculation revision within the document cited above, please find a calculation of Unbilled Revenue for April 2006.

FFPC- Unbilled PILs Revenue - April 2006			
Class	PILs Rate	Usage April 2006	PILS Recovered
RES	0.0004	4,134,973	\$1,654
GS<50	0.0003	1,698,906	\$510
GS>50- kW	0.1032	5,321	\$549
Street Light- kW	0.139	276	\$38
			<u>\$2,751</u>

### 13.Ref: Manager's Summary, Page 11, LRAM

Fort Frances has requested an LRAM recovery for a total amount of \$50,043, which includes \$2,746 of carrying charges, for lost revenues incurred from 2006-2010 based on CDM programs delivered from 2006-2010.

- a) Please confirm that Fort Frances has used final 2010 program evaluation results from the OPA to calculate its LRAM amount.

**Response:** *FFPC did use the final 2010 program evaluation to calculate its LRAM amount. Please find the submitted 'FFPC\_LRAM\_2006-2010\_For Submission' file.*

- b) If Fort Frances did not use final 2010 program evaluation results from the OPA, please explain why and update the LRAM amount accordingly.

**Response:** *Not applicable as above.*

- c) Please discuss if Fort Frances has collected any LRAM amounts in the past. If Fort Frances has collected LRAM in the past, please provide a table that shows the LRAM amounts collected historically.

**Response:** *FFPC has not collected any LRAM amounts in the past.*

- d) Please confirm that Fort Frances has not received any of the lost revenues requested in this application in the past. If Fort Frances has collected lost revenues related to programs applied for in this application, please discuss the appropriateness of this request.

**Response:** *FFPC has not collected any LRAM amounts in the past.*

- e) Please provide a table that shows the LRAM amounts requested in this application by the year they are associated with and the year the lost revenues took place, divided by rate class within each year. Use the table below as an example and continue for all the years LRAM is requested:

**Response:** *Please find the submitted 'FFPC\_LRAM\_2006-2010\_For Submission' file. This document details the requested lost revenues by year and rate class.*

- f) Please provide a table that shows the monthly LRAM balances, the Board-approved carrying charge rate and the total carrying charges by month for the duration of this LRAM request to support your request for carrying charges. Use the table below as an example:

**Response:** *Please find the submitted 'FFPC\_LRAM\_2006-2010\_For Submission' file. This document details the support for the calculation of carrying charges.*