



May 29, 2009

*By e-mail – original to follow by courier*

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street  
26th Floor, Box 2319  
Toronto, ON M4P 1E4

Dear Ms. Walli

**Re: PowerStream Inc. (ED-2004-0420)**  
**2009 Electricity Distribution Rate Application (EB-2008-0244)**

PowerStream Inc. ("PowerStream") filed an application with the Ontario Energy Board, (the "Board") on October 10, 2008 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 PowerStream charges for electricity distribution, to be effective May 1, 2009. The Board has assigned the application file number EB-2008-0244.

PowerStream and the Intervenors ("the parties") participated in a Settlement Conference from May 19 to 21, 2009 with the assistance of a Facilitator and Board Staff. Subsequent to the Settlement Conference, the parties have prepared and agreed upon the attached Settlement Proposal.





We trust that this is satisfactory but if you have any questions or concerns, please do not hesitate to contact the undersigned.

Yours truly,

*Original signed by*

Colin Macdonald  
VP, Rates and Corporate Accounting

cc. All Parties  
Ken Rosenberg, Paliare Roland  
Harold Thiessen, OEB  
Maureen Helt, OEB



## **Settlement Proposal**

**May 29, 2009**

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## **I. INTRODUCTION**

This Settlement Proposal is filed with the Ontario Energy Board (the "OEB" or "Board") in connection with the Application of PowerStream Inc. ("PowerStream") for an order or orders approving or fixing just and reasonable rates, effective May 1, 2009, for distribution service and, in particular, the specific relief that PowerStream requested in Exhibit A1-2-2.

## **II. SETTLEMENT CONFERENCE**

A Settlement Conference was held in one of the Board's hearing rooms on May 19-21, 2009 and on May 21, 22 and 25, 2009 via telephone conference call, in accordance with Rule 31 of the Board's *Rules of Practice and Procedure* and the Board's *Settlement Conference Guidelines*. This Settlement Proposal arises from the Settlement Conference.

PowerStream, the following intervenors and the Board's technical staff ("Board Staff") participated in all or a portion of the Settlement Conference:

- Consumers Council of Canada ("CCC");
- Energy Probe Research Foundation ("Energy Probe");
- School Energy Coalition ("SEC");
- Smart Sub-Metering Working Group ("SSMWG"); and
- Vulnerable Energy Consumers Coalition ("VECC").

All parties, except SSMWG, participated in the negotiation of the issues from May 19 to - 21, 2009. Separate negotiations between PowerStream and SSMWG were held via telephone conference calls on May 21, 22 and 25, 2009. The Association of Major Power Consumers in Ontario ("AMPCO") and Hydro One Networks Inc. ("Hydro One") are intervenors; neither participated in the Settlement Conference and are not parties to the Settlement Proposal. Accordingly, the "parties" to this Settlement Proposal are PowerStream, CCC, Energy Probe, SEC, SSMWG and VECC.

## **III. ISSUES**

The Settlement Proposal deals with all of the issues listed in Appendix "B" to the Board's Procedural Order No. 2 dated March 13, 2009 (the "Issues List"). A copy of the Issues List is provided in Schedule A.

#### IV. SETTLEMENT CATEGORIES

Each issue dealt with in this Settlement Proposal has been completely settled subject to the resolution by the Board of the suite metering issue, discussed below in Section VII. With this exception, there are no partially settled or unsettled issues.

#### V. PARAMETERS OF SETTLEMENT PROPOSAL

The Settlement Proposal has been prepared by PowerStream in consultation with CCC, Energy Probe, SEC, SSMWG and VECC in accordance with Rule 32 of the Board's *Rules of Practice and Procedure* and the Board's *Settlement Conference Guidelines*. Board Staff also participated in the Settlement Conference, as contemplated by the Board's *Settlement Conference Guidelines* (p. 5), but Board Staff is not a party to this Settlement Proposal. PowerStream and the parties nevertheless consulted with Board Staff during the preparation of this Settlement Proposal.

The Settlement Proposal describes the agreements reached on the issues. The description of each issue assumes that all of the parties participated in the negotiation of the issue.

