



Ontario
Energy
Board | Commission
de l'énergie
de l'Ontario

DECISION AND RATE ORDER

EB-2020-0023

FORT FRANCES POWER CORPORATION

Application for rates and other charges to be effective May 1, 2021

By Delegation, Before: Pascale Duguay

[date]

1 INTRODUCTION AND SUMMARY

Through this Decision and Rate Order, the Ontario Energy Board (OEB) approves the incentive rate-setting mechanism (IRM) application filed by Fort Frances Power Corporation (Fort Frances Power) for new rates effective May 1, 2021.

Fort Frances Power serves approximately 3,750 mostly residential and commercial electricity customers in the Town of Fort Frances. The company is seeking the OEB's approval for the rates it charges to distribute electricity to its customers, as is required of licensed and rate-regulated distributors in Ontario.

A distributor may choose one of three rate-setting methodologies approved by the OEB. Each of these is explained in the [Handbook for Utility Rate Applications](#).

Fort Frances Power's application is based on the Annual IR Index option to set rates for 2021. The Annual IR Index is based on inflation less the OEB's highest stretch factor assessment of a distributor's efficiency. In accordance with the OEB-approved 2021 parameters for an Annual IR Index adjustment, Fort Frances Power applied for an increase of 1.60% to distribution rates.

As a result of this Decision, there will be a monthly total bill increase of \$0.43 for a residential customer consuming 750 kWh, effective May 1, 2021. The increase does not factor in applicable taxes or the Ontario Electricity Rebate.¹

¹ O.Reg 363/16, S. 3, effective November 1, 2019

2 THE PROCESS

This Decision is being issued by delegated authority, without a hearing, under section 6 of the *Ontario Energy Board Act, 1998* (the OEB Act).

The OEB follows a standardized and streamlined process for hearing IRM applications filed under the Annual IR Index option. In each adjustment year of an Annual IR Index term, the OEB prepares a Rate Generator Model that includes, as a placeholder, information from the distributor's past proceedings and annual reporting requirements.² A distributor will then review and complete the Rate Generator Model, and include it with its application.

Fort Frances Power filed its application on October 23, 2020 under section 78 of the OEB Act and in accordance with the OEB's [Filing Requirements for Electricity Distribution Rate Applications, Chapter 3 - Incentive Rate-Setting Applications](#) (Filing Requirements).

The application was supported by pre-filed written evidence and a completed Rate Generator Model. During the course of the proceeding, the applicant responded to OEB staff questions through emails and phone calls and, where required, updated and clarified the evidence.

² The Rate Generator Model is a Microsoft Excel workbook that is used to update base rates, retail transmission service rates and, if applicable, shared tax saving adjustments. It also calculates rate riders for the disposition of deferral and variance account balances. During the course of an IRM proceeding, the Rate Generator Model may be updated in order to make any necessary corrections, or to incorporate new rate-setting parameters as they become available.

3 ORGANIZATION OF THE DECISION

In this Decision, the OEB addresses the following issues, and provides reasons for approving or denying Fort Frances Power's proposals relating to each of them:

- Annual IR Index Adjustment
- Retail Transmission Service Rates
- Group 1 Deferral and Variance Accounts
- Lost Revenue Adjustment Mechanism Variance Account Balance

In the final section, the OEB addresses the steps to implement the final rates that flow from this Decision.

This Decision does not address rates and charges approved by the OEB in previous proceedings, which are not part of the scope of an IRM proceeding (such as specific service charges³ and loss factors). No further approvals are required to continue to include these items on a distributor's Tariff of Rates and Charges.

³ Certain Service Charges are subject to annual inflationary adjustments to be determined by the OEB through a generic order. The Decision and Order EB-2020-0285, issued December 3, 2020 established the adjustment for energy retailer service charges, effective January 1, 2021. The Order EB-2020-0288, issued December 10, 2020, set the Wireline Pole Attachment Charge for January 1, 2021 on an interim basis.

