

Fort Frances Power Corporation (Fort Frances Power)

EB-2016-0071

Application Analysis

Interrogatory #1

Ref: Sheet 1 “Information Sheet” – Rate Year in which the Group 1 accounts were last cleared

Fort Frances Power indicates on the Information Sheet of IRM model that its Group 1 accounts were last cleared in rate year 2015. OEB staff notes that as per the Decision and Rate Order issued on March 17, 2016 the Rate Year the Group 1 accounts were last cleared should be 2016 (2016 IRM, EB-2015-0070).

- a) Please confirm if Fort Frances Power with the above. If so, OEB staff will update the IRM model.

- b) If answer to a) is no, please provide an explanation for the discrepancy.

Fort Frances Power Corporation (FFPC) confirms the above and the model should be updated to reflect 2016.

OEB Staff: Corrected in the model.

Interrogatory #2

Ref: Sheet 3 “Continuity Schedule” – OEB-Approved Disposition during 2014

		2014				
Account Descriptions	Account Number	Opening Principal Amounts as of Jan 1, 2014	Transactions* Debit / (Credit) during 2014	OEB-Approved Disposition during 2014	Principal Adjustments* during 2014	Closing Principal Balance as of Dec 31, 2014
Group 1 Accounts						
LV Variance Account	1550	0				0
Smart Metering Entity Charge Variance Account	1551	(318)	280			(38)
RSVA - Wholesale Market Service Charge	1580	(146,787)	14,824	(95,339)		(127,292)
Variance WMS – Sub-account CBR Class A	1580	0				0
Variance WMS – Sub-account CBR Class B	1580	0				0
RSVA - Retail Transmission Network Charge	1584	6,239	20,885	1,186		28,310
RSVA - Retail Transmission Connection Charge	1586	3,049	9,974	2,391		15,414
RSVA - Power	1588	29,745	7,063	49,300		(16,518)
RSVA - Global Adjustment	1589	15,695	57,692	(219,719)		(146,332)
Disposition and Recovery/Refund of Regulatory Balances (2009)*	1595	0				0
Disposition and Recovery/Refund of Regulatory Balances (2010)*	1595	0				0
Disposition and Recovery/Refund of Regulatory Balances (2011)*	1595	0				0
Disposition and Recovery/Refund of Regulatory Balances (2012)*	1595	(12,854)				(12,854)
Disposition and Recovery/Refund of Regulatory Balances (2013)*	1595	(272,623)	152,355			(120,268)
Disposition and Recovery/Refund of Regulatory Balances (2014)*	1595	0	27,828	212,586		(184,758)
Disposition and Recovery/Refund of Regulatory Balances (2015)*	1595	0				0

- a) On Tab 3 of the IRM model, Fort Frances Power reported balances \$212,586 in account 1595 “Disposition and Recovery/Refund of Regulatory Balances (2014)”. Please provide explanation for this balance.

The balance of \$212,586 in account 1595 “Disposition and Recovery/Refund of Regulatory Balances (2014)” reflects EB-2013-0130 – Principal balance with the adjustment to LRAM account.

Account #	Account Description	Principal
1580	RSVA- Wholesale Market Service Charge	\$ (95,339)
1584	RSVA - Retail Transmission Network Charge	\$ 1,186
1586	RSVA - Retail Transmission Connection Charge	\$ 2,391
1588-Power	RSVA - Power (Excluding Global Adjustment)	\$ 49,300
1589- Global	RSVA - Global Adjustment	\$ (219,719)
1508	OEB Cost Assessment	\$ 6,914
1508	IFRS Transition Cost (with 2013 Costs in Decision)	\$ 38,332
1531	Renewable Generation Connection	\$ 1,335
1582	RSVA - One Time	\$ 4,256
2425	Other Deferred Credits - Shared Tax Savings	\$ (6,144)
1568	LRAM Variance Account	\$ 4,902
	Total for Disposition Excluding Global Adjustment	\$ 7,133
	Total Disposition Amount	\$(212,586)

OEB staff: No further question.

Interrogatory #3

Ref: IRM Model – Tab 3: Account 1580 Variance WMS – Sub-account CBR Class B

Account Descriptions		Account Number	Total Interest	Total Claim	As of Dec 31-15	Variance RRR vs. 2015 Balance (Principal + Interest)
Group 1 Accounts						
LV Variance Account	1550	0	0	0	0	0
Smart Metering Entity Charge Variance Account	1551	29	2,586	2,521	0	0
RSVA - Wholesale Market Service Charge	1580	(5,174)	(147,200)	(128,445)	0	0
Variance WMS – Sub-account CBR Class A	1580	0	<input type="checkbox"/> Check to Dispose of Account (Disabled)	0	0	0
Variance WMS – Sub-account CBR Class B	1580	(288)	<input checked="" type="checkbox"/> Check to Dispose of Account	0	(9,427)	0
RSVA - Retail Transmission Network Charge	1584	(298)	361	21,228	0	0
RSVA - Retail Transmission Connection Charge	1586	34	2,147	12,117	0	0
RSVA - Power	1588	(1,075)	3,905	6,014	0	0
RSVA - Global Adjustment	1589	(461)	65,551	121,988	0	0

On tab 3 of the 2017 IRM model, it states “When inputting balances in the continuity schedule, Account 1580 RSVA - Wholesale Market Service Charge is to exclude any amounts relating to CBR. The CBR amounts are to be entered separately in the Class A and Class B 1580 sub-accounts. Only Class B amounts are to be disposed. Class A amounts are not to be disposed”.

Fort Frances Power shows a \$0 balance in account 1580 sub-account CBR Class B.

- a) Please confirm whether or not Fort Frances Power proposes to dispose the balance in account 1580 sub-account CBR Class B in the 2017 IRM process. If so, Fort Frances Power needs to check the box for disposition of Class B (Cell BT25).

FFPC has checked the box for disposition and will send the updated file through FileZilla.

- b) Please explain why Cell BV23 does not show a variance. Please follow the instructions below:

Variance was not shown due to improper CBDR allocation. FFPC has correct the allocation as per the instructions below and will send the updated file through FileZilla.

The OEB established two new sub-accounts of Account 1580- WMS to record CBR amounts

- Sub-account CBR Class A
- Sub-account CBR Class B

CBR amounts are to be recorded separately in CBR Sub-accounts Class A and Class B

- Account 1580 RSVA - Wholesale Market Service Charge is to **exclude** any amounts relating to CBR.
- The CBR amounts are to be entered separately in the Class A and Class B 1580 sub-accounts (Tab 3, rows 24 & 25).
- Column BU, showing RRR data for Account 1580 – Wholesale Market Service Charge, includes sub-account CBR amounts for Class A and Class B (if any). The IRM model will show a variance in cell BV23 that should equal the sum of CBR sub-accounts for Class A and Class B

Disposition - Sub-account CBR Class B only

- IRM model supports disposition of CBR Class B amounts; manner will depend on distributor circumstances.
- Sub-account CBR Class A will not be disposed off during the 2017 IRM process
- The checkbox with cell BT24 (total claim of 1580 sub-account Class A) has been disabled and the value in this cell is always "0" in the model, as sub-account CRB Class A is not disposed

OEB staff: No further question.

Interrogatory #4

Ref: IRM Model – Sheet 20 “Bill Impacts”

In table 1 on tab 20, distributors need to enter the billing determinants for the unmetered classes (USL, Street Lighting and Sentinel) in column N. These values are missing in Fort Frances Power’s IRM model for the USL and Street Lighting classes (N33 and N34).

a) Please provide the required billing determinants. OEB staff will update the model.

Ontario Energy Board

Incentive Regulation Model for 2017 Filers

The bill comparisons below must be provided for typical customers and consumption levels. Bill impacts must be provided for residential customers consuming 750 kWh per month and general service customers consuming 2,000 kWh per month and having a monthly demand of less than 50 kW. Include bill comparisons for Non-RPP (retailer) as well. **To assess the combined effects of the shift to fixed rates and other bill impacts associated with changes in the cost of distribution service, applicants are to include a total bill impact for a residential customer at the distributor’s 10th consumption percentile (In other words, 10% of a distributor’s residential customers consume at or less than this level of consumption on a monthly basis). Refer to page 9 of the Filing Requirements For Electricity Distribution Rate Applications issued July 14, 2016.**

For certain classes where one or more customers have unique consumption and demand patterns and which may be significantly impacted by the proposed rate changes, the distributor must show a typical comparison, and provide an explanation.

Note:

- For those classes that are not eligible for the RPP price, the weighted average price including Class B GA through end of May 2016 of \$0.113/kWh (IESO’s Monthly Market Report for May 2016, page 22) has been used to represent the cost of power. For those classes on a retailer contract, applicants should enter the contract price (plus GA) for a more accurate estimate. Changes to the cost of power can be made directly on the bill impact table for the specific class.
- Due to the change to energy consumption used in the calculation of GA rate riders for the 2017 rate year, the separate “GA Rate Riders” line is only applicable to the “Proposed” section of the bill impact tables.
- Please enter the applicable billing determinant (e.g. number of connections or devices) to be applied to the monthly service charge for unmetered rate classes in column N. If the monthly service charge is applied on a per customer basis, enter the number “1”. Distributors should provide the number of connections or devices reflective of a typical customer in each class.

Note that cells with the highlighted color shown to the left indicate quantities that are loss adjusted.

Table 1

RATE CLASSES / CATEGORIES <i>(eg: Residential TOU, Residential Retailer)</i>	Units	RPP? Non-RPP Retailer? Non-RPP Other?	Current Loss Factor (eg: 1.035)	Proposed Loss Factor	Consumption (kWh)	Demand kW (if applicable)	RTSR Demand or Demand- Interval?	Billing Determinant Applied to Fixed Charge for Unmetered Classes (e.g. # of devices/connections)
RESIDENTIAL SERVICE CLASSIFICATION	kWh	RPP	1.047	1.047	321		N/A	
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	kWh	RPP	1.047	1.047	2,000		N/A	
GENERAL SERVICE 50 TO 4.999 KW SERVICE CLASSIFICATION	kW	Non-RPP (Other)	1.047	1.047	31,800	100	DEMAND	
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kWh	Non-RPP (Other)	1.047	1.047	800		N/A	
STREET LIGHTING SERVICE CLASSIFICATION	kWh	Non-RPP (Other)	1.047	1.047	28,100	96	N/A	
Add additional scenarios if required - 10th percentile		RPP	1.047	1.047	321			

FFPC Billing Determinants:

Unmetered Scattered Load Classification – 6

Street Lighting Service Classification – 1,103