



EB-2012-0083

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15 (Schedule B);

AND IN THE MATTER OF an application by Fort Frances Power Corporation for an order or orders approving or fixing just and reasonable distribution rates and other charges, to be effective May 1, 2013.

BEFORE: Marika Hare
Presiding Member

DECISION AND ORDER
April 4, 2013

Introduction

Fort Frances Power Corporation ("FFPC"), a licensed distributor of electricity, filed an application with the Ontario Energy Board (the "Board") on November 7, 2012 under section 78 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, (Schedule B), seeking approval for changes to the rates that FFPC charges for electricity distribution, to be effective May 1, 2013.

FFPC is one of 77 electricity distributors in Ontario regulated by the Board. The *Report of the Board on 3rd Generation Incentive Regulation for Ontario's Electricity Distributors* (the "IR Report"), issued on July 14, 2008, established a three year plan for 3rd generation incentive regulation mechanism ("IRM") (i.e., rebasing plus three years). In its October 27, 2010 letter regarding the development of a Renewed Regulatory Framework for Electricity ("RRFE"), the Board announced that it was extending the IRM plan until such time as the RRFE policy initiatives have been substantially completed.

In a letter dated October 18, 2012, the Board stated its expectation that the three rate setting methods set out in the *Report of the Board – Renewed Regulatory Framework for Electricity Distributors: A Performance-Based Approach* would be available for the 2014 rate year.

As part of the plan, FFPC is one of the electricity distributors that will have its rates adjusted for 2013 on the basis of the IRM process, which provides for a mechanistic and formulaic adjustment to distribution rates and charges between cost of service applications.

To streamline the process for the approval of distribution rates and charges for distributors, the Board issued its IR Report, *Supplemental Report of the Board on 3rd Generation Incentive Regulation for Ontario's Electricity Distributors* on September 17, 2008 (the "Supplemental Report"), and *Addendum to the Supplemental Report of the Board on 3rd Generation Incentive Regulation for Ontario's Electricity Distributors* on January 28, 2009 (collectively the "Reports"). Among other things, the Reports provide the relevant guidelines for 2013 rate adjustments for distributors applying for distribution rate adjustments pursuant to the IRM process. On June 28, 2012, the Board issued an update to Chapter 3 of the Board's *Filing Requirements for Transmission and Distribution Applications* (the "Filing Requirements"), which outlines the application filing requirements for IRM applications based on the policies in the Reports.

Notice of FFPC's rate application was given through newspaper publication in FFPC's service area advising interested parties where the rate application could be viewed and advising how they could intervene in the proceeding or comment on the application. No letters of comment were received. No intervention requests were received. Board staff participated in the proceeding. The Board proceeded by way of a written hearing.

While the Board has considered the entire record in this proceeding, it has made reference only to such evidence as is necessary to provide context to its findings. The following issues are addressed in this Decision and Order:

- Price Cap Index Adjustment;
- Rural or Remote Electricity Rate Protection Charge;
- Wholesale Market Service Rate;
- Smart Metering Entity Charge;
- MicroFIT Service Charge;

- Shared Tax Savings Adjustments;
- Retail Transmission Service Rates;
- Review and Disposition of Group 1 Deferral and Variance Account Balances;
- Distribution Revenue – Use of RRR Data; and
- Previous Board Direction (EB-2011-0146) – Delayed Implementation.

Price Cap Index Adjustment

As outlined in the Reports, distribution rates under the IRM are to be adjusted by a price escalator, less a productivity factor of 0.72% and a stretch factor.

On March 21, 2013, the Board announced a price escalator of 1.60% for those distributors under IRM that have a rate year commencing May 1, 2013.

The stretch factors are assigned to distributors based on the results of two benchmarking evaluations to divide the Ontario industry into three efficiency cohorts. In its letter to Licensed Electricity Distributors dated November 28, 2012 the Board assigned FFPC to efficiency cohort 2, being the middle group, and a resulting cohort specific stretch factor of 0.4%.

The Board therefore has determined, on that basis, that the resulting price cap index adjustment is 0.48% (i.e. $1.60\% - (0.72\% + 0.4\%)$). The price cap index adjustment applies to distribution rates (fixed and variable charges) uniformly across customer classes.