4 ANNUAL IR INDEX ADJUSTMENT

Fort Frances Power seeks to change its rates, effective May 1, 2021, based on a mechanistic rate adjustment using the OEB-approved ***inflation minus X-factor*** formula applicable to Annual Index IR applications.

The components of the Annual IR Index adjustment formula applicable to Fort Frances Power are set out in Table 4.1, below. Inserting these components into the formula results in a 1.60% increase to Fort Frances Power's rates: **1.60% = 2.20% - (0.00% + 0.60%)**.

Table 4.1: Annual IR Index Adjustment Formula

Components		Amount
Inflation Factor ⁴		2.20%
X-Factor	Productivity ⁵	0.00%
	Stretch (0.00% to 0.60%) ⁶	0.60%

A maximum inflation factor of 2.20% applies to all Annual IR Index applications for the 2021 rate year, provided that a utility does not elect a lower inflation factor to be used.

The X-factor is the sum of the productivity factor and the stretch factor. It is a productivity offset that will vary among different groupings of distributors. Subtracting the X-factor from inflation ensures that rates decline in real, constant-dollar terms, providing distributors with a tangible incentive to improve efficiency or else experience declining net income.

The productivity component of the X-factor is based on industry conditions over a historical study period and applies to all Price Cap IR and Annual IR Index applications for the 2021 rate year.

⁴ For the 2021 Inflation Factor, see Ontario Energy Board 2021 Electricity Distribution Rate applications webpage – November 9, 2020

⁵ Report of the OEB – “Rate Setting Parameters and Benchmarking under the Renewed Regulatory Framework for Ontario’s Electricity Distributors” EB-2010-0379, Issued November 21, 2013, corrected December 4, 2013

⁶ The stretch factor groupings are based on the Report to the Ontario Energy Board – “Empirical Research in Support of Incentive Rate-Setting: 2019 Benchmarking Update”, prepared by Pacific Economics Group LLC., August 2020

The OEB has established five stretch factor groupings, each within a range from 0.00% to 0.60%. The stretch factor assigned to any particular distributor is based on the distributor's total cost performance as benchmarked against other distributors in Ontario. The most efficient distributor would be assigned the lowest stretch factor of 0.00%. Conversely, a higher stretch factor would be applied to a less efficient distributor (in accordance with its cost performance relative to expected levels) to reflect the incremental productivity gains that the distributor is expected to achieve. For Annual IR Index applications, the OEB applies a default stretch factor of 0.60%.

In light of the continued uncertainty regarding the severity and duration of the COVID-19 emergency, and its impact on electricity utilities and customers alike, for 2021 rate adjustment applications, the OEB allowed utilities the discretion of applying either the calculated inflation factor in accordance with the OEB-approved methodology or a lower value. Utilities were also given the discretion to forego the inflationary increase entirely.⁷

The OEB required all utilities that filed (or were planning to file) 2021 rate adjustment applications to file a letter on the record of their rates proceedings, indicating the inflation factor that the utility has elected.

On February 3, 2021, Fort Frances Power filed a letter advising the OEB that it is electing an inflation factor of 2.20% for 2021 rates, resulting in a rate adjustment of 1.60%.⁸

Findings

The OEB finds that Fort Frances Power's request for a 1.60% rate adjustment is in accordance with the annually updated parameters set by the OEB, as well as the process established for the implementation of the 2021 inflation factor. The adjustment is approved, and Fort Frances Power's new rates shall be effective May 1, 2021.

The adjustment applies to distribution rates (fixed and variable) uniformly across all customer classes.⁹

⁷ [OEB Letter, 2021 Inflation Parameters, issued November 9, 2020](#)

⁸ EB-2020-0023, Letter re: Fort Frances Power Corporation's 2021 Inflation Factor, February 3, 2021

⁹ Price Cap IR and Annual IR Index adjustments do not apply to the following rates and charges: rate riders, rate adders, low voltage service charges, retail transmission service rates, wholesale market service rate, smart metering entity charge, rural or remote electricity rate protection charge, standard supply service – administrative charge, transformation and primary metering allowances, loss factors and microFIT charge.

