

**Fort Frances Power Corporation
EB-2023-0022
November 22, 2023**

Please note, Fort Frances Power Corporation (Fort Frances) 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 1: 2024 IRM Rate Generator Model, Tab 1

Question(s):

OEB staff notes question 9 in Reference 1 is not completed. Please confirm whether Fort Frances wants to update its low voltage service rate. If confirmed, please submit the updated model.

FFPC is not updating the low voltage service rate. Tab 1 has been updated.

Staff Question-2

Ref 1: 2024 IRM Rate Generator Model, Tab 4

Question(s):

OEB staff notes Cell J4 in Reference 1 is not completed. Please complete and submit the updated model.

FFPC completed.

Staff Question-3

Ref 1: 2024 IRM Rate Generator Model, Tab 3

Preamble:

Article 220 of the Accounting Procedures Handbook for Electricity Distributors provides account descriptions for Account 1595. 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 the Accounting Procedures Handbook for Electricity Distributors.¹ 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.

Table 1 below outlines the transactions and OEB approved disposition amounts recorded in Reference 1 in Account 1595 vintage years.

Table 1. Account 1595 Vintage Years from pre-2017 to 2022

Reference 1	Transactions Debit / (Credit) during 2017	OEB- Approved Disposition during 2017	Transactions Debit / (Credit) during 2018	OEB- Approved Disposition during 2018	Transactions Debit / (Credit) during 2019	OEB- Approved Disposition during 2019	Transactions Debit / (Credit) during 2020	OEB- Approved Disposition during 2020	Transactions Debit / (Credit) during 2021	OEB- Approved Disposition during 2021	Transactions Debit / (Credit) during 2022	OEB- Approved Disposition during 2022
Account 1595 (2017 and pre-2017)	126,488	134,439	78,500	-	-	-	(10,243)	-	(21,665)	-		
Account 1595 (2018)												
Account 1595 (2019)												
Account 1595 (2020)												
Account 1595 (2021)									(148,775)	35,077	(101,279)	
Account 1595 (2022)											(267,656)	(641,430)

Table 2 below outlines the approved Group 1 Accounts disposition amounts (excl. carrying charges) in the prior years for Fort Frances.

Table 2. Approved Group 1 Accounts Dispositions

IRM Applications	2017 ²	2018 ³	2019 ⁴	2020 ⁵	2021 ⁶	2022 ⁷	2023 ⁸
Approved Group 1 Total Claim Principal Balances	(65,714)	(48,022)			(61,254) (54,983)	641,430	
Account 1595 (2013)	(68,725)						
Account 1595 (2014)		(50,798)					
Account 1595 (2016)					26,177		
Total Approved Principal Balances	(134,439)	(98,820)	N/A	N/A	(35,077) (28,806)	641,430	N/A

¹ Article 220, Account Descriptions, Accounting Procedures Handbook for Electricity Distributors, effective January 1, 2012

² EB-2016-0071, Decision and Rate Order, March 30, 2017

³ EB-2017-0041, Decision and Rate Order, March 22, 2018

⁴ EB-2018-0033, Decision and Rate Order, March 28, 2019

⁵ EB-2019-0036, Decision and Rate Order, April 16, 2020

⁶ EB-2020-0023, Decision and Rate Order, March 25, 2021

⁷ EB-2021-0025, Decision and Rate Order, March 24, 2022

⁸ EB-2022-0033, Decision and Rate Order, March 23, 2023

According to the Decision and Rate Order issued for Fort Frances' 2020 IRM Application⁹, the OEB directed Fort Frances to continue recording amounts collected from the General Service > 50kW and Street Lighting rate classes due to incorrect billing determinants in Account 1595 sub-account 1595 (2017) until the sunset date of the rate rider.

Question(s):

- a) Please explain the nature of the transactions recorded in Account 1595 (2017 and pre-2017) in 2018 of \$78,500, 2020 credit balance of \$10,243, and 2021 credit balance of \$21,665.
- b) Please reconcile the OEB- Approved Disposition amounts recorded in Table 1 for 2018 and 2021 with the approved amounts in the IRM decisions issued for the respective years as outlined in Table 2.

The \$78,500 is derived from \$79,198.06 for the Principal refunded to customers and \$697.81 collected from Customers for the Global Adjustment Non-RPP portion.

In 2020, FFPC delayed implementation of rates due to COVID, as such there was only 2 months collected from Customers for Global Adjustment Non-RPP in the Streetlight and General Service 50 to 4,999kW Service Classification.

2021 was collected from Customers for Global Adjustment Non-RPP in the Streetlight and General Service 50 to 4,999kW Service Classification until the Sunset date of April 30, 2021.

FFPC notes that Decision and Rate Order EB-2020-0023 Table 6.2: Group 1 Deferral and Variance Account Balances should be a total of (\$61,254) for Group 1 accounts as opposed to (\$54,983), as such the Approved Disposition was recorded as (\$35,077).

FFPC updated Tab 3 for 2018. In 2019 FFPC wrote off the residual balance of \$206.59. (Principal \$8,314.67, Interest \$1,198.92, Carry charges (\$9,307))

⁹ EB-2019-0036, Decision and Rate Order, April 16, 2020, Page 7,8.

Staff Question-4

Preamble:

In its Decision and Rate Order on Fort Frances Power's 2014 Cost of Service proceeding¹⁰, the OEB accepted Fort Frances Power's proposals regarding its REI and REG costs of \$50,000 and \$53,757 respectively as appropriate expenditures for recovery under these plans.