The price cap index adjustment does not apply to the following components of delivery rates:

- Rate Riders;
- Rate Adders;
- Low Voltage Service Charges;
- Retail Transmission Service Rates;
- Wholesale Market Service Rate;
- Rural or Remote Rate Protection Charge;
- Standard Supply Service – Administrative Charge;
- Transformation and Primary Metering Allowances;
- Loss Factors;

- Specific Service Charges;
- MicroFIT Service Charge; and
- Retail Service Charges.

Rural or Remote Electricity Rate Protection Charge

On March 21, 2013, the Board issued a Decision with Reasons and Rate Order (EB-2013-0067) establishing that the Rural or Remote Electricity Rate Protection (“RRRP”) used by rate regulated distributors to bill their customers shall be \$0.0012 per kilowatt hour effective May 1, 2013. The draft Tariff of Rates and Charges flowing from this Decision and Order reflects this RRRP charge.

Wholesale Market Service Rate

On March 21, 2013, the Board issued a Decision with Reasons and Rate Order (EB-2013-0067) establishing that the Wholesale Market Service rate (“WMS rate”) used by rate regulated distributors to bill their customers shall be \$0.0044 per kilowatt hour effective May 1, 2013. The draft Tariff of Rates and Charges flowing from this Decision and Order reflects this WMS rate.

Smart Metering Entity Charge

On March 28, 2013, the Board issued a Decision and Order (EB-2012-0100/EB-2012-0211) establishing a Smart Metering Entity charge of \$0.79 per month for Residential and General Service < 50kW customers for those distributors identified in the Board’s annual *Yearbook of Electricity Distributors*. This charge will be in effect from May 1, 2013 to October 31, 2018. The draft Tariff of Rates and Charges flowing from this Decision and Order reflects this Smart Metering Entity charge.

MicroFIT Service Charge

On September 20, 2012, the Board issued a letter advising that the default province-wide fixed monthly charge for all electricity distributors related to the microFIT Generator Service Classification was to be updated to \$5.40 per month effective with the implementation of electricity distributors’ 2013 rates applications. The draft Tariff of Rates and Charges flowing from this Decision and Order reflects the new default microFIT service charge.

Shared Tax Savings Adjustments

In its Supplemental Report, the Board determined that a 50/50 sharing of the impact of currently known legislated tax changes, as applied to the tax level reflected in the Board-approved base rates for a distributor, is appropriate.

The calculated annual tax reduction will be allocated to customer rate classes on the basis of the Board-approved base-year distribution revenue. These amounts will be refunded to customers over a 12-month period, through a volumetric rate rider using annualized consumption by customer class underlying the Board-approved base rates.

FFPC's application identified a total tax savings of \$6,144 resulting in a shared amount of \$3,072 to be refunded to rate payers.

In response to Board staff interrogatory #2, FFPC requested that the Board authorize that this amount be recorded in Account 1595 for disposition in a future application given that the associated rate riders are negligible.

In its submission, Board staff noted that the Tax-Savings Workform reflects the Revenue Requirement Work Form from the Board's cost of service decision in EB-2005-0336. Board staff had no concerns with FFPC's request to record the entire tax-savings amount of \$3,072 in Account 1595 for future disposition, as the rate riders are negligible for the Residential, General Service Less Than 50 kW and Unmetered Scattered Load rate classes.

The Board agrees with FFPC's request and directs FFPC to record the tax sharing refund of \$3,072 in variance Account 1595 by June 30, 2013 for disposition at a future date.

Retail Transmission Service Rates ("RTSRs")

Electricity distributors are charged the Ontario Uniform Transmission Rates ("UTRs") at the wholesale level and subsequently pass these charges on to their distribution customers through the RTSRs. Variance accounts are used to capture timing differences and differences in the rate that a distributor pays for wholesale transmission service compared to the retail rate that the distributor is authorized to charge when billing its customers (i.e. variance Accounts 1584 and 1586).