5 RETAIL TRANSMISSION SERVICE RATES

Distributors charge retail transmission service rates (RTSRs) to their customers in order to recover the amounts they pay to a transmitter, a host distributor, or both, for transmission services. All transmitters charge Uniform Transmission Rates (UTRs) to distributors connected to the transmission system. Host distributors charge host-RTSRs to distributors embedded within the host's distribution system. Each of these rates is OEB-approved.

Fort Frances Power is transmission connected and is requesting approval to adjust the RTSRs that it charges its customers to reflect the currently approved rates that it pays for transmission services included in Table 5.1.

Table 5.1: UTRs¹⁰

UTRs (2021)		per kW
Network Service Rate		\$4.67
<u>Connection Service Rates</u>		
Line Connection Service Rate		\$0.77
Transformation Connection Service Rate		\$2.53

Findings

Fort Frances Power's proposed adjustment to its RTSRs is approved. The OEB notes that the OEB-approved 2021 UTRs were incorporated into the rate model to adjust the RTSRs that Fort Frances Power will charge its customers.

¹⁰ EB-2020-0251, Decision and Order, December 17, 2020

6 GROUP 1 DEFERRAL AND VARIANCE ACCOUNTS

In each year of an IRM term, the OEB will review a distributor's Group 1 deferral and variance accounts in order to determine whether their total balance should be disposed.¹¹ OEB policy requires that Group 1 accounts be disposed if they exceed (as a debit or credit) a pre-set disposition threshold of \$0.001 per kWh, unless a distributor justifies why balances should not be disposed.¹² If the balance does not exceed the threshold, a distributor may elect to request disposition.

The 2019 actual year-end total balance for Fort Frances Power's Group 1 accounts, representing the 2017 to 2019 fiscal years' transactions, including interest projected to April 30, 2021, is a credit of \$41,266. This amount represents a total credit claim of \$0.0006 per kWh, which does not exceed the disposition threshold. Fort Frances Power has requested disposition of this credit amount over a one-year period.

a) Global Adjustment Variance Account

One of the components of the commodity costs billed by the Independent Electricity System Operator (IESO), which is included in Group 1 accounts, is the Global Adjustment (GA).¹³

Different customer groups pay the GA in different ways:

- For Regulated Price Plan (RPP) customers, the GA is incorporated into the standard commodity rates customers pay. Therefore, there is no separate variance account for the GA.
- "Class A" customers are allocated GA costs based on the percentage their demand contributes to the top five Ontario system peaks. As distributors settle with Class A customers based on actual GA costs, there is no resulting variance.

¹¹ Group 1 accounts track the differences between the costs that a distributor is billed for certain IESO and host distributor services (including the cost of power) and the associated revenues that the distributor receives from its customers for these services. The total net difference between these costs and revenues is disposed to customers through a temporary charge or credit known as a rate rider.

¹² Report of the OEB – "Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR)." EB-2008-0046, July 31, 2009

¹³ The GA is established monthly by the IESO to reflect the difference between the wholesale market price for electricity and regulated rates for:

- Ontario Power Generation's nuclear and hydroelectric generating stations
- payments for building or refurbishing infrastructure such as gas-fired and renewable facilities and other nuclear
- contracted rates paid to a number of generators across the province
- the cost of delivering conservation programs

- "Class B" non-RPP customers are billed GA based on the electricity they consume in a month at the IESO published GA price. Distributors track any difference between the billed amounts and actual costs for these customers in the GA Variance Account for disposal, once audited.

Fort Frances Power proposes the recovery of its GA variance account balance of \$58,126 as of December 31, 2019, including projected interest to April 30, 2021, in accordance with the following table.

