



**EB-2008-0244**

**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  
**PowerStream Inc.** for an order approving just and  
reasonable rates and other charges for electricity  
distribution to be effective **May 1, 2009.**

### **PROCEDURAL ORDER No. 2**

**PowerStream Inc.** (“PowerStream“ or the “Applicant”) filed an application with the Ontario Energy Board (the “Board”), on October 10, 2008 under section 78 of the *Ontario Energy Board Act, 1998*, seeking approval for changes to the rates that PowerStream charges for electricity distribution, to be effective May 1, 2009. The Board assigned File Number EB-2008-0244 to the application. The Board issued a Notice of Application and Hearing dated October 24, 2008.

Procedural Order No. 1 was issued on March 3, 2009, declaring that the Board would proceed by way of an oral hearing, approving the intervention list and cost eligibility of the intervenors and setting the dates for an Issues Conference and Issues Day. The Issues Conference was held on March 9, 2009, and parties agreed on a Proposed Issues List. Despite arriving at an agreed-to Proposed Issues List, parties requested that an Issues Day be held before the Board Panel so that submissions could be made on the scope of the preamble to the Proposed Issues List.

An Issues Day was held on March 12, 2009 and parties made submissions on the preamble and other items.

In the application (Exhibit A1/Tab 2/Schedule1) PowerStream requested that rates be made interim, effective May 1, 2009. A draft of an Interim Rate Order is attached as Appendix A.

As the Board has decided to proceed by way of an oral hearing, the Board considers it necessary to make provision for the following procedural matters. Please be aware that further procedural orders may be issued from time to time.

**THE BOARD ORDERS THAT:**

1. The Issues List for this proceeding, attached as Appendix B, is approved.
2. Intervenors who wish to make submissions on the draft Interim Rate Order (attached as Appendix A), shall make such submissions on or before March 25, 2009.
3. The Applicant may make reply submissions concerning the draft Interim Rate Order on or before March 30, 2009.
4. Parties who wish information and material from the Applicant that is in addition to the evidence filed with the Board, and that is relevant to the hearing, shall request it by written interrogatories filed with the Board. Board staff shall submit their interrogatories on or before Thursday, March 26, 2009. Intervenors shall submit their interrogatories on or before Tuesday, March 31, 2009. Where possible, the questions should specifically reference the pre-filed evidence.
5. The Applicant shall file with the Board complete responses to the interrogatories and deliver them to the intervenors no later than Monday, April 20, 2009.
6. Any intervenors that wish to file evidence shall inform the Board, the Applicant and other parties of this intention no later than Monday, April 27, 2009.

5. A Settlement Conference will be convened on Monday, May 11, 2009, starting at 9:30 a.m., with the objective of reaching a settlement among the parties on the issues. The Settlement Conference will be held at 2300 Yonge Street, Toronto in the Board's ADR room on the 25th Floor.
6. Any Settlement Proposal arising from the Settlement Conference shall be filed with the Board on Tuesday, May 26, 2009. The Settlement Proposal should contain a list of any unsettled issues, identifying those issues that the parties believe must be dealt with by way of oral hearing.
7. Any Settlement Proposal will be reviewed by the Board on Thursday, June 4, 2009 at 9:30 a.m. in the Board's North hearing room on the 25th Floor at 2300 Yonge Street, Toronto.
8. The oral hearing in this proceeding will begin on Monday, June 15, 2009 at 9:30 a.m. in the Board's North hearing room on the 25th Floor at 2300 Yonge Street, Toronto. Due to prior commitments, the Board will not sit on Wednesday, June 17, 2009.

All filings to the Board must quote file number EB-2008-0244, be made through the Board's web portal at [www.errr.oeb.gov.on.ca](http://www.errr.oeb.gov.on.ca), 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. Please use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at [www.oeb.gov.on.ca](http://www.oeb.gov.on.ca). If the web portal is not available you may email your document to the address below. Those who do not have internet access are required to submit all filings on a CD or diskette in PDF format, along with two paper copies. Those who do not have computer access are required to file 7 paper copies.

All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:45 p.m. on the required date.

**Address**

Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON M4P 1E4

Attention: Board Secretary  
E-mail: [Boardsec@oeb.gov.on.ca](mailto:Boardsec@oeb.gov.on.ca)  
Tel: 1-888-632-6273 (toll free)  
Fax: 416-440-7656

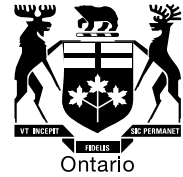
**DATED** at Toronto, March 13, 2009  
**ONTARIO ENERGY BOARD**

*Original signed by*

Kirsten Walli  
Board Secretary

**APPENDIX A  
To PROCEDURAL ORDER #2  
POWERSTREAM Inc.  
EB-2008-0244**

**Draft Interim Rate Order**



**EB-2008-0244**

**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 PowerStream  
Inc. for an order or orders approving or fixing just and  
reasonable distribution rates and other charges, effective  
May 1, 2009.

**BEFORE:** Gordon Kaiser  
Presiding Member

Cathy Spoel  
Member

Paul Vlahos  
Member

### **INTERIM RATE ORDER**

PowerStream Inc. ("PowerStream") is a licensed distributor providing electrical service to consumers within its defined service area. On October 10, 2008, PowerStream filed an application (the "Application") with the Ontario Energy Board (the "Board") for an order or orders approving or fixing just and reasonable rates for the distribution of electricity and other charges, to be effective May 1, 2009. The Board assigned file number EB-2008-0244 to the Application.

The processing of PowerStream's application is not yet concluded. Pending the issuance of final rates for 2009, the Board declares the current rates interim effective May 1, 2009.

In declaring PowerStream's rates interim, the Board emphasizes that this interim order should not be construed as predictive, in any way whatsoever, of the final determination of this Application.

**THE BOARD ORDERS THAT:**

The currently approved rates of PowerSteam Inc. are declared interim as of May 1, 2009 and until such time as a final rate order is issued by the Board.

**DATED** at Toronto, March xx, 2009

**ONTARIO ENERGY BOARD**

Kirsten Walli,  
Board Secretary

DRAFT

**APPENDIX B  
To PROCEDURAL ORDER #2  
POWERSTREAM INC.  
EB-2008-0244**

**Issues List**



## PowerStream Inc.

### 2009 Distribution Rates Application Proceeding EB-2008-0244

#### Approved Issues List: March 13, 2009

Preamble:

It is understood that the cost and benefits attributable to PowerStream Inc. (for PowerStream ED-2004-0420 Rate Zone) related to the merger with Barrie Hydro Distribution Inc. are included in the scope of the specific issues listed below to the extent that they relate to the 2009 test year. This includes allocation of shared costs between PowerStream ED-2004-0420 and Barrie Hydro Distribution Inc. for the test year.

#### **1. ADMINISTRATION (Exhibit A)**

- 1.1 Has PowerStream responded appropriately to all relevant Board directions and settlement agreements from previous proceedings?
- 1.2 Has PowerStream complied with the Board's Filing Requirements in filing all relevant information pertaining to this application?

#### **2. RATE BASE (Exhibit B)**

- 2.1 Are the amounts proposed for Rate Base appropriate?
- 2.2 Are the amounts proposed for 2009 Capital Expenditures appropriate?
- 2.3 Has the Working Capital Allowance been determined appropriately?
- 2.4 Does the asset condition information and the Distribution System Planning Report adequately address the condition of the distribution system assets and support the planning and budgeting for OMA and Capital expenditures for 2009?
- 2.5 Is PowerStream's Overhead Capitalization Policy appropriate?

#### **3. REVENUE REQUIREMENT (Exhibit C)**

- 3.1 Is the calculation of the proposed revenue requirement for 2009 appropriate?
- 3.2 Is the proposed amount for 2009 Other Revenues, including revenues from affiliates and related parties appropriate? Is the methodology used to cost and price these services appropriate?
- 3.3 Are the proposed Specific Service Charges for 2009 appropriate?
- 3.4 Are PowerStream's economic and business planning assumptions for 2009 appropriate?
- 3.5 Is the load forecast and methodology appropriate including the weather normalization methodology?

- 3.6 Has the impact of Conservation and Demand Management initiatives been suitably reflected in the load forecast?
- 3.7 Is the Revenue Deficiency calculation for the test year appropriate? (Exhibit G)

**4. COST OF SERVICE (Exhibit D)**

- 4.1 Are the overall levels of the 2009 Operation, Maintenance and Administration budgets appropriate?
- 4.2 Are the proposed Purchased Services and Shared Services amounts appropriate?
- 4.3 Are the methodologies used to cost and price services from affiliates and related parties appropriate? Are the Shared Service Agreements appropriate?
- 4.4 Are the 2009 Human Resources related costs (wages, salaries, benefits, incentive payments, labour productivity and pension costs) including employee levels, appropriate?
- 4.5 Is PowerStream's depreciation expense appropriate?
- 4.6 Are the amounts proposed for 2009 capital and property taxes appropriate?
- 4.7 Is the amount proposed for 2009 Payments in Lieu of Taxes, including the methodology, appropriate?

**5. REGULATORY ASSETS (Exhibit E)**

- 5.1 Is the proposal for the amounts, disposition and continuance of PowerStream's existing Deferral and Variance Accounts (Regulatory Assets) appropriate?

**6. COST OF CAPITAL/DEBT (Exhibit F)**

- 6.1 Is the proposed Capital Structure and Rate of Return on Equity for PowerStream's distribution business appropriate?
- 6.2 Are PowerStream's proposed costs and mix for its short and long-term debt for the 2009 test year appropriate?

**7. COST ALLOCATION AND RATE DESIGN (Exhibit H)**

- 7.1 Is PowerStream's cost allocation appropriate?
- 7.2 Are the proposed revenue to cost ratios appropriate? (Exhibit I)

**8. RATE DESIGN (Exhibit I)**

- 8.1 Are customer charges and the fixed-variable splits for each class appropriate?
- 8.2 Are PowerStream's proposed rates appropriate?
- 8.3 Are the customer bill impacts appropriate?
- 8.4 Are the proposed Low Voltage and Retail Transmission Service Rates appropriate?
- 8.5 Are the proposed Loss Factors appropriate?

- 8.6 Are the proposed Regulatory Asset (Deferral and Variance Account) rate riders appropriate?
- 8.7 Is the Smart Meter rate adder change appropriate?

**9. RATE IMPLEMENTATION**

- 9.1 Is it appropriate to declare rates interim as of May 1, 2009?
- 9.2 What is the appropriate effective date of the proposed rates? What mechanism (if any) should be used to recover any shortfall, or refund any over-collection, after May 1, 2009?

**10. OTHER ISSUES**

- 10.1 Is the LRAM and SSM proposal appropriate? (Exhibit I)
- 10.2 Is service quality in relation to the OEB specified performance indicators acceptable?