The Settlement Proposal provides a direct link between each settled issue and the supporting evidence in the record to date. There are Schedules to the Agreement which provide further support. The intervenors agree that the Schedules were prepared by Powerstream, based on calculations and data that have not been the subject of any external review or testing, and those Schedules form part of and are an essential component of this Settlement Proposal. The parties have relied on the accuracy of the Schedules in agreeing to the settlement of the issues set forth herein.

The parties are of the view that the evidence provided is sufficient to support the Settlement Proposal in relation to each such issue.

According to the *Settlement Conference Guidelines* (p. 3), the parties must consider whether a settlement proposal should include an appropriate adjustment mechanism for any settled issue that may be affected by external factors. PowerStream and the other parties consider that no settled issue, except for Issue 6.1 (Cost of Capital/Debt), requires a specific adjustment mechanism. The settlement of Issue 6.1 references the proposed adjustment mechanism. In addition, the settlement on each of the issues is subject to adjustment for the impacts of the Board's determination on the suite metering issue, described below in Section VII.

The parties have settled the issues as a package and none of the parts of this Settlement Proposal is severable. If the Board does not accept the Settlement Proposal, in its entirety, then there is no Settlement Proposal (unless the parties agree that any part(s) of the Settlement Proposal that the Board does accept may continue as a valid Settlement Proposal without inclusion of any part(s) that the Board does not accept).

None of the parties can withdraw from the Settlement Proposal except in accordance with Rule 32.05 of the Board's *Rules of Practice and Procedure*. Unless stated otherwise, the

settlement of any particular issue in this proceeding is without prejudice to the rights of the parties to raise the same issue in future proceedings before the Board whether or not PowerStream is a party to any such proceeding.

These settlement proceedings are subject to the rules relating to confidentiality and privilege contained in the Board's *Settlement Conference Guidelines*. The parties understand this to mean that the documents and other information provided, the discussion of each issue, the offers and counter-offers, and the negotiations leading to the settlement – or not – of each issue during the Settlement Conference are strictly confidential and without prejudice. None of the foregoing is admissible as evidence in this proceeding, or otherwise, with one exception: the need to resolve a subsequent dispute over the interpretation of any provision of this Settlement Proposal.

## VI. OVERVIEW OF SETTLEMENT PROPOSAL

Subject to the issue of suite metering, described below in Section VII, the parties achieved a comprehensive and complete settlement of all 37 issues on the Issues List.

The agreement among the parties reduces PowerStream's applied-for revenue requirement by \$5.7 million, from \$120.3 million to \$114.6 million. This, in turn, reduces PowerStream's revenue deficiency from \$8.9 million to \$3.2 million.

Table 2 below, presents the components of PowerStream's revenue deficiency for the Test Year, on an applied-for and a settled basis.

**Table 2: 2009 Revenue Deficiency**

		Applied-for		Settled	
		%	\$000	%	\$000
1	Rate Base	--	533,832	--	526,814
2	Cost of Capital	6.81	---	6.56	--
3	Return on Rate Base (A)	---	36,336	--	34,543
4	Distribution Expenses	---	45,098	--	43,216
5	Amortization	---	36,540	--	36,243
6	Payment in Lieu of Taxes	---	8,898	--	7,129
7	<b>2009 Service Revenue Requirement (B)</b>	---	126,872	--	121,131
8	Less Revenue Offsets	---	(6,568)	--	(6,568)
9	<b>2009 Base Revenue Requirement (C)</b>	---	120,304	--	114,563
10	<b>Forecast 2009 Revenue at Current Rates</b>	---	111,346	--	111,346
11	2009 Revenue Deficiency	---	(8,958)	--	(3,217)

A= Line 1 X Line 2

B= Lines 3+4+5+6

C= Lines 7-8

Table 3, below, presents the underpinning causes of the revenue deficiency for the Test Year, on an applied-for and settled basis:

