FFPC
FORT FRANCES POWER CORPORATION

August 28, 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
Draft Rate Order, Application Board File EB-2013-0130

In response to the Board Decision and Order issued to Fort Frances Power Corporation on August 14, 2014, please find the attached draft Rate Order submitted August 28, 2014.

In accordance with Board Order, two hard copies of the Reply Submission are enclosed. Electronic copies of the complete response in PDF format, as well as, revised Excel Work Sheets have also been submitted through the Board's Regulatory Electronic Submission System ("RESS").

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

Sincerely:

Jörg Ruppenstein

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

320 Portage Avenue, Fort Frances, Ontario P9A 3P9 Phone: 807-274-9291 Fax: 807-274-9375 email:ffpc@fort-frances.com

EB-2013-0130

IN THE MATTER OF the *Ontario Energy Board Act*, *1998*, c.15, (Schedule B);

AND IN THE MATTER OF an Application by Fort Frances Power Corporation to the Ontario Energy Board for an Order or Orders approving or fixing just and reasonable rates and other service charges for the distribution of electricity as of September 1, 2014.

DRAFT RATE ORDER

FORT FRANCES POWER CORPORATION

Filed: August 28, 2014

Introduction

Fort Frances Power Corporation ("FFPC") owns and operates the electricity distribution system located in the Town of Fort Frances.

On December 20, 2013, FFPC filed a cost of service application with the Ontario Energy Board (the "Board") under section 78 of the Ontario Energy Board Act, 1998, S.O. 1998, c. 15, (Schedule B), seeking approval for changes to the rates that FFPC charges for electricity distribution, to be effective May 1, 2014. The application was filed under the Board assigned Application File Number EB-2013-0130.

Upon receipt of the application, the Board conducted a preliminary review and identified that certain sections of the evidence supporting the application did not comply with the Board's Filing Requirements for cost of service applications and/or the associated spreadsheets, models and work forms. The Board provided FFPC with a summary of the missing information that was required to meet all Filing Requirements in its January 27, 2014 letter regarding outcome of the completeness check.

FFPC filed a complete cost of service application with the Ontario Energy Board (the "Board") on February 14, 2014 under section 78 of the Ontario Energy Board Act, 1998, S.O. 1998, c. 15, (Schedule B), seeking approval for changes to the rates that FFPC charges for electricity distribution, to be effective May 1, 2014.

The Board issued a Notice of Application and Hearing dated February 25, 2014. The Vulnerable Energy Consumers Coalition ("VECC") applied for intervenor status and cost eligibility. FFPC did not file an objection to this request.

On March 20, 2014, the Board issued Procedural Order No. 1 and Order for Interim Rates granting requests for intervenor status and cost award eligibility to the Vulnerable Energy Consumers Coalition ("VECC") and making FFPC's current approved rates interim effective May 1, 2014 pending the outcome of the proceeding. Provisions for Written Interrogatories, a Technical Conference as well as a Settlement Conference were also set out in the Order.

VECC filed a request with the Board on May 1, 2014, to amend the hearing process set out in Procedural Order No.1. VECC requested to be given the opportunity to clarify interrogatory responses and that the settlement conference be replaced with written submissions (arguments) in the interest of minimizing expenses. FFPC supported VECC's proposal to amend the hearing process and as such filed a response with the Board on May 2, 2014 advising of this.

The Board issued Procedural Order No.2 on May 21, 2014, amending the hearing process. The Order cancelled the Settlement Conference and made provision for a non-transcribed teleconference to clarify the interrogatory responses and for written submissions.

As per the direction set out in Procedural Orders No.1 and No.2, the following steps summarize the hearing process:

- April 4, 2014 - Board Staff moderated non-transcribed teleconference, for Board Staff and VECC to request clarifying information and material from FFPC that is relevant to the hearing.

- April 17, 2014 - FFPC submitted written response to Board Staff and VECC clarifying questions arising from April 4, 2014 Board Staff moderated non-transcribed teleconference.

- April 29, 2014 - Board Staff submitted written interrogatories on the referenced application filed by FFPC.

- May 2, 2014 - VECC submitted written interrogatories on the referenced application filed by FFPC.

- May 22, 2014 - FFPC submitted written response to Board Staff and VECC interrogatories.

- May 29, 2014 - Board Staff moderated non-transcribed teleconference, for Board Staff and VECC to request further information and material from FFPC to clarify the information provided in the responses to interrogatories filed by FFPC in accordance with Procedural Order No. 1 that is relevant to the hearing.

- June 11, 2014 - FFPC submitted written response to Board Staff and VECC clarifying questions arising from May 29, 2014 Board Staff moderated non-transcribed teleconference.

- June 27, 2014 - Board Staff submitted written submission on the referenced application filed by Fort Frances Power Corporation.

- July 3, 2014 - VECC submitted written submission on the referenced application filed by Fort Frances Power Corporation.

- July 18, 2014 - FFPC submitted written reply submission to Board Staff and VECC written submissions.

On August 14, 2014, the Board issued its Decision and Order ("the Decision") in regards to FFPC's 2014 cost of service rate application. The Board found that the evidence filed by FFPC, on the issues not specifically addressed in the Decision and Order, to be sufficient to support the application. The Decision addressed the following issues.

- Effective Date for Rates;
- Foundational Issues;
- Performance;
- Operating Revenue (Customer Forecast, Load Forecast and Other Distribution Revenue);
- Operating, Maintenance & Administration Expenses;
- Depreciation;
- Rate Base and Capital Expenditures;
- Cost of Capital and Financial Performance;
- Cost Allocation and Rate Design (Cost Allocation, Monthly Service Charges and Specific Service Charges);
- Deferral and Variance Accounts; and
- Implementation.

In the Decision the Board directed FFPC to file a Draft Rate Order ("DRO") reflecting the findings of the Board. The Board expects FFPC to file detailed supporting material, including all relevant calculations showing the impact of this decision on FFPC's revenue requirement, the allocation of the approved revenue requirement to the classes of customers and the determination of the final rates. Supporting documentation shall include, but not be limited to, filing a completed version of the Revenue Requirement Work Form Excel spreadsheet.

On the following pages, FFPC has set out its DRO and included detailed supporting material, including all relevant calculations showing the impact of the Decision on FFPC's revenue requirement, the allocation of the approved revenue requirement to the classes of customers, the determination of the final rates, and customer rate impacts are provided in the commentary and Appendices which follow.

The DRO provides material to support the findings of the Board by the issues listed above.

The following Appendices are provided to support the DRO:

Appendix A	Tariff of Rates and Charges-revised
Appendix B	Summary of Monthly Bill Impacts-revised
Appendix C	Revenue Requirement Workform Summary
Appendix D	Draft Accounting Order- Account 1508, Other Regulatory Assets, LTLT
Appendix E	Draft Accounting Order- Account1533, *Renewable Generation Connection Funding Adder Deferral account*

The following live, revised Excel models also accompany the DRO

- Chapter 2 Custom Appendices
- Cost Allocation Model
- Deferral and Variance Account Rate Rider Model
- Revenue Requirement Work Form

Summary of Changes

Fort Frances Power Corporation (FFPC) has updated its revenue requirement for the 2014 Test Year and has recalculated the original rates proposed in its Application in accordance with the Board findings in the Decision. As a result of the Decision, FFPC's 2014 revenue requirement has changed as shown in Table 1. At the time the Initial Application was submitted FFPC's 2014 revenue deficiency was $459,007. As a result of the Decision the revenue deficiency has reduced to $450,736.

Table 1 – Summary of Changes to Service Revenue Requirement

	Initial Application	Adjustments	**Reply Submission**	Adjustments	**Decision**
OM&A Expenses	$ 1,644,650	$ (18,587)	$ 1,626,063	$ 16,587	$ 1,642,650
Amortization Expense	$ 197,074	$ (4,657)	$ 192,417	$ 3,717	$ 196,134
Property Taxes	$13,000	$0	$13,000	$0	$13,000
Income Taxes (Grossed Up)	$0	$0	$0	$0	$0
Other Expenses	$0	$0	$0	$0	$0
Return					
Deemed Interest Expense	$135,041	$0	$135,041	($331)	$134,710
Return on Deemed Equity	$0	$0	$0	$0	$0
Service Revenue Requirements	**$ 1,989,765**	$ (23,244)	**$ 1,966,521**	$ 19,973	**$ 1,986,494**
Revenue Offsets: Other Revenue	$ 103,033		$ 108,033		$ 108,033
Base Revenue Requirement	**$ 1,886,732**	$ (28,244)	**$ 1,858,488**	$ 19,973	**$ 1,878,461**

FFPC's Draft Tariff of Rates and Charges reflecting the Decision accompanies this DRO as Appendix A. The customer bill impacts are attached as Appendix B. Appendix C has been provided to detail the changes to the Revenue Requirement Workform adjusted from the initial Application to the Decision.

