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**BY E-MAIL**

December 12, 2012

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  
2013 IRM3 Distribution Rate Application  
Board Staff Interrogatories  
Board File No. EB-2012-0083**

In accordance with the Notice of Application and Hearing, please find attached Board Staff Interrogatories in the above proceeding.

As a reminder, Fort Frances Power Corporation's responses to interrogatories are due by January 16, 2013.

Yours truly,

*Original Signed By*

Georgette Vlahos  
Analyst – Applications & Regulatory Audit

Encl.



**Fort Frances Power Corporation  
EB-2012-0083**

**Board Staff Interrogatories**

**RTSR Workform**

**Interrogatory #1**

**Ref: RTSR Workform, Tab 4 – “RRR Data”**

Rate Class	Unit	Non-Loss Adjusted Metered kWh	Non-Loss Adjusted Metered kW	Applicable Loss Factor	Load Factor	Loss Adjusted Billed kWh	Billed kW
Residential	kWh	38,677,253		1.0406		40,247,549	-
General Service Less Than 50 kW	kWh	15,145,342		1.0406		15,760,243	-
General Service 50 to 4,999 kW	kW	24,488,779	63,157		53.14%	24,488,779	63,157
Unmetered Scattered Load	kWh	62,630		1.0406		65,173	-
Street Lighting	kW	1,188,543	3,310		49.22%	1,188,543	3,310

- (A) Please confirm if the data entered in columns “Non-Loss Adjusted Metered kWh” and “Non-Loss Adjusted Metered kW” are in fact not adjusted by FFPC’s Board approved loss factor.
- (B) If the answer to (A) is no, please provide the non-loss adjusted data, and Board staff will update the workform with the appropriate data.

**Tax-Sharing Workform**

**Interrogatory #2**

**Ref: Tax-Sharing Workform, Tab 3 – “Re-Based Bill Det & Rates”**

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	38,368,635		11.89	0.0087	
GSL750	General Service Less Than 50 kW	Customer	kWh	485	21,817,089		28.64	0.0065	
GSL750	General Service 50 to 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

Board staff notes that the data entered in columns D, E and F do not reconcile to FFPC’s current Tariff of Rates and Charges.

- (A) If FFPC agrees, please verify, and Board staff will make the necessary corrections to the model.
- (B) If the answer to (A) is no, please provide an explanation for the data entered in columns D, E and F.

### Interrogatory #3

Ref: Tax-Sharing Workform, Tab 6 – “Calc Tax Chg RRider Var”

Rate Class	Total Revenue \$ by Rate Class A	Total Revenue % by Rate Class B = A / \$H	Total Z-Factor Tax Change\$ by Rate Class C = \$I * B	Billed kWh D	Billed kW E	Distribution Volumetric Rate kWh Rate Rider F = C / D	Distribution Volumetric Rate kW Rate Rider G = C / E
Residential	\$816,408,5645	56.07%	-\$1,722	38,358,635	0	\$0.0000	
General Service Less Than 50 kW	\$308,406	21.19%	-\$651	21,817,089	0	\$0.0000	
General Service 50 to 999 kW	\$305,799	21.00%	-\$645	20,657,710	51,490		-\$0.0125
Unmetered Scattered Load	\$2,500	0.17%	-\$5	67,445	0	-\$0.0001	
Street Lighting	\$22,738	1.56%	-\$48	1,191,139	2,942		-\$0.0163
	\$1,455,940	100.00%	-\$3,072				

Board staff notes that the calculated rate riders above are negligible for the Residential, General Service Less Than 50 kW and Unmetered Scattered Load rate classes.

- (A) Please confirm if FFPC is requesting to record the entire tax-savings amount of a credit of \$3,072 in Account 1595 for future disposition.

### Rate Generator Model

### Interrogatory #4

Ref: Rate Generator Model, Tab 5 – “2013 Continuity Schedule”

Board staff notes that FFPC has not calculated projected interest on its Group 1 balances for the period from January 1, 2013 to April 30, 2013.

- (A) Please calculate carrying charges for the period noted above, and provide these amounts for each account. Board staff will update the model accordingly.
- (B) Please confirm if the disposition threshold continues to be met when the 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 from (A) above.
- (C) If the disposition threshold as calculated by FFPC in part (B) above does not continue to be met, please confirm that FFPC will not seek disposition of its Group 1 Deferral and Variance Account balances.

