

FFPC

FORT FRANCES POWER CORPORATION

February 8, 2008

2/24/08
Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
27th Floor, 2300 Yonge Street
TORONTO, Ontario
M4P 1E4

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ONTARIO ENERGY BOARD

OEB BOARD SECRETARY	
File No: <i>2D</i>	SubFile: <i>1</i>
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Licensing	<i>Angela P.</i>
Other	
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Dear Ms. Walli,

**Re: Fort Frances Power Corporation
2008 Incentive Rate Mechanism Rate Application
Board File No. EB-2007-0885**

Please accept this amendment to the 2008 Manager's Incentive Rate Mechanism Summary submitted on November 15, 2007.

Fort Frances Power Corporation audited financial statement of December 2006 reported a net regulatory asset debt of \$500,973., plus carrying charges, incurred through previous rate structures and are consistent with the April 2007 filing, requirement 2.1.7. of the Board's Reporting and Record-Keeping Requirements (RRRs). The Regulatory Asset Recovery disposition of debt reduced both Non-RSVA and RSVA aggregated balances by \$48,103. in 2006, and is forecasted in 2007 to reduce this debt by over \$70,000. in 2007.

Please consider this letter as our request to continue the disposition of residual variance accounts in an aggregate manner through the current negative rate rider in the 2008 IRM Rate Application. The continuance of this rate rider, which has been in effect since 2006, is preferred rather than a deferral until our rates are rebased in 2009.

Thank you for your time in this important matter. If you have any questions or require any additional information, please do not hesitate to contact me.

Sincerely,
FORT FRANCES POWER CORPORATION



Joerg Ruppenstein, E. Eng.
CEO

Att.

**2008 Incentive Rate Mechanism Application
Ontario Energy Board Staff Interrogatories for
Fort Frances Power Corporation. — EB-2007-0885**

For each of the interrogatories below, please clarify whether this was an error, confirming what the correct entry should have been, or provide a complete explanation for the discrepancies. The format of the response should repeat the references and interrogatories.

Ref.: 2008 model, Sheet 3 (2007 Tariff Sheet)

1. A review of your current 2007 Board approved Tariff of Rates and Charges indicates that the service charge for the Unmetered Scattered Load class is applied on a "per customer" basis, however your 2008 model does not reflect this.
Response: The service charge for the Unmetered Scattered Load class is on a 'per customer' basis. The 2008 IRM model on the Fort Frances Power Corp. computer system produced a "Compile error in hidden module: ThisWorkbook". (This was identified on worksheet 1 of the submitted application.) Our model does not allow the proper 'pull-down' cell to identify this. Please revise our model to correct this.
2. A review of your current 2007 Board approved Tariff of Rates and Charges indicates that the service charge for the Street Lighting class is applied on a "per connection" basis, however your 2008 model does not reflect this.
Response: Fort Frances Power Corporation 2008 IRM Model is correct with a service charge for Street Lighting class is on a "per connection" basis. It is again a worksheet error that restricts the proper "pull-down" cell to identify this. Please revise our model to correct this.

Ref.: 2008 model, Sheet 6 (K factor)

3. A review of your 2008 model indicates that the following values for the calculation of the K factor are different from the Board's approved 2006 EDR model.
Rate Base: \$4,453,503 instead of \$4,460,594 as in the 2006 EDR Model
 - Distribution Expenses (other than Pils): \$1,339,876 instead of \$1,320,482 as in the 2006 EDR Model
 - Base Revenue Requirement: \$1,382,892 instead of \$1,363,407 as in the 2006 EDR Model*Response: Upon review, the revised 2006 EDR Model base numbers were used in error instead of the approved 2006 EDR model numbers. Please revise to the correct numbers as stated below:*

• Rate Base:	\$4,460,594
• Distribution Expenses (other than Pils):	\$1,320,482
• Base Revenue Requirement:	\$1,363,407

(The approved FFPC 2006 EDR will not open on our network computers.)

Ref.: 2008 model, Sheet 10

4. In your 2008 model the worksheet 10 has not been updated.
Response: The model did not update because of error codes resulting from software incompatibility with the 2008 IRM model. All of the FFPC computers are networked with the local municipal Town of Fort Frances system. Please correct this model as required. I apologize for the inaccuracy of this rate application and resolve that all future filings will require computer systems and software that uphold the integrity of the working model/s.