Changes arising out of the Decision and reflected in the proposed rates include the following:

- Revised Rate Base including changes in the 2014 Test Year Capital Expenditures and Working Capital Allowance
- Revised OM&A resulting from changes in Capital
- Reduction in Amortization/Depreciation Expenses
- Revised Rate Riders for Deferral/Variance Account Disposition.

Effective Date for New Rates

The Board determined that FFPC's new rates will become effective September 1, 2014, corresponding to the first day of the month following the issuance of the Decision and Order. FFPC has prepared the draft Tariff of Rates and Charges with a September 1, 2014 effective date.

Foundational Issues

Board Findings:

> *The Board finds that FFPC has appropriately addressed the foundational issues raised by the application and its customers have been adequately engaged, given that 2014 is a transitional year. The Board agrees with Board staff and VECC that FFPC's next cost of service application should be based on customer*

> *engagement activities that will provide customers with more specific information as to the costs of its proposals.*

As directed, FFPC is committed to incorporating more specific customer feedback, as to the costs of future proposals.

Performance

FFPC expressed its concern that its current performance scores derived from historic RRR reported OM&A cost data are flawed, as they include costs associated with the upkeep of the 1905 Historical Power Agreement (the "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 concluded that a fair assessment of its performance would be based upon its costs without the Agreement and the Transformation Station Costs or, alternatively, at the Total Bill level.

FFPC submitted that it was seeking in this proceeding an order directing Board staff and FFPC to work with the Pacific Economic Group ("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 transformer station and the administration of the Agreement.

Board Finding

> *The Board understands that there may be some confusion as to the extent that the data sets used to determine FFPC's efficiency are appropriate. The Board directs FFPC and Board staff to work together to ensure that appropriate inputs are used for future benchmarking, if they have not already done so.*

FFPC notes that its 2015 performance improved according to PEG's July 2014 report to the Ontario Energy Board, regarding "Empirical Research in Support of Incentive Rate-Setting: 2013 Benchmarking Update". In this report, FFPC moved up to Efficiency Cohort Group 3 for 2015 from Cohort Group 4 for 2014, with an improved stretch factor ranking of 0.3 from 0.45.

As directed, FFPC will work with Board Staff to ensure that appropriate inputs are used for future benchmarking.

Operating Revenue - Customer Forecast

Board Findings

> *The Board approves FFPC's proposed customer forecast for 2014. The Board does not accept the adjustment proposed by VECC as it is selective and also unlikely to be material.*

FFPC forecast 4,754 customers for 2014, including 1006 connections (customers) to street lights and another 6 to Unmetered Scattered Loads. The forecast was derived from a review of historical customer/connection data which was used to determine growth with a geometric mean approach used to determine the 2013 and 2014 forecasts. Table 2 below details FFPC's 2014 customer forecast that remained unchanged from the Initial Application to the Decision.

Table 2 – 2014 Customer Forecast

Rate Class	Customers
Residential	3,290
GS<50 kW	405
GS 50 to 4,999 kW	47
Street Lighting (per connection)	1,006
Unmetered Scattered Load (per customer)	6
Total	**4,754**

Operating Revenue - Load Forecast

Board Findings

> *The Board finds that FFPC's load forecast is appropriate. The Board notes that no party opposed the load forecast.*

FFPC developed its load forecast by using a multifactor regression model to determine the relationship between historic load with weather data and calendar related events.

FFPC made further adjustments to the 2014 forecast to account for the impact of Conservation and Demand Management ("CDM") activity totalling 1,148,562 kWh to the 2014 test year forecast which has been broken down by rate class. This is determined as one half of the savings from 2012 programs, a full year of savings from 2013 programs and a half year of savings from 2014 programs.

Table 3 below details FFPC's 2014 load forecast that remained unchanged from the Initial Application to the Decision.

Table 3: 2014 Load Forecast

Rate Class	kWh
Residential	37,751,518
GS<50 kW	13,617,679
GS 50 to 4,999 kW	26,376,324
Street Lighting	366,947
Unmetered Scattered Load	48,552
Total	**78,161,019**

Operating Revenue - Other Operating Revenue

Board Findings:

> *The Board accepts FFPC's justification for the 2014 forecast level of Other Revenue and finds that no adjustment is necessary. The Board also accepts FFPC's proposed revisions to its specific service charges. The Board agrees that the reduction proposed by VECC to Other Revenue is well below FFPC's materiality threshold, as is the impact of the changes to FFPC's specific service charges.*

FFPC proposed other operating revenue of $103,033 which was updated in the Submission to include $5,000 in Account 4230, Sales of Water and Power for a total of $108,033. Table 4 below details FFPC's other revenue of $108,033 as accepted in the Decision:

Table 4: Other Operating Revenue

USoA #	USoA Description	Test Year
		2014
	Reporting Basis	CGAAP
4235	Specific Service Charges	$ 9,849
4225	Late Payment Charges	$ 25,000
4086	SSS Admin Revenue	$ 11,184
4210	Electric Property-Rent	$ 48,000
4230	Sales of Water & Power	$ 5,000
4325	Rev from Merchandise	$ 25,000
4330	Exp from Merchandise	-$ 21,000
4375	Rev from Non-Utility	$ 65,000
4380	Exp from Non-Utility	-$ 60,000
Specific Service Charges		$ 9,849
Late Payment Charges		$ 25,000
Other Operating Revenues		$ 64,184
Other Income or Deductions		$ 9,000
Total		$ 108,033

Operating, Maintenance & Administration ("OM&A")

Board Findings:

> *The Board finds that the level of OM&A proposed by FFPC in its application is appropriate subject to any adjustments that may arise from the Board's findings in the Rate Base and Capital Expenditures section of this Decision and Order. The Board will not disallow the $25,681 of proposed expenses related to the LTLT capital project proposed by Board staff as the Board is approving the LTLT project as discussed in the Rate Base and Capital Expenditures section of this Decision and Order.*
>
> *The Board agrees with FFPC that the adjustments to its OM&A proposed by VECC are unrealistic and therefore inappropriate for FFPC to undertake. The Board also agrees with Board staff that FFPC's rate minimization strategy has resulted in long term savings for ratepayers which allows for somewhat higher OM&A than might otherwise be the case.*

FFPC proposed 2014 OM&A of $1,657,650 which represent a 3.3% increase over the actual 2012 OM&A and a 66% increase over the 2006 Board approved OM&A level. In FFPC's reply submission, FFPC agreed with Board Staff that the only reduction to the proposed $1,657,650 be $25,681, corresponding to the additional OM&A expenses related to the Long Term Load Transfer ("LTLT") capital project.

With regards to the LTLT project, the Board also stated that it *"agrees with FFPC that all the customers in its service area should have the benefit of the Agreement and accordingly finds that this project is approved with one qualification. The Board notes that FFPC has stated that it believes it could extend its plant to only 13 of the 14 customers by the end of 2014. The financial impact for FFPC if it is unable to connect one of the 14 customers by the end of 2014 is between $30,000 and $46,446. The Board will approve funding of this project sufficient to allow for the connection of 13 customers in 2014. Accordingly, the Board will disallow $40,000 from the proposed* *capital budget. As part of the draft rate order process, the Board will expect FFPC to provide adjusted capital expenditure and operating expense levels to reflect this adjustment along with all necessary explanations. Given the magnitude of the LTLT project compared to the total capital expenditures of FFPC, the Board will establish a variance account to track the expenditures to be reviewed in a future application. FFPC shall file a draft accounting order in its draft rate order to reflect this finding."*

FFPC notes that the original stated OM&A expense reduction of $25,681 associated with the LTLT was incorrectly based on 7% of the total capital project cost, however, as per FFPC's modelling and responses provided to interrogatories, the reduction should be relative to 5%. Based on FFPC's proposed total LTLT project cost of $371,739 and the 5% OM&A allocation, FFPC projected $18,587 in incremental OM&A expenses. As directed by the Board, this value decreased to $16,587, reflecting the $40,000 capital disallowance for 2014.

In FFPC's OM&A expense model, FFPC calculated the incremental OM&A costs associated with the LTLT project based on a ratio of 5% of the total capital cost of the project. With the Board's disallowance of $40,000 for 2014, the corresponding OM&A reduction is $2,000. FFPC therefore calculates the approved 2014 LTLT project budget to be $331,739 and the revised total 2014 OM&A budget to be $1,655,650, reflecting the $2,000 reduction.

Table 5 below details FFPC's OM&A expenses from the Initial Application to the Decision.

Table 5: OM&A Expenses

	Initial Application	Adjustments	**Reply Submission**	Adjustments	**Decision**
Operations	$ 371,000	$ -	$ 371,000	$ -	$ 371,000
Maintenance	$ 304,000	$ (18,587)	$ 285,413	$ 16,587	$ 302,000
Billing and Collection	$ 268,000		$ 268,000		$ 268,000
Community Relations	$ 37,150		$ 37,150	$ -	$ 37,150
Administrative & General	$ 677,500		$ 677,500		$ 677,500
Total	**$ 1,657,650**	$ (18,587)	**$ 1,639,063**	$ 16,587	**$ 1,655,650**

Depreciation

Board Findings:

> *The Board accepts FFPC's depreciation evidence and its proposed 2014 depreciation/amortization expense on the basis that FFPC will implement the half year rule methodology in 2014.*

FFPC proposed a depreciation/amortization expense of $197,074 in 2014. FFPC filed under Canadian Generally Accepted Accounting Principles ("CGAAP") for 2014, but had adjusted depreciation in 2012 to a Modified International Financial Reporting Standards ("MIFRS") calculation.

