FFPC
FORT FRANCES POWER CORPORATION

June 11, 2014

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 26th Floor
Toronto, Ontario M4P lE4
Attn: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli:

Re: Fort Frances Power Corporation
Application for 2014 Rates, Application Board File EB-2013-0130

On December 20th, 2013, Fort Frances Power Corporation ('FFPC') filed its Cost of Service Application seeking approval for rates effective May 1, 2014. Pursuant to Procedural Order No. 2 ("PO2") issued on May 21, 2014, Board staff moderated a non-transcribed teleconference on May 29, 2014 by which Board staff and VECC requested clarifying information and material from FFPC that is relevant to the hearing.

In accordance with PO2, two hard copies of the complete response to all clarifying information and materials are now enclosed. An electronic copy of the complete responses in PDF format has also been submitted through the Board's Regulatory Electronic Submission System ("RESS").

All of which is respectfully submitted for the Board's consideration.

Sincerely:

Joerg Ruppenstein
President and CEO

cc: Intervenors on Record (by email)
- Vulnerable Energy Consumers Coalition - c/o Michael Janigan
- Vulnerable Energy Consumers Coalition - c/o Mark Garner
- Vulnerable Energy Consumers Coalition - c/o Bill Harper

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FORT FRANCES POWER CORPORATION (FFPC)

2014 RATE APPLICATION (EB-2013-0130)

RESPONSE TO BOARD STAFF MODERATED TELECONFERENCE REQUESTS FROM BOARD STAFF AND VECC'S CLARIFICATION REQUESTS ON MAY 29, 2014

The teleconference was moderated by Board Staff during which Board staff and VECC requested clarifying information from Fort Frances Power Corporation (FFPC).

It was determined that FFPC would respond to the requests by written response.

1 - Foundation

Issue 1.1: Does the planning (regional, infrastructure investment, asset management etc.) undertaken by the applicant and outlined in the application support the appropriate management of the applicant's assets?

Interrogatory:

1.1.-Staff-40

Reference: 1.1-Staff-2

a) Why has FFPC not been billing these customers FFPC rates?

Response:

FFPC has never had, and currently still does not have, access to any of the consumption data associated with the LTLT customers, as FFPC's metering and billing systems are not linked to Hydro One's. Without access to consumption data, FFPC is unable to bill the customers according to FFPC's tariff of rates schedule, and in addition is unable to disburse the benefits of the 1905 Historic Power Agreement.

b) Please provide a calculation as to what the savings to these customers would have been, had this been done, ie. If FFPC had been billing these customers to the commencement of the service? An estimate would be sufficient to plot the differential from 2006 to present, incorporating FFPC rates and the benefit of the power agreement.

Response:

FFPC has provided the annual calculation for a Residential customer consuming 1,000 kWh per month and the difference in rates, if the customer would have been serviced by FFPC versus Hydro One. The detailed calculations by year have been included under Appendix A, as attached.

The table below outlines the estimated annual savings for the LTLT customers (Town of Fort Frances residents) serviced by Hydro One, had these customers been connected to FFPC's distribution system, and charged FFPC's tariff of rates (including the benefits of the 1905 Historic Power Agreement).

Estimated Annual Electricity Cost Savings for Town of Fort Frances Residential Customers Consuming 1,000 kWh Monthly Serviced by FFPC versus Hydro One Rates

	2006	2007	2008	2009	2010	2011	2012	2013
Estimated Annual Savings	$690	$699	$760	$802	$1,157	$1,014	$1,111	$1,170

Appendix A reviews the annual rate orders for both FFPC and Hydro One effective May 1st of each year, where available, and standardizes cost of power rates for the applicable Regulated Price Plan (RPP) and Time-of-Use (TOU) charges.

In 2010, FFPC's customers received a rebate corresponding to the benefits of the 1905 Historic Power Agreement not being subjected to Global Adjustment charges for the period 2005 to 2009. FFPC had completed its advocacy campaign regarding the proper treatment of Global Adjustment charges associated with the Agreement in mid-2010, and was therefore able to disburse the rebate that had accrued accordingly. For the years 2011 forward, the Global Adjustment portion of the 1905 Historic Power Agreement credit was included in the monthly and annual distributions of the credit.

This comparison was completed based on 1,000 kWh which is the approximate average monthly consumption for FFPC's residential customers in 2013. A residential customer dependent on electric heat would have even greater cost savings if serviced by FFPC versus Hydro One.

c) Why did FFPC not install their own meters to the LTLT customers?

Response:

The electrical distribution system within the Town of Fort Frances and its proximity to customers are a product of history. At the time that the LTLT homes were electrified, FFPC's electrical distribution system was not in close proximity to most of the homes and the 1905 Historic Power Agreement dispute had not been resolved. The LTLT customers were simply connected to the distribution network that was in closest proximity to them. The Power Agreement dispute was formally resolved in 1983 with the ruling of the Supreme Court of Canada.

Although FFPC believes that the LTLT customers are eligible to receive the benefits of the Agreement, FFPC does not believe that it has ever had the consent from stakeholders including Hydro One and the Board, to proceed with replacing the metering assets of Hydro One with those of FFPC.

Therefore, FFPC did not install its smart meters on the LTLT customer premises as part of its smart meter roll-out as it did not believe that it had the authority to do so.

d) Has FFPC considered a service area amendment to solve this issue?

Response:

No, FFPC has not considered a service area amendment as a solution to the LTLT issue. The LTLT customers are already technically in FFPC's service area.

Interrogatory:

1.1-Staff-41

a) How much of the total capital expenditure anticipated for the LTLT project is related to the customer that you may not be able to connect by the end of 2014?

Response:

Approximately 12% or $46,446 of the total $371,739 is related to the customer that FFPC may or may not be able to connect in 2014 due to the complications of crossing a CNR right-of-way.

b) Why would the delay implementation of the LTLT project in 2014 not impact the 2014 Test Year capital forecast?

Response:

In the event that FFPC was not to receive timely approval for crossing the CNR right-of-way, FFPC's Test Year capital forecast could be impacted as FFPC would not be able to complete the directional boring and customer transfer portion of this expansion project. FFPC would still be able to proceed

with extending its feeder up to the CNR right-of-way as well as with acquiring all necessary materials. FFPC estimates that the impact of not being able to complete the directional boring and customer transfer would result in a capital carry over ranging from $30,000 (partial expansion completed) to $46,446 (entire project carried over). The overall impact of this possible delay would be 3.7%, with respect to the total 2014 planned capital expenditures of $820,316.

c) Can you provide impacts on rate base in the application if the capital project was implemented in three annual phases as FFPC states it is open to doing?

Response:

If FFPC were to implement the project in three annual phases, according to the three logical pockets of customers, FFPC's 2014 planned capital expenditures for this project would be reduced from $371,737 to $270,767, which is a reduction of $100,970 for the 2014 Test Year. FFPC's priority would be to first extend the feeder along Zone 1, which is the pocket of twelve (12) customers in proximity to the airport, then Zone 2, which is across the CNR railroad right-of-way for one (1) customer, and lastly Zone 3, which is the expansion towards Couchiching First Nations for one (1) customer.

FFPC's incremental OM&A costs for this project were based on 5% of the capital investment. Based on this, FFPC's 2014 Test Year OM&A expense would be reduced by $5,048. FFPC's 2014 Test Year amortization would also be reduced by $1,055. The net impact of implementing this project in three annual phases would be a reduction of $50,614 on FFPC's 2014 rate base and a reduction of $7,529 on FFPC's 2014 revenue requirement.

Interrogatory:

Issue 1.1-Staff-45

Reference 1: FFPC Response to Issue 1.1-Staff-45 (PDF Page 3)

> "FFPC is planning on completing linking health indexes to the above-mentioned asset classes by the end of 2016. Risk ratings and consequence of failure attributes are projected to be linked by the end of 2017. FFPC plans to be able to rely on these enhancements for the development of its next DS Plan which is expected to cover the 2019 to 2023 planning period."

Reference 2: FFPC Response to 4.1-Staff-13 (PDF Pages 49)

Table "FFPC has budgeted replacements based on the following asset counts" (PDF page 49)

Budget Year	Pole Mounted Transformers	Pole Mounted Transformer Replacement Cost	1 Phase Pad-Mounted Transformers	1 Phase Pad-Mounted Transformer Replacement Cost	3 Phase Pad-Mounted Transformers	3 Phase Pad-Mounted Transformer Replacement Cost	Total Quantity	Total Cost
2014	13	$59,506	1	$11,036	1	$25,106	15	$95,648
2015	24	$104,893	12	$135,682	0	$0	36	$240,575
2016	12	$68,081	5	$49,680	3	$66,318	20	$184,080
2017	31	$129,708	12	$123,932	3	$55,737	46	$309,378
2018	36	$129,427	5	$48,430	0	$0	41	$177,857
Total	116	$491,617	35	$368,760	7	$147,162	158	$1,007,541

a) What is the status of developing health indices in regard to the three types of transformers; pole mount, single phase pad-mounted and three phase pad-mounted? Are you recording a conditional assessment of each transformer? How do you establish the probability of failure for a given year given all of the available inputs?

Response:

FFPC has not yet been able to fully deploy its models for calculating the Health Index of its pole mounted, single phase pad-mounted or three phase pad-mounted transformers, as the models are not yet linked to loading data for most transformers, which is a key variable. FFPC is unable to apply rankings based on loading as most of the loading information has not yet been linked. FFPC has recorded and continues to record inspection results from its entire transformer fleet.

FFPC's current selection and prioritization of annual replacements is based on a "Condition-Based Ranking" approach, where the impact of failure is also taken into consideration along with the age of the asset and its inspection findings. Therefore at this time the probability of failure can only be based on age of the transformer relative to its service life, and based on the results of visual inspection findings.

It is worth noting that visual inspection results are limited to finding obvious external defects, such as oil leaks or cracks, and that they do not offer insight into the core of the devices, where most failures occur. Most inspection findings prompt corrective maintenance activities such as the replacement of locks, safeguarding from animal intrusion, refurbishing of cable connections, or lubrication of hinges. Major deficiencies indentified through visual inspections, such as oil leaks from a corroded tank, would signal that the transformer is very close to the end of its service life, and therefore it has a high risk of failure.

b) Would it be possible to map out for 2014, 2015 and 2016 the criteria that you are currently using to determine that those transformers need to be replaced?

Response:

FFPC has identified transformers that require replacing using the criteria Age, Adopted-Useful-Service Life, Inspection Results, Adjusted End-of-Life (adjustments made based on inspection findings), and Impact of Failure. FFPC has taken the approach to proactively replace end-of-life transformers supplying sensitive customer loads, as running them to failure could cause significant undue hardship on these sensitive customers. FFPC has also made a strategic decision to attempt to smooth out the age profile of its transformer fleet by beginning to replace the worst ranking assets, or as a minimum acquire replacement units in preparation for the oncoming wave of predicted failures.

For 2014, 2015 and 2016 FFPC has currently selected transformers requiring replacement based on the following:

Transformer Requires Replacing if "Adjusted-End-of-Life" = 2014 (for 2014 selections)
Where "Adjusted End-of-Life" = "Adopted Useful Life" +/- "Inspection Result Adjustment"

For each year transformers are then ranked based on their impact of failure. FFPC is working on assigning North American Industry Codes (NAICS) to all of its non-residential customers, which will have a risk/impact of failure rating relative to each code. For example, a Hospital is NAIC code 622, which would be assigned a "Very High" impact of failure.