Table 6.1: Recovery of GA Variance

Proposed Amounts	Proposed Method for Recovery
\$58,126 recovered from customers who were Class B for the entire period from January 2017 to December 2019	per kWh rate rider

b) Capacity Based Recovery Class B Sub-account

The balance of the Group 1 accounts includes the Capacity Based Recovery (CBR) sub-account for Class B customers in the credit amount of \$48,361, relating to the IESO's wholesale energy market for the CBR program. Fort Frances Power had no Class A customers during the period from January 2017 to December 2019 so it applied to have the balance of this account disposed along with Account 1580 - Wholesale Market Service Charge through the general Deferral and Variance Account rate rider.

c) Group 1 Accounts

The Group 1 accounts being sought for disposition (excluding GA) include the following flow-through variance accounts: Smart Meter Entity Charges, Wholesale Market Service Charges, Retail Transmission Service Charges, Commodity Power Charges, and Account 1595 residual balances. These Group 1 accounts have a total credit balance of \$99,392, which results in a refund to customers. This balance combined with the debit balance for the GA account results in the total credit balance for Group 1 accounts of \$41,266.

The balances proposed for disposition reconcile with the amounts reported as part of the OEB's *Electricity Reporting and Record-Keeping Requirements*.¹⁴ Fort Frances

¹⁴ Electricity Reporting and Record Keeping Requirements, Version dated May 3, 2016

Power further submits that its proposal for a one-year disposition period is in accordance with the OEB's policy.¹⁵

In 2018, the OEB suspended its approvals of Group 1 rate riders on a final basis pending the development of further accounting guidance on commodity pass-through variance accounts.¹⁶ The OEB issued accounting guidance¹⁷ on the commodity accounts on February 21, 2019 (Accounting Guidance). In this letter, the OEB indicated that it expects distributors to consider the accounting guidance in the context of historical balances that have not yet been disposed on a final basis. Distributors are expected to make any adjustments needed prior to filing for final disposition.

In Fort Frances Power's IRM proceeding for 2020 rates, Fort Frances Power indicated that, as part of its implementation of the OEB's Accounting Guidance in 2019, it reviewed and analyzed historical account balances and noted that this review did not result in any changes to the booked balances.¹⁸ Fort Frances Power also explained that it performs its RPP settlements with the IESO based on actual billed consumption for the month, on a one-month time-lag basis.

In its decision and rate order setting Fort Frances Power's 2020 rates, the OEB stated that Fort Frances Power's commodity account balances were derived in a manner consistent with the OEB's Accounting Guidance, in that transactions were accrued and recorded in the appropriate fiscal periods. The OEB did note, however, that there was an inconsistency between Fort Frances Power's practice of settlement with the IESO on a one-month time-lag basis and the IESO's current market settlement rules.¹⁹ The OEB indicated that Fort Frances Power should work towards a resolution with OEB staff, who would help it to align its settlement practices with the current market rules, as appropriate.²⁰

In this proceeding, Fort Frances Power submitted that no changes have been made to its IESO settlement processes and that it has not been able to work with OEB staff

¹⁵ Report of the OEB – "Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR)." EB-2008-0046, July 31, 2009

¹⁶ OEB letter to all rate-regulated licensed electricity distributors – "Re: OEB's Plan to Standardize Processes to Improve Accuracy of Commodity Pass-Through Variance Accounts." July 20, 2018

¹⁷ Accounting Procedures Handbook Update – Accounting Guidance Related to Commodity Pass-Through Accounts 1588 & 1589, February 21, 2019

¹⁸ EB-2019-0036, Manager's Summary, p. 13

¹⁹ EB-2019-0036, Decision and Rate Order, April 16, 2020, p. 7

²⁰ Ibid.

towards a resolution due to the COVID-19 pandemic altering workflows.²¹ Fort Frances Power submitted that it intends to work with OEB staff towards a resolution as soon as circumstances permit.²²

Findings

The OEB approves the disposition of a credit balance of \$41,266 as of December 31, 2019, including interest projected to April 30, 2021, for Group 1 accounts on a final basis. The OEB has previously acknowledged that Fort Frances Power's commodity account balances are derived in accordance with the OEB's Accounting Guidance. With respect to alignment with the IESO's market rules, the OEB appreciates that the impacts of the COVID-19 pandemic may have disrupted the opportunity for Fort Frances to consult meaningfully with OEB staff on these matters. The OEB encourages Fort Frances Power to contact OEB staff as soon as circumstances allow for this type of engagement to proceed.