FFPC through its contracted services provider, the Town of Fort Frances, did not use the Board depreciation policy of the "half-year" rule. FFPC realized its approach of using a full year of depreciation deviated from standard practice and implemented the half year rule methodology in 2014.

Table 6 below details FFPC's depreciation/amortization expense from the Initial Application to the Decision. The adjustments were due to the decreased capital amount in the submission process and the increased capital approved in the decision.

Table 6: Depreciation/Amortization Expense

	Initial Application	Adjustments	**Reply Submission**	Adjustments	**Decision**
Depreciation	**$ 197,074**	$ (4,657)	**$ 192,417**	$ 3,717	**$ 196,134**

Rate Base and Capital Expenditures

Board Findings:

> *The Board agrees with FFPC that all the customers in its service area should have the benefit of the Agreement and accordingly finds that this project is approved with one qualification. The Board notes that FFPC has stated that it believes it could extend its plant to only 13 of the 14 customers by the end of 2014. The financial impact for FFPC if it is unable to connect one of the 14 customers by the end of 2014 is between $30,000 and $46,446. The Board will approve funding of this project sufficient to allow for the connection of 13 customers in 2014. Accordingly, the Board will disallow $40,000 from the proposed capital budget. As part of the draft rate order process, the Board will expect FFPC to provide adjusted capital expenditure and operating expense levels to reflect this adjustment along with all necessary explanations. Given the magnitude of the LTLT project compared to the total capital expenditures of FFPC, the Board will establish a variance account to track the expenditures to be reviewed in a future application. FFPC shall file a draft accounting order in its draft rate order to reflect this finding.*
>
> *The Board considers that overall FFPC's proposed DSP may be somewhat aggressive and finds Board staff's recommended approach for pacing transformer investments is reasonable. The Board will accordingly approve $50,000 of 2014 capital expenditures for transformers.*
>
> *The Board therefore finds that it will reduce FFPC's 2014 capital expenditures request from $820,316 to an approved level of $734,668.*

FFPC proposed a rate base of $4,793,453, a 7.5% increase from the 2006 Board approved amount. FFPC's proposed increase in 2014 is primarily due to planned feeder expansions to eliminate LTLTs, new line transformers and transportation equipment.

As directed by the Board, FFPC has adjusted its 2014 total capital expenditures to $734,688, to reflect the $40,000 reduction associated with the LTLT project and the $45,648 reduction associated with the transformer replacement program.

As discussed under the OM&A Expense and Depreciation sections above, FFPC's Rate Base is slightly reduced by $11,741 from the initial application, reflecting OM&A and depreciation portions of the $40,000 LTLT project and $45,648 transformer program disallowances.

Table 7 below details FFPC's Rate Base from the Initial Application to the Decision. The Rate Base in the Initial Application was based on the projected 2013 Bridge Year average amounts for gross fixed assets and accumulated depreciation. The reply submission Rate Base was adjusted to reflect the 2013 Actual values for gross fixed assets and depreciation, as well as the removal of $417,387 in capital expenditures and associated depreciation, as recommended by Board Staff, and agreed to by FFPC. The $417,378 capital expenditure reduction consisted of $371,739 from LTLT project expenses and $45,648 from Transformer Replacement Program expenses. The Board Decision Rate Base amount was adjusted to include the approval of $331,739 for LTLT project expenses and it maintained the disallowance of $45,648 in transformer replacement program costs.

Table 7 - Rate Base

Rate Base

Particulars		Initial Application	Adjustments	Reply Submission	Adjustments	Per Board Decision
Gross Fixed Assets (average)	(3)	$11,904,796	($201,391)	$11,703,405	$173,173	$11,876,578
Accumulated Depreciation (average)	(3)	($8,235,914)	$8,025	($8,227,889)	$8,712	($8,219,177)
Net Fixed Assets (average)	(3)	$3,668,882	($193,366)	$3,475,516	$181,885	$3,657,401
Allowance for Working Capital	(1)	$1,124,571	($2,416)	$1,122,155	$2,156	$1,124,311
Total Rate Base		$4,793,453	($195,782)	$4,597,671	$184,041	$4,781,712

Table 8 below details FFPC's 2014 Capital Budget from the Initial Application to the Decision.

Table 8 - 2014 Capital Budget

	Initial Application	Adjustments	Reply Submission	Adjustments	Decision
Capital Budget	**$ 820,316**	$ (417,387)	**$ 402,929**	$ 331,739	**$ 734,668**

In its Decision, the Board established a variance account to track the expenditures to be reviewed in a future application, given the magnitude of the LTLT project compared to the total capital expenditures of FFPC. The Board also directed FFPC to file a draft accounting order in its draft rate order. In response to this direction, FFPC has drafted the accounting order, which is located in Appendix D.

FFPC has also adjusted its 2015 to 2018 Distribution System Plan Forecast, to reflect the Board's findings regarding the LTLT project and FFPC's transformer replacement program. The 2015 forecast was adjusted to include the $40,000 expenditure addition to System Access in connection with connecting the last (14th) LTLT customer, as well as a reduction of $154,324 to System Renewal associated with running "Low" and "Medium" importance transformers to failure, on the assumption that they will not fail over the 2014 to 2018 planning period. Reductions for the years 2016 to 2018 are also in connection with running "Low" and "Medium" importance transformers to failure, and are $77,809, $172,436, $104,601, to System Renewal respectively. Table 9 below details FFPC's revised Distribution System Plan Forecast.

Table 9 - Distribution System Plan Forecast

Category	Forecast Period (planned) ($000)				
	2014	2015	2016	2017	2018
System Access	382	80	20	45	12
System Renewal	208	265	427	359	256
System Service	49	142	60	58	15
General Plant	97	76	76	33	311
Total Expenditure	735	562	583	495	594

Capital Contributions

Board Findings:

> *The Board finds that FFPC's confirmation that its treatment of capital contributions will conform to the APH adequately addresses the concerns raised by VECC. FFPC should include in its draft rate order filing confirmation that the treatment of capital contributions in the 2014 Test year is in conformity with the APH.*

Prior to 2014, FFPC used a 'net' form of capital expenditure accounting. For 2014 forward, FFPC has adjusted its accounting treatment to be consistent with Article 430 of the *Accounting Procedures Handbook* (APH).

As directed, FFPC hereby confirms that its treatment of capital contribution in the 2014 Test year is in conformity with the APH.

Working Capital Allowance

Board Findings:

> *The Board has considered the arguments of VECC but finds no compelling reason to depart from its default rate. The Board does not consider it appropriate to adopt the results of a lead-lag study from another utility without a thorough analysis concluding that the two utilities are comparable.*

FFPC proposed a $1.1 million Working Capital Allowance based on the Board's default rate of 13%. Table 10 below details FFPC's Working Capital Allowance from the Initial Application to the Decision.

Table 10 - Working Capital Allowance

	Initial Application	Adjustments	**Reply Submission**	Adjustments	**Decision**
Working Capital Allowance	**$ 1,124,571**	$ (2,416)	**$ 1,122,155**	$ 2,156	**$ 1,124,311**

Renewable Enabling Improvement ("REI") Plan

Board Findings:

> *The Board accepts FFPC's proposals regarding its REI and REG costs as appropriate expenditures for recovery under these plans. The Board agrees with VECC and Board staff that FFPC should provide stronger rationalizations in future applications as to how it distinguishes expenditures included in its REG plan from normal expenditures.*
>
> *FFPC should include in its draft rate order filing a draft accounting order for account 1533, Renewable Generation Connection Funding Adder Deferral account, "Sub-account Provincial Rate Protection Variances". In accordance with this Decision and Order, FFPC should also specify the amount that it would be expecting to receive from the IESO on a monthly and annual basis for the 2014 rate year commencing September 1, 2014.*

FFPC did not have any planned investments specific only to achieving smart grid objectives, but proposed $50,000 in 2014 investments related to the development of its REI plan. FFPC also proposed to recover $53,757 for all renewable energy generation ("REG") costs that FFPC incurred up to the end of the 2013 calendar year, including capital, OM&A and carrying charges booked in the Board established deferral accounts.

FFPC will provide stronger rationalizations in future applications as to how it distinguishes REG plan expenditures from normal expenditures.

As directed, FFPC has prepared a draft accounting order for account 1533, *Renewable Generation Connection Funding Adder Deferral account, "Sub-account Provincial Rate Protection Variances",* as attached in Appendix E.

FFPC expects to receive $181 from IESO on a monthly basis, or alternately $2,170 annually.