The following table summarizes the assigned impact of failure for each of the individual 71 transformers identified for replacement for years 2014, 2015 and 2016:

	ID # / Serial	Adjusted End-of-Life	Customer Type	Impact of Failure
1	ET68	2014	Hospital	Very High
2	AT1	2014	Critical Communication Infrastructure	High
3	AT15	2014	Multi-Residential Complex (Large)	High
4	FT39	2014	Critical Communication Infrastructure	High
5	AT25	2014	Health Care Services Provider & Residential Homes - Less than 15	Medium
6	ET50	2014	General Business	Medium
7	ET63	2014	General Business	Medium
8	DT-4	2014	Residential Homes - Less than 15	Low
9	DT6	2014	Residential Homes - Less than 15	Low
10	FT1	2014	Residential Homes - Less than 15	Low
11	FT33	2014	Residential Homes - Less than 15	Low
12	GT38	2014	Residential Homes - Less than 15	Low
13	B238-01	2014	N/A - Asset Failed	Asset Failed
14	EW1460-179	2014	N/A - Asset Failed	Asset Failed
15	B238-03	2014	N/A - Asset Failed	Asset Failed
1	DT3	2015	Assisted Living Health Care Complex	Very High
2	ET5	2015	Assisted Living Health Care Complex	Very High
3	ET5	2015	Assisted Living Health Care Complex	Very High
4	ET5	2015	Assisted Living Health Care Complex	Very High
5	ET60	2015	Critical Government Infrastructure	High
6	ET60	2015	Critical Government Infrastructure	High
7	ET60	2015	Critical Government Infrastructure	High
8	FT78	2015	Nursery School	High

9	AT122	2015	General Business	Medium
10	AT82	2015	Residential Homes - Greater than 15	Medium
11	BT54	2015	General Business	Medium
12	BT60	2015	Residential Homes - Greater than 15	Medium
13	BT62	2015	Residential Homes - Greater than 15	Medium
14	DT24	2015	General Business	Medium
15	DT24	2015	General Business	Medium
16	DT24	2015	General Business	Medium
17	DT32	2015	General Business	Medium
18	DT32	2015	General Business	Medium
19	ET72	2015	Government Infrastructure	Medium
20	ET73	2015	General Business	Medium
21	AT81	2015	Residential Homes - Less than 15	Low
22	BT61	2015	Residential Homes - Less than 15	Low
23	BT68	2015	Residential Homes - Less than 15	Low
24	DT8	2015	Residential Homes - Less than 15	Low
25	FT65	2015	Residential Homes - Less than 15	Low
26	FT8	2015	Residential Homes - Less than 15	Low
27	GT33	2015	Residential Homes - Less than 15	Low
28	GT24	2015	Garage	Very Low
29	B238-05	2015	N/A - Asset Failed	Asset Failed
30	T890496-8	2015	N/A - Asset Failed	Asset Failed
31	655/2	2015	N/A - Asset Failed	Asset Failed
32	656/5	2015	N/A - Asset Failed	Asset Failed
33	EW1460-179	2015	N/A - Not suitable for reuse	None
34	WP80319-10	2015	N/A - Not suitable for reuse	None
35	WP80319-17	2015	N/A - Not suitable for reuse	None
36	WP80319-18	2015	N/A - Not suitable for reuse	None
1	AT40	2016	Critical Communication Infrastructure	Very High
2	AT40	2016	Critical Communication Infrastructure	Very High
3	AT88	2016	Multi-Residential Complex (Large)	High
4	BT46	2016	Multi-Residential Complex (Large)	High
5	DT28	2016	Multi-Residential Complex (Large)	High
6	DT28	2016	Financial Institution	High
7	DT30	2016	Critical Communication Infrastructure	High
8	FT14	2016	Multi-Residential Complex (Large)	High
9	FT15	2016	Multi-Residential Complex (Large)	High
10	AT127-B	2016	General Business	Medium
11	AT56-1	2016	General Business	Medium
12	AT121	2016	Residential Homes - Less than 15	Low
13	AT47	2016	Residential Homes - Less than 15	Low
14	DT22-A	2016	Residential Homes - Less than 15	Low
15	FT45	2016	Residential Homes - Less than 15	Low
16	FT9	2016	Residential Homes - Less than 15	Low
17	GT26	2016	Residential Homes - Less than 15	Low
18	Inventory	2016	N/A - Not suitable for reuse	None
19	Inventory	2016	N/A - Not suitable for reuse	None
20	Inventory	2016	N/A - Not suitable for reuse	None
Note: Duplicate ID's denote single-phase transformers arranged as a bank.				

c) Will you have a third party review FFPC's approach by practitioners in the industry, once the in house enhancements are completed (see Reference 1: FFPC Response to Issue 1.1-Staff-45 (PDF Page 3)?

Response:

FFPC intends to utilize LDC best practices forums, including the Utilities Standards Forum, for sharing and refining FFPC's approach. The USF forum focuses on the development of standards, which is a good fit for developing industry standard approaches towards asset replacement methodologies. FFPC anticipates that this effort will encompass the development of asset specific health indexes and risk/impact of failure ratings.

Interrogatory:

1.1-VECC-32

Reference: Board Staff 1.1-Staff-2

In response to this interrogatory FFPC stated that "[I]*n addition, once the 14 customers become FFPC customers, FFPC can distribute to them credits associated with the 1905 Historic Power Agreement, and they will benefit in like manner as all other residents and small businesses located within the Town of Fort Frances. FFPC believes that such sharing of the benefits of the 1905 Historic Power Agreement is consistent with the intent of that Agreement*."

a) Does FFPC believe that residents of the town have a legal entitlement to the power agreement prices? If so please provide the legal opinion supporting this. What has FFPC done in the last ten years to make sure those LTLT (Hydro One) customers were getting the benefit of that pricing?

Response:

Yes, FFPC believes that the residents of the town have a legal entitlement to the power agreement prices. FFPC bases its belief upon a plain reading of the 1905 Agreement and the Supreme Court of Canada decision ([1983] 1 SCR 171)). As stated in the Response to Interrogatory 4.2-Staff-14(b), FFPC seeks legal advice when specific threats to the legal entitlement under the Power Agreement arise. Any and all of the legal advice received by FFPC is protected by solicitor-client privilege. FFPC has not taken any explicit steps, until this rate application, to seek approval to connect those LTLT (Hydro One) customers to its system. Until those customers are connected to FFPC's system, there is no practical means of sharing the benefit of that pricing with them.

b) In the interrogatory response there is discussion as to developments that may take place in the area just south of the airport. Have any plans for such a development been filed with the municipal planning office? If not what is the basis for believing this area will require service in the near future? Please give a sense of where this project is at?

Response:

Yes, in June of 2010 Fort Frances Town Council entered into an Option to Purchase agreement with a project (solar farm) developer for a 112 acre portion of land located just south of the Airport. This project was initially processed by the Town's Planning and Development Executive Committee prior to receiving approval from Council in the form of a by-law.

In early of June, 2014, the Town of Fort Frances was again contacted by the project developer to inform the Town of the developer's intention to renew the agreement for a three-year term, upon its expiry in July of 2014.

FFPC contacted the OPA regarding the status of a formal project submission, however, the OPA could not confirm receiving a formal application.

In light of the developer's intent to pursue a new three-year land lease and option to purchase agreement, for the purpose of developing a solar energy farm, FFPC believes that the developer continues to pursue developing this project. The proposed feeder expansion would provide this proposed project with direct access to FFPC's transformer station, which is desirable as the station is expected to be able to accommodate the project upon the completion of FFPC's planned REG investments.

Interrogatory:

1.1-VECC-33

Reference: VECC 1.1-1

Re: Long-term Load Transfer

a) Is there a separate cost estimate for serving the two customers who lie along what appears to be the rail line leading into Fort Frances?

Response:
FFPC's LTLT elimination total project cost of $371,739 was based on the following three expansion zones according to the three logical pockets of customer locations:

1. *Expansion along McIrvine & Frog Creek Road (Airport): 73% or $270,767 (12 customers)*
2. *Expansion across CNR Railway right-of-way: 12% or $46,446 (1 customer)*
3. *Expansion to Couchiching First Nations: 15% or $54,525 (1 customer)*

b) Are there any reliability benefits in tapping onto Hydro One's distribution circuit from what looks to be Highway 11 to the rail line? What kind of circuit is supplied by Hydro One?

Response:

FFPC and Hydro One's electrical distribution networks operate at two different distribution voltages. Hydro One's feeders are designed for long rural runs and as such operate at 44 kV, whereas FFPC's feeders are designed for relatively short semi-urban runs and as such operate at 7.2 kV. FFPC's proposed feeder expansion project includes the necessary voltage conversion from a 44 kV system to a 7.2 kV system. FFPC does not intend to connect to Hydro One's distribution system, and therefore there is no impact on reliability of FFPC's distribution feeders.

2 - Performance Measures

Issue 2.1: Does the applicant's performance in the areas of: (1) delivering on Board-approved plans from its most recent cost of service decision; (2) reliability performance; (3) service quality, and (4) efficiency benchmarking, support the application?

Interrogatory:

2.1-VECC-34

Reference 2.1-VECC-5

a) The response (table) shows that FFPC has had no outages (excluding loss of supply) between 2006 and 2009. Please confirm this is correct.

Response:

FFPC has amended the table below to include the Service Reliability Indices Excluding Loss of Supply for the years 2006-2009.

Service Reliability Indices- Including Outages Caused by Loss of Supply- 2006-2013- Revised 2014/05/28

	2006	2007	2008	2009	2010	2011	2012	2013
SAIDI	0.15	0.30	3.77	6.63	0.60	0.09	0.30	11.37
SAIFI	0.24	0.31	1.77	2.40	0.31	0.21	0.30	3.19
CAIDI	0.62	0.95	2.13	2.76	1.92	0.43	1.02	3.56

Service Reliability Indices- Excluding Loss of Supply Outages 2006-2013

	2006	2007	2008	2009	2010	2011	2012	2013
SAIDI	0.15	0.30	0.99	0.38	0.60	0.09	0.30	0.10
SAIFI	0.24	0.31	0.79	0.40	0.31	0.21	0.30	0.14
CAIDI	0.62	0.95	1.25	0.96	1.92	0.43	1.02	0.74

3 - Customer Focus

Issue 3.1: Are the applicant's proposed capital expenditures and operating expenses appropriately reflective of customer feedback and preferences?

Interrogatory:

3.1-VECC-35

Reference: 3.1-Staff-5

a) Did FFPC inform its customers that 45% of its 2014 planned capital expenditures are for connecting 14 customers?

Response:

No, FFPC did not inform its customers of this.

b) Has FFPC explored the alternative of a change in licence service territory with Hydro One?

Response:

FFPC does not believe the solution lies in a service territory amendment; indeed, the 14 customers are technically in FFPC's service territory, but for historical reasons, were connected to Hydro One's network. FFPC believes it is in the best interest of the 14 customers to be connected to FFPC's system so as to share in the benefits of the Historic Power Agreement. FFPC has not had any discussions with Hydro One in this regard.

4 - Operational Effectiveness

Issue 4.1: Does the applicant's distribution system plan appropriately support continuous improvement in productivity, the attainment of system reliability and quality objectives, and the level of associated revenue requirement requested by the applicant?

Interrogatory:

4.1-Staff-44

Reference 1: FFPC Response to 1.1-Staff-1 (PDF Page 47)

"Planned replacements are prioritized by risk of failure and the associated impact of failure. For

example, the regional La Verendrye Hospital is serviced by a transformer that will be at the end of its useful life in 2014, and given the high impact of failure it is planned for replacement in 2014."

Reference 2: FFPC Response to 4.1-Staff-13 (PDF Pages 49)

Table "FFPC has budgeted replacements based on the following asset counts" (PDF page 49)

Budget Year	Pole Mounted Transformers	Pole Mounted Transformer Replacement Cost	1 Phase Pad-Mounted Transformers	1 Phase Pad-Mounted Transformer Replacement Cost	3 Phase Pad-Mounted Transformers	3 Phase Pad-Mounted Transformer Replacement Cost	Total Quantity	Total Cost
2014	13	$59,506	1	$11,036	1	$25,106	15	$95,648
2015	24	$104,893	12	$135,682	0	$0	36	$240,575
2016	12	$68,081	5	$49,680	3	$66,318	20	$184,080
2017	31	$129,708	12	$123,932	3	$55,737	46	$309,378
2018	36	$129,427	5	$48,430	0	$0	41	$177,857
Total	116	$491,617	35	$368,760	7	$147,162	158	$1,007,541

a) Question: How many of the transformers that are targeted for replacements are serving sensitive loads with respect to years 2014, 2015 and 2016, where sensitive loads are loads such as schools, hospitals, or factories?