On June 22, 2012 the Board issued revision 3.0 of the *Guideline G-2008-0001 - Electricity Distribution Retail Transmission Service Rates* (the “RTSR Guideline”). The RTSR Guideline outlines the information that the Board requires electricity distributors to file to adjust their RTSRs for 2013. The RTSR Guideline requires electricity distributors to adjust their RTSRs based on a comparison of historical transmission costs adjusted for the new UTR levels and the revenues generated under existing RTSRs. The objective of resetting the rates is to minimize the prospective balances in Accounts 1584 and 1586. In order to assist electricity distributors in the calculation of the distributors’ specific RTSRs, Board staff provided a filing module.

On December 20, 2012 the Board issued its Rate Order for Hydro One Transmission (EB-2012-0031) which adjusted the UTRs effective January 1, 2013, as shown in the following table:

2013 Uniform Transmission Rates

Network Service Rate	\$3.63 per kW
<u>Connection Service Rates</u>	
Line Connection Service Rate	\$0.75 per kW
Transformation Connection Service Rate	\$1.85 per kW

The Board finds that these 2013 UTRs are to be incorporated into the filing module.

Review and Disposition of Group 1 Deferral and Variance Account Balances

The *Report of the Board on Electricity Distributors’ Deferral and Variance Account Review Report Initiative* (the “EDDVAR Report”) provides that, during the IRM plan term, the distributor’s Group 1 account balances will be reviewed and disposed if the preset disposition threshold of \$0.001 per kWh (debit or credit) is exceeded. The onus is on the distributor to justify why any account balance in excess of the threshold should not be disposed.

In response to a Board staff interrogatory requesting that FFPC calculate projected interest on its Group 1 balance for the period from January 1, 2013 to April 30, 2013, FFPC provided revised balances. FFPC’s updated total Group 1 Deferral and Variance Account balances as of December 31, 2011 amount to a credit of \$380,940 which includes interest calculated to April 30, 2013. Based on the threshold test calculation, the Group 1 Deferral and Variance Account balances equate to \$0.0048 per kWh which

exceeds the threshold of \$0.001 per kWh, and as such, FFPC requested disposition of these account balances over a two year period. FFPC noted that a one year disposition period would result in a negative distribution rate for some customers charged Non-RPP rates. FFPC noted that “this would create rate instability for the Non-RPP customers and disrupt distribution revenue from the GS>50 kW rate class¹”.

In its submission, Board staff noted that the principal balances as of December 31, 2011 reconcile with the balances reported as part of the *Reporting and Record-keeping Requirements*. Also, the preset disposition threshold has been exceeded. Accordingly, Board staff had no issue with FFPC’s request to dispose of its 2011 Deferral and Variance Account balances and accepts that disposition over the requested two year period is reasonable for purposes of rate stability.

The Board approves, on a final basis, the disposition of a credit balance of \$380,940 as of December 31, 2011, including interest as of April 30, 2013 for Group 1 accounts. The Board notes that the policy of the Board, as articulated in EDDVAR Report, is to have as the default disposition over a one year period. The policy of the Board allows for a distributor to apply for a different disposition period to mitigate rate impacts or address other applicable considerations. The Board notes that the response to Board Staff Interrogatory #8 did not indicate any impact on rates over 10% should the disposition period be over one year. Nevertheless, the projected annual revenue decline from the GS>50 kW rate class is significant for a distributor of FFPC’s size. The Board therefore approves the two-year disposition period (i.e. May 1, 2013 to April 30, 2015) as requested by FFPC.

The table below identifies the principal and interest amounts approved for disposition for Group 1 Accounts.

¹ Interrogatory Responses, EB-2012-0083, IRR #7

Account Name	Account Number	Principal Balance A	Interest Balance B	Total Claim C = A + B
LV Variance Account	1550	-	-	-
RSVA - Wholesale Market Service Charge	1580	-\$76,144	-\$636	-\$76,780
RSVA - Retail Transmission Network Charge	1584	\$17,366	\$508	\$17,843
RSVA - Retail Transmission Connection Charge	1586	-\$3,146	\$1,846	-\$1,300
RSVA - Power (excluding Global Adjustment)	1588	-\$9,401	\$513	-\$8,888
RSVA - Power – Global Adjustment Sub-Account	1588	-\$305,824	-\$6,162	-\$311,986
Total Group 1 Excluding Global Adjustment Sub-Account				-\$68,955
Total Group 1				-\$380,940