Cost of Capital and Financial Performance

Board Findings:

> *The Board accepts FFPC's proposals with regard to its cost of capital as the Board is of the view that FFPC should not take any risks which could endanger the Agreement, which the Board understands is for the benefit of the residents of the Town of Fort Frances on condition power is distributed on a non-commercial basis. As noted above, the benefit to residential ratepayers who consume approximately 1000 kWh is that their total bills are approximately half of those in surrounding areas served by Hydro One. The Board does not believe that there is any reason to require FFPC to depart from its 0% rate of return policy.*

FFPC has chosen a zero rate of return in order to be consistent with its rate minimization strategy and to minimize the likelihood of a successful legal attack on the Town of Fort Frances' entitlements under a 1905 Historic Power Agreement.

Table 11 below, details FFPC's cost of capital parameters as proposed and accepted by the Board:

Table 11 - Cost of Capital Parameters

Cost of Capital Parameter	***FFPC Proposed and Board Approved***
Capital Structure	60.0% debt (composed of 56.0% long-term debt and 4.0% short-term debt) and 40.0% equity
Short-Term Debt	2.11%
Long-Term Debt	4.88%
Return on Equity (ROE)	0%
Weighted Average Cost of Capital	2.82%

Cost Allocation and Rate Design - Cost Allocation

Board Findings:

> *The Board finds that FFPC's proposed cost allocation is appropriate for the purpose of setting 2014 rates as all of the proposed 2014 ratios are within the Board target ranges.*

FFPC filed its application using the cost allocation model that reflects the findings in the *Report on the Review of Electricity Distribution Cost Allocation Policy, March 31, 2011* ("Cost Allocation Policy Review").

Table 12 below details FFPC's revenue-to-cost ratios compared to the Board's target range for each customer class, from the Initial Application to the Decision.

Table 12: Revenue-to-Cost Ratios

Customer Class	2006 Board Approved %	Cost Allocation Model % Based on Decision	Proposed 2014 %	Decision 2014 %	Board Target Range %
Residential	91.60	83.77	97.50	97.50	85-115
GS<50 kW	105.79	87.01	97.50	97.50	80-120
GS 50 to 4,999 kW	126.30	219.82	120.00	120.00	80-120
Street Lighting	89.56	94.79	97.50	97.50	70-120
Unmetered Scattered Load	117.05	120.29	119.31	119.31	80-120

Cost Allocation and Rate Design - Monthly Service Charges

Board Findings:

> *The Board accepts FFPC's and Board staff's arguments and approves the fixed charges proposed in the application.*

In order to maintain the current fixed/variable split, FFPC proposed to increase its monthly service charges as well as its volumetric charges for four of its five classes. The exception is the GS 50 to 4,999 kW class for which the fixed charge would decrease from $242.06 to $171.03 and the volumetric charge from $3.59 to $2.5803.

Table 13 below detail the monthly service charges from the Initial Application to the Decision.

Table 13: Monthly Service Charges

Customer Class	Current	Proposed	Decision	Ceiling	Floor
Residential	$12.05	$18.79	**$18.64**	$21.56	$7.80
GS<50 kW	$29.03	$43.62	**$43.12**	$30.25	$13.11
GS 50 to 4,999 kW	$242.06	$165.98	**$171.03**	$57.26	$29.00
Street Lighting (per connection)	$1.17	$1.60	**$1.59**	$8.50	$0.33
Unmetered Scattered Load (per customer)	$29.03	$38.24	**$37.87**	$17.59	$5.48

Deferral and Variance Accounts

Board Findings:

> *The Board accepts FFPC's proposals for disposition of the Group 1 and 2 deferral account balances. The Board agrees with Board staff that the APH should be followed, and cautions FFPC to this effect, but will accept the departures noted by FFPC in its application on the basis that the amounts involved are immaterial.*
>
> *The Board will permit the disposition of the 2013 amounts in Account 1508 Sub-account IFRS Transition Costs as FFPC completed the majority of its IFRS transition in 2013 and if the balance is not disposed of now, it would be carried forward until FFPC's next cost of service application which could be in 2018 or even later.*

FFPC requested the disposition of its Group 1 and Group 2 deferral and variance account principal balances as at December 31, 2012 and the forecasted interest to April 30, 2014, over a two year period. FFPC believed that the default disposition term of one year would create hardship for FFPC.

Table 14 below detail FFPC's Group 1 and 2 account balances for disposition, from the Initial Application to the Decision and the approved disposition of IFRS implementation costs. FFPC completed revisions to:

- Account 1508, IFRS Transition Cost to include the audited 2013 expenses of $12,000 and adjusted carrying charges to the audited 2013 year end balance of $39,062;

- Account 2425, Other Deferred Credits, Shared Tax Savings to include carrying charges;

- Account 1568, LRAMVA to remove $22,523 recovered for LRAM 2009-2011 through separate rate riders.

Table 14: Group 1 and 2 Account Balances for Disposition

Account #	Account Description	Proposed Disposition Amount	Decision Disposition Amount
1580	RSVA- Wholesale Market Service Charge	$ (99,297)	$ (99,297)
1584	RSVA - Retail Transmission Network Charge	$ 1,588	$ 1,588
1586	RSVA - Retail Transmission Connection Charge	$ (156)	$ (156)
1588-Power	RSVA - Power (Excluding Global Adjustment)	$ 56,077	$ 56,077
1589- Global	RSVA - Global Adjustment	$ (224,583)	$ (224,583)
1508	OEB Cost Assessment	$ 8,451	$ 8,451
1508	IFRS Transition Cost (with 2013 Costs in Decision)	$ 27,183	$ 39,062
1531	Renewable Generation Connection	$ 1,966	$ 1,966
1582	RSVA - One Time	$ 6,891	$ 6,891
2425	Other Deferred Credits - Shared Tax Savings	$ (6,144)	$ (6,272)
1568	LRAM Variance Account	$ 27,572	$ 5,050
	Total for Disposition Excluding Global Adjustment	**$ 24,131**	**$ 13,359**
	Total Disposition Amount	**$ (200,452)**	**$ (211,225)**

Implementation and Conclusion

Fort Frances Power Corporation has created this Draft Rate Order in compliance with the Decision. Fort Frances Power Corporation respectfully submits its draft Tariff of Rates and Charges, to be effective and implemented on September 1, 2014.

DATED THIS 28th DAY OF AUGUST 2014

Jörg Ruppenstein

Joerg Ruppenstein

President and Chief Executive Officer

Fort Frances Power Corporation

Fort Frances Power Corporation

APPENDIX A

Tariff of Rates and Charges - Revised

Fort Frances Power Corporation
TARIFF OF RATES AND CHARGES
Effective and Implementation Date September 1, 2014

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2013-0130

RESIDENTIAL SERVICE CLASSIFICATION

This section governs all services intended to supply electrical energy to buildings or sections of buildings devoted to living quarters such as houses, living accommodations at the rear of stores, self-contained and individually metered suites. These services are commonly referred to as Residential or Domestic Services. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	18.64
Distribution Volumetric Rate	$/kWh	0.0136
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	$	0.79
Rate Rider for Disposition of Deferral/Variance Accounts (2013) - effective until April 30, 2015	$/kWh	(0.0004)
Rate Rider for Disposition of Global Adjustment Sub-Account (2013) - effective until April 30, 2015 Applicable only for Non-RPP Customers	$/kWh	(0.0063)
Retail Transmission Rate - Network Service Rate	$/kWh	0.0071
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kWh	0.0017
Rate Rider for Recovery of Stranded Meter Assets - effective until August 31, 2015	$	0.86
Rate Rider for Dispostion of Deferral/Variance Account (2014) - effective until August 31. 2016	$/kWh	0.0001
Rate Rider for Disposition of Global Adjustment Sub-Account (2014) - effective until August 31, 2016 Applicable only for Non-RPP Customers	$/kWh	(0.0047)
Rate Rider for Disposition of CGAAP Changes-1576 Effective until August 31, 2019	$/kWh	(0.0004)
Rate Rider for Recovery of Lost Revenue Adjustment Mechanism (LRAM) – effective until August 31, 2015	$/kWh	0.0004

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0044
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Fort Frances Power Corporation
TARIFF OF RATES AND CHARGES
Effective and Implementation Date September 1, 2014

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EB-2013-0130

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This section governs small commercial small stores, small service stations, restaurants, churches, small offices and other establishments with similar loads and whose monthly average peak demand is less than, or forecast to be less than, 50 kW. Further servicing details are available in the distributor's Condition of Service.