The following table identifies the principal and interest amounts, which the OEB approves for disposition.

²¹ Fort Frances Power's response to OEB Staff-5

²² Ibid.

Table 6.2: Group 1 Deferral and Variance Account Balances

Account Name	Account Number	Principal Balance (\$) A	Interest Balance (\$) B	Total Claim (\$) C=A+B
Smart Meter Entity Variance Charge	1551	(2,270)	(105)	(2,376)
RSVA - Wholesale Market Service Charge	1580	(216,141)	(12,628)	(228,769)
Variance WMS - Sub-account CBR Class B	1580	(46,162)	(2,198)	(48,361)
RSVA - Retail Transmission Network Charge	1584	10,741	312	11,053
RSVA - Retail Transmission Connection Charge	1586	5,618	412	6,030
RSVA - Power	1588	130,847	8,058	138,905
RSVA - Global Adjustment	1589	56,113	2,013	58,126
Disposition and Recovery of Regulatory Balances (2016)	1595	26,177	(2,052)	24,125
Totals for Group 1 accounts (excluding Account 1589)		(84,919)	(23,983)	(99,392)
Totals for all Group 1 accounts		(28,806)	(21,970)	(41,266)

The balance of each of the Group 1 accounts approved for disposition shall be transferred to the applicable principal and interest carrying charge sub-accounts of Account 1595. Such transfer shall be pursuant to the requirements specified in Article 220, Account Descriptions, of the *Accounting Procedures Handbook for Electricity Distributors*.²³ The date of the transfer must be the same as the effective date for the associated rates, which is, generally, the start of the rate year.

²³ Accounting Procedures Handbook for Electricity Distributors, effective January 1, 2012

The OEB approves these balances to be disposed through final rate riders and charges as calculated in the Rate Generator Model. The final rate riders and charges will be in effect over a one-year period from May 1, 2021 to April 30, 2022.²⁴

²⁴ 2021 IRM Rate Generator Model Tab 6.1 GA, Tab 6.1a GA Allocation, Tab 6.2 CBR B, Tab 6.2a CBR B_Allocation and Tab 7 Calculation of Def-Var RR

7 LOST REVENUE ADJUSTMENT MECHANISM VARIANCE ACCOUNT BALANCE

A distributor's conservation and demand management (CDM) programs may result in reduced overall consumption. To address this, the OEB established a Lost Revenue Adjustment Mechanism Variance Account (LRAMVA), which captures a distributor's revenue implications resulting from differences between actual savings and forecast conservation savings included in the last OEB-approved load forecast.²⁵ These differences are recorded by distributors at the rate class level.

Beginning on January 1, 2015, distributors delivered CDM programs to their customers through the Conservation First Framework (CFF). On March 20, 2019, the CFF was revoked.²⁶ Shortly thereafter, the OEB advised that electricity distributors would continue to have access to a lost revenue adjustment mechanism for conservation program activities undertaken under the CFF.²⁷ The OEB provided direction to distributors seeking to claim program savings up to December 31, 2019 related to CFF programs or other programs they deliver.²⁸

A distributor may apply for the disposition of the balance in the LRAMVA on an annual basis, as part of its IRM application, if the balance is deemed significant by the distributor.