For each of the years 2014, 2015, and 2016, please provide for each case, the size in kVA, type, and age for each transformer identified in (a) above as well as the size of the load served in kW and average monthly energy in kWh, as well as the customer type e.g., Hospital, School..etc.

Response:

FFPC has assigned impact of failure indices "High", and "Very High" that correspond to customer loads that are considered to be sensitive. Please note that General/Commercial Businesses are not included in the following counts.

- *2014 Number of Sensitive Loads: 4*
- *2015 Number of Sensitive Loads: 8*
- *2016 Number of Sensitive Loads: 9*

ID #	Customer Name	Customer Type	Individual Transformer Capacity (KVA)	Transformer Setting Capacity (kVA)	Age (Years Relative to 2014)	Pad / Pole Mount	# Phases	Customer Load (kW)	Average Monthly Consumption (kWh)
ET60	Fort Frances Court House	Critical Government Infrastructure (Court House)	25	75	43	Pad	1	82.7	16,047
ET60	Fort Frances Court House	Critical Government Infrastructure (Court House)	25		43	Pad	1		
ET60	Fort Frances Court House	Critical Government Infrastructure (Court House)	25		43	Pad	1		
ET68	La Verendrye Hospital	Hospital	750	750	40	Pad	3	316.2	121,233
FT39	Emergency Sirens & Residential Homes	Critical Communication Infrastructure	75	75	40	Pole	1	*Note 1 - N/A	*Note 2 - N/A
AT15	RRDSSAB Housing Complex	Multi-Residential Complex (Large)	75	75	40	Pad	1	*Note 1 - N/A	5,992
AT1	Bell Alliant - Tower	Critical Communication Infrastructure	5	5	40	Pole	1	*Note 1 - N/A	905
DT3	Fort Frances District Assisted Living Complex	Assisted Living Health Care Complex	75	75	39	Pad	1	*Note 1 - N/A	8,374
ET5	Rainycrest Home for the Aged	Assisted Living Health Care Complex	167	501	39	Pad	1	321.3	114,800
ET5	Rainycrest Home for the Aged	Assisted Living Health Care Complex	167		39	Pad	1		
ET5	Rainycrest Home for the Aged	Assisted Living Health Care Complex	167		39	Pad	1		
FT78	United Native Friendship Centre	Nursery School	50	50	39	Pole	1	*Note 1 - N/A	*Note 2 - N/A
AT40	CNR Railway Crossing, Union Gas Operations Centre / Pumping Station	Critical Communication Infrastructure	15	30	38	Pole	1	*Note 1 - N/A	3,330
AT40	CNR Railway Crossing, Union Gas Operations Centre / Pumping Station	Critical Communication Infrastructure	15		38	Pole	1	*Note 1 - N/A	
AT88	Flinders Place	Multi-Residential Complex (Large)	225	225	38	Pad	1	160.2	39,790
BT46	Westfort Apartments	Multi-Residential Complex (Large)	225	225	38	Pad	3	81.5	18,405
FT14	Greem	Multi-	225	225	38	Pad	3	113.8	29,807

	Manor	Residential Complex (Large)							
FT15	Rose Manor	Multi-Residential Complex (Large)	225	225	38	Pad	3	116.2	29,170
DT30	Bell Alliant - Operations Centre & Switching Station	Critical Communication Infrastructure	25	75	38	Pole	1	59.3	29,377
DT28	CIBC Bank	Financial Institution	25	75 (*Note 3)	38	Pad	1	60.8	8,594
DT28	CIBC Bank	Financial Institution	25		38	Pad	1		

*Note 1 - N/A: Transformer loading not available due to non-demand metering in use on GU less than 50 kW Customers.
*Note 2 - N/A: Volumetric consumption of transformer not known, as transformer to meter relationships are not yet identified.
*Note 3: Third transformer from Bank not included in replacement list as vintage is newer

Issue 4.2: Are the applicant's proposed OM&A expenses clearly driven by appropriate objectives and do they show continuous improvement in cost performance?

Interrogatory:

4.2-Staff-42

Reference: 4.2-Staff-14 (PDF Page 56)

FFPC believes its individual utility circumstance must be fully recognized when cost performance is compared to that of other LDC's. As such, operating, maintenance and administrative (OM&A) costs must be adjusted to reflect the unique operating circumstances, such that subsequent performance scores and ranking reflect "apples-to-apples" comparisons…

…

FFPC believes that its current performance scores derived from historic RRR supported OM&A cost data are flawed, as they include costs associated with the upkeep of the 1905 Historic Power Agreement, as well as costs associated with the upkeep and operation of a High Voltage Transformer Station, which prior to 2012 was improperly classified as a Distribution Station. FFPC's OM&A costs at face value essentially support three distinct business functions, which in essence have increased FFPC's scope. As such, synergies from these arrangements are best

measured at the Total Bill level which encompass FFPC's unique circumstances and operating strategy.

Please summarize the specific relief FFPC would be seeking from the Board in this present application regarding this issue and how the relief requested would impact the proposed rates or if not, why not?

Response:

FFPC seeks an order directing Board Staff and FFPC to work with PEG to ensure that the calculations that support the scorecard and efficiency ratings for FFPC are adjusted to exclude capital and OM&A costs associated with the TS and the administration of the 1905 Historic Power Agreement.

Interrogatory:

4.2-VECC-36

Reference: 4.2-Staff-15

a) Are the costs shown in the table "2014 Test Year Budget-Outside Service Costs" one time or re-occurring costs?

Response:

The costs shown in table "2014 Test Year Budget – Outside Service Costs" are re-occurring costs.

Interrogatory:

4.2-VECC-37

Reference: 4.2-Staff-18

a) What is the current number of employees at FFPC?

Response:

FFPC currently has 9.3 FTEs. The 0.3 FTE is for a summer student who is primarily responsible for maintaining FFPC's premises.

b) What is the status of the new proposed Technical Customer Service Representative position (i.e. search started, completed etc)?

Response:

While FFPC is currently canvassing the market to fulfill this proposed position, any serious discussions are pending the decision in this cost of service rate application.

c) What were/are FFPC's overtime costs for 2008 – 2013 and forecast for 2014? To clarify, what are the 2014 forecasted overtime costs?

Response:

The following table illustrates union staff overtime hours earned and the associated compensation for the years 2008 to 2013, as well as the 2014 forecast:

									Projected
Union		**Total**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
Overtime Hours Worked		**5780**	694	766	762	799	829	931	1000
Compenstation:	Time Off in Lieu	**-4737**	-615	-675	-657	-410	-556	-925	-900
	Paid Overtime Hours (Costs Below)	**-1042**	-79	-91	-105	-389	-273	-6	-100
Total Non-Compensated Overtime		**0**	0	0	0	0	0	0	0
Paid Overtime Costs			$2,500	$3,000	$3,500	$13,670	$9,863	$209	$3,839

FFPC union staff overtime is mainly earned from performing after hours work or stand-by duty, for which they can be compensated by either overtime pay or time off in lieu. Due to this employee choice (must be agreed to by employer), paid overtime can vary significantly from year-to-year when time off in lieu is chosen instead of overtime pay.

The following table illustrates non-union staff overtime hours earned and the associated compensation for the years 2011 to 2013, as well as the 2014 forecast:

						Projected
Non-Union		**Total**	**2011**	**2012**	**2013**	**2014**
Overtime Hours Worked		**2,113**	**291**	**342**	**983**	**497**
Compensated Overtime:	Time Off In-Lieu	**-370**	-78	-78	-69	-145
	Paid Overtime Hours (Costs Below)	**-330**			-260	-70
Total Non-Compensated Overtime		**1,413**	**213**	**264**	**654**	**282**
Paid Overtime Costs		**$15,600**	$0	$0	$12,600	$3,000

Please note that non-union staff overtime data was not available prior to 2011, and as such could not be included. Of the estimated 2,113 total non-union staff overtime hours worked during the period 2011 to 2014, 1,413 were not compensated.

Interrogatory:

4.2-VECC-38

Reference 4.2-VECC-10

a) Please explain the significant increase in travel and training costs in 2014 as compared to previous years. If the increase is in part due to the proposed new position please identify these costs separately and indicate whether they are one-time or annual costs.

Response:

FFPC has increased its projected travel and training costs due to the addition of the new Technical Customer Service Representative, the upcoming retirement of its Lines Superintendent, in preparation for Ministry of Labour minimum training and competency requirements, as well as for strategic employee skills development.

FFPC estimates that the travel and training costs for the new Customer Service Technician will increase FFPC's annual training budget by $5,000, for the term of this rate application. The Customer Service Technician position will require extensive training in areas such as conservation & demand management, renewable generation, metering, GIS, customer service, regulatory codes & requirements and for any new initiatives that the industry will be undertaking. FFPC estimates that the new position will require intense training over a period of four years.

FFPC is required to begin training a replacement for the upcoming retirement its FFPC's General Superintendent. Due to the significant amount of responsibility associated with this position, FFPC has allocated increased travel and training time for the skills development of the new incumbent.

Effective July 1, 2014, Ontario employers will have to ensure that all workers and supervisors have completed a basic occupational health and safety awareness training program. The first of its kind in North America, the new regulation mandates basic safety awareness training for all Ontario workers and supervisors – with a specific focus on small business and vulnerable workers. As FFPC has a relatively young and small line crew, occasionally even new employees are required to fulfill supervisory duties while senior employees are away from work. FFPC has therefore made a strategic decision to elevate the level of training for its entire line crew such that all members will be deemed competent to provide supervisory duties under the OHSA Act.

FFPC is also planning to make further strategic investment into employee skill set development through continued education and training to maximize the scope of work that internal staff can accomplish without dependency on third party consultants. FFPC plans to have its Regulatory and Finance Officer complete MEARIE's Regulatory Specialist Certificate program, which is geared towards understanding economic regulation. FFPC also plans to have its CEO complete MEARIE's Masters Certificate in Energy Leadership program, which is geared towards effective leadership in the energy sector.

FFPC is planning to train one member of its line crew to be proficient as a Substation Maintainer, thereby maximizing the amount of work that FFPC can conduct at its Transformer Station. Similarly, FFPC plans to train one member of its line crew to be proficient as a Meter Technician.

Due to the remote location of Fort Frances to large urban centres, FFPC is forced to incur higher travel and accommodation expenses as most training is conducted outside of Fort Frances.

Travel and Training Costs	2010	2011	2012	2013	2014
Directors	$10,401.88	$7,416.36	$5,252.98	$14,377.17	$14,250.00
Management	$12,457.64	$11,065.24	$11,066.09	$10,102.98	$13,500.00
All Other	$22,744.76	$10,399.95	$16,919.89	$4,653.76	$20,000.00
Total	**$45,604.28**	**$28,881.55**	**$33,238.96**	**$29,133.91**	**$47,750.00**

Interrogatory:

4.2-VECC-39

Reference 4.2-VECC-14

a) Please explain what "USF Membership" is for?

Response:
The Utility Standard Forum (USF) was formed in direct response to Ontario Regulation 22/04 "Electrical Distribution Safety". Specifically, the regulation requires the approval of equipment, plans and specifications, and the inspection of construction before being put into service. USF was originally formed to provide members with a set of "Engineered Drawing Standards" to meet the "approval of plans and material" requirements. Prior to this, many LDCs relied on Ontario Hydro Standards.

USF has since expanded its service offerings to provide members with access to industry standards (IEEE, ESA etc), publications and training services. The forum recently held an all members workshop at which FFPC shared its experience with its approach to developing a DS Plan.

4.2-VECC-44

a) What is the term used in the Interrogatory response tables 'H20'?

Response:

The abbreviated 'H2O' in the Power Agreement tables refers to H20 Partnership Limited who is the current owner of the generation assets formerly owned by Abitibi Consolidated Paper Mill. H20 is

the current counterparty to the 1905 Historic Power Agreement and, as such, the credits received by the residents of the Town of Fort Frances under the Agreement are paid for by H20.