For accounting and reporting purposes, the respective balance of each Group 1 account approved for disposition shall be transferred to the applicable principal and interest carrying charge sub-accounts of Account 1595 pursuant to the requirements specified in Article 220, Account Descriptions, of the *Accounting Procedures Handbook for Electricity Distributors*. The date of the journal entry to transfer the approved account balances to the sub-accounts of Account 1595 is the date on which disposition of the balances is effective in rates, which generally is the start of the rate year. This entry should be completed on a timely basis to ensure that these adjustments are included in the reporting period ending June 30, 2013 (Quarter 2).

Distribution Revenue – Use of RRR Data

In the interrogatory phase of this proceeding, Board staff noted that it was unable to reconcile the data entered on Tab 6 of the Rate Generator Model, specifically the data entered for “Distribution Revenue”, to FFPC’s previous cost of service application (EB-2005-0366). In its responses to Board staff interrogatories, FFPC noted that it used the most recent actual 12 month volumetric data, as reported in its RRR 2.1.7 – Customers, Demand and Revenue filings. FFPC noted that the use of these billing determinants is more accurate as FFPC has not rebased since EB-2005-0366.

In its submission, Board staff noted that, given the length of time that has passed and the possibility of changes that have occurred to FFPC’s customer base, some adjustments may be appropriate in order to allocate costs to FFPC’s current mix of

customers in a fair and equitable manner. Board staff submitted that in this instance, it would be appropriate to use the most recent RRR 2.1.7 demand and revenues for the IRM3 Rate Generator model.

Board staff also noted that for the purposes of the Rate Generator model, use of the most recent RRR data was accepted by the Board in Fort Frances' 2012 IRM proceeding (EB-2011-0146).

In order to ensure that costs are allocated to Fort Frances' current customers in a fair and equitable manner, the Board will approve the use of FFPC's most recent RRR data for the IRM3 Rate Generator.

Previous Board Direction (EB-2011-0146) – Delayed Implementation

In the context of FFPC's disposition of its account 1562 (PILs variance) balance, the Board's decision in FFPC's previous IRM rate application (EB-2011-0146) noted that Fort Frances did not implement the 2002 Board approved rates on March 1, 2002 as ordered by the Board but chose to do so on May 1, 2002 instead. In its Decision on that application, the Board noted that the issue of whether Fort Frances has complied with the Board's Decision and Order in RP-2002-0031/EB-2002-0040 should be considered in Fort Frances' next rates proceeding.

In its current rates proceeding, FFPC did not provide any evidence in its application with respect to the issue set out above. In its interrogatories, Board staff requested that FFPC provide an explanation as to why it did not address the issue raised by the Board in its previous IRM proceeding, that being the issue of whether it complied with the Board Decision and Order in RP-2002-0031/EB-2002-0040. In its response, FFPC noted that "this reference, from the 2012 IRM3 Board Decision, was in direct reference to the Review and Disposition of Account 1562: Deferred Payments in Lieu of Taxes." FFPC confirmed that the Board had adjusted the PILs calculations to account for the later implementation date in its decision in FFPC's 2012 IRM decision (EB-2011-0146).

In its submission, Board staff noted that the cost implications have been dealt with (i.e. the Board took the matter of delayed implementation into account when approving the final PILs variance quantum for disposition in EB-2011-0146), and therefore Board staff submitted that no further action is required in this rates proceeding.

In its reply submission, FFPC agreed.

The Board agrees that the cost implications of the delayed implementation date have been dealt with (i.e. the Board took the matter of delayed implementation into account when approving the final PILs variance quantum for disposition) and that no further action is required in this proceeding.

Rate Model

With this Decision, the Board is providing FFPC with a rate model (spreadsheet) and applicable supporting models and a draft Tariff of Rates and Charges (Appendix A) that reflects the elements of this Decision. The Board has reviewed the entries in the rate model to ensure that they are in accordance with the 2012 Board approved Tariff of Rates and Charges and the rate model was adjusted, where applicable, to correct any discrepancies.