### Interrogatory #5

Ref: EB-2011-0146, Decision and Order, Page 12

The Board's decision in EB-2011-0146 stated that:

“The Board notes the submission of Fort Frances that it did not implement the 2002 Board approved rates on March 1, 2002 as ordered by the Board but chose to do so on May 1, 2002 instead. The Board considers the

unauthorized deviation from a Board-approved rate order to be a serious matter. When the Board issues a decision and rate order approving certain rates, the distributor is expected to bill its customers the Board-approved rates for the period covered by the rate order. The utility is not authorized to deviate from the approved rate order in any way, whatever its reasons for doing so, without prior Board approval. The Board is of the view that the issue of whether Fort Frances has complied with the Board's Decision and Order in RP-2002-0031/EB-2002-0040 should be considered in Fort Frances' next rates proceeding."

Board staff notes that FFPC has not filed any evidence in support of the above.

- (A) Please explain why FFPC has not provided any information with respect to the above matter.
- (B) Does FFPC intend to bring this matter forward in its next cost of service rate application, intended for 2014 rates?

#### Interrogatory #6

**Ref: A portion of the Rate Generator Model, Tab 6 – "Billing Det. For Def-Var"**

Rate Class	Unit	Metered kWh	Metered kW	Billed kWh for Non-RPP Customers	Estimated kW for Non-RPP Customers	Distribution Revenue <sup>1</sup>	1690 Recovery Share Proportion*
Residential	\$/kWh	38,677,253		1,376,336	0	831,974	49.00%
General Service Less Than 50 kW	\$/kWh	15,145,342		347,354	0	246,889	19.00%
General Service 50 to 4,999 kW	\$/kW	24,488,779	63,157	21,806,991	56,241	352,093	31.00%
Unmetered Scattered Load	\$/kWh	62,630			0	2,098	
Street Lighting	\$/kW	1,188,543	3,310	1,188,543	3,310	23,838	1.00%
MicroFit							
Total		79,562,547	66,467	24,719,224	59,551	1,456,892	100.00%

Board staff is unable to reconcile the data entered in the column "Distribution Revenue" to FFPC's previous cost of service application (EB-2005-0366).

- (A) Please provide evidence for the data entered in the above noted column.
- (B) If corrections are required, please provide the corrected information and Board staff will make the necessary corrections to the model.

#### Interrogatory #7

**Ref: Rate Generator Model, Tab 11 – "Proposed Rates"**

Rate Rider for Deferral/Variance Account Disposition (2013) - effective until May 01, 2015

Rate Rider for Global Adjustment Sub-Account Disposition (2013) - effective until May 01, 2015

Applicable only for Non-RPP Customers



Board staff notes that FFPC has entered an "effective until" date of May 1, 2015 for its rate riders for the disposition of its Group 1 Accounts. Board staff notes that FFPC has requested a two-year disposition period, and if approved as such by the Board, the "effective until" date would be April 31, 2015.

- (A) Please confirm if FFPC agrees, and Board staff will make the necessary corrections to the workform.  
(B) If the answer to (A) is no, please confirm and provide an explanation for the date entered.

**Interrogatory #8**  
**Ref: Manager's Summary, Page 9**

Board staff notes that FFPC has requested a two-year disposition period in the repayment of its Group 1 Accounts.

- (A) Please complete the table below showing a comparison between bill impacts for a one-year and two-year disposition period.

Total Bill on TOU Impacts

Rate Class	1-Year Disposition	2-Year Disposition	Difference (1 year v. 2 years)
<i>Percentage</i>			
Residential	xx	xx	xx
GS<50 kW	xx	xx	xx
GS 50 to 4,999 kW	xx	xx	xx
Unmetered Scattered Load	xx	xx	xx
Street Lighting	xx	xx	xx
<i>\$ Amount</i>			
Residential	xx	xx	xx
GS<50 kW	xx	xx	xx
GS 50 to 4,999 kW	xx	xx	xx
Unmetered Scattered Load	xx	xx	xx
Street Lighting	xx	xx	xx