Fort Frances Power Corporation
EB-2021-0025

Please note, Fort Frances Power Corporation (Fort Frances Power) is responsible for ensuring that all documents it files with the OEB, including responses to OEB staff questions and any other supporting documentation, do not include personal information (as that phrase is defined in the *Freedom of Information and Protection of Privacy Act*), unless filed in accordance with rule 9A of the OEB's *Rules of Practice and Procedure*.

Staff Question-1

Ref: A portion of Rate Generator Model Tab 3 – Continuity Schedule Projected Interest is reproduced below

Account Descriptions	Account Number	Closing Interest Balances as of Dec 31, 2020 Adjusted for Disposition during 2021	Projected Interest on Dec-31-2020 Balances: Projected Interest from Jan 1, 2021 to Dec 31, 2021 on Dec 31, 2020 balance adjusted for disposition during 2021 [2]	Projected Interest on Dec-31-2020 Balances: Projected Interest from Jan 1, 2022 to Apr 30, 2022 on Dec 31, 2020 balance adjusted for disposition during 2021 [2]	Total Interest	Total Claim
Group 1 Accounts						
LV Variance Account	1550	0			0	0
Smart Metering Entity Charge Variance Account	1551	15		(44)	(29)	(91)
RSVA - Wholesale Market Service Charge[5]	1580	266		(236)	29	(33,158)
Variance WMS – Sub-account CBR Class A[5]	1580	0			0	0
Variance WMS – Sub-account CBR Class B[5]	1580	(25)		(147)	(173)	(20,855)
RSVA - Retail Transmission Network Charge	1584	47		101	148	14,269
RSVA - Retail Transmission Connection Charge	1586	(36)		(18)	(54)	(2,627)
RSVA - Power[4]	1588	(251)		(8)	(260)	(1,437)
RSVA - Global Adjustment[4]	1589	3,654		5,056	8,710	718,374
Disposition and Recovery/Refund of Regulatory Balances (2015 and pre-2015)[3]	1595	0			0	0
Disposition and Recovery/Refund of Regulatory Balances (2016)[3]	1595	(48)			(48)	0
Disposition and Recovery/Refund of Regulatory Balances (2017)[3]	1595	(14,911)		430	(14,482)	0

In tab 3 Continuity Schedule of the IRM model, OEB staff notes that in the title of columns BQ and BR, the projected interest should be calculated based on December 31, 2020 balance adjusted for disposition during 2021. Therefore, the formulas used in column BQ should be "BO*0.57% and BR should be "BO*0.57%/12*4. OEB staff has updated the model. Please confirm if the formulas are correct for the projected interest in columns BQ and BR.

Staff Question-2

Ref: Rate Generator Model, Tab 1 – Information Sheet

On Tab 1 of the Rate Generator Model in the current proceeding, Fort Frances Power has not selected the vintage year in which there is a balance in Account 1595. Note that the vintage year is the "rate application year".

4. Select the earliest vintage year in which there is a balance in Account 1595.

(e.g. If 2016 is the earliest vintage year in which there is a balance in a 1595 sub-account, select 2016.)

Please make the necessary correction to the Rate Generator Model provided with these OEB staff questions.

Staff Question-3
Ref: A portion of Rate Generator Model Tab 3 – Continuity Schedule is provided below
Ref: 2021 IRM Decision and Rate Order, March 25, 2021, page 11