Fort Frances Power has applied to dispose of its LRAMVA debit balance of \$48,208. The balance consists of lost revenues realized from the delivery of 2013 to 2017 CDM programs, and the persistence of these savings into 2018 and carrying charges. Fort Frances Power originally requested disposition of its LRAMVA debit balance over a two-year period, for all rate classes, to mitigate the impact of the rate increase on the Street Lighting customer class.²⁹ Fort Frances Power subsequently explained that the bill impact on the Street Lighting customer class is significantly higher than for any other customer class.³⁰ Fort Frances Power submitted that implementing a two-year recovery period for the LRAMVA balance allocated to the Street Lighting customer class and a one-year recovery for all other rate classes would be appropriate.³¹

²⁵ Guidelines for Electricity Distributor Conservation and Demand Management, EB-2012-0003, April 26, 2012; and Requirement Guidelines for Electricity Distributors Conservation and Demand Management, EB-2014-0278, December 19, 2014

²⁶ On March 20, 2019 the Minister of Energy, Northern Development and Mines issued separate Directives to the OEB and the IESO

²⁷ Ontario Energy Board letter dated June 20, 2019

²⁸ Chapter 3 Filing Requirements, section 3.2.6.1

²⁹ EB-2020-0023, Manager's Summary, p. 14

³⁰ Fort Frances Power's response to OEB Staff-12 c)

³¹ Ibid.

The actual conservation savings claimed by Fort Frances Power under the CFF were determined by the IESO.³² For CDM programs delivered prior to 2018, the IESO provided Fort Frances Power with a Final Verified Results Report that summarized all annual CDM results. For CDM programs delivered in 2018 and until the end of the CFF in 2019, the IESO made monthly Participation and Cost Reports and detailed project-level data available to Fort Frances Power.

Actual conservation savings were compared against Fort Frances Power's forecasted conservation savings of 1,798,705 kWh included in the load forecast, which was set out in Fort Frances Power's 2014 cost of service proceeding.³³

Findings

The OEB finds that Fort Frances Power's LRAMVA balance has been calculated in accordance with the OEB's CDM-related guidelines and updated LRAMVA policy. The OEB approves the disposition of Fort Frances Power's LRAMVA debit balance of \$48,208 as set out in Table 7.1 below.

Table 7.1 LRAMVA Balance for Disposition

Account Name	Account Number	Actual CDM Savings (\$) A	Forecasted CDM Savings (\$) B	Carrying Charges (\$) C	Total Claim (\$) D=(A-B)+C
LRAMVA	1568	136,485	91,583	3,306	48,208

The OEB approves these balances to be disposed through final rate riders as calculated in the LRAMVA Model. The final rate riders will be in effect over a two-year period from May 1, 2021 to April 30, 2023 for the LRAMVA balance allocated to the Street Lighting customer class, and over a one-year period from May 1, 2021 to April 30, 2022 for the LRAMVA balance allocated to all other rate classes.

³² For CDM programs delivered from 2015 to 2017, the IESO provided distributors with a Final Results Report that summarized all savings results. For 2018, distributors accessed the Participant and Cost Reports and detailed project level data from the IESO to support LRAMVA applications.

³³ EB-2013-0130, Decision and Order, August 14, 2014; EB-2013-0130, Chapter 2 Appendices Workform, Appendix 2-I

8 IMPLEMENTATION AND ORDER

This Decision is accompanied by a Rate Generator Model, applicable supporting models, and a Tariff of Rates and Charges (Schedule A).

Model entries were reviewed in order to ensure that they are in accordance with Fort Frances Power's last cost of service decision and to ensure that the 2020 OEB-approved Tariff of Rates and Charges, as well as the cost, revenue and consumption results from 2019, are as reported by Fort Frances Power to the OEB.

The Rate Generator Model was adjusted, where applicable, to correct any discrepancies. The Rate Generator Model incorporates the rates set out in the following table.