Issue 4.3: Are the applicant's proposed operating and capital expenditures appropriately paced and prioritized to result in reasonable rate increases for customers, or is any additional rate mitigation required?

Interrogatory:

4.3-Staff-43

Reference 4.3-VECC-19 (PDF Page 95)

FFPC was asked to confirm that it has received no capital contributions in 2006 through 2013 and is forecasting no contributions for 2014. FFPC responded that it did receive capital contributions from 2006 to 2013 and that its accounting treatment was to 'net' the difference between the gross cost of capital additions and the capital contributions paid by customers. FFPC acknowledged that its treatment was a departure from the typical approach, but said that it would implement the use of Account 1995 to record Capital Contributions in the year 2014.

a) Given that FFPC is adopting IFRS in 2015, please confirm that the amounts will be included in Account 2440, Deferred Revenue, which is to be included as an offset to rate base and amortized to income, over the useful life of PPE to which it relates;

FFPC confirms that the capital contributions will be included in Account 2440, Deferred Revenue, and the amounts recognized in this account will be amortized to income over the useful life of the related property, plant and equipment.

b) Please state that the treatment will be consistent with Article 430 of the Accounting Procedures Handbook?

Response:

FFPC will ensure its treatment will be consistent with Article 430 that details the proper method of accounting for Contributions in Aid of Construction.

4.3-VECC-40

a) Is FFPC able to provide the gross capital contributions for each year 2008-2013?

Response:

FFPC has provided the gross capital contributions for 2008-2013 below and the projected capital contribution for 2014.

FFPC's capital contributions are comprised of customer contributed capital to offset the initial cost of transformers to service new General Service >50 kW customers. The 2013 capital contribution was for a small residential subdivision constructed by the Town of Fort Frances, for which FFPC installed the underground electrical distribution system.)

	2008	2009	2010	2011	2012	2013	2014
Capital Contributions	$47,368	$64,229	$0	$15,329	$0	$56,393	$0

b) Based on the explanation provided in response to this interrogatory one would expect that FFPC's forecast capital budget to assume a capital contribution amount based on past experience. Is this in fact the case? If so what amount for capital contributions are assumed in the 2014 forecast? Is the development south of the Town of Fort Frances airport considered as part of the 2014 forecast?

Response:

FFPC has projected a zero ($0) capital contribution for 2014 as there are no new General Service >50 kW customers requesting connection. As FFPC's service territory, the Town of Fort Frances, is experiencing the recessionary effects due to the closure of its main employer, Resolute Forest Products, FFPC does not anticipate new connections requiring capital contributions in 2014.

FFPC's did not assume any capital contributions in its 2014 forecast for any unknown expansions driven by third parties or customers. The development south of the airport was included in FFPC's 2014 capital budget but the budgeted amount did not include any amounts for new connections or customer capital contributions.

6. Financial Performance

Issue 6.1: Do the applicant's proposed rates allow it to meet its obligations to its customers while maintaining its financial viability?

Interrogatory:

6.1-Staff-44

Reference 6.1-Staff-22 (PDF Page 95)

Could FFPC clarify that this level of current investments has been built-up specifically to fund the anticipated levels of capital expenditures in years ahead or whether it is an on-going policy of FFPC to maintain this level of current investments and, if so, why? Please supply the 2013 year end number.

Response:

FFPC maintains its current level of investments for future capital expenditures, as a matter of policy, at the direction of its Board of Directors.

FFPC's level of investment was built up specifically to fund large capital expenditure requirements as the nature of FFPC's asset base demands periodic substation capital re-investment. A recent example of the use of FFPC's investments is the mandated roll-out of smart meters, which was funded entirely from investments.

FFPC's transformer station is also comprised of a relatively low number of highly priced core components such as power transformers. A failure of a single power transformer would result in capital replacement cost of approximately $914,900. Many core station components have already surpassed their Typical-Useful-Life expectancy, as per the Kinectrics report, posing increased risks of failure. The station as a whole is therefore approaching the end of its useful service life. Based on the insurance assessment, the current replacement value of this station exceeds 5 million dollars. Lastly FFPC's asset management plan is indicating that FFPC must transition to intensified capital re-investments to replace a disproportionately large number of assets that are reaching the end of their useful service life. The intensified reinvestments are expected to significantly reduce FFPC's current investment level of $2,128,308.

Interrogatory:

6.1-Staff-45

Reference 6.1-Staff-23 (pdf p. 96**)**

a) Please provide any information on the potential order of magnitude for the impact that the closing the mill would have on FFPC?

Response:

As FFPC did not supply the manufacturing portion of the mill, FFPC's load forecast is still expected to be reasonable, as it was built with the anticipation of a reduction in load due to the curtailment of production at the mill. FFPC expects that the closing of the mill will have gradual long term affects on the community, as opposed drastic short term affects. In the event that no new economic development comes to life to offset the employment opportunities lost, FFPC expects to see slight year-over-year reductions in electricity consumption as residents migrate or struggling businesses close.

b) In the event that the rate relief requested in this application is insufficient to avoid the development of another accumulated deficit, especially in light of the Resolute closing, please discuss what alternatives would be available to FFPC to deal with this matter?

Response:

Since FFPC operates under a 0% rate-of-return, it does not have a profit margin buffer of up to 9.8% per year to absorb unforeseen expenses or the financial impact of not achieving expected efficiency gains. That being said, FFPC believes that the revenue requirement of $1,989,765 requested in this application will be sufficient to avoid the development of another accumulated deficit over the 2014 to 2018 rate horizon.

In the event that a deficit emerges, FFPC might formally seek approval for a "deficit recovery rate-rider" as part of its annual IRM rate setting process following the year in which the deficit was recorded. The rate-rider could be specifically designed to recover prudently incurred expenses, or reductions in revenue, which would cause FFPC to have an actual annual deficit that would have been absorbed if it operated under a rate-of-return model. FFPC envisions that the "deficit amount" would correspond to the actual "net loss for the year", as established in FFPC's annual audited financial statements. FFPC would propose that the recovery period would be one year, and the recovery amount would be allocated to rate class based on the actual distribution revenue collected by rate class in the year in which the deficit occurred. For the sake of simplicity, FFPC would also propose that a volumetric rate rider would be established by rate class by dividing the allocated amount by the volume of actual electricity consumed by rate class in the deficit year. FFPC envisions that the accounting treatment and recovery mechanism would be similar to the "Special Purpose Charge" which recovered expenses incurred by the Ministry of Energy in connection with energy conservation and renewable energy programs.

Alternatively, in the case where there was another accumulated deficit, FFPC might seek relief using the Board's "Z Factor" mechanism that is intended to provide relief for unforeseen events outside of a distributor's management control, regardless of a distributor's rate-setting mechanism at the time of the event.

7. Revenue Requirement

Issue 7.5: Are the proposed capital structure, rate of return on equity and short and long term debt costs appropriate?

Interrogatory:

7.5-Staff-46

Reference 7.5-Staff-27 (PDF Page 127)

a) In the event that FFPC had adopted this (reserve fund) approach in preparing the present application, how would its use have impacted the application? Provide a response of what would have happened if FFPC had given a consideration to the reserve fund approach, or if FFPC is unable to do this because it would be an extensive, involved process, please state that for the record and provide a brief explanation.

Response:

FFPC currently does not know all the details of the reserve fund approach, nor whether it is a good fit for FFPC's operating model. To accurately evaluate this approach would be a very extensive and involved process. FFPC circumstances are further complicated by the rights and obligations of the 1905 Historic Power Agreement, and as such FFPC does not believe it is able to consider this alternative as part of this application.

FFPC expects that it will be better positioned and equipped to consider this approach as part of its next cost of service application.

b) How does FFPC's use of the Board's deemed debt cost fit in light of FFPC's not-for-profit status? Given that FFPC does not have any debt, why would it be reasonable for FFPC to recover the Board's deemed debt costs from that point of view?

Response:

The Board's Cost of Capital Report of December 2009, states in the 4.5 Summary, Table 2: Components of the Board's Cost of Capital Policy:

> *'Where a utility has no actual debt, the deemed long-term debt rate shall apply.'*

As a result, it is appropriate for FFPC to use the Board's deemed debt cost as it reflects Board Policy.

FFPC also believes that its circumstances would be similar to other LDC's who operate at less than 60% debt. As mentioned in part (a), the challenge for FFPC is that as it operates under a 0% rate-of-return, it does not have a profit margin buffer of up to 9.8% per year from which to absorb unforeseen expenses and not achieving expected efficiency gains. In light of this, FFPC believes that the deemed debt cost is a good fit for FFPC as it provides for a modest buffer and provides funds to FFPC similar to other LDCs that operate at less than 60% debt.

Interrogatory:

7.5-VECC-45

a) Is FFPC intending to modify your structure as suggested by the Board Staff in establishing a reserve fund model? It's possible that VECC could argue that FFPC should create the reserve fund and that the Board should order FFPC to do so. One of the reasons that VECC might suggest the Board order FFPC to do so would be for your issues about a regulatory 'cover', so to speak, for FFPC's boarder issues about maintaining the mill agreement and a legal basis to do it.

Response:

FFPC would caution against the Board ordering FFPC to use a reserve fund approach before FFPC has the opportunity to properly investigate this method, consider it and present to the Board evidence of its implications, including the possible negative implications on the 1905 Historic Power Agreement. FFPC's view is that, if FFPC were to operate on any basis other than the current, clearly identifiable zero percent rate-of-return basis, it is likely that this action would be attacked as being "for commercial purposes" and could result in an extensive legal dispute endangering the Historic Power Agreement. At a minimum, even if the legal dispute ultimately upheld FFPC's rights under the Agreement under a reserve fund approach, such a legal dispute would require the incurring of extensive legal fees. FFPC believes that it would be much better served by being granted its requested revenue requirement that was specifically designed to maintain FFPC's financial viability over the course of the rate horizon and maintain the 1905 Historic Power Agreement.

Interrogatory:

7.5-VECC-46

a) Why wouldn't the utility have declared a dividend to the municipality of the cash investments and then have the municipality loan back to the utility as an affiliate? This would create a vehicle to move the interest between the loan from the municipality back into the shareholder's pocket as an interest revenue. Has this ever been thought about to create this lending structure with the municipality?

Response:

FFPC's shareholder and Board of Directors were instrumental in determining the structure and operating philosophy of FFPC, which is under a rate-minimization model. FFPC believes that its operating model of having no debt is in the best interest of its rate payers, as they are therefore not subjected to the burden of paying for carrying charges associated with debt.

Further, FFPC's view is that, if it were to pay dividends, this action would likely be attacked as being "for commercial purposes" and could result in an extensive legal dispute endangering the Historic Power Agreement. At a minimum, even if the legal dispute ultimately upheld FFPC's rights under the Agreement while paying dividends to its shareholder, such a legal dispute would require the incurring of extensive legal fees.

Issue 7.6: Is the proposed forecast of other revenues including those from specific service charges appropriate?

Interrogatory:

7.6- VECC -41

Reference: VECC #26

Preamble: The original question asked for an update for 2013 actuals of the table at E3/T3/S2, page 4 (Titled: Other Operating Revenue/Other Income/Deductions, Investment Income). The response provided updated the table at E3/T2/S1, page 4.

a) Please update the table on page 4 of E3/T3/S2 for 2013 actual values.

Response:

Please find the updated Other Operating Revenue table below.