		2021			
Account Descriptions	Account Number	Principal Disposition during 2021 – instructed by OEB	Interest Disposition during 2021 – instructed by OEB	Closing Principal Balances as of Dec 31, 2020 Adjusted for Disposition	Closing Interest Balances as of Dec 31, 2020 Adjusted for Disposition during 2021
Group 1 Accounts					
LV Variance Account	1550			0	0
Smart Metering Entity Charge Variance Account	1551	(2,270)	(105)	(62)	15
RSVA - Wholesale Market Service Charge[5]	1580	(216,141)	(12,628)	(33,188)	266
Variance WMS – Sub-account CBR Class A[5]	1580			0	0
Variance WMS – Sub-account CBR Class B[5]	1580	(46,162)	(2,198)	(20,682)	(25)
RSVA - Retail Transmission Network Charge	1584	10,471	312	14,122	47
RSVA - Retail Transmission Connection Charge	1586	5,618	412	(2,573)	(36)
RSVA - Power[4]	1588	130,847	8,058	(1,177)	(251)
RSVA - Global Adjustment[4]	1589	56,113	2,013	709,664	3,654
Disposition and Recovery/Refund of Regulatory Balances (2015 and pre-2015)[3]	1595			0	0
Disposition and Recovery/Refund of Regulatory Balances (2016)[3]	1595	26,177	(2,052)	0	(48)
Disposition and Recovery/Refund of Regulatory Balances (2017)[3]	1595			60,306	(14,911)
Disposition and Recovery/Refund of Regulatory Balances (2018)[3]	1595			0	0
Disposition and Recovery/Refund of Regulatory Balances (2019)[3]	1595			0	0
Disposition and Recovery/Refund of Regulatory Balances (2020)[3]	1595			0	0
Disposition and Recovery/Refund of Regulatory Balances (2021)[3] *Not to be disposed of until two years after rate rider has expired and that balance has been audited. Refer to the Filing Requirements for disposition eligibility.*	1595			0	0

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)

OEB staff notes that the OEB-approved principal amount for the RSVA – Retail Transmission Network Charge (Account 1584) approved in Fort Frances Power's 2021 IRM application[1] is $10,741. The Rate Generator Model in the current proceeding is showing $10,471.

If this is an error, please make the necessary correction to the Rate Generator Model included with these questions.

Staff Question-4
Ref: GA Analysis Workform
Ref: Manager's Summary, p.7

In the GA Analysis Workform, there are three reconciling items related to the impacts of the GA deferral:

i. ($326,233) equal to "Class B Deferral Amount*(LDC non-RPP Load/Total non-RPP Class B MWh) per IESO CT148"
ii. ($82,996) for "volume variance April-Jun"
iii. ($233,714) for "GA costs related to historic power agreement booked to g/l April-June"

a) It appears that the first reconciling item noted above is equal to the total credit CT 148 on Fort Frances Power's IESO invoice for April to June. Please confirm.
   i. If confirmed, please explain why the total credit CT148 on the invoice is a reconciling item.

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b) Please explain what the second reconciling item noted above represents.
    i. Please explain how the second reconciling above is calculated.
c) The Instructions for Completing the GA Analysis Workform – 2022 Rates has an example calculation for the reconciling item impacts from the GA deferral. Please explain why Fort Frances Power has calculated the impacts from the GA deferral in the first and second reconciling items noted above, in a different manner than the example.
d) Please explain the nature of the third reconciling item noted above and why it is a reconciling item.
    i. Please explain how the 1905 Agreement to limit the cost of power at 0.21416/kWh for 2.984 megawatts relates to the GA deferral, and how the portion relating to the GA deferral is determined.
    ii. Please provide the calculation of the third reconciling item.
e) Please explain whether the 1905 Agreement to limit the cost of power at 0.21416/kWh for 2.984 megawatts relates to the GA.
    i. If so, please explain why there is no reconciling item in the GA Analysis Workform for this.
    ii. Please revise the GA Analysis Workform as needed.

Staff Question-5
Ref: GA Analysis Workform

In the GA Analysis Workform, the expected GA volume variance is $61,278. Non-RPP retail kWh, including loss factor, excluding April to June 2020 is 13,126,783 kWh. Therefore, non-RPP retail kWh excluding a loss factor for the same period should be approximately 12,537,606 (13.126,783/1.047 approved loss factor). The actual loss factor would be approximately 1.09 (non-RPP retail kWh excluding losses/non-RPP wholesale kWh). Please comment on the reasonability of this large calculated loss factor as compared to the actual losses that Fort Frances Power experiences.

Staff Question-6
Ref: Rate Generator Model Tab 6.1 – GA

In the Rate Generator Model, Fort Frances Power has proposed the rate rider recovery period for the GA to be 24 months, instead of the default 12-month period.[2] . Please explain why Fort Frances Power has proposed a 24-month recovery period.

[2] Report of the Board on Electricity Distributors' Deferral and Variance Account Review Initiative, July 31, 2009