**Table 3: Causes of Revenue Deficiency**

<b>Cause</b>	<b>Application (as filed on October 10, 2008)  \$000</b>	<b>Application (as updated on January 30,2009)  \$000</b>	<b>Settlement  \$000</b>	<b>Change (Settlement vs. January update)  \$000</b>
Increase in Amortization Expense	(9,977)	(9,977)	(9,680)	297
Increase in Distribution Expenses	(6,815)	(6,815)	(4,933)	1,882
Increase in Return on Capital	(4,767)	(4,185)	(2,392)	1,793
Load Growth	10,517	9,096	9,094	(2)
Decrease in Payment in Lieu of Taxes	2,311	2,452	4,222	1,770
Increase in Revenue Offsets	471	471	471	0
<b>Total 2009 Revenue Deficiency</b>	<b>(8,261)</b>	<b>(8,958)</b>	<b>(3,217)</b>	<b>5,741</b>

Tables 4, 5 and 6, below, compare the monthly bill impacts, for a "typical" customer in each rate class, of PowerStream's as-filed revenue requirement (as *per* its January 30, 2009 update) with the revenue requirement negotiated pursuant to this Settlement Proposal. Table 4 compares the filed vs. negotiated impacts on total bill. Table 5 compares the impacts on the distribution portion of the bill. Table 6 compares the impact on the distribution portion of monthly customer bills, excluding the refund of regulatory liability amounts to customers. None of the percent changes that flow from this Settlement Proposal exceed the ten percent mitigation threshold on total bills specified in Section 13.1 of the 2006 EDR Handbook.



**Table 4: Impacts on Total Bill for Typical Customer**

			Typical Bill (as per Application)		Typical Bill (as per Settlement Proposal)	
Class	Consumption per customer, kwh	Demand per customer, kw	\$ Change	% Change	\$ Change	% Change
Residential	1,000	-	\$(0.22)	-0.2%	\$ (1.57)	-1.5%
GS<50	2,000	-	\$(1.13)	-0.5%	\$ (3.94)	-1.8%
GS>50	80,000	250	\$(62.25)	-0.8%	\$ (127.92)	-1.7%
Large Use	2,800,000	7,350	\$(18,543.77)	-7.5%	\$(18,136.07)	-7.3%
USL	500	-	2.30	3.9%	\$ (1.10)	-1.9%
Sentinel Lighting	180	1	\$0.20)	-1.1%	\$ 0.44	2.4%
Street Lighting	882,119	2,639	\$2,946.06	21.1%	\$ 1,152.63	0.8%

**Table 5: Impact on the Distribution Portion of Bill for Typical Customer**

			Typical Bill (as per Application)		Typical Bill (as per Settlement Proposal)	
Class	Consumption per customer, kwh	Demand per customer, kw	\$ Change	% Change	\$ Change	%Change
Residential	1,000	-	\$(0.45)	-1.7%	\$ (1.46)	-5.5%
GS<50	2,000	-	\$(1.56)	-3.0%	\$ (3.70)	-7.0%
GS>50	80,000	250	\$(86.54)	-9.7%	\$ (130.54)	-14.6%
Large Use	2,800,000	7,350	\$(19,261.57)	-103.8%	\$(18,873.28)	-101.7%
USL	500	-	2.05	10.2%	\$ (1.06)	-5.3%
Sentinel Lighting	180	1	\$0.22)	-4.4%	\$ 0.43	8.5%
Street Lighting	882,119	2,639	\$2,656.29	4.2.1%	\$ 1,164.81	1.9%

**Table 6: Impact on the Distribution Portion of Bill for Typical Customer  
(Excluding Refund of Regulatory Liabilities)**

Class	Consumption per customer, kwh	Demand per customer, kw	Typical Bill - Distribution charge	
			\$ Change	% Change
<b>Residential</b>	1,000	-	\$ 0.44	1.7%
<b>GS&lt;50</b>	2,000	-	\$ 0.10	0.2%
<b>GS&gt;50</b>	80,000	250	\$ 75.24	8.4%
<b>Large Use</b>	2,800,000	7,350	\$ (8,391.45)	-45.2%
<b>USL</b>	500	-	\$ (1.56)	-7.8%
<b>Sentinel Lighting</b>	180	1	\$ 1.59	31.4%
<b>Street Lighting</b>	882,119	2,639	\$ 2,977.69	4.7%

Tables 2 through 6 above have been prepared by Powerstream and have not been the subject of any review or testing. The intervenors have accepted these calculations, and relied on the correctness of these Tables in entering into this Agreement and recommending that the Board approve the settlement of issues as set forth herein.