Table 8.1: Regulatory Charges

Rate	per kWh
Rural or Remote Electricity Rate Protection (RRRP)	\$0.0005
Wholesale Market Service (WMS) billed to Class A and B Customers	\$0.0030
Capacity Based Recovery (CBR) billed to Class B Customers	\$0.0004

Each of these rates is a component of the "Regulatory Charge" on a customer's bill, established annually by the OEB through a separate, generic order. The RRRP, WMS and CBR rates were set by the OEB on December 10, 2020.³⁴

The Smart Metering Entity Charge is a component of the "Distribution Charge" on a customer's bill, established by the OEB through a separate order. The Smart Metering Entity Charge was set by the OEB on March 1, 2018.³⁵

In the *Report of the Board: Review of Electricity Distribution Cost Allocation Policy*,³⁶ the OEB indicated that it will review the default province-wide microFIT charge annually to ensure it continues to reflect actual costs in accordance with the established methodology. On February 25, 2021, the OEB announced that the microFIT charge for the 2021 rate year will remain at \$4.55 per month.³⁷

³⁴ EB-2020-0276, Decision and Order, December 10, 2020

³⁵ EB-2017-0290, Decision and Order, March 1, 2018

³⁶ EB-2010-0219, Report of the Board "Review of Electricity Distribution Cost Allocation Policy", March 31, 2011

³⁷ OEB letter: Review of Fixed Monthly Charge for microFIT Generator Service Classification, issued February 25, 2021

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. The Tariff of Rates and Charges set out in Schedule A of this Decision and Rate Order is approved effective May 1, 2021 for electricity consumed or estimated to have been consumed on and after such date. Fort Frances Power Corporation shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new final rates.

DATED at Toronto, Month Day, 2021

ONTARIO ENERGY BOARD

Christine E. Long
Registrar

Schedule A

To Decision and Rate Order

Tariff of Rates and Charges

OEB File No: EB-2020-0023

DATED: [Date]

Fort Frances Power Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2021

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

EB-2020-0023

RESIDENTIAL SERVICE CLASSIFICATION

This section governs all services intended to supply electrical energy to buildings or sections of building 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. Class B consumers are defined in accordance with O. Reg. 429/04. 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 Ontario Energy Board, and amendments thereto as approved by Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by Ontario Energy 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 price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	35.06
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Rate Rider for Disposition of Global Adjustment Account (2021) - effective until April 30, 2022 Applicable only for Non-RPP Customers	\$/kWh	0.0033
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2021) - effective until April 30, 2022	\$/kWh	0.0007
Rate Rider for Disposition of Deferral/Variance Accounts (2021) - effective until April 30, 2022	\$/kWh	(0.0017)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0085
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0016

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Fort Frances Power Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2021

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

EB-2020-0023

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This section governs small commercial services and includes 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 forecasted to be less than, 50 kW. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Services.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of Ontario Energy Board, and amendments thereto as approved by Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by Ontario Energy 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 price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	47.67
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Distribution Volumetric Rate	\$/kWh	0.0109
Rate Rider for Disposition of Global Adjustment Account (2021) - effective until April 30, 2022		
Applicable only for Non-RPP Customers	\$/kWh	0.0033
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2021)		
- effective until April 30, 2022	\$/kWh	0.0010
Rate Rider for Disposition of Deferral/Variance Accounts (2021) - effective until April 30, 2022	\$/kWh	(0.0017)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0077
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0014

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Fort Frances Power Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2021

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

EB-2020-0023

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 centers, 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. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. 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 Ontario Energy Board, and amendments thereto as approved by Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by Ontario Energy 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 price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

If included in the following listing of monthly rates and charges, the rate rider for the disposition of WMS - Sub-account CBR Class B is not applicable to wholesale market participants (WMP), customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new Class B customers.

If included in the following listing of monthly rates and charges, the rate rider for the disposition of Global Adjustment is only applicable to non-RPP Class B customers. It is not applicable to WMP, customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new non-RPP Class B customers.