THE BOARD ORDERS THAT:

1. FFPC's new distribution rates shall be effective May 1, 2013.
2. FFPC shall review the draft Tariff of Rates and Charges set out in Appendix A. FFPC shall file with the Board a written confirmation assessing the completeness and accuracy of the draft Tariff of Rates and Charges, or provide a detailed explanation of any inaccuracies or missing information within **7 days** of the date of issuance of this Decision and Order.
3. If the Board does not receive a submission from FFPC to the effect that inaccuracies were found or information was missing pursuant to item 2 of this Decision and Order, the draft Tariff of Rates and Charges set out in Appendix A of this Decision and Order will become final effective May 1, 2013, and will apply to electricity consumed or estimated to have been consumed on and after May 1, 2013. FFPC shall notify its customers of the rate changes no later than with the first bill reflecting the new rates.
4. If the Board receives a submission from FFPC to the effect that inaccuracies were found or information was missing pursuant to item 2 of this Decision and Order, the Board will consider the submission of FFPC and will issue a final Tariff of Rates and Charges.

5. FFPC shall pay the Board's costs incidental to this proceeding upon receipt of the Board's invoice.

All filings to the Board must quote file number **EB-2012-0083**, be made through the Board's web portal at, <https://www.pes.ontarioenergyboard.ca/eservice//> and consist of two paper copies and one electronic copy in searchable / unrestricted PDF format. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at www.ontarioenergyboard.ca. If the web portal is not available parties may email their document to BoardSec@ontarioenergyboard.ca. Those who do not have internet access are required to submit all filings on a CD in PDF format, along with two paper copies. Those who do not have computer access are required to file 2 paper copies.

DATED at Toronto, April 4, 2013

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

Appendix A

To Decision and Order

Draft Tariff of Rates and Charges

Board File No: EB-2012-0083

DATED: April 4, 2013

Fort Frances Power Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2013

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

EB-2012-0083

RESIDENTIAL SERVICE CLASSIFICATION

This section governs all services intended to supply electrical energy to buildings or sections of buildings 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. 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 the Board, and amendments thereto as approved by the 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 the Board, and amendments thereto as approved by the 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. 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 or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	12.05
Rate Rider for Disposition of Residual Historical Smart Meter Costs - effective until November 30, 2013	\$	3.58
Rate Rider for Recovery of Smart Meter Incremental Revenue Requirement - in effect until the effective date of the next cost of service-based rate order	\$	3.43
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0088
Rate Rider for Disposition of Deferral/Variance Account (2013) - effective until April 30, 2015	\$/kWh	(0.0004)
Rate Rider for Disposition of Global Adjustment Sub-Account (2013) - effective until April 30, 2015		
Applicable only for Non-RPP Customers	\$/kWh	(0.0063)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0066
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0015

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0012
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Fort Frances Power Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2013

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

EB-2012-0083

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This type of service will normally be applicable to small industry, departmental or larger stores such as supermarkets, shopping centres, 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. 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 the Board, and amendments thereto as approved by the 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 the Board, and amendments thereto as approved by the Board, or as specified herein.

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	29.03
Rate Rider for Disposition of Residual Historical Smart Meter Costs - effective until November 30, 2013	\$	13.42
Rate Rider for Recovery of Smart Meter Incremental Revenue Requirement - in effect until the effective date of the next cost of service-based rate order	\$	7.19
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0066
Rate Rider for Disposition of Deferral/Variance Account (2013) - effective until April 30, 2015	\$/kWh	(0.0004)
Rate Rider for Disposition of Global Adjustment Sub-Account (2013) - effective until April 30, 2015		
Applicable only for Non-RPP Customers	\$/kWh	(0.0063)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0060
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0013

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0012
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Fort Frances Power Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2013