APPLICATION

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	43.12
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	$	0.79
Distribution Volumetric Rate	$/kWh	0.0098
Rate Rider for Disposition of Deferral/Variance Accounts (2013) - effective until April 30, 2015	$/kWh	(0.0004)
Rate Rider for Disposition of Global Adjustment Sub-Account (2013) - effective until April 30, 2015 Applicable only for Non-RPP Customers	$/kWh	(0.0063)
Rate Rider for Recovery of Stranded Meter Assets - effective until August 31, 2015	$	6.99
Retail Transmission Rate - Network Service Rate	$/kWh	0.0064
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kWh	0.0015
Rate Rider for Dispostion of Deferral/Variance Account (2014) - effective until August 31, 2016	$/kWh	0.0002
Rate Rider for Disposition of Global Adjustment Sub-Account (2014) - effective until August 31, 2016 Applicable only for Non-RPP Customers	$/kWh	(0.0047)
Rate Rider for Disposition of CGAAP Changes-1576 Effective until August 31, 2019	$/kWh	(0.0004)
Rate Rider for Recovery of Lost Revenue Adjustment Mechanism (LRAM) – effective until August 31, 2015	$/kWh	0.0005

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0044
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Fort Frances Power Corporation
TARIFF OF RATES AND CHARGES
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EB-2013-0130

GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION

This type of service will normally be applicable to small industry, departmental or larger stores such as supermarkets, shopping centres, storage buildings, large garages, restaurants, office buildings, institutions, hotels, hospitals, schools, colleges, arenas, apartment blocks or buildings and other comparable establishments and whose monthly average peak demand is equal to or greater than, or forecast to be equal to or greater than 50 kW but less than 5,000 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	171.03
Rate Rider for Recovery of Stranded Meter Assets - effective until August 31, 2015	$	19.63
Distribution Volumetric Rate	$/kW	2.5803
Rate Rider for Disposition of Deferral/Variance Accounts (2013) - effective until April 30, 2015	$/kW	(0.1671)
Rate Rider for Disposition of Global Adjustment Sub-Account (2013) - effective until April 30, 2015 Applicable only for Non-RPP Customers	$/kW	(2.4469)
Retail Transmission Rate - Network Service Rate	$/kW	2.6255
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kW	0.6308
Rate Rider for Dispostion of Deferral/Variance Account (2014) - effective until August 31. 2016	$/kW	0.0361
Rate Rider for Disposition of Global Adjustment Sub-Account (2014) - effective until August 31, 2016 Applicable only for Non-RPP Customers	$/kW	(1.8481)
Rate Rider for Disposition of CGAAP Changes-1576 Effective until August 31, 2019	$/kW	(0.1381)

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0044
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Fort Frances Power Corporation
TARIFF OF RATES AND CHARGES
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EB-2013-0130

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The level of the consumption will be agreed to by the distributor and the customer, based on detailed manufacturer information/documentation with regard to electrical consumption of the unmetered load or periodic monitoring of actual consumption. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	37.87
Distribution Volumetric Rate	$/kWh	0.0086
Rate Rider for Disposition of Deferral/Variance Accounts (2013) - effective until April 30, 2015	$/kWh	(0.0004)
Retail Transmission Rate - Network Service Rate	$/kWh	0.0064
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kWh	0.0015
Rate Rider for Disposition of CGAAP Changes-1576 Effective until August 31, 2019	$/kWh	(0.0004)

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0044
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Fort Frances Power Corporation
TARIFF OF RATES AND CHARGES
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EB-2013-0130

STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to an account for roadway lighting with a Municipality within the service boundaries. The consumption for these customers is based on the calculated load times the established hours of use in the OEB load shape template. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	$	1.59
Distribution Volumetric Rate	$/kW	4.1381
Rate Rider for Disposition of Deferral/Variance Accounts (2013) - effective until April 30, 2015	$/kW	(0.1545)
Rate Rider for Disposition of Global Adjustment Sub-Account (2013) - effective until April 30, 2015 Applicable only for Non-RPP Customers	$/kW	(2.2660)
Retail Transmission Rate - Network Service Rate	$/kW	1.9801
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kW	0.4878
Rate Rider for Dispostion of Deferral/Variance Account (2014) - effective until August 31, 2016	$/kW	(0.5966)
Rate Rider for Disposition of Global Adjustment Sub-Account (2014) - effective until August 31, 2016 Applicable only for Non-RPP Customers	$/kW	(1.6400)
Rate Rider for Disposition of CGAAP Changes-1576 Effective until August 31, 2019	$/kW	(0.1225)

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0044
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Fort Frances Power Corporation
TARIFF OF RATES AND CHARGES
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EB-2013-0130

MICROFIT SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Ontario Power Authority's micoFIT program and connected to the distribuor's distribution system. Further servicing details are available in the distributor's Condition of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	5.40

ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	$/kw	(0.60)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	($1.00)

Fort Frances Power Corporation
TARIFF OF RATES AND CHARGES
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EB-2013-0130

SPECIFIC SERVICE CHARGES

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

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Customer Administration		
Arrears certificate	$	15.00
Statement of Account	$	15.00
Duplicate Invoices for previous billing	$	15.00
Request for other billing information	$	15.00
Easement Letter	$	15.00
Income Tax Letter	$	15.00
Account History	$	15.00
Credit Reference/credit check (plus credit agency costs)	$	25.00
Returned cheque charge (plus bank charges)	$	25.00
Legal letter charge	$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	$	30.00
Special meter reads	$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	$	30.00
Non-Payment of Account		
Late Payment – per month	%	1.50
Late Payment – per annum	%	19.56
Disconnect/Reconnect at meter – during regular hours	$	65.00
Disconnect/Reconnect at meter – after regular hours	$	185.00
Disconnect/Reconnect at pole – during regular hours	$	185.00
Disconnect/Reconnect at pole – after regular hours	$	415.00
Other		
Install/Remove load control device – during regular hours	$	65.00
Install/Remove load control device – after regular hours	$	185.00
Service call – customer owned equipment	$	65.00
Service call – after regular hours	$	165.00
Specific Charge for Access to the Power Poles - $/pole/year	$	22.35

Fort Frances Power Corporation
TARIFF OF RATES AND CHARGES
Effective and Implementation Date September 1, 2014

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EB-2013-0130

RETAIL SERVICE CHARGES (if applicable)

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity.

One-time charge, per retailer, to establish the service agreement between the distributor and the reta	$	100.00
Monthly Fixed Charge, per retailer	$	20.00
Monthly Variable Charge, per customer, per retailer	$/cust.	0.5000
Distributor-consolidated billing monthly charge, per customer, per retailer	$/cust.	0.3000
Retailer-consolidated billing monthly credit, per customer, per retailer	$/cust.	(0.3000)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	$	0.25
Processing fee, per request, applied to the requesting party	$	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year	$	no charge
More than twice a year, per request (plus incremental delivery costs)	$	2.00

LOSS FACTORS

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0470
Total Loss Factor – Secondary Metered Customer > 5,000 kW	N/A
Distribution Loss Factor - Primary Metered Customer < 5,000 kW	1.0365
Distribution Loss Factor - Primary Metered Customer > 5,000 kW	N/A

Fort Frances Power Corporation

APPENDIX B

Summary of Monthly Bill Impacts – Revised

File Number:	EB-2013-0130
Exhibit:	8
Tab:	
Schedule:	
Page:	
Date:	28-Aug-14

Appendix 2-W
Bill Impacts

Customer Class: **Residential**

TOU / non-TOU: TOU

Consumption 800 kWh ◯ May 1 - October 31 ◯ November 1 - April 30 (Select this radio button for applications filed after Oct 31