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

Fort Frances Power Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2021

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

EB-2020-0023

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	189.06
Distribution Volumetric Rate	\$/kW	2.8522
Rate Rider for Disposition of Global Adjustment Account (2021) - effective until April 30, 2022 Applicable only for Non-RPP Customers	\$/kWh	0.0033
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2021) - effective until April 30, 2022	\$/kW	(0.2482)
Rate Rider for Disposition of Deferral/Variance Accounts (2021) - effective until April 30, 2022	\$/kW	(0.2332)
Retail Transmission Rate - Network Service Rate	\$/kW	3.1785
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	0.5857

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Fort Frances Power Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2021

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

EB-2020-0023

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 a detailed manufacturer information/documentation with regard to electrical consumption of the unmetered load or periodic monitoring of actual consumption. Class B consumers are defined in accordance with O. Reg. 429/04. 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 Ontario Energy Board, and amendments thereto as approved by Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by Ontario Energy 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 price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per customer)	\$	41.86
Distribution Volumetric Rate	\$/kWh	0.0096
Rate Rider for Disposition of Deferral/Variance Accounts (2021) - effective until April 30, 2022	\$/kWh	(0.0016)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0077
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0014

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Fort Frances Power Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2021

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

EB-2020-0023

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 time the established hours of use in the Ontario Energy Board's load shape template. Class B consumers are defined in accordance with O. Reg. 429/04. 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 Ontario Energy Board, and amendments thereto as approved by Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by Ontario Energy 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 price, as applicable. In addition, the charges in the MONTHLY RATE AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	1.77
Distribution Volumetric Rate	\$/kW	4.5745
Rate Rider for Disposition of Global Adjustment Account (2021) - effective until April 30, 2022 Applicable only for Non-RPP Customers	\$/kWh	0.0033
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2021) - effective until April 30, 2023	\$/kW	8.8603
Rate Rider for Disposition of Deferral/Variance Accounts (2021) - effective until April 30, 2022	\$/kW	(0.6146)
Retail Transmission Rate - Network Service Rate	\$/kW	2.3972
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	0.4529

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Fort Frances Power Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2021

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

EB-2020-0023

microFIT SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Independent Electricity System Operator's microFIT program and connected to the distributor's distribution system. 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 Ontario Energy Board, and amendments thereto as approved by Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by Ontario Energy 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 price, as applicable.

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	4.55
----------------	----	------

Fort Frances Power Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2021

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

EB-2020-0023

ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.60)
Primary Metering Allowance for Transformer Losses - applied to measured demand & energy	%	(1.00)

SPECIFIC SERVICE CHARGES

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of Ontario Energy Board, and amendments thereto as approved by Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by Ontario Energy Board, or as specified herein.

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

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
Legal letter charge	\$	15.00
Account history	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	25.00
Returned cheque (plus bank charges)	\$	25.00
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		
(effective annual rate 19.56% per annum or 0.04896% compounded daily rate)	%	1.50
Reconnection at meter - during regular hours	\$	65.00
Reconnection at meter - after regular hours	\$	185.00
Reconnection at pole - during regular hours	\$	185.00
Reconnection at pole - after regular hours	\$	415.00

Other

Service call - customer owned equipment	\$	65.00
Service call - after regular hours	\$	165.00
Specific charge for access to the power poles - \$/pole/year (with the exception of wireless attachments) - Approved on an Interim Basis	\$	44.50

Fort Frances Power Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2021

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

EB-2020-0023

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 Ontario Energy Board, and amendments thereto as approved by Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by Ontario Energy 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, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

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 retailer	\$	104.24
Monthly fixed charge, per retailer	\$	41.70
Monthly variable charge, per customer, per retailer	\$/cust.	1.04
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust.	0.62
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust.	(0.62)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.52
Processing fee, per request, applied to the requesting party	\$	1.04
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)	\$	4.17
Notice of switch letter charge, per letter (unless the distributor has opted out of applying the charge as per the Ontario Energy Board's Decision and Order EB-2015-0304, issued on February 14, 2019)	\$	2.08

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 - Primary Metered Customer < 5,000 kW	1.0365