## **VII. UNSETTLED SUB-ISSUE**

Included in many of the general issues in this proceeding are impacts of PowerStream's individual suite metering activities. SSMWG has taken the position that the revenue requirement impacts of those activities should not be included in rates in the Test Year. Powerstream believes that they should. Other parties have not, as yet, taken any position on this issue.

The parties agree that the evidence on this matter, and resulting submissions, should be put to the Board for a determination. In such hearing, it is agreed that all parties may participate, and the settlement by the parties of the issues as set forth in this Settlement Proposal shall have no effect on their ability to participate in that hearing, or on the positions they take on the suite metering issue or any part of it.

The costs associated with suite metering activities are included in rate base, OM&A, and potentially other consequential aspects of the calculation of revenue requirement, and the figures set forth in this Settlement Proposal include those amounts as filed by Powerstream. In the event that, after a hearing on this issue, the Board determines that all or any portion of those costs should not be included in revenue requirement, the amounts for each component of revenue requirement that may be affected will be adjusted to reflect the Board's decision, and the lower adjusted figures shall be deemed to be the figures agreed to by the parties.

The settlement of all issues in this proceeding is therefore subject to any adjustments that arise from the Board's decision on suite metering. Where, throughout this document, issues relating to revenue requirement and its components are listed as settled, the phrase "subject to the Board's determination of the revenue requirement impacts of suite metering" shall be read in.

### **VIII. CONCLUSION**

The parties are of the view that this Settlement Proposal will protect the interests of consumers with respect to prices and the adequacy, reliability and quality of electricity service, promote economic efficiency and cost effectiveness in the distribution of electricity, and maintain the financial viability of PowerStream. The parties believe that the distribution rates established in accordance with the terms and conditions of the Settlement Proposal are "just and reasonable" and will permit PowerStream to make the investments that are required in order to serve its customers, protect the integrity of its distribution system, maintain and improve the quality of its service and meet all compliance requirements in 2009.

## IX. ISSUE-BY-ISSUE SETTLEMENTS

### 1. ADMINISTRATION (Exhibit A)

#### 1.1 Has PowerStream responded appropriately to all relevant Board directions and settlement agreements from previous proceedings?

- **Complete Settlement:** The parties accept the evidence of Powerstream that there are no outstanding PowerStream obligations arising from prior Board directives or from settlement agreements from previous proceedings.
- **Evidence:** The evidence on this issue includes the following:

Exhibit, A1-31  
No IRs

#### 1.2 Has PowerStream complied with the Board's Filing Requirements in filing all relevant information pertaining to this application?

- **Complete Settlement:** The parties agree, for the purposes of obtaining settlement on all issues in this proceeding, that PowerStream has complied with the Board's Filing Requirements *vis-à-vis* its application for 2009 distribution rates.
- **Evidence:** The evidence on this issue includes the following:

Exhibits A1-1-1, A1-2-1, A1-2-2, A1-3-1, A1-4-1, A2-1-1. A2-1-2, A2-1-3, A2-2-1, A2-2-2, A2-3-1, A3-1-1  
Board Staff Interrogatories #1, 5, 35  
VECC Interrogatories #5, 6  
CCC Interrogatories #1, 2, 3, 4, 5, 6, 7, 19, 20, 37  
SEC Interrogatories #1, 2, 3, 4, 5, 6, 8, 9, 11, 12, 18, 20, 21, 22, 23

## 2. RATEBASE (Exhibit B)

### 2.1 Are the amounts proposed for Rate Base appropriate?

- **Complete Settlement:** In its application (as updated on January 30, 2009), PowerStream sought the Board's approval of a forecast rate base of \$533,832,000 for the 2009 Test Year. This amount comprised \$459,051,000 in respect of net fixed assets and \$74,781,000 in respect of working capital allowance.