	Charge Unit	Current Board-Approved Rate ($)	Current Board-Approved Volume	Current Board-Approved Charge ($)	Proposed Rate ($)	Proposed Volume	Proposed Charge ($)	Impact $ Change	Impact % Change
Monthly Service Charge	Monthly	$ 12.0500	1	$ 12.05	$ 18.6400	1	$ 18.64	$ 6.59	54.69%
Smart Meter Rate Adder (SMIRR)	Monthly	$ 3.4300	1	$ 3.43		1	$ -	-$ 3.43	-100.00%
Distribution Volumetric Rate	per kWh	$ 0.0088	800	$ 7.04	$ 0.0136	800	$ 10.88	$ 3.84	54.55%
Smart Meter Disposition Rider	Monthly	$ 3.5800	1	$ 3.58		1	$ -	-$ 3.58	-100.00%
Stranded Meter Charge	Monthly		800	$ -	$ 0.8600	1	$ 0.86	$ 0.86	
Sub-Total A (excluding pass through)				$ 26.10			$ 30.38	**$ 4.28**	**16.40%**
Rate Rider for DVA (2013)	per kWh	-$ 0.0004	800	-$ 0.32	-$ 0.0004	800	-$ 0.32	$ -	0.00%
Rate Rider Global Adjust (2013)	per kWh								
Rate Rider for DVA (2014)	per kWh			$ -	$ 0.0001	800	$ 0.08		
Rate Rider CGAAP Changes (2014)	per kWh			$ -	-$ 0.0004	800	-$ 0.32		
Rate Rider for LRAM (2011)	per kWh				$ 0.0004	800	$ 0.32	$ 0.32	
Line Losses on Cost of Power		$ 0.0925	32.48	$ 3.00	$ 0.0925	37.60	$ 3.48	$ 0.47	15.76%
Smart Meter Entity Charge	Monthly	$ 0.7900	1	$ 0.79	$ 0.7900	1	$ 0.79	$ -	
Sub-Total B - Distribution (includes Sub-Total A)				**$ 29.57**			**$ 34.41**	**$ 4.83**	**16.34%**
RTSR - Network	per kWh	$ 0.0066	832	$ 5.49	$ 0.0071	838	$ 5.95	$ 0.45	8.24%
RTSR - Line and Transformation Connection	per kWh	$ 0.0015	832	$ 1.25	$ 0.0017	838	$ 1.42	$ 0.18	14.03%
Sub-Total C - Delivery (including Sub-Total B)				**$ 36.32**			**$ 41.78**	**$ 5.46**	**15.04%**
Wholesale Market Service Charge (WMSC)	per kWh	$ 0.0044	832	$ 3.66	$ 0.0044	838	$ 3.69	$ 0.02	0.62%
Rural and Remote Rate Protection (RRRP)	per kWh	$ 0.0013	832	$ 1.08	$ 0.0013	838	$ 1.09	$ 0.01	0.62%
Standard Supply Service Charge		$ 0.2500	1	$ 0.25	$ 0.2500	1	$ 0.25	$ -	0.00%
Debt Retirement Charge (DRC)	per kWh	$ 0.0047	800	$ 3.76	$ 0.0047	800	$ 3.76	$ -	0.00%
TOU - Off Peak		$ 0.0750	512	$ 38.40	$ 0.0750	512	$ 38.40	$ -	0.00%
TOU - Mid Peak		$ 0.1120	144	$ 16.13	$ 0.1120	144	$ 16.13	$ -	0.00%
TOU - On Peak		$ 0.1350	144	$ 19.44	$ 0.1350	144	$ 19.44	$ -	0.00%
Energy - RPP - Tier 1		$ 0.0860	800	$ 68.80	$ 0.0860	800	$ 68.80	$ -	0.00%
Energy - RPP - Tier 2		$ 0.1010		$ -	$ 0.1010	0	$ -	$ -	
Total Bill on TOU (before Taxes)				**$ 119.04**			**$ 124.53**	**$ 5.49**	**4.61%**
HST		13%		$ 15.48	13%		$ 16.19	$ 0.71	4.61%
Total Bill (including HST)				$ 134.51			$ 140.72	$ 6.20	4.61%
Ontario Clean Energy Benefit [1]				-$ 13.45			-$ 14.07	-$ 0.62	4.61%
Total Bill on TOU (including OCEB)				**$ 121.06**			**$ 126.65**	**$ 5.58**	**4.61%**
Total Bill on RPP (before Taxes)				**$ 113.87**			**$ 119.36**	**$ 5.49**	**4.82%**
HST		13%		$ 14.80	13%		$ 15.52	$ 0.71	4.82%
Total Bill (including HST)				$ 128.67			$ 134.88	$ 6.20	4.82%
Ontario Clean Energy Benefit [1]				-$ 12.87			-$ 13.49	-$ 0.62	4.82%
Total Bill on RPP (including OCEB)				**$ 115.80**			**$ 121.39**	**$ 5.58**	**4.82%**
Loss Factor (%)		4.06%			4.70%				

[1] Applicable to eligible customers only. Refer to the *Ontario Clean Energy Benefit Act, 2010.*

Note that the "Charge $" columns provide breakdowns of the amounts that each bill component contributes to the total monthly bill at the referenced consumption level at existing and proposed rates.

Appendix 2-W
Bill Impacts

Customer Class: **General <50 kW**

TOU / non-TOU: TOU

31) **Consumption** 2,000 **kWh** ○ May 1 - October 31

	Charge Unit	Current Board-Approved Rate ($)	Current Board-Approved Volume	Current Board-Approved Charge ($)	Proposed Rate ($)	Proposed Volume	Proposed Charge ($)	Impact $ Change	Impact % Change
Monthly Service Charge	Monthly	$ 29.0300	1	$ 29.03	$ 43.1200	1	$ 43.12	$ 14.09	48.54%
Smart Meter Rate Adder (SMIRR)	Monthly	$ 7.1900	1	$ 7.19		1	$ -	-$ 7.19	-100.00%
Distribution Volumetric Rate	per kWh	$ 0.0066	2,000	$ 13.20	$ 0.0098	2,000	$ 19.60	$ 6.40	48.48%
Smart Meter Disposition Rider	Monthly	$ 13.4200	1	$ 13.42		1	$ -	-$ 13.42	-100.00%
Stranded Meter Charge	Monthly		2,000	$ -	$ 6.9900	1	$ 6.99	$ 6.99	
Sub-Total A (excluding pass through)				$ 62.84			$ 69.71	**$ 6.87**	**10.93%**
Rate Rider for DVA (2013)	per kWh	-$ 0.0004	2,000	-$ 0.80	-$ 0.0004	2,000	-$ 0.80	$ -	0.00%
Rate Rider Global Adjust (2013)	per kWh								
Rate Rider for DVA (2014)	per kWh				$ 0.0002	2,000	$ 0.40		
Rate Rider CGAAP Changes (2014)	per kWh				-$ 0.0004	2,000	-$ 0.80		
Rate Rider for LRAM (2011)	per kWh				$ 0.0005	2,000	$ 1.00		
Line Losses on Cost of Power		$ 0.0925	81.20	$ 7.51	$ 0.0925	94.00	$ 8.69	$ 1.18	15.76%
Smart Meter Entity Charge	Monthly	$ 0.7900	1	$ 0.79	$ 0.7900	1	$ 0.79	$ -	
Sub-Total B - Distribution (includes Sub-Total A)				**$ 70.34**			**$ 78.99**	**$ 8.65**	**12.30%**
RTSR - Network	per kWh	$ 0.0060	2081	$ 12.49	$ 0.0064	2094	$ 13.40	$ 0.91	7.32%
RTSR - Line and Transformation Connection	per kWh	$ 0.0013	2081	$ 2.71	$ 0.0015	2094	$ 3.14	$ 0.44	16.09%
Sub-Total C - Delivery (including Sub-Total B)				**$ 85.53**			**$ 95.53**	**$ 10.00**	**11.70%**
Wholesale Market Service Charge (WMSC)	per kWh	$ 0.0044	2081	$ 9.16	$ 0.0044	2094	$ 9.21	$ 0.06	0.62%
Rural and Remote Rate Protection (RRRP)	per kWh	$ 0.0013	2081	$ 2.71	$ 0.0013	2094	$ 2.72	$ 0.02	0.62%
Standard Supply Service Charge		$ 0.2500	1	$ 0.25	$ 0.2500	1	$ 0.25	$ -	0.00%
Debt Retirement Charge (DRC)	per kWh	$ 0.0047	2000	$ 9.40	$ 0.0047	2000	$ 9.40	$ -	0.00%
TOU - Off Peak		$ 0.0750	512	$ 38.40	$ 0.0750	512	$ 38.40	$ -	0.00%
TOU - Mid Peak		$ 0.1120	144	$ 16.13	$ 0.1120	144	$ 16.13	$ -	0.00%
TOU - On Peak		$ 0.1350	144	$ 19.44	$ 0.1350	144	$ 19.44	$ -	0.00%
Energy - RPP - Tier 1		$ 0.0860		$ -	$ 0.0860	0	$ -	$ -	
Energy - RPP - Tier 2		$ 0.1010		$ -	$ 0.1010	0	$ -	$ -	
Total Bill on TOU (before Taxes)				**$ 181.01**			**$ 191.09**	**$ 10.08**	**5.57%**
HST		13%		$ 23.53	13%		$ 24.84	$ 1.31	5.57%
Total Bill (including HST)				$ 204.54			$ 215.93	$ 11.39	5.57%
Ontario Clean Energy Benefit [1]				-$ 20.45			-$ 21.59	-$ 1.14	5.57%
Total Bill on TOU (including OCEB)				**$ 184.09**			**$ 194.34**	**$ 10.25**	**5.57%**
Total Bill on RPP (before Taxes)				**$ 107.04**			**$ 117.12**	**$ 10.08**	**9.41%**
HST		13%		$ 13.92	13%		$ 15.23	$ 1.31	9.41%
Total Bill (including HST)				$ 120.96			$ 132.35	$ 11.39	9.41%
Ontario Clean Energy Benefit [1]				-$ 12.10			-$ 13.23	-$ 1.13	9.34%
Total Bill on RPP (including OCEB)				**$ 108.86**			**$ 119.12**	**$ 10.26**	**9.42%**

