



January 6, 2015

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 26th Floor
Toronto, Ontario M4P 1E4
Attn: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli:

Re: Fort Frances Power Corporation
Rate Application Board File EB-2014-0074

Fort Frances Power Corporation is submitting a response to the revisions proposed by our Project Advisor, Martha McQuat to the 2015 Price Cap Incentive Regulation rate application submitted of November 3, 2014 for rates effective May 1, 2015.

In accordance with Board Order, two hard copies of the reply to the revisions are enclosed. Electronic copies of the complete response in PDF text-searchable format and the IRM rate generator 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:

A handwritten signature in black ink, appearing to read 'Lori Cain', is written in a cursive style.

Lori Cain
Finance and Regulatory Officer

Att.

Fort Frances Power Corporation
Response to Rate Generator Model Revisions
EB-2014-0074
January 6, 2015

Fort Frances Power Corporation (FFPC) submitted the Price Cap IR Application EB-2014-0074 to Board Secretary on November 3, 2014. FFPC received an acknowledgement letter on November 24, 2014 and a revised rate generator model on December 11, 2014.

The involved parties chose to forego the proposed teleconference as the changes required to the submitted model were minimal. FFPC was requested to indicate their agreement by written confirmation of the revisions. FFPC was requested to respond by return email to the Board Secretary and the Project Advisor, Martha McOuat by **January 20, 2015**.

The model has been modified to incorporate the 2015 GDP-IPI in this revision. The final 2015 UTRs will be incorporated into the draft final model when available.

The following are the changes which have been made to FFPC's model, which require confirmation of:

- IRM Rate Generator, Sheet 6: Board staff has corrected the 2014 billing determinant for the Streetlighting class to be consistent with the 2014 forecast.

Fort Frances Power response:

FFPC agrees with the Sheet 6, Streetlighting 'Metered kW' revision from 1058 kW to 1055 kW to match the 2014 COS forecast.

- IRM Rate Generator, Sheet 9: Board staff has corrected the 2014 billing determinant for the Streetlighting class for consistency within the model. Please note that this correction was not discussed, but will have no impact on FFPC's rates.

Fort Frances Power response:

FFPC agrees with the Sheet 9, Streetlighting 'Re-based Billed kW' revision from 1058 kW to 1055 kW.

- IRM Rate Generator, Sheet 14: Board staff has corrected the billing determinant for the Streetlighting Class to reflect actual 2013 data, consistent with the instructions for the model. Please note that the resulting under-collection will be flowed through to the DVA balance for 2014.

Fort Frances Power response:

FFPC agrees with the Sheet 14 Streetlighting 'Non-Loss Adjusted Metered kW' revision from 1058 kW to 2058 kW to match the 2013 RRR 2.1.5, Table 1-'Total Metered Consumption and Demand' filing to uphold the correct model calculation.

- IRM Rate Generator, Sheet 14: Board staff has adjusted the applicable loss factor to the approved 2013 value, consistent with the 2013 data underlying the model. Please note that this correction was not discussed, and will have a slight impact on the final RTSRs.

Fort Frances Power response:

FFPC agrees with the Sheet 14 'Applicable Loss Factor' revision to the prior approved 2013 Loss Factor of 1.0406 to uphold the integrity of model.

- IRM Rate Generator, Sheet 15: Board staff has removed the amounts for the Hydro One Sub-Transmission Rate Rider 9A, as this rate rider will expire on December 31, 2014 and is no longer applicable.

Fort Frances Power response:

FFPC agrees with the removal of the expired 2014 Hydro One Sub-Transmission Rate Rider 9A.

- IRM Rate Generator, Sheet 24: Board staff has adjusted the Price Escalator at cell B15 to 1.6% in accordance with the derivation for 2015 rates as shown on the Board's website at: <http://www.ontarioenergyboard.ca/oeb/Industry/Regulatory%20Proceedings/Applications%20Before%20the%20Board/Electricity%20Distribution%20Rates/2015%20Electricity%20Distribution%20Rate%20Applications>

FFPC agrees with the final Price Escalator of 1.6 for the 2015 rates from the 2014 Price Escalator of 1.7.