The parties agree that the "net fixed assets" component of PowerStream's rate base forecast shall be: (i) decreased by \$2,359,000 to reflect PowerStream's actual capital spending in 2008, relative to the amount that is embedded in PowerStream's 2009 forecast and the impact of that change on opening rate base; and (ii) increased by \$395,000 to reflect a correction in the way in which the value of smart meter capital assets are calculated for rate base purposes (see Issue 8.7 and Schedule G).

The parties also agree that the "working capital allowance" component of rate base shall be adjusted to reflect: (i) a decrease of \$31,811,000 in the cost of power as per the Navigant Consulting April 2009 updated forecast; and (ii) a decrease of \$1,882,000 million in distribution expenses, as per the settlement of Issue 4.1. These decreases result in a \$5,054,000 reduction in PowerStream's working capital allowance (i.e., 15% of \$33,693,000).

The resultant forecast rate base for the Test Year is shown in Table 2.1 below.

**Table 2.1: Rate Base (\$000)**

	As filed - Jan. 2009 Update	Settlement Proposal
Net Fixed Assets	459,051	457,087
Working Capital Allowance	74,781	69,727
<b>Total</b>	<b>533,832</b>	<b>526,814</b>

- **Evidence:** The evidence on this issue includes the following:

Exhibits B1-1-1, B1-4-1, B1-4-2, B1-5-1, B1-5-2, B1-5-3, B1-7-1, B1-7-2  
Board Staff Interrogatories #11, 14  
VECC Interrogatories #7, 24, 25  
Energy Probe Interrogatories #2, 5, 6,  
CCC Interrogatories #8, 16, 17, 18  
SEC Interrogatory #17

## 2.2 Are the amounts proposed for 2009 Capital Expenditures appropriate?

- **Complete Settlement:** In its application (as updated on January 30, 2009), PowerStream's forecast capital expenditures of \$85,241,000 for the 2009 Test Year, net of contributed capital. The parties accept, in the context of the Settlement Proposal, that rate base should be calculated for 2009 using this capital spending forecast.

**Evidence:** The evidence on this issue includes the following:

Exhibits B1-2-1, B1-4-1, B1-4-2, B1-5-1, B1-5-4, B1-6-1  
Board Staff Interrogatories #2, 3, 4, 6, 7, 8, 9, 10, 12, 13  
VECC Interrogatories #8, 9, 11, 14, 15, 16, 17, 18, 19, 20, 22, 23  
Energy Probe Interrogatories #3, 4  
CCC Interrogatories #6, 8, 9, 10, 11, 12, 13, 14, 16  
SEC Interrogatory #14, 16

## 2.3 Has the Working Capital Allowance been determined appropriately?

- **Complete Settlement:** See Issue 2.1 above.
- **Evidence:** The evidence on this issue includes the following:

Exhibits B2-1-1, B2-1-2, B2-1-3  
Board Staff Interrogatory #19  
VECC Interrogatories #26, 27  
Energy Probe Interrogatories #7, 8  
CCC Interrogatory #21  
SEC Interrogatories #13, 18

**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?**

- ***Complete Settlement:*** The parties agree that the evidence on the record, to-date, adequately addresses the condition of the distribution system assets and supports the planning and budgeting for OM&A and capital expenditures in the 2009 Test Year.
- **Evidence:** The evidence on this issue includes the following:

Exhibits B1-2-1  
VECC Interrogatory #10

**2.5 Is PowerStream's Overhead Capitalization Policy appropriate?**

- ***Complete Settlement:*** For the purpose of achieving settlement on all issues, the parties accept PowerStream's capitalization policy as described in Exhibit B1-3-1.
- **Evidence:** The evidence on this issue includes the following:

Exhibit B1-3-1  
Board Staff Interrogatories #37, 42  
VECC Interrogatories #12, 13  
SEC Interrogatories #15, 24, 25(e), 27

