

August 4, 2015

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
P.O. Box 2319
Toronto, Ontario
M4P 1E4

Dear Ms. Walli:

Re: EB-2015-0003 – PowerStream Inc. – 2016-2020 Rate Application – Interrogatories From the Consumers Council of Canada

Please find, attached, interrogatories for PowerStream Inc. for the above-referenced proceeding.

Yours truly,

Julie E. Girvan

Julie E. Girvan

CC: Colin Macdonald, PowerStream
All Intervenors
J. Sidlofsky, BLG

INTERROGATORIES FOR POWERSTREAM INC.

FROM THE CONSUMERS COUNCIL OF CANADA

RE: EB-2015-0003 – DISTRIBUTION RATES – 2016-2020

I-CCC-1

With respect to the potential merger between PowerStream, Hydro One Brampton, Horizon Utilities Corporation and Enersource Inc:

- 1) Please provide all letters of intent, memoranda of understanding, or similar documents related to the potential merger;
- 2) For a merger effective January 1, 2016, please explain all of the steps required to enable such a merger. Have milestones been set? If so, please describe those milestones;
- 3) For a merger effective January 1, 2016, when would the MADDs application be filed with the Ontario Energy Board?
- 4) Please describe all of the areas that would experience “synergy savings” as a result of the merger. Please identify the areas that would not experience savings.
- 5) If PowerStream agrees that an earnings sharing mechanism (“ESM”) is appropriate in order to share savings with its customers during the term of a plan, how would PowerStream envision an ESM working under a new merged entity? If, from PowerStream’s perspective an ESM could not be implemented, what mechanism could be incorporated into the plan that would ensure customers would share in any achieved savings?
- 6) If the Board approves a revenue requirement as a result of this application, which assumes a stand-alone entity, please explain why PowerStream believes those rates would be appropriate under new merged entity. Why would this be fair to its customers?
- 7) Does PowerStream have any written policies regarding mergers and acquisitions? If so, please provide those policies.

I-CCC-2

(Ex. I/T1/S1/p. 5)

For each year of the plan please list the “extraordinary items”. Are all other expenditures considered by PowerStream to be “business as usual”?

I-CCC-3

(Ex. I-T3/S1/p. 7)

System Renewal costs are dramatically increasing from 2011-2020. These costs relate to assets that need to be replaced as they are at, or beyond their expected

useful life. Please explain why the asset replacement program was not accelerated earlier. Has the process PowerStream uses to determine the timing of replacement changed significantly since 2011?

I-CCC-4

(Ex. G/T2/pp. -14)

Coordinated planning with third parties includes the Ontario regional planning process. Please provide any updates to each of the four regional planning processes that PowerStream has been a part of. Please explain how these processes may impact PowerStream's capital planning/expenditure process during the term plan.

III-CCC-5

(Ex. III/T1/S1/p. 12-13/p 23 – A-CCC-10/A-SEC-4)

Please clarify the position of PowerStream regarding what might constitute a re-opening or a termination of the rate plan.

III-CCC-6

Please provide a complete description of the billing services that PowerStream provides to Vaughan and Markham, and any other entities. Do the revenues received for these services cover the costs? Did any of these entities contribute to the cost of the new system? If not, why not? What has been assumed with respect to billing revenues beyond 2015? Are there other entities that may be interested in using PowerStream's billing services?

III-CCC-7

(Ex. III/T1/S1/p. 265 – J-CCC-54)

Please provide the detailed policies regarding PowerStream's executive compensation. Please describe the Performance Incentive Program provide any scorecards that are used for executive compensation.