	Current	Proposed
Loss Factor (%)	4.06%	4.70%

Appendix 2-W
Bill Impacts

Customer Class: **General >50 - 4,999 kW**

TOU / non-TOU: non-TOU

Consumption	31,800	kWh	May 1 - October 31
Demand	100	kW	

		Current Board-Approved			Proposed			Impact	
	Charge Unit	**Rate ($)**	**Volume**	**Charge ($)**	**Rate ($)**	**Volume**	**Charge ($)**	**$ Change**	**% Change**
Monthly Service Charge	Monthly	$ 242.0600	1	$ 242.06	$ 171.0300	1	$ 171.03	-$ 71.03	-29.34%
Smart Meter Rate Adder (SMIRR)	Monthly	$ 9.9700	1	$ 9.97		1	$ -	-$ 9.97	-100.00%
Distribution Volumetric Rate	per kW	$ 3.5943	100	$ 359.43	$ 2.5803	100	$ 258.03	-$ 101.40	-28.21%
Smart Meter Disposition Rider	Monthly	$ 20.7100	1	$ 20.71		1	$ -	-$ 20.71	-100.00%
Stranded Meter Charge	Monthly			$ -	$ 19.6300	1	$ 19.63	$ 19.63	
Sub-Total A (excluding pass through)				$ 632.17			$ 448.69	**-$ 183.48**	**-29.02%**
Rate Rider for DVA (2013)	per kW	-$ 0.1671	100	-$ 16.71	-$ 0.1671	100	-$ 16.71	$ -	0.00%
Rate Rider Global Adjust	per kW	-$ 2.4469	100	-$ 244.69	-$ 2.4469	100	-$ 244.69		
Rate Rider for DVA (2014)	per kW				$ 0.0361	100	$ 3.61		
Rate Rider CGAAP Changes (2014)	per kW				-$ 0.1381	100	-$ 13.81		
Rate Rider, GA (2014)					-$ 1.8481	100	-$ 184.81		
Line Losses on Cost of Power		$ 0.0925	1,291.08	$ 119.37	$ 0.0925	1,494.60	$ 138.19	$ 18.82	15.76%
	Monthly			$ -					
Sub-Total B - Distribution (includes Sub-Total A)				**$ 490.14**			**$ 130.47**	**-$ 359.67**	**-73.38%**
RTSR - Network	per kW	$ 2.4488	100	$ 244.88	$ 2.6255	100	$ 262.55	$ 17.67	7.22%
RTSR - Line and Transformation Connection	per kW	$ 0.5516	100	$ 55.16	$ 0.6308	100	$ 63.08	$ 7.92	14.36%
Sub-Total C - Delivery (including Sub-Total B)				**$ 790.18**			**$ 456.10**	**-$ 334.08**	**-42.28%**
Wholesale Market Service Charge (WMSC)	per kWh	$ 0.0044	31800	$ 139.92	$ 0.0044	31800	$ 139.92	$ -	0.00%
Rural and Remote Rate Protection (RRRP)	per kWh	$ 0.0013	31800	$ 41.34	$ 0.0013	31800	$ 41.34	$ -	0.00%
Standard Supply Service Charge		$ 0.2500	1	$ 0.25	$ 0.2500	1	$ 0.25	$ -	0.00%
Debt Retirement Charge (DRC)	per kWh	$ 0.0047	31800	$ 149.46	$ 0.0047	31800	$ 149.46	$ -	0.00%
TOU - Off Peak		$ 0.0750		$ -	$ 0.0750	0	$ -	$ -	
TOU - Mid Peak		$ 0.1120		$ -	$ 0.1120	0	$ -	$ -	
TOU - On Peak		$ 0.1350		$ -	$ 0.1350	0	$ -	$ -	
Energy - RPP - Tier 1		$ 0.0860		$ -	$ 0.0860	0	$ -	$ -	
Energy - Spot & Global		$ 0.1010	31800	$ 3,211.80	$ 0.1010	31800	$ 3,211.80	$ -	0.00%
Total Bill on Spot (before Taxes)				**$ 4,332.95**			**$ 3,998.87**	**-$ 334.08**	**-7.71%**
HST		13%		$ 563.28	13%		$ 519.85	-$ 43.43	-7.71%
Total Bill (including HST)				$ 4,896.24			$ 4,518.72	-$ 377.51	-7.71%
Ontario Clean Energy Benefit [1]								$ -	
Total Bill on RPP (including OCEB)				**$ 4,896.24**			**$ 4,518.72**	**-$ 377.51**	**-7.71%**

Loss Factor (%)	4.06%	4.70%

Appendix 2-W
Bill Impacts

Customer Class: **Street Lights**

TOU / non-TOU: non-TOU

Connection	**1,006**	**#**
Consumption	**28,100**	**kWh** ○ May 1 - October 31
Demand	**88**	**kW**

	Charge Unit	Current Board-Approved Rate ($)	Current Board-Approved Volume	Current Board-Approved Charge ($)	Proposed Rate ($)	Proposed Volume	Proposed Charge ($)	Impact $ Change	Impact % Change
Monthly Service Chg Per Connection	Monthly	$ 1.1700	1,006	$ 1,177.02	$ 1.5900	1,006	$ 1,599.54	$ 422.52	35.90%
Smart Meter Rate Adder (SMIRR)	Monthly		1	$ -		1	$ -	$ -	
Distribution Volumetric Rate	per kW	$ 3.0509	88	$ 268.48	$ 4.1381	88	$ 364.15	$ 95.67	35.64%
Smart Meter Disposition Rider	Monthly			$ -		1	$ -	$ -	
	Monthly			$ -		1	$ -	$ -	
Sub-Total A (excluding pass through)				$ 1,445.50			$ 1,963.69	**$ 518.19**	**35.85%**
Rate Rider for DVA (2013)	per kW	-$ 0.1545	88	-$ 13.60	-$ 0.1545	88	-$ 13.60	$ -	0.00%
Rate Rider Global Adjust (2013)	per kW	-$ 2.2660	88	-$ 199.41	-$ 2.2660	88	-$ 199.41		
Rate Rider for DVA (2014)	per kW				-$ 0.5966	88	-$ 52.50		
Rate Rider CGAAP Changes (2014)	per kW				-$ 0.0123	88	-$ 1.08		
Rate Rider for DVA Global (2014)					-$ 1.6400	88	-$ 144.32		
Line Losses on Cost of Power		$ 0.0839	1,291.08	$ 108.32	$ 0.0925	1,494.60	$ 138.19	$ 29.87	27.57%
				$ -				$ -	
Sub-Total B - Distribution (includes Sub-Total A)				**$ 1,340.82**			**$ 1,690.98**	**$ 350.16**	**26.12%**
RTSR - Network	per kW	$ 1.8469	88	$ 162.53	$ 1.9801	88	$ 174.25	$ 11.72	7.21%
RTSR - Line and Transformation Connection	per kW	$ 0.4265	88	$ 37.53	$ 0.4878	88	$ 42.93	$ 5.39	14.37%
Sub-Total C - Delivery (including Sub-Total B)				**$ 1,540.88**			**$ 1,908.16**	**$ 367.28**	**23.84%**
Wholesale Market Service Charge (WMSC)	per kWh	$ 0.0044	28100	$ 123.64	$ 0.0044	28100	$ 123.64	$ -	0.00%
Rural and Remote Rate Protection (RRRP)	per kWh	$ 0.0013	28100	$ 36.53	$ 0.0013	28100	$ 36.53	$ -	0.00%
Standard Supply Service Charge		$ 0.2500	1	$ 0.25	$ 0.2500	1	$ 0.25	$ -	0.00%
Debt Retirement Charge (DRC)	per kWh	$ 0.0047	28100	$ 132.07	$ 0.0047	28100	$ 132.07	$ -	0.00%
TOU - Off Peak		$ 0.0750		$ -	$ 0.0750	0	$ -	$ -	
TOU - Mid Peak		$ 0.1120		$ -	$ 0.1120	0	$ -	$ -	
TOU - On Peak		$ 0.1350		$ -	$ 0.1350	0	$ -	$ -	
Energy - RPP - Tier 1		$ 0.0860		$ -	$ 0.0860	0	$ -	$ -	
Energy - Spot & Global		$ 0.1010	29241	$ 2,953.33	$ 0.1010	28100	$ 2,838.10	-$ 115.23	-3.90%
Total Bill on Spot (before Taxes)				**$ 4,786.69**			**$ 5,038.75**	**$ 252.05**	**5.27%**
HST			13%	$ 622.27		13%	$ 655.04	$ 32.77	5.27%
Total Bill (including HST)				$ 5,408.96			$ 5,693.78	$ 284.82	5.27%
Ontario Clean Energy Benefit [1]								$ -	
Total Bill on RPP (including OCEB)				**$ 5,408.96**			**$ 5,693.78**	**$ 284.82**	**5.27%**