### 3. REVENUE REQUIREMENT (Exhibit C)

#### 3.1 Is the calculation of the proposed revenue requirement for 2009 appropriate?

- **Complete Settlement:** In its application, PowerStream sought approval of a 2009 Base Revenue Requirement ("BRR") of \$120,304,000, with a forecast 2009 revenue deficiency of \$8,958,000. As a result of the settlement of Issues 2.1 (Rate Base), 4.1 (OM&A), 4.7 (PILs) and 6.1 (Cost of Capital/Debt), the parties accept that the BRR shall be reduced to \$114,563,00, with a forecast 2009 revenue deficiency of \$3,217,000, subject to the adjustment mechanism described in the settlement of Issue 6.1.

The parties are of the view that the adjusted BRR is sufficient to permit PowerStream to operate its distribution system in a safe and reliable manner, invest in capital and earn a fair return after recovery of all distribution operating expenditures.

- **Evidence:** The evidence on this issue includes the following:

Exhibits G1-1, G-1-2, I-6-6

#### 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?

- **Complete Settlement:** In its application, PowerStream forecast that it would receive \$6,568,047 of non-distribution ("Other Revenue" or "Revenue Offsets") in connection with "specific service charges," "late payment charges," "other distribution revenue" and "other income and deductions". The parties accept this amount for the purpose of setting 2009 rates.
- **Evidence:** The evidence on this issue includes the following:

Exhibits C2-1-1, C2-1-2, D1-1-6, D1-1-7, D1-1-8  
Board Staff Interrogatories #20, 21  
VECC Interrogatory #36  
Energy Probe Interrogatories #13, 14  
CCC Interrogatory #22  
SEC Interrogatory #19



### 3.3 Are the proposed Specific Service Charges for 2009 appropriate?

- **Complete Settlement:** In its 2006 EDR Application, PowerStream sought and received approval to use the default Specific Service Charges in the Board's 2006 *Electricity Distribution Rate Handbook*. In its 2009 application, PowerStream did not propose any changes to these Specific Service Charges. The parties accept the evidence of Powerstream that these charges remain appropriate.
- **Evidence:** The evidence on this issue includes the following:

Exhibit C2-1-2

### 3.4 Are PowerStream's economic and business planning assumptions for 2009 appropriate?

- **Complete Settlement:** For the purpose of achieving settlement of all of the issues, the parties accept PowerStream's economic and business planning assumptions for 2009 as reasonable and appropriate .
- **Evidence:** The evidence on this issue includes the following:

Exhibits B1-2-1, D1-1-2, D1-1-2  
Board Staff Interrogatory #40

**3.5 Is the load forecast and methodology appropriate including the weather normalization methodology?**

**Complete Settlement:** PowerStream's load forecast was developed using an econometric model. Due to the lack of historic data by customer class, PowerStream used aggregate data since 1998 and divided the forecast sales by customer class based on past patterns. Ontario GDP was determined to be the variable most correlated to energy sales. Region of York Planning Department reports were used for the customer forecasts. Weather normalization was done based on the 10 year Statistics Canada heating degree days and cooling degree days. CDM adjustments were made by applying OPA forecasts to PowerStream's service territory. The parties agree that the addition of more class specific consumption data would improve the load forecasting methodology .

Notwithstanding that the methodology may be improved in the future, the parties accept the current methodology and the resultant load forecast for the purpose of setting 2009 distribution rates.

