

BY E-MAIL

April 29, 2020

Joerg Ruppenstein
President and CEO
Fort Frances Power Corporation
320 Portage Ave.
Fort Frances ON P9A 3P9
ffpc@fortfrances.ca

Dear Mr. Ruppenstein:

Re: Application for 2021 Electricity Rates

OEB File No.: EB-2020-0023

This letter is in response to your letter expressing an interest to defer Fort Frances Power Corporation's (Fort Frances Power) rebasing of its rates beyond the 2021 rate year. Fort Frances Power has requested a two year deferral from 2021 to 2023.

The OEB has reviewed Fort Francis Power's 2018 performance and a forecast of the 2019 performance. As a result, the OEB is granting Fort France Power's request to defer its 2021 cost of service application.

In approving Fort Frances Power's request to defer its rebasing from 2019 to 2021 the OEB stated that "If Fort Frances [Power] subsequently seeks a further deferral the OEB will consider whether the Annual Incentive Rate-setting Index method that was developed for distributors intending longer periods without rebasing should be applied."<sup>1</sup>

This is the third consecutive year that Fort Frances Power has sought a deferral to filing a cost of service rate application. The Annual Incentive Rate-setting Index (Annual IR Index) is the method that was developed for distributors intending longer periods without rebasing. For 2021 rates, the OEB will therefore apply the Annual IR Index method.

For 2022 rates, the OEB requires Fort Frances Power to file a distribution system plan with the OEB no later than August 30, 2021. The OEB will assess Fort Francis Power's 2019 performance and a forecast of 2020 information before making a final determination on whether Fort Francis Power is eligible to defer its rebasing to 2023 on the Annual IR Index method.

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<sup>&</sup>lt;sup>1</sup> OEB letter to Fort Frances Power, November 19, 2018

If Fort Frances Power intends to seek a rate adjustment for 2021 rates, the OEB expects Fort Frances Power to adhere to the process for Annual IR applications for the 2021 rate year.

Yours truly,

Original signed by

Christine E. Long Registrar and Board Secretary