In its accounting order, Fort Frances Power established the Variance Account 1533 (Renewable Generation Connection Funding Adder Deferral Account, "Sub-account Provincial Rate Protection Payment Variances) effective September 1, 2014, with the recovery from IESO of \$2,170 annually or \$181 monthly. The purpose of the variance account is to track the variance between Fort Frances Power's revenue requirement required to support the portion of the investments that are eligible for rate protection, and the rate protection payments collected from the IESO.

From 2014 to 2023, the monthly RGCRP funding amount of \$181 has continued to be forwarded to Fort France by the IESO.

Question(s):

- a) Please provide the RGCRP payment amount that Fort Frances Power has received from the IESO as well as the total balance in Account 1533 from 2014 to date (broken down by year).
- b) Please indicate whether the total funding amount in (a) has completed the approved funding request in the 2014 Cost of Service proceeding or not.
 - i) If not, does Fort France require RGCRP funding to continue for 2024 and later years? Please explain.

FFPC is set to recover the costs of this asset over a 45 year life cycle (equal to asset useful life) and requests the funding to continue.

Year	Pymt Rec'd	Expenses	COS Decision	1533 Balance					
Opening		51,308.71		51,308.71					
2014		10,903.00	(1,335.00)	60,876.71					
2015	(2,896.00)	11,106.47		69,087.18	**includes pymts forwarded in 2015 for Sept-Dec 2014				
2016	(2,172.00)	(3,576.49)		63,338.69					
2017	(2,172.00)	714.00		61,880.69					
2018	(2,172.00)	17,541.79		77,250.48					
2019	(2,172.00)	(2,465.28)		72,613.20					
2020	(2,172.00)	(3,402.60)		67,038.60					
2021	(2,172.00)	(4,347.68)		60,518.92					
2022	(2,172.00)	(4,347.68)		53,999.24					
2023	(2,172.00)			51,827.24					

¹⁰ EB-2013-0130, Decision and Rate Order, September 18, 2014

Staff Question-5

Ref: 2024 IRM Rate Generator, Tab 11, 15 and 20

On September 28, 2023 the OEB issued a letter regarding 2024 Preliminary Uniform Transmission Rates (UTRs) and Hydro One Sub-Transmission Rates. The OEB determined to use of preliminary UTRs to calculate 2024 Retail Service Transmission rates (RTSR) to improve regulatory efficiency, allowing for this data to feed into the rate applications including annual updates for electricity distributors on a timelier basis.

OEB staff has updated LDC's rate generator with the preliminary UTRs as follows:

Uniform Transmission Rates	Unit	2022 Jan to Mar		2022 Apr to Dec		2023 Jan to Jun		2023 Jul to Dec		2024
Rate Description		Rate				Rate				Rate
Network Service Rate	KW	\$	5.13	\$	5.46	\$	5.60	\$	5.37	\$ 5.76
Line Connection Service Rate	KW	\$	0.88	\$	0.88	\$	0.92	\$	0.88	\$ 0.95
Transformation Connection Service Rate	KW	\$	2.81	\$	2.81	\$	3.10	\$	2.98	\$ 3.21

Question(s):

Please confirm the accuracy of the Rate Generator update, as well as the accuracy of the resulting Retail Transmission Service Rates following the update.

FFPC confirms the accuracy.

Staff Question-6

Ref: 2024 IRM Rate Generator, Tab 18

OEB staff has updated below the Time-of-Use RPP Prices and Percentages table in Tab 18 to reflect the latest rates set by the OEB effective November 1, 2023.

Time-of-Use RPP Prices and Percentages			
As of	November 1, 2023		
Off-Peak	\$/kWh	0.0870	63%
Mid-Peak	\$/kWh	0.1220	18%
On-Peak	\$/kWh	0.1820	19%

Question(s):

Please confirm the accuracy of the Rate Generator update.

FFPC confirms the accuracy.

Staff Question-7

Ref: 2024 IRM Rate Generator, Tab 4

Fort Francis has provided the % allocation by rate class for the recovery of Account 1595 (2017 and pre-2017) in Tab 4 as shown below.

Rate Class	Unit	Total Metered kWh	Total Metered kW	Metered kWh for Non-RPP Customers (excluding WMP)	Metered kW for Non-RPP Customers (excluding WMP)	Metered kWh for Wholesale Market Participants (WMP)	Metered kW for Wholesale Market Participants (WMP)	Total Metered kWh less WMP consumption (if applicable)	Total Metered kW less WMP consumption (if applicable)	Account 1595 Allocation (\$ distribution revenue from last COS)	1595 Recovery Proportion (2017 and pre-2017) ¹
RESIDENTIAL SERVICE CLASSIFICATION	kWh	37,830,099	0	60,834	0			37,830,099	0		50%
GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION	kWh	14,466,126	0	192,880	0			14,466,126	0		18%
GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION	kW	20,328,776	48,376	16,252,936	48,376			20,328,776	48,376		31%
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kWh	62,628	0	0	0			62,628	0		0%
STREET LIGHTING SERVICE CLASSIFICATION	kW	432,172	1,159	432,172	1,159			432,172	1,159		1%
Total		73,119,801	49,535	16,938,822	49,535	0	0	73,119,801	49,535	0	100%
											Does not equal 100%

Question(s):

Please clarify what are these % allocations based on.

The allocation used was the original rate rider allocations as opposed to the classes with residual values. FFPC has corrected the IRM rate generator for this.