USoA #	USoA Description	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2012 Actual	Bridge Year	2013 Actual	Test Year
										2013	2013	2014
	Reporting Basis	CGAAP	CGAAP	CGAAP	CGAAP	CGAAP	CGAAP	CGAAP	MIFRS	MIFRS	MIFRS	MIFRS
4235	Specific Service Charges	$ 8,411	$ 11,342	$ 20,662	$ 21,040	$ 29,751	$ 8,953	$ 9,003	$ 9,003	$ 9,000	$ 11,720	$ 9,849
4225	Late Payment Charges	$ 15,340	$ 20,067	$ 20,053	$ 21,922	$ 24,747	$ 23,669	$ 27,178	$ 27,178	$ 24,000	$ 25,067	$ 25,000
4082	Retail Services Revenues			$ 1,367	$ 1,623	$ 1,553	$ 540	$ 3	$ 3		$ 1,194	
4084	Service Transactions Req				$ 1,475	$ 1,475	$ 1,130	$ 583	$ 583		$ 478	
4086	SSS Admin Revenue							$ 10,906	$ 10,906	$ 11,332	$ 11,503	$ 11,184
4210	Electric Property-Rent	$ 37,831	$ 55,011	$ 42,936	$ 44,484	$ 47,328	$ 46,784	$ 47,162	$ 47,162	$ 48,000	$ 47,186	$ 48,000
4230	Sales of Water & Power							$ 12,419	$ 12,419	$ 5,000	$ 5,149	
4245	Govern Assist Direct Income						$ 1,120	$ 1,120	$ 1,120		$ 4,120	
4324	Special Purpose Recovery					$ 18,810	-$ 1,068					
4325	Rev from Merchandise	$ 38,201	$ 38,349	$ 38,752	$ 57,462	$ 73,454	$ 54,814	$ 37,235	$ 37,235	$ 45,000	$ 38,167	$ 25,000
4330	Exp from Merchandise	-$ 37,684	-$ 38,259	-$ 37,782	-$ 47,333	-$ 45,116	-$ 51,346	-$ 33,835	-$ 33,835	-$ 41,500	-$ 33,822	-$ 21,000
4355	Gain on Disposition	$ 35,000	$ 2,390				$ 5,127			$ 13,500	$ 12,593	
4360	Loss on Disposition					-$ 1,220						
4375	Rev from Non-Utility	$ 7,431	$ 60,017	$ 60,017	$ 53,926	$ 134,362	$ 38,484	$ 36,971	$ 36,971	$ 45,000	$ 137,321	$ 45,000
4380	Exp from Non-Utility	-$ 7,204	-$ 59,517	-$ 59,517	-$ 43,635	-$ 116,887	-$ 36,059	-$ 36,522	-$ 36,522	-$ 40,000	-$ 133,544	-$ 40,000
4385	Non-Utility Rental					$ 27,328	$ 22,949	$ 1,673	$ 1,673		$ 44,786	
4390	Misc Non Operating Income	$ 11,400	$ 20,815	$ 16,318	$ 22,495		$ 28,397					
Specific Service Charges		$ 8,411	$ 11,342	$ 20,662	$ 21,040	$ 29,751	$ 8,953	$ 9,003	$ 9,003	$ 9,000	$ 11,720	$ 9,849
Late Payment Charges		$ 15,340	$ 20,067	$ 20,053	$ 21,922	$ 24,747	$ 23,669	$ 27,178	$ 27,178	$ 24,000	$ 25,067	$ 25,000
Other Operating Revenues		$ 37,831	$ 55,011	$ 44,303	$ 47,582	$ 50,355	$ 49,574	$ 72,192	$ 72,192	$ 64,332	$ 69,630	$ 59,184
Other Income or Deductions		$ 47,144	$ 23,795	$ 17,788	$ 42,915	$ 90,731	$ 61,297	$ 5,523	$ 5,523	$ 22,000	$ 65,501	$ 9,000
Total		$ 108,726	$ 110,215	$ 102,806	$ 133,459	$ 195,584	$ 143,494	$ 113,896	$ 113,896	$ 119,332	$ 171,918	$ 103,033

b) Please explain any variance of more than 10% between the forecast 2013 values (per the original Application) and the actual values reported in response to part (a).

Response:

Please find a variance explanation below for:

- *Account 4235 – Specific Service Charges – In 2013 FFPC had $9,006 in reconnection service charges versus $6,905 in 2012;*
- *Accounts 4325/4330 – Revenue and Expenses from Merchandise – FFPC performed less than anticipated work in 2013 with a similar net revenue of $4,345;*
- *Accounts 4375/4380 – Revenue and Expenses from Non-Utility – FFPC performed more Non-Utility work than anticipated with a similar net revenue of $3,777.*
- *Account 4385 – Non-Utility Rental – This is fleet vehicle revenue from the Non-Utility Recoverable work performed for others and was $27,328 in 2010, $22,949 in 2011 and $1,673 in 2012. The 2013 revenue was $44,786 as FFPC constructed a sub-division at cost for the Town of Fort Frances. This type of revenue is irregular and dependent on customer requested work. As this is more of a 'one-time' increase in revenue, FFPC's belief is that this infrequent revenue does not change FFPC's 2014 forecast for Other Operating Revenue.*

8 - Load Forecast, Cost Allocation and Rate Design

Issue 8.1: Is the proposed load forecast, including billing determinants an appropriate reflection of the energy and demand requirements of the applicant?

Interrogatory:

8.1-Staff-47

Reference: 8.1-Staff-30- Response (PDF 112)

FFPC's load forecast analysis tested several variables that were not included in the model as they had a counterintuitive coefficient. For example, the FFPC suggested that conservation activity was increasing load. A number of variables including FFPC CDM activity were tested but not used

Please comment on whether or not this type of result would raise any concerns about the analysis undertaken and, if not, why not?

Response:

There was only one variable that was not included in the model that had a counterintuitive coefficient and that variable was the CDM activity variable. At the time the load forecast was being prepared, FFPC concluded that it would be reasonable to exclude the CDM activity variable from the regression analysis for the following reasons:

1. *As stated in response 8.1-Staff-30, "The FFPC CDM Activity variable had a counter intuitive coefficient since the coefficient was positive. Since CDM activity should reduce load the coefficient on the CDM activity variable is expected to be negative." FFPC was aware of the "war" of econometric models that had become burdensome and costly in other proceedings (i.e. EB-2009-0260) and wanted to endeavour to not go down that road, if possible. As a result, the resulting unintuitive relationship between load growth and CDM activity was addressed by eliminating the CDM activity variable.*

2. *FFPC was aware of the Board's Decision dated August 22, 2013 for Sioux Lookout Hydro Inc.'s ("Sioux Lookout") 2013 cost of service application (EB-2012-0165) which was processed by way of a written hearing (i.e. no settlement). The Board approved a load forecast which excluded the CDM activity variable as its coefficient was not statistically significant. FFPC understands the exclusion of the CDM activity variable in the Sioux Lookout case was not based on an unintuitive relationship between load growth and CDM activity. However, in FFPC's view, since CDM activity did not appear to impact Sioux Lookout's calculations, it would be reasonable to assume that it*

would not impact FFPC's calculations either since both utilities are located in the north and are relatively the same size.

3. *The load forecast without the CDM activity variable had good statistical results such as R square of 97%, adjusted R square of 97% and a monthly mean absolute percentage error of 2.7%.*

4. *The 2014 power purchased kWh forecast of 82,927,700, which excluded the impact of the CDM activity variable, appeared reasonable considering the historical level of power purchases along with the economic downturn in Fort Frances.*

9 – Accounting

Issue 9.1: Are the proposed deferral accounts, both new and existing, account balances, allocation methodology, disposition periods and related rate riders appropriate?

Interrogatory:

9.1-Staff-48

Reference: 9.1-Staff-34 (b) (PDF Page 121)

Please confirm that FFPC will correct the RRR filing 2.1.7 for 2013 entry of -$106,480 in Account 2425?

Response:

FFPC will correct the RRR filing 2.1.7 for 2013 for the entry of -$106,480 in Account 2425 and has contacted the OEB staff to allow access to the filing website to correct this issue.

Interrogatory:

9.1-Staff-49

Reference: 9.1-Staff-38 (PDF Page 126)

a) Please provide the calculation supporting the stranded meter rate riders per customers shown in the revised Table 9.1.7.

Response:

Please find below the original table plotting the stranded meter assets by rate class created at the beginning of the Smart Meter Initiative. FFPC determined from the existing customer database the net value of the existing meters by rate class based on the type of meter and installation date prior to smart meter replacement. Depreciation was calculated over a 25 year amortization period.

(Note: The data was collected on the requirement of the January 16, 2007 letter stating that the distributor must have owned stranded meters prior to January 1, 2006 in order to record stranded meter recovery costs. This requirement was amended to include all stranded meter assets in Ontario Regulation 441/07 and the table below combines both pre and post 2006 stranded meter values.)

Fort Frances Power Corporation Stranded Meter Inventory - Net Book Value History							
	2008 Year End		2009 Year End	2010 Year End	2011 Year End	2012 Year End	2013 Year End
	# Meters in Service	Net Book Value					
Residential							
Post 2006	**441**	*$15,751*	$15,019.96	$14,137.25	$13,374.71	$12,612.16	$11,893.09
Pre 2006	**2842**	*$45,250*	$41,172.53	$35,860.67	$30,913.28	$25,965.89	$21,810.28
	3283	**$61,001**	**$56,192.48**	**$49,997.93**	**$44,287.99**	**$38,578.46**	**$33,703.78**
GU							
Post 2006 - 3WS	**52**	*$3,650*	$3,480.59	$3,276.04	$3,099.34	$2,922.63	$2,756.00
Demand	**18**	*$8,694*	$8,290.49	$7,803.27	$7,382.37	$6,961.47	$6,564.57
Pre 2006 - 3WS	**287**	*$24,058*	$21,890.14	$19,065.99	$16,435.62	$13,805.24	$11,595.84
Demand	**65**	*$30,069*	$27,359.49	$23,829.72	$20,542.13	$17,254.55	$14,493.11
	422	***$66,471***	**$61,020.71**	**$53,975.02**	**$47,459.46**	**$40,943.90**	**$35,409.52**
GS							
Post 2006-DS	**3**	*$1,665*	$1,587.72	$1,494.41	$1,413.81	$1,333.20	$1,257.19
GS	**6**	*$3,310*	$3,156.37	$2,970.88	$2,810.63	$2,650.39	$2,499.28
Pre 2006- DS	**13**	*$4,373*	$3,978.95	$3,465.61	$2,987.49	$2,509.37	$2,107.76
GS	**25**	*$10,000*	$9,098.90	$8,564.17	$7,382.64	$6,201.12	$5,208.68
	47	***$19,348***	**$17,821.95**	**$16,495.07**	**$14,594.57**	**$12,694.07**	**$11,072.92**
Summary							
After 2006	**533**	**$33,070**	**$31,535**	**$29,682**	**$28,081**	**$26,480**	**$24,970**
Pre 2006	**3,452**	**$113,750**	**$103,500**	**$90,786**	**$78,261**	**$65,736**	**$55,216**
Net Book Value	***7737***	***$146,820***	***$133,417***	***$119,291***	***$105,166***	***$92,216***	***$80,186***
Depreciation				$14,126	$14,125	$12,949	$12,031
Accum. Amortization		***$244,323***	***$258,449***	***$272,575***	***$286,700***	***$299,649***	***$311,680***
Gross Book Value		***$391,866***	***$391,866***	***$391,866***	***$391,866***	***$391,866***	***$391,866***

The table below calculates the monthly charge per customer by:

- *Calculating the recovery amount by rate class per customer by dividing the # of meters in service by the Total Disposition Amount;*
- *The 'Recovery per Customer' is then divided by twelve to reach the monthly charge.*

	# of Meters in Service	Total Disposition Amount	Recovery per Customer	Monthly Charge per Customer
Residential	3283	$33,704	$10.27	$0.86
GS <50 kW	422	$35,410	$83.91	$6.99
GS >50 kW	47	$11,073	$235.59	$19.63

b) Place on the record of this proceeding the rationale provided by FFPC EB-2012-0327 Smart Meter proceeding, for the recovery of Smart Meter Costs for the General Service Greater than 50 kW rate class.