	Current	Proposed
Loss Factor (%)	4.06%	4.70%

Appendix 2-W
Bill Impacts

Customer Class: **Unmetered Scattered Load**

TOU / non-TOU: non-TOU

○ May 1 - October 31 **Consumption** 800 **kWh** ○ May 1 - October 31

	Charge Unit	Current Board-Approved Rate ($)	Current Board-Approved Volume	Current Board-Approved Charge ($)	Proposed Rate ($)	Proposed Volume	Proposed Charge ($)	Impact $ Change	Impact % Change
Monthly Service Charge per Customer	Monthly	$ 29.0300	1	$ 29.03	$ 37.8700	1	$ 37.87	$ 8.84	30.45%
Smart Meter Rate Adder (SMIRR)	Monthly		1	$ -		1	$ -	$ -	
Distribution Volumetric Rate	per kWh	$ 0.0066	800	$ 5.28	$ 0.0086	800	$ 6.88	$ 1.60	30.30%
Smart Meter Disposition Rider	Monthly		1	$ -		1	$ -	$ -	
Stranded Meter Charge	Monthly			$ -		1	$ -	$ -	
Sub-Total A (excluding pass through)				$ 34.31			$ 44.75	**$ 10.44**	**30.43%**
Rate Rider for DVA (2013)	per kWh	-$ 0.0004	800	-$ 0.32	-$ 0.0004	800	-$ 0.32	$ -	0.00%
	per kWh								
Rate Rider for DVA (2013)	per kWh						$ -		
Rate Rider CGAAP (2014)	per kWh				-$ 0.0004	800	-$ 0.32		
Line Losses on Cost of Power		$ 0.0925	32.48	$ 3.00	$ 0.0925	37.60	$ 3.48	$ 0.47	15.76%
				$ -			$ -	$ -	
Sub-Total B - Distribution (includes Sub-Total A)				**$ 36.99**			**$ 47.59**	**$ 10.59**	**28.64%**
RTSR - Network	per kWh	$ 0.0060	832	$ 4.99	$ 0.0064	838	$ 5.36	$ 0.37	7.32%
RTSR - Line and Transformation Connection	per kWh	$ 0.0013	832	$ 1.08	$ 0.0015	838	$ 1.26	$ 0.17	16.09%
Sub-Total C - Delivery (including Sub-Total B)				**$ 43.07**			**$ 54.20**	**$ 11.13**	**25.85%**
Wholesale Market Service Charge (WMSC)	per kWh	$ 0.0044	832	$ 3.66	$ 0.0044	838	$ 3.69	$ 0.02	0.62%
Rural and Remote Rate Protection (RRRP)	per kWh	$ 0.0013	832	$ 1.08	$ 0.0013	838	$ 1.09	$ 0.01	0.62%
Standard Supply Service Charge		$ 0.2500	1	$ 0.25	$ 0.2500	1	$ 0.25	$ -	0.00%
Debt Retirement Charge (DRC)	per kWh	$ 0.0047	800	$ 3.76	$ 0.0047	800	$ 3.76	$ -	0.00%
TOU - Off Peak		$ 0.0750		$ -	$ 0.0750	0	$ -	$ -	
TOU - Mid Peak		$ 0.1120		$ -	$ 0.1120	0	$ -	$ -	
TOU - On Peak		$ 0.1350		$ -	$ 0.1350	0	$ -	$ -	
Energy - RPP - Tier 1		$ 0.0860	800	$ 68.80	$ 0.0860	800	$ 68.80	$ -	0.00%
Energy - RPP - Tier 2		$ 0.1010		$ -	$ 0.1010	0	$ -	$ -	
Total Bill on TOU (before Taxes)				**$ 51.83**			**$ 62.99**	**$ 11.16**	**21.54%**
HST			13%	$ 6.74		13%	$ 8.19	$ 1.45	21.54%
Total Bill (including HST)				$ 58.56			$ 71.18	$ 12.61	21.54%
Ontario Clean Energy Benefit [1]				-$ 5.86			-$ 7.12	-$ 1.26	21.50%
Total Bill on TOU (including OCEB)				**$ 52.70**			**$ 64.06**	**$ 11.35**	**21.54%**
Total Bill on RPP (before Taxes)				**$ 120.63**			**$ 131.79**	**$ 11.16**	**9.25%**
HST			13%	$ 15.68		13%	$ 17.13	$ 1.45	9.25%
Total Bill (including HST)				$ 136.31			$ 148.92	$ 12.61	9.25%
Ontario Clean Energy Benefit [1]				-$ 13.63			-$ 14.89	-$ 1.26	9.24%
Total Bill on RPP (including OCEB)				**$ 122.68**			**$ 134.03**	**$ 11.35**	**9.25%**

Loss Factor (%) Current: 4.06% Proposed: 4.70%

Fort Frances Power Corporation

APPENDIX C

Revenue Requirement Workform Summary

Revenue Requirement Workform

Revenue Requirement

Line No.	Particulars	Application		Reply Submission		Per Board Decision	
1	OM&A Expenses	$1,644,650		$1,626,063		$1,642,650	
2	Amortization/Depreciation	$197,074		$192,417		$196,134	
3	Property Taxes	$13,000		$13,000		$13,000	
5	Income Taxes (Grossed up)	$ -		$ -		$ -	
6	Other Expenses	$ -					
7	Return						
	Deemed Interest Expense	$135,041		$129,526		$134,710	
	Return on Deemed Equity	$ -		$ -		$ -	
8	**Service Revenue Requirement (before Revenues)**	$1,989,765		$1,961,006		$1,986,494	
9	Revenue Offsets	$103,033		$108,033		$108,033	
10	**Base Revenue Requirement (excluding Tranformer Owership Allowance credit adjustment)**	$1,886,732		$1,852,973		$1,878,461	
11	Distribution revenue	$1,886,732		$1,852,973		$1,878,461	
12	Other revenue	$103,033		$108,033		$108,033	
13	**Total revenue**	$1,989,765		$1,961,006		$1,986,494	
14	**Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)**	($0)	(1)	$0	(1)	($0)	(1)

Notes

(1) Line 11 - Line 8

Fort Frances Power Corporation

APPENDIX D

Draft Accounting Order- Long Term Load Transfer

APPENDIX D – Draft Accounting Order

Fort Frances Power Corporation

Long Term Load Transfer Project

Fort Frances Power Corporation (FFPC) shall establish the following Variance Account effective September 1, 2014:

Account 1572, Extraordinary Event Costs, "Sub-account Long Term Load Transfer (LTLT)"

FFPC will record all costs to connect electricity customers that reside within FFPC's licensed Distribution Service Territory that are currently serviced by Hydro One. As per the Decision and Order EB-2013-0130, FFPC LTLT project was approved to allow the connection of 13 of the 14 potential customers in 2014.

FFPC was requested, due to the magnitude of the LTLT project, to create a variance account to provide adjusted capital expenditure and operating expense levels to reflect the adjustment with all necessary explanations.

FFPC will create the appropriate sub-accounts to permit the separate identification of capital and non-capital cost components.

Carrying charges will be determined by applying the Board approved rate to the opening monthly balances recorded in the sub-accounts. The amounts recorded shall be brought forward for disposition in FFPC's next Cost of Service rate application.

1. To record capital and non-capital expenditures for LTLT Project:

   Accounting Entry

Debit	Account 1508	Other Regulatory Assets-Sub-account LTLT
Credit	Account 2205	Accounts Payable/Bank

2. To record, using OEB approved rates, the carrying charges associated with net capital investments.

   Accounting Entry

Debit	Account 1508	Other Regulatory Assets-Sub-account LTLT, Carrying Charges
Credit	Account 4405	Interest and Dividend Income

Fort Frances Power Corporation

APPENDIX E

Draft Accounting Order- Renewable Generation Connection Funding Adder Deferral Account

APPENDIX E – Draft Accounting Order

Fort Frances Power Corporation

<u>Renewable Generation Connection Funding Adder Deferral Account</u>

Fort Frances Power Corporation (FFPC) shall establish the following Variance Account effective September 1, 2014, with the recovery from IESO of $2,170 annually or $181 monthly.

Account 1533, Renewable Generation Connection Funding Adder Deferral Account,

"Sub-account Provincial Rate Protection Payment Variances"

FFPC shall use Account 1533, Renewable Generation Connection Funding Adder Deferral Account, "Sub-account Provincial Rate Protection Payment Variances" to record with respect to the Provincial Rate Protection payments under O. Reg. 330/09 at the end of each fiscal year, the net of:

1. The annual revenue requirement impact on an actual basis applicable to the in-service capital assets and depreciation, and incurred operation, maintenance and administrative expenses eligible for Provincial Rate Protection, and;

2. Provincial Rate Protection payments, as approved by the Board, received from the Independent Electricity Systems Operator (IESO) for the year.

FFPC shall ensure that the correct allocations and percentages are used to determine the eligible portions of the in-service capital assets and depreciation, and incurred operation maintenance and administrative expenses. Detailed records will be maintained showing the derivation of amounts recorded.

FFPC will conduct a prudent review of not yet in-service capital assets and incurred expenses. At the time of disposition, FFPC will seek Board approval upon review of in-service capital assets and expenses. The outcome of the Board review may determine if changes to the revenue requirement for the Provincial Rate Protection payment amounts received by IESO.

Upon completion of the review, FFPC will continue to track and record amounts in the "Sub-account Provincial Rate Protection Variances" as described above.

No carrying charges shall accrue on the balance in "Sub-account Provincial Rate Protection Variances".

The Provincial Rate Protection payments, as approved by the Board, received by the IESO, shall be recorded in "Sub-Account Provincial Payments" of Account 4080, with offsetting entries to the variance account.