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VIA E-MAIL & COURIER

May 15, 2009

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, Suite 2700
Toronto, ON
M4P 1E4

Dear Ms. Walli:

Re: PowerStream Inc.;
Ontario Energy Board File No. EB-2008-0244

We are writing on behalf of PowerStream Inc. ("PowerStream") and in response to a letter from Mr. O'Leary, counsel to the Smart Sub-Metering Working Group ("SSMWG"), dated May 13, 2009. In his letter, Mr. O'Leary requests information that he alleges should exist, in addition to the information that PowerStream has already provided in response to SSMWG 1. PowerStream's response to Mr. O'Leary's letter is as follows:

1. The scope of this proceeding is limited to a consideration of PowerStream's application for 2009 rates, including an examination of its request for approval of its forecast 2009 OM&A and capital spending related to its suite metering program. Whether or not PowerStream should be permitted to continue to be engaged in this business activity is not included, even by inference, in any of the issues on the Board's Approved List of Issues. Yet this is exactly the issue that SSMWG seeks to introduce. To quote from Mr. O'Leary's letter: "[T]he SSMWG submits that the prudence of the Applicant's decision to not undertake competitive market activities through an affiliate or at all are both live issues in this proceeding and the data and analysis about these other scenarios are relevant and should be produced."
2. SSMWG first floated the idea of PowerStream's right to participate in the suite metering business at the Issues Conference that was held in March. At the time, PowerStream clearly stated its opposition to the inclusion of such issues on the basis that they were not relevant from a rate-making perspective. PowerStream invited SSMWG to attend at

Issues Day so that submissions could be made to the Board and a decision rendered. SSMWG chose not attend. Rather, it has attempted to introduce its own commercial issues, under the guise of requests for information.

3. SSMWG continues to refer to PowerStream's "multi-million dollar suite metering" program. The fact is that in 2009, PowerStream plans to invest \$1.1 million, in suite-metering. This translates to less than \$50,000 in revenue requirement.
4. PowerStream is compelled by section 5.1.9 of the *Distribution System Code*, to respond to requests from condominium corporations and condominium developers to install individual suite meters and provide the related distribution service. Not to do so would cause PowerStream to contravene its obligations as a licensed distributor.
5. SSMWG is quite clearly seeking a public platform to launch an attack on distributors who engage in suite metering in order to engage the Ontario Energy Board in a policy debate about the right of distributors to carry out so-called competitive activities within the regulated utility. While it is SSMWG's right to call for such a debate and ask the Board to convene a generic proceeding on these matters, it is highly improper for it to use an application-specific rate proceeding to achieve that end.

PowerStream respectfully requests that the Board bring this matter to a close by confirming that this proceeding is limited to the issues set out in its List of Issues which do not include an examination of the reasons or rationale that first caused PowerStream to engage in the individual suite-metering business.

Yours very truly,



HTN/ko

cc: Interested Parties EB-2008-0244