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

EB-2012-0083

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 centres, 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. 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 the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	242.06
Rate Rider for Disposition of Residual Historical Smart Meter Costs - effective until November 30, 2013	\$	20.71
Rate Rider for Recovery of Smart Meter Incremental Revenue Requirement - in effect until the effective date of the next cost of service-based rate order	\$	9.97
Distribution Volumetric Rate	\$/kW	3.5943
Rate Rider for Disposition of Deferral/Variance Account (2013) - effective until April 30, 2015	\$/kW	(0.1671)
Rate Rider for Disposition of Global Adjustment Sub-Account (2013) - effective until April 30, 2015		
Applicable only for Non-RPP Customers	\$/kW	(2.4469)
Retail Transmission Rate - Network Service Rate	\$/kW	2.4488
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	0.5516

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0012
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Fort Frances Power Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2013

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EB-2012-0083

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 detailed manufacturer information/documentation with regard to electrical consumption of the unmetered load or periodic monitoring of actual consumption. 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 the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	29.03
Distribution Volumetric Rate	\$/kWh	0.0066
Rate Rider for Disposition of Deferral/Variance Account (2013) - effective until April 30, 2015	\$/kWh	(0.0004)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0060
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0013

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0012
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Fort Frances Power Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2013

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

EB-2012-0083

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 times the established hours of use in the OEB load shape template. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	1.17
Distribution Volumetric Rate	\$/kW	3.0509
Rate Rider for Disposition of Deferral/Variance Account (2013) - effective until April 30, 2015	\$/kW	(0.1545)
Rate Rider for Disposition of Global Adjustment Sub-Account (2013) - effective until April 30, 2015		
Applicable only for Non-RPP Customers	\$/kW	(2.2660)
Retail Transmission Rate - Network Service Rate	\$/kW	1.8469
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	0.4265

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0012
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Fort Frances Power Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2013

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

EB-2012-0083

MICROFIT SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Ontario Power Authority's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Condition 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 the Board, and amendments thereto as approved by the 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 the Board, and amendments thereto as approved by the 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 or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	5.40
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ALLOWANCES

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

Fort Frances Power Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2013

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EB-2012-0083

SPECIFIC SERVICE CHARGES

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the 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 the Board, and amendments thereto as approved by the 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 Board approval, such as the Debt Retirement Charge, charges for the Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

Customer Administration

Arrears certificate	\$	15.00
Statement of Account	\$	15.00
Pulling Post Dated Cheques	\$	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
Notification charge	\$	15.00
Account History	\$	15.00
Credit Reference/credit check (plus credit agency costs)	\$	15.00
Returned cheque (plus bank charges)	\$	15.00
Charge to certify cheque	\$	15.00
Legal letter charge	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	15.00
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	%	1.50
Late Payment – per annum	%	19.56
Collection of account charge – no disconnection	\$	30.00
Collection of account charge – no disconnection – after regular hours	\$	165.00
Disconnect/Reconnect at meter – during regular hours	\$	20.00
Disconnect/Reconnect at meter – after regular hours	\$	185.00
Disconnect/Reconnect at pole – during regular hours	\$	45.00
Disconnect/Reconnect Charge – At Pole – After Hours	\$	415.00
Install/Remove load control device – during regular hours	\$	65.00
Install/Remove load control device – after regular hours	\$	185.00
Service call – customer owned equipment	\$	30.00
Service call – after regular hours	\$	165.00
Temporary Service – Install & remove – overhead – no transformer	\$	500.00
Temporary Service – Install & remove – underground – no transformer	\$	300.00
Temporary Service Install & Remove – Overhead – With Transformer	\$	1,000.00
Specific Charge for Access to the Power Poles - \$/pole/year	\$	22.35

Fort Frances Power Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2013

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

EB-2012-0083

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 the Board, and amendments thereto as approved by the 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 the Board, and amendments thereto as approved by the 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 Board approval, such as the Debt Retirement Charge, charges for the Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit 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	\$	100.00
Monthly Fixed Charge, per retailer	\$	20.00
Monthly Variable Charge, per customer, per retailer	\$/cust.	0.50
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust.	0.30
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust.	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.25
Processing fee, per request, applied to the requesting party	\$	0.50
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)	\$	2.00

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	1.0406
Total Loss Factor – Secondary Metered Customer > 5,000 kW	N/A
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0302
Total Loss Factor – Primary Metered Customer > 5,000 kW	N/A