- **Evidence:** The evidence on this issue includes the following:

Exhibits C1-1-1, C1-1-2, C1-1-3, C1-14  
Board Staff Interrogatories #22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32  
VECC Interrogatories #3, 28, 29, 30, 31, 32, 33, 34, 35, 55  
Energy Probe Interrogatories #9, 10, 11, 12

**3.6 Has the impact of Conservation and Demand Management initiative been suitably reflected in the load forecast?**

- **Complete Settlement:** See the settlement of Issue 3.5
- **Evidence:** The evidence on this issue includes the following:

Exhibit C1-1-2  
Board Staff Interrogatory #33

**3.7 Is the Revenue Deficiency calculation for the test year appropriate? (Exhibit G)**

- ***Complete Settlement:*** See the settlement of Issue 3.1.
- ***Evidence:*** The evidence on this issue includes the following:

VECC Interrogatories #2, 4, 56  
Energy Probe Interrogatory #1  
SEC Interrogatory #7

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

##### 4.1 Are the overall levels of the 2009 Operation, Maintenance and Administration budgets appropriate?

- **Complete Settlement:** In its application, which was filed in October 10, 2008, PowerStream sought approval of forecast Operation, Maintenance and Administration ("OM&A") expenses for the 2009 Test Year of \$45,098,000. On January 1, 2009, PowerStream amalgamated with Barrie Hydro Distribution Inc. In its decision (EB-2008-0335) approving the amalgamation, the Board also approved a rate rebasing schedule, including PowerStream's proposal to seek revised 2009 distribution rates on a cost of service basis for the Powerstream distribution service area and excluding the Barrie Hydro service area. The application for 2009 does not include recognition of either the merger-related costs (\$4,302,000) or savings (\$1,882,000) that the amalgamated entity expects in 2009, nor any of the additional net savings that the amalgamated entity expects to achieve from the merger in subsequent years until its next rebasing. .

The parties agreed to reduce PowerStream's forecast of 2009 OM&A expenses by an amount equal to the estimated 2009 cost savings resulting from the merger, but not to include in PowerStream's forecast any of the incremental costs in 2009 of the merger, nor to include any provision in 2009 for future savings from the merger that may arise after 2009. The forecast 2009 OM&A spending of \$45,098,000 is therefore reduced by \$1,882,000, the full amount of the amalgamated entity's 2009 merger savings, to \$43,216,000.

Subject to the \$1,882,000 reduction, the parties accept PowerStream's 2009 OM&A forecast for the purpose of establishing 2009 revenue requirement.

- **Evidence:** The evidence on this issue includes the following:

Exhibits D1-1-1, D1-1-2, D1-1-3, A2-3-1  
Board Staff Interrogatories #34, 35, 36, 39, 41, 43, 44, 45, 46, 47  
VECC Interrogatories #37, 38, 39, 40  
Energy Probe Interrogatories #15, 16  
CCC Interrogatories #23, 24, 25, 26, 27, 28  
SEC Interrogatory #10, 25

**4.2 Are the proposed Purchased Services and Shared Services amounts appropriate?**

- **Complete Settlement:** For the purpose of achieving a settlement of all of the issues, the parties have accepted the evidence of PowerStream on this issue.
- **Evidence:** The evidence on this issue includes the following:

Exhibit D1-1-4  
Board Staff Interrogatory #48  
VECC Interrogatory #40  
CCC Interrogatory #29  
SEC Interrogatory #26

**4.3 Are the methodologies used to cost and price services from affiliates and related parties appropriate? Are the Affiliate Service Agreements appropriate?**

- **Complete Settlement:** For the purpose of achieving a settlement of all of the issues, the parties have accepted the evidence of PowerStream on this issue.
- **Evidence:** The evidence on this issue includes the following:

Exhibits D1-1-6, D1-1-7, D1-1-8  
Board Staff Interrogatory #49  
Energy Probe Interrogatory #18  
VECC Interrogatory #43  
SEC Interrogatory #28, 29

**4.4 Are the 2009 Human Resources related costs (wages, salaries, benefits, incentive payments, labour productivity and pension costs) including employee levels, appropriate?**

- **Complete Settlement:** For the purpose of achieving a settlement of all of the issues, the parties have accepted the evidence of PowerStream on this issue.
- **Evidence:** The evidence on this issue includes the following:

Exhibit D1-1-9  
Board Staff Interrogatories #50, 51  
VECC Interrogatory #44a  
Energy Probe Interrogatory #19  
CCC Interrogatories #30, 31  
SEC Interrogatories #30, 31

#### 4.5 Is PowerStream's depreciation expense appropