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BY E-MAIL

May 18, 2012

Colin Macdonald
Vice President of Rates and Regulatory Affairs
PowerStream Inc.
161 Cityview Boulevard
Vaughan ON
L4H 0A9

Dear Mr. Macdonald:

**Re: PowerStream Inc.
Application for 2013 Rates
Board File Number EB-2012-0161**

This letter acknowledges receipt of PowerStream Inc.'s (PowerStream) 2013 cost of service application on May 4, 2012. The Ontario Energy Board (the Board) has assigned File Number EB-2012-0161 to this matter. Please refer to this file number in all future correspondence to the Board regarding this matter. All information related to this matter must be filed with the Board Secretary.

A preliminary review of the application has identified that certain sections of the evidence supporting the application do not comply with the Board's Filing Requirements¹ (the Filing Requirements) for cost of service applications and the associated applicable templates/models/workforms.

The missing or insufficient information includes the following:

- 1. Missing Appendices to Filing Requirements:** Three Filing Requirement Appendices are missing (2-A "Capital Projects," 2-L "Shared Services/Corporate Cost Allocation", and 2-S "Embedded Distributor Low Voltage Rate", required since PowerStream is embedded to Hydro One).

¹ Chapter 2 of the *Filing Requirements for Transmission and Distribution Applications*, dated June 22, 2011 and subsequent Board communications.

2. **Deferred PILs (acc. 1562):** The application does not include Excel versions of some models and worksheets, specifically the Board-approved PILs proxy models for 2001, 2002 and 2005, RAM models for 2002, 2004 and 2005, continuity schedules for 2001 to 2012 and PILs recovery worksheets for 2002 to 2006 .
3. **Pro-forma Financial Statements:** Page 16 of the Filing Requirements states that Pro-Forma Financial Statements for the Bridge and Test Years should be provided. PowerStream has provided in Appendix 1, Schedules 17 and 18 of the application only Pro-Forma Income Statements for the Bridge and Test Years containing very broad categories (e.g. “Expenses” with no further breakdown). There are no Pro-Forma Balance Sheets or Cash Flow statements provided.
4. **PowerStream Solar (Distributor owned generation facility):** Page 12 of the Filing Requirements states that when such a facility is owned and operated as part of a distributor’s business, as is the case for PowerStream:

“the distributor would need to file financial information in its rate application that clearly delineates the distributor’s regulated activities from its non-rate regulated as outlined in the Guidelines. For greater clarity, the distributor would need to file financial information for the consolidated utility, and individual statements for rate regulated activities and non-rate regulated activities on a pro-forma basis for the test period. By individual statements, the Board intends that separate financial information should be filed, not separate audited financial statements.”

As is the case with the total business pro-formas, PowerStream has only filed pro-forma income statements for PowerStream Solar, but no balance sheets or cashflow statements. In addition, PowerStream has not included individual statements for rate regulated activities and non-rate regulated activities on a pro-forma basis.

5. **Specific Service Charges:** Page 42 of the Filing Requirements states that if a distributor is proposing either a new specific service charge, or a change to the level of an existing charge, it should describe the purpose of the charge and provide calculations supporting the determination of the charge as outlined in the Filing Requirements. PowerStream is proposing certain new charges without including the required calculations supporting the determination of these charges. These charges are: (1) new specific service charges for “Disconnect/Reconnect at meter during/after regular hours” to be used in the cases of vacant rental properties with no active account, which are proposed to be equal to the default charges “Disconnect/Reconnect at meter during/after Regular Hours” in the cases of non-payment and (2) new specific charges for “Install/Remove load control devices during/after regular hours to be used in cases when a load control device is installed during the winter time instead of disconnecting the service.

6. Miscellaneous:

- i. The application does not include a statement as to which publication(s) the applicant proposes that notice should appear, whether it is a paid publication or not and the readership and circulation numbers as required on page 14 of the Filing Requirements.
- ii. The application does not include a statement as to whether or not the distributor has had any transmission assets (>50kV) deemed previously by the Board as distribution assets and whether or not there are any such assets for which the distributor is seeking Board approval to be deemed as distribution assets in the present application as is specified on pages 14 and 15 of the Filing Requirements.
- iii. The application does not include a Proposed Issues List as is specified on page 15 of the Filing Requirements.
- iv. It is unclear whether or not the acquisition of the 50% interest in Collingwood Utility Services has been included in the application, and, if so, on what basis.
- v. The application does not include a statement as to when the forecast on which it was based was prepared and when it was approved by the utility's management and/or Board of Directors for use in the application as is specified on page 8 of the Filing Requirements.

Accordingly, the Board considers your application to be incomplete and therefore it will not be processed. The Board expects that PowerStream will file the missing information as soon as possible, but no later than June 30, 2012.

Please direct any questions relating to this application to Martin Davies, Project Advisor at 416-440-8107 or Martin.Davies@ontarioenergyboard.ca.

Yours truly,

Original Signed By

John Pickernell
Assistant Board Secretary