Response:

In FFPC's Smart Meter 2012 Smart Meter Application, EB-2012-0327, FFPC sought to recover the Costs Beyond Minimum Functionality-Installation of Smart Meters for GS>50kW Class as provided in the extracted excerpt below:

Costs Beyond Minimum Functionality- Installation of Smart Meters for GS >50 kW Class

FFPC has a stable rate base with only 47 customers in the GS>50 kW rate class. A management decision was made early in the Smart Meter implementation plans to install smart meters in this rate class beyond minimum functionality. This decision was based on the following rationale:

- As the GS>50 kW rate class is less than 1.5% of installed meters scattered throughout FFPC's service territory, this would require manual meter reads by a contracted meter reader;
- FFPC's Elster meters use a 'mesh technology', where hourly meter readings 'hop' from meter to meter along a path to one of the seven installed collectors. The installation of smart meters in the GS>50 kW rate class improves this system by providing coverage in less dense areas within our service territory. FFPC did not require the installation of any repeaters due to the integrity of this smart meter network.
- FFPC reclassifies customer accounts according to Section 2.5 of the Distribution Service Code as part of an annual customer review. This annual review reclassifies customers between the GS<50 kW and the GS>50 kW, depending on the electricity consumption during the previous past year. Having all GS customers utilizing the same smart meter technology allows for efficient transfers between rate classes without exchanging meters.
- FFPC, through its smart meter program, has taken a large technological jump from manual meter reads and billing inputs with limited billing data output to the 15 minute to hourly consumption data available from the smart meter information system. As our GS>50 kW customers have the highest potential for conservation results, without access to this consumption data, our largest consumers would be disadvantaged in these pursuits.
- The involvement of GS>50 kW customers in the smart meter program also allows access to Web presentment, when available. It is not prudent to cross-subsidize between rate classes and as

FFPC's GS>50 kW have contributed to Smart Meter Revenues collected to date, we believe that it is only fair to make this technology available to all of FFPC customers.

FFPC proposes to recover the installation and operational costs for the GS>50 kW customers by a SMIRR charge based on the following rationale:

- As FFPC reclassifies GS customers, it is prudent to treat all customers without benefit or burden based on an annual review;
- FFPC believes that without the recovery of SMDR and SMIRR from the GS>50 kW customers, the remaining rate classes would be cross-subsidizing this rate class. The GS>50 kW customers utilize the same installed infrastructure, which includes the WAN installation and operation, CIS and billing upgrades, AMCC operation and future web presentment;
- As FFPC is a 'not-for-profit' LDC, the ability to recover costs from the GS>50 kW rate class for capital and operating costs would ensure that the financial viability of the LDC is not undermined.

c) Provide a justification as to why the stranded meter recovery from the General Service Greater than 50 kW rate class is supported based on the response to b) above and any other reasons.

Response:

FFPC seeks to recover the stranded meter recovery from the General Service Greater than 50 kW rate class to ensure the following:

- *That all of FFPC's customers are treated without benefit or burden. The GS >50 kW rate class has shared in the benefits of Smart Meter technology and should be responsible for a proportionate share in the capital replacement cost involved.*
- *FFPC General Service customers can migrate to and from the GS>50 kW and the GS<50 kW rate class. Seeking recovery for stranded meter assets from all rate classes eliminates the chance of rate cross-subsidizing.*
- *Without the stranded meter recovery from the General Service Greater than 50 kW rate class, FFPC would be unable to recover these unamortized capital costs, creating a loss in capital recovery.*

Interrogatory:

9.1-VECC-42

Reference: 9.1-VECC-31

a) We are unable to locate the updated 2013 Continuity Schedule as requested in part c) of the interrogatory.

Response:

Please find the updated 2013 Continuity Schedule with the 2013 Year-End Actuals below.

FORT FRANCES POWER CORPORATION
Fixed Asset Continuity Schedule - CGAAP/Revised CGAAP 2013

Year **2013** **ACTUAL**

				Cost				Accumulated Depreciation				
CCA Class	OEB	Description	Net Book Value	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Net Book Value
12	1611	Computer Software (Formally	$ 8,044	$ 29,854	$ 31,544		$ 61,398	$ 24,316	$ 7,769		$ 32,085	$ 29,313
CEC	1612	Land Rights (Formally known as	$ -	$ -			$ -	$ -			$ -	$ -
N/A	1805	Land	$ 100,000	$ 100,000			$ 100,000	$ -			$ -	$ 100,000
47	1808	Buildings	$ 95,728	$ 823,377			$ 823,377	$ 742,282	$ 8,940		$ 751,222	$ 72,155
13	1810	Leasehold Improvements	$ -	$ -			$ -	$ -			$ -	$ -
47	1815	Transformer Station Equipment >50	$ -	$ 1,076,223			$ 1,076,223	$ 937,925	$ 6,586		$ 944,510	$ 131,713
47	1820	Distribution Station Equipment <50	$ 164,431	$ -			$ -	$ -			$ -	$ -
47	1825	Storage Battery Equipment	$ 9,565	$ 9,565			$ 9,565	$ -	$ 1,594		$ 1,594	$ 7,971
47	1830	Poles, Towers & Fixtures	$ 1,203,458	$ 5,169,629	$ 129,673		$ 5,299,302	$ 2,128,479	$ 34,212		$ 2,162,691	$ 3,136,611
47	1835	Overhead Conductors & Devices	$ 400,559	$ 401,309			$ 401,309	$ 1,360,441	$ 6,904		$ 1,367,345	-$ 966,035
47	1840	Underground Conduit	$ 2,183	$ 2,183	$ 23,391		$ 25,574	$ 221,234	$ 1,598		$ 222,832	-$ 197,258
47	1845	Underground Conductors & Devices	$ 67,780	$ 97,939	$ 32,461		$ 130,400	$ 302,331	$ 6,983		$ 309,314	-$ 178,914
47	1850	Line Transformers	$ 188,327	$ 1,209,373	$ 7,665		$ 1,217,038	$ 1,038,399	$ 15,348		$ 1,053,747	$ 163,291
47	1855	Services (Overhead & Underground)	$ 7,197	$ 7,197	$ 6,273		$ 13,470	$ -	$ 1,107		$ 1,107	$ 12,363
47	1860	Meters	$ 130,573	$ -			$ -	-$ 0			-$ 0	$ 0
47	1860	Meters (Smart Meters)	$ -	$ 841,418			$ 841,418	$ 209,763	$ 63,166		$ 272,928	$ 568,490
N/A	1905	Land	$ -	$ -			$ -	$ -			$ -	$ -
47	1908	Buildings & Fixtures	$ 140,880	$ 405,108			$ 405,108	$ 253,467	$ 3,451		$ 256,918	$ 148,190
13	1910	Leasehold Improvements	$ 70,495	$ 86,122	$ 22,014		$ 108,136	$ 18,172	$ 4,530		$ 22,702	$ 85,434
8	1915	Office Furniture & Equipment (10	$ 17,409	$ 117,407			$ 117,407	$ 103,679	$ 2,746		$ 106,424	$ 10,983
8	1915	Office Furniture & Equipment (5	$ -	$ -			$ -	$ -			$ -	$ -
10	1920	Computer Equipment - Hardware	$ 7,296	$ 47,051	$ 1,564		$ 48,615	$ 42,744	$ 2,311		$ 45,055	$ 3,560
45	1920	Computer Equip.-Hardware(Post	$ -	$ -			$ -	$ -			$ -	$ -
45.1	1920	Computer Equip.-Hardware(Post	$ -	$ -			$ -	$ -			$ -	$ -
10	1930	Transportation Equipment	$ 238,896	$ 696,398	$ 115,799	$ 107,038	$ 705,159	$ 499,678	$ 25,718	$ 107,038	$ 418,357	$ 286,802
8	1935	Stores Equipment	$ -	$ -			$ -	$ -			$ -	$ -
8	1940	Tools, Shop & Garage Equipment	$ 17,770	$ 153,134			$ 153,134	$ 140,014	$ 6,560		$ 146,574	$ 6,560
8	1945	Measurement & Testing Equipment	$ -	$ -	$ 8,182		$ 8,182	$ -	$ 511		$ 511	$ 7,671
8	1950	Power Operated Equipment	$ -	$ -			$ -	$ -			$ -	$ -
8	1955	Communications Equipment	$ -	$ -			$ -	$ -			$ -	$ -
8	1955	Communication Equipment (Smart	$ -	$ -			$ -	$ -			$ -	$ -
8	1960	Miscellaneous Equipment	$ -	$ -			$ -	$ -			$ -	$ -
47	1970	Load Management Controls	$ -	$ -			$ -	$ -			$ -	$ -
47	1975	Load Management Controls Utility	$ -	$ -			$ -	$ -			$ -	$ -
47	1980	System Supervisor Equipment	$ -	$ -			$ -	$ -			$ -	$ -
47	1985	Miscellaneous Fixed Assets	$ -	$ -			$ -	$ -			$ -	$ -
47	1990	Other Tangible Property	$ -	$ -			$ -	$ -			$ -	$ -
47	1995	Contributions & Grants	$ -	$ -			$ -	$ -			$ -	$ -
47	1531	REG Capital Deferral Account	$ -	$ 27,672	$ 21,093		$ 48,765	$ 804	$ 973		$ 1,777	$ 46,988
	etc.		$ -	$ -			$ -	$ -			$ -	$ -
		Sub-Total	**$ 2,870,592**	**$ 11,300,959**	**$ 399,659**	**$ 107,038**	**$ 11,593,580**	**$ 8,023,726**	**$ 201,006**	**$ 107,038**	**$ 8,117,693**	**$ 3,475,887**
		Less Socialized Renewable Energy	$ -	-27672	-21093		-$ 48,765	-803.55	-973.2		-$ 1,777	-$ 46,988
		Less Other Non Rate-Regulated	$ -	0			$ -				$ -	
		Total PP&E	**$ 2,870,592**	**$ 11,273,287**	**$ 378,566**	**$ 107,038**	**$ 11,544,815**	**$ 8,022,922**	**$ 200,032**	**$ 107,038**	**$ 8,115,916**	**$ 3,428,898**

			Less: *Fully Allocated Depreciation*	
10		Transportation	Transportation	
8		Stores Equipment	Stores Equipment	
			Net Depreciation	$ 200,032

b) Please also update Table 2.1.1(a) at Exhibit 2, Tab 1, Schedule 1, page 3, to show 2013 actuals.

Response:

FFPC has updated Table 2.1.1 (a) to show 2013 actuals.

Description	2006 OEB Approved	2006 Actuals	2007 Actuals	2008 Actuals	2009 Actuals	2010 Actuals	2011 Actuals	2012 Actuals	2013 Actuals	2014 Test Year
Gross Fixed Assets	$8,987,154	$9,547,550	$9,645,591	$9,832,493	$10,110,278	$10,617,987	$10,629,133	$11,273,287	$11,544,815	$12,279,383
Accumulated Depreciation	$5,489,308	$6,179,199	$6,479,991	$6,852,035	$7,200,755	$7,543,754	$7,758,541	$8,022,924	$8,115,918	$8,339,639
Net Book Value	$3,497,846	$3,368,351	$3,165,600	$2,980,458	$2,909,523	$3,074,233	$2,870,592	$3,250,363	$3,428,898	$3,939,744
Average Net Book Value	$3,497,846	$3,433,098	$3,266,975	$3,073,029	$2,944,991	$2,991,878	$2,972,412	$3,060,477	$3,339,630	$3,684,321
Working Capital	$6,418,320	$6,944,887	$7,340,034	$7,171,248	$7,639,514	$7,060,565	$7,502,303	$8,902,297	$9,487,540	$8,650,546
Working Capital Allowance	$962,748	$1,041,733	$1,101,005	$1,075,687	$1,145,927	$1,059,085	$1,125,346	$1,335,345	$1,233,380	$1,124,571
Rate Base	**$4,460,594**	**$4,434,837**	**$4,367,981**	**$4,148,716**	**$4,090,916**	**$4,050,961**	**$4,097,757**	**$4,395,821**	**$4,573,010**	**$4,793,453**
OEB Prescribed Cap Allowance	*15%*	*15%*	*15%*	*15%*	*15%*	*15%*	*15%*	*15%*	*13%*	*13%*

Interrogatory:

9.1-VECC-43

a) Please update the RRWF Excel Spreadsheet and provide (separately) a table which details the change. An example of that table is shown below.

Response:

FFPC has no changes to the RRWF as detailed in Interrogatory 7.7-Staff- 28, that responded as:

'FFPC has not updated the RRWF model as there are no corrections or adjustments to be made.'

-End of Document-

Appendix A

Fort Frances Power Corporation

Response to May 29, 2014 Interrogatories, 1.1-Staff-40 (b)

Annual Energy Savings if Fort Frances Power Corporation

Provided Electrical Service to the Town of Fort Frances Residential Customers

Currently Serviced by Hydro One Networks Inc.

Consuming 1,000 Kilowatt Hours per Month for Years 2006 to 2013

1.1-Staff-40 (b) Response: Appendix A

Annual Electricity Cost Savings if Fort Frances Power Corporation provided electricity supply to the Town of Fort Frances residents currently serviced by Hydro One.

2006

FFPC - Residential Bill Calculation -

Rate Description	Rate		unit	Bill	RPP RATES May 1, 2006
Total Consumption	**1,000**				
Loss Uplift/Factor	**40.60**	**4.06%**			
Total Consumption	**1,040.60**				
Your Electricity Charges					
RPP- Tier 1	0.0580	600	kwh	$34.80	
RPP-Tier 2	0.0670	441	kwh	$29.52	
Power Agreement Credit	-0.0150		kwh	**(15.61)**	**$48.71**
Delivery Charge		**Rate Comp**			
Monthly Service Charge	$11.50	FLA	monthly		**$ 11.50**
Distribution Volumetric Chg*	0.0075	DST	kwh		**7.50**
Network Service Rate	0.0052	TRN1	kwh		**5.41**
Connection Service Rate	0.0017	TCN2	kwh		**1.77**
Regulatory Charge					
Wholesale Market Service	0.0062	IEMO	kwh	6.45	
SS Administration Fee	0.2500		monthly	0.25	**6.70**
Debt Retirement Charge	0.0047	DRC	kwh		**4.70**
				subtotal	**86.29**
				GST	**4.31**
***Rate Rider Adjusted**					**90.61**
	Monthly Estimated Bill				**$90.61**
	Annual Estimated Bill -Rebate Adjusted				**$1,068.41**
	Annual Power Agreement Rebate				**$18.88**

Hydro One- Residential-Low Density

Rate Description	Rate		unit	Bill	RPP RATES May 1, 2006
Total Consumption	**1,000**				
Loss Uplift/Factor	**50.45**	**5.05%**			
Total Consumption	**1,050.45**				
Your Electricity Charges					
RPP- Tier 1	0.0580	600	kwh	$34.80	
RPP-Tier 2	0.0670	450	kwh	$30.18	
					$64.98
Delivery Charge		**Rate Comp**			
Monthly Service Charge	$28.30	FLA	monthly		**$ 28.30**
Distribution Volumetric Chg*	0.0218	DST	kwh		**21.80**
Network Service Rate	0.0055	TRN1	kwh		**5.78**
Connection Service Rate	0.0047	TCN2	kwh		**4.94**
Regulatory Charge					
Wholesale Market Service	0.0062	IEMO	kwh	6.51	
SS Administration Fee	0.2500		monthly	0.25	**6.76**
Debt Retirement Charge	0.0070	DRC	kwh		**7.00**
				subtotal	**139.56**
				GST	**6.98**
***Rate Rider Adjusted**					**146.54**
	Monthly Estimated Bill				**$146.54**
	Annual Estimated Bill				**$1,758.42**

Estimated Annual Electricity Cost Savings if the Town of Fort Frances Residents paid FFPC rates instead of Hydro One rates: -$690.01

2007

FFPC - Residential Bill Calculation -

Rate Description	Rate		unit	Bill	RPP RATES	May 1, 2007
Total Consumption	**1,000**					
Loss Uplift/Factor	**40.60**	**4.06%**				
Total Consumption	**1,040.60**					
Your Electricity Charges						
RPP- Tier 1	0.0530	600	kwh	$31.80		
RPP-Tier 2	0.0620	441	kwh	$27.32		
Power Agreement Credit	-0.0150		kwh	**(15.61)**		**$43.51**
Delivery Charge		**Rate Comp**				
Monthly Service Charge	$11.60	FLA	monthly		$	**11.60**
Distribution Volumetric Chg*	0.0075	DST	kwh			**7.50**
Network Service Rate	0.0052	TRN1	kwh			**5.41**
Connection Service Rate	0.0017	TCN2	kwh			**1.77**
Regulatory Charge						
Wholesale Market Service	0.0062	IEMO	kwh	6.45		
SS Administration Fee	0.2500		monthly	0.25		**6.70**
Debt Retirement Charge	0.0047	DRC	kwh			**4.70**
				subtotal		**81.19**
				GST		**4.06**
***Rate Rider Adjusted**						**85.25**
			Monthly Estimated Bill			**$85.25**
			Annual Estimated Bill -Rebate Adjusted			**$992.84**
			Annual Power Agreement Rebate			**$30.16**

Hydro One- Residential-Low Density

Rate Description	Rate		unit	Bill	RPP RATES	May 1, 2007
Total Consumption	**1,000**					
Loss Uplift/Factor	**50.45**	**5.05%**				
Total Consumption	**1,050.45**					
Your Electricity Charges						
RPP- Tier 1	0.0530	600	kwh	$31.80		
RPP-Tier 2	0.0620	450	kwh	$27.93		**$59.73**
Delivery Charge		**Rate Comp**				
Monthly Service Charge	$28.30	FLA	monthly		$	**28.30**
Distribution Volumetric Chg*	0.0218	DST	kwh			**21.80**
Network Service Rate	0.0055	TRN1	kwh			**5.78**
Connection Service Rate	0.0047	TCN2	kwh			**4.94**
Regulatory Charge						
Wholesale Market Service	0.0062	IEMO	kwh	6.51		
SS Administration Fee	0.2500		monthly	0.25		**6.76**
Debt Retirement Charge	0.0070	DRC	kwh			**7.00**
				subtotal		**134.31**
				GST		**6.72**
***Rate Rider Adjusted**						**141.02**
			Monthly Estimated Bill			**$141.02**
			Annual Estimated Bill			**$1,692.25**
(Used 2006 Rates as 2007 Rate Unfound)						

Estimated Annual Electricity Cost Savings if the Town of Fort Frances Residents paid FFPC rates instead of Hydro One rates: -$699.41

2008

FFPC - Residential Bill Calculation -

Rate Description	Rate		unit	Bill	RPP RATES May 1, 2008
Total Consumption	**1,000**				
Loss Uplift/Factor	**40.60**	4.06%			
Total Consumption	**1,040.60**				
Your Electricity Charges					
RPP- Tier 1	0.0500	600	kwh	$30.00	
RPP-Tier 2	0.0590	441	kwh	$26.00	
Power Agreement Credit	-0.0150		kwh	**(15.61)**	**$40.39**
Delivery Charge		**Rate Comp**			
Monthly Service Charge	$11.77	FLA	monthly		**$ 11.77**
Distribution Volumetric Chg*	0.0084	DST	kwh		**8.40**
Network Service Rate	0.0043	TRN1	kwh		**4.47**
Connection Service Rate	0.0016	TCN2	kwh		**1.66**
Regulatory Charge					
Wholesale Market Service	0.0062	IEMO	kwh	6.45	
SS Administration Fee	0.2500		monthly	0.25	**6.70**
Debt Retirement Charge	0.0047	DRC	kwh		**4.70**
				subtotal	**78.10**
				GST	**3.90**
***Rate Rider Adjusted**					**82.00**
	Monthly Estimated Bill				**$82.00**
	Annual Estimated Bill -Rebate Adjusted				**$948.63**
	Annual Power Agreement Rebate				**$35.40**

Hydro One- Residential-Low Density

Rate Description	Rate		unit	Bill	RPP RATES May 1, 2008
Total Consumption	**1,000**				
Loss Uplift/Factor	**90.20**	9.02%			
Total Consumption	**1,090.20**				
Your Electricity Charges					
RPP- Tier 1	0.0500	600	kwh	$30.00	
RPP-Tier 2	0.0590	490	kwh	$28.92	
					$58.92
Delivery Charge		**Rate Comp**			
Monthly Service Charge	$28.19	FLA	monthly		**$ 28.19**
Distribution Volumetric Chg*	0.0248	DST	kwh		**24.80**
Network Service Rate	0.0046	TRN1	kwh		**5.01**
Connection Service Rate	0.0043	TCN2	kwh		**4.69**
Regulatory Charge					
Wholesale Market Service	0.0062	IEMO	kwh	6.76	
SS Administration Fee	0.2500		monthly	0.25	**7.01**
Debt Retirement Charge	0.0070	DRC	kwh		**7.00**
				subtotal	**135.62**
				GST	**6.78**
***Rate Rider Adjusted**					**142.41**
	Monthly Estimated Bill				**$142.41**
	Annual Estimated Bill				**1,708.86**

Estimated Annual Electricity Cost Savings if the Town of Fort Frances Residents paid FFPC rates instead of Hydro One rates: -$760.23

2009

FFPC - Residential Bill Calculation -

Rate Description	Rate		unit	Bill	RPP RATES May 1, 2009
Total Consumption	**1,000**				
Loss Uplift/Factor	**40.60**	**4.06%**			
Total Consumption	**1,040.60**				
Your Electricity Charges					
RPP- Tier 1	0.0570	600	kwh	$34.20	
RPP-Tier 2	0.0660	441	kwh	$29.08	
Power Agreement Credit	-0.0150		kwh	**(15.61)**	**$47.67**
Delivery Charge		**Rate Comp**			
Monthly Service Charge	$11.77	FLA	monthly		**$ 11.77**
Distribution Volumetric Chg*	0.0084	DST	kwh		**8.40**
Network Service Rate	0.0043	TRN1	kwh		**4.47**
Connection Service Rate	0.0016	TCN2	kwh		**1.66**
Regulatory Charge					
Wholesale Market Service	0.0065	IEMO	kwh	6.76	
SS Administration Fee	0.2500		monthly	0.25	**7.01**
Debt Retirement Charge	0.0047	DRC	kwh		**4.70**
				subtotal	**85.69**
				GST	**4.28**
***Rate Rider Adjusted**					**89.98**

Monthly Estimated Bill	**$89.98**
Annual Estimated Bill -Rebate Adjusted	**$1,044.34**
Annual Power Agreement Rebate	**$35.40**

Hydro One- Residential-Low Density

Rate Description	Rate		unit	Bill	RPP RATES May 1, 2009
Total Consumption	**1,000**				
Loss Uplift/Factor	**92.00**	**9.20%**			
Total Consumption	**1,092.00**				
Your Electricity Charges					
RPP- Tier 1	0.0570	600	kwh	$34.20	
RPP-Tier 2	0.0660	492	kwh	$32.47	
					$66.67
Delivery Charge		**Rate Comp**			
Monthly Service Charge	$27.16	FLA	monthly		**$ 27.16**
Distribution Volumetric Chg*	0.0278	DST	kwh		**27.80**
Network Service Rate	0.0052	TRN1	kwh		**5.68**
Connection Service Rate	0.0045	TCN2	kwh		**4.91**
Regulatory Charge					
Wholesale Market Service	0.0065	IEMO	kwh	7.10	
SS Administration Fee	0.2500		monthly	0.25	**7.35**
Debt Retirement Charge	0.0070	DRC	kwh		**7.00**
				subtotal	**146.57**
				GST	**7.33**
***Rate Rider Adjusted**					**153.90**

Monthly Estimated Bill	**153.90**
Annual Estimated Bill	**1,846.81**

Estimated Annual Electricity Cost Savings if the Town of Fort Frances Residents paid FFPC rates instead of Hydro One rates: -$802.47

2010

FFPC - Residential Bill Calculation -

Rate Description	Rate		unit	Bill	May 1, 2010
		RPP RATES			
Total Consumption	**1,000**				
Loss Uplift/Factor	**40.60**	**4.06%**			
Total Consumption	**1,040.60**				
Your Electricity Charges					
RPP- Tier 1	0.0650	600	kwh	$39.00	
RPP-Tier 2	0.0750	441	kwh	$33.05	
Power Agreement Credit	-0.0100		kwh	**(10.41)**	**$61.64**
Delivery Charge		**Rate Comp**			
Monthly Service Charge**	$12.85	FLA	monthly		**$ 12.85**
Distribution Volumetric Chg*	0.0087	DST	kwh		**8.70**
Network Service Rate	0.0050	TRN1	kwh		**5.20**
Connection Service Rate	0.0016	TCN2	kwh		**1.66**
Regulatory Charge					
Wholesale Market Service	0.0065	IEMO	kwh	6.76	
SS Administration Fee	0.2500		monthly	0.25	**7.01**
Debt Retirement Charge	0.0047	DRC	kwh		**4.70**
				subtotal	**101.77**
				HST	**13.23**
***Rate Rider Adjusted**					**115.00**
****Smart Meter Adder-$1.00**					
	Monthly Estimated Bill				**$115.00**
	Annual Estimated Bill -Rebate Adjusted				**$1,028.94**
2010 Rebate Adjustment	**Annual Power Agreement Rebate**				**$351.07**

Hydro One- Residential-Low Density

Rate Description	Rate		unit	Bill	May 1, 2010
		RPP RATES			
Total Consumption	**1,000**				
Loss Uplift/Factor	**92.00**	**9.20%**			
Total Consumption	**1,092.00**				
Your Electricity Charges					
RPP- Tier 1	0.0650	600	kwh	$39.00	
RPP-Tier 2	0.0750	492	kwh	$36.90	
					$75.90
Delivery Charge		**Rate Comp**			
Monthly Service Charge	$27.45	FLA	monthly		**$ 27.45**
Distribution Volumetric Chg*	0.03245	DST	kwh		**32.45**
Network Service Rate	0.00574	TRN1	kwh		**6.27**
Connection Service Rate	0.0044	TCN2	kwh		**4.80**
Regulatory Charge					
Wholesale Market Service	0.0065	IEMO	kwh	7.10	
SS Administration Fee	0.2500		monthly	0.25	**7.35**
Debt Retirement Charge	0.0070	DRC	kwh		**7.00**
				subtotal	**161.22**
				HST	**20.96**
***Rate Rider Adjusted**					**182.18**
	Monthly Estimated Bill				**182.18**
	Annual Estimated Bill				**2,186.16**

Estimated Annual Electricity Cost Savings if the Town of Fort Frances Residents paid FFPC rates instead of Hydro One rates: -$1,157.21

2010 Rebate Adjustment

In 2010, FFPC rebated to eligible customers an additional rebate for Historic Mill Agreement Global Adjustment charge recovery from 2005-2009 in addition to the 2010 rebate for the power agreement. The end rebate was calculated at the rate of -$.02488/kWh

2011

FFPC - Residential Bill Calculation -

Rate Description	Rate		unit	Bill	May 1, 2011
		TOU RATES			
Total Consumption	**1,000**				
Loss Uplift/Factor	**40.60**	**4.06%**	**64.00%**		
Total Consumption	**1,040.60**		**18.00%**		
			18.00%		
Your Electricity Charges					
Off-Peak	0.0620	666	kwh	$41.29	
Mid-Peak	0.0920	187	kwh	$17.23	
On-Peak	0.1080	187	kwh	$20.23	**$68.35**
Power Agreement Credit	-0.0100		kwh	**(10.41)**	
Delivery Charge		**Rate Comp**			
Monthly Service Charge**	$14.52	FLA	monthly		**$ 14.52**
Distribution Volumetric Chg*	0.0087	DST	kwh		**8.70**
Network Service Rate	0.0061	TRN1	kwh		**6.35**
Connection Service Rate	0.0017	TCN2	kwh		**1.77**
Regulatory Charge					
Wholesale Market Service	0.0065	IEMO	kwh	6.76	
SS Administration Fee	0.2500		monthly	0.25	**7.01**
Debt Retirement Charge	0.0047	DRC	kwh		**4.70**
				subtotal	**111.40**
****Smart Meter Adder-$2.50**				**HST**	**14.48**
***Rate Rider Adjusted**					**125.88**
Ontario Clean Energy Benefit - 10% Reduction of total bill					**(13.63)**
	Monthly Estimated Bill				**$112.25**
	Annual Estimated Bill -Rebate Adjusted				**$1,126.88**
	Annual Power Agreement Rebate				**$220.12**

Hydro One- Residential-Low Density

Rate Description	Rate		unit	Bill	May 1, 2011
		TOU RATES			
Total Consumption	**1,000**				
Loss Uplift/Factor	**92.00**	**9.20%**	**64.00%**		
Total Consumption	**1,092.00**		**18.00%**		
			18.00%		
Your Electricity Charges					
Off-Peak	0.0620	699	kwh	$43.33	
Mid-Peak	0.0920	197	kwh	$18.08	
On-Peak	0.1080	197	kwh	$21.23	**$82.64**
Delivery Charge		**Rate Comp**			
Monthly Service Charge	$32.80	FLA	monthly		**$ 32.80**
Distribution Volumetric Chg*	0.03456	DST	kwh		**34.56**
Network Service Rate	0.00574	TRN1	kwh		**6.27**
Connection Service Rate	0.0044	TCN2	kwh		**4.80**
Regulatory Charge					
Wholesale Market Service	0.0065	IEMO	kwh	7.10	
SS Administration Fee	0.2500		monthly	0.25	**7.35**
Debt Retirement Charge	0.0070	DRC	kwh		**7.00**
				subtotal	**175.42**
				HST	**22.81**
***Rate Rider Adjusted**					**198.23**
Ontario Clean Energy Benefit - 10% Reduction of total bill					**(19.82)**
	Monthly Estimated Bill				**178.41**
	Annual Estimated Bill				**2,140.87**

Estimated Annual Electricity Cost Savings if the Town of Fort Frances Residents paid FFPC rates instead of Hydro One rates: -$1,013.99

2012

FFPC - Residential Bill Calculation -

Rate Description	Rate	TOU RATES	unit	Bill	May 1, 2012
Total Consumption	**1,000**				
Loss Uplift/Factor	**40.60**	**4.06%**	64.00%		
Total Consumption	**1,040.60**		18.00%		
			18.00%		
Your Electricity Charges					
Off-Peak	0.0650	666	kwh	$43.29	
Mid-Peak	0.1000	187	kwh	$18.73	
On-Peak	0.1170	187	kwh	$21.92	**$65.72**
Power Agreement Credit	-0.0175		kwh	**(18.21)**	
Delivery Charge		**Rate Comp**			
Monthly Service Charge**	$11.99	FLA	monthly		**$ 11.99**
Distribution Volumetric Chg*	0.0051	DST	kwh		**5.10**
Network Service Rate	0.0067	TRN1	kwh		**6.97**
Connection Service Rate	0.0016	TCN2	kwh		**1.66**
Regulatory Charge					
Wholesale Market Service	0.0063	IEMO	kwh	6.56	
SS Administration Fee	0.2500		monthly	0.25	**6.81**
Debt Retirement Charge	0.0047	DRC	kwh		**4.70**
				subtotal	**102.96**
				HST	**13.38**
***Rate Rider Adjusted**					**116.34**
Ontario Clean Energy Benefit - 10% Reduction of total bill					**(13.46)**
	Monthly Estimated Bill				**$102.89**
	Annual Estimated Bill -Rebate Adjusted				**$1,093.53**
	Annual Power Agreement Rebate				**$141.11**

Hydro One- Residential-Low Density

Rate Description	Rate	TOU RATES	unit	Bill	May 1, 2012
Total Consumption	**1,000**				
Loss Uplift/Factor	**92.00**	**9.20%**	**64.00%**		
Total Consumption	**1,092.00**		**18.00%**		
			18.00%		
Your Electricity Charges					
Off-Peak	0.0650	699	kwh	$45.43	
Mid-Peak	0.1000	197	kwh	$19.66	
On-Peak	0.1170	197	kwh	$23.00	**$88.08**
Delivery Charge		**Rate Comp**			
Monthly Service Charge	$32.80	FLA	monthly		**$ 32.80**
Distribution Volumetric Chg*	0.03456	DST	kwh		**34.56**
Network Service Rate	0.00574	TRN1	kwh		**6.27**
Connection Service Rate	0.0044	TCN2	kwh		**4.80**
Regulatory Charge					
Wholesale Market Service	0.0063	IEMO	kwh	6.88	
SS Administration Fee	0.2500		monthly	0.25	**7.13**
Debt Retirement Charge	0.0070	DRC	kwh		**7.00**
				subtotal	**180.64**
				HST	**23.48**
***Rate Rider Adjusted**					**204.13**
Ontario Clean Energy Benefit - 10% Reduction of total bill					**(20.41)**
	Monthly Estimated Bill				**183.71**
	Annual Estimated Bill				**2,204.57**
No rate application in 2012 pending 2012/2013 COS Application.					

Estimated Annual Electricity Cost Savings if the Town of Fort Frances Residents paid FFPC rates instead of Hydro One rates: -$1,111.04

2013

FFPC - Residential Bill Calculation -

Rate Description	Rate		unit	Bill	May 1, 2013
		TOU RATES			
Total Consumption	1,000				
Loss Uplift/Factor	40.60	4.06%	64.00%		
Total Consumption	1,040.60		18.00%		
			18.00%		
Your Electricity Charges					
Off-Peak	0.0670	666	kwh	$44.62	
Mid-Peak	0.1040	187	kwh	$19.48	
On-Peak	0.1240	187	kwh	$23.23	**$69.12**
Power Agreement Credit	-0.0175		kwh	**(18.21)**	
Delivery Charge		**Rate Comp**			
Monthly Service Charge	$12.05	FLA	monthly		**$ 12.05**
Smart Meter Entity	$0.79		monthly		**$ 0.79**
Smart Meter Disposition	$3.58		monthly		**$ 3.58**
Smart Meter Incremental RR	$3.43		monthly		**$ 3.43**
Distribution Volumetric Chg*	0.0084	DST	kwh		**8.40**
Network Service Rate	0.0067	TRN1	kwh		**6.97**
Connection Service Rate	0.0016	TCN2	kwh		**1.66**
Regulatory Charge					
Wholesale Market Service	0.0056	IEMO	kwh	5.83	
SS Administration Fee	0.2500		monthly	0.25	**6.08**
Debt Retirement Charge	0.0047	DRC	kwh		**4.70**
				subtotal	**116.78**
				HST	**15.18**
***Rate Rider Adjusted**					**131.96**
Ontario Clean Energy Benefit - 10% Reduction of total bill					**(15.02)**
			Monthly Estimated Bill		**$116.95**
			Annual Estimated Bill -Rebate Adjusted		**$1,243.89**
			Annual Power Agreement Rebate		**$159.45**

Hydro One- Residential-Low Density

Rate Description	Rate		unit	Bill	May 1, 2013
		TOU RATES			
Total Consumption	1,000				
Loss Uplift/Factor	92.00	9.20%	64.00%		
Total Consumption	1,092.00		18.00%		
			18.00%		
Your Electricity Charges					
Off-Peak	0.0670	699	kwh	$46.82	
Mid-Peak	0.1040	197	kwh	$20.44	
On-Peak	0.1240	197	kwh	$24.37	**$91.64**
Delivery Charge		**Rate Comp**			
Monthly Service Charge*	$42.40	FLA	monthly		**$ 42.40**
Distribution Volumetric Chg*	0.0376	DST	kwh		**37.60**
Network Service Rate	0.0069	TRN1	kwh		**7.53**
Connection Service Rate	0.0048	TCN2	kwh		**5.24**
Regulatory Charge					
Wholesale Market Service	0.0056	IEMO	kwh	6.12	
SS Administration Fee	0.2500		monthly	0.25	**6.37**
Debt Retirement Charge	0.0070	DRC	kwh		**7.00**
				subtotal	**197.78**
				HST	**25.71**
***Rate Rider Adjusted**					**223.49**
Ontario Clean Energy Benefit - 10% Reduction of total bill					**(22.35)**
			Monthly Estimated Bill		**201.14**
			Annual Estimated Bill		**2,413.73**

Estimated Annual Electricity Cost Savings if the Town of Fort Frances Residents paid FFPC rates instead of Hydro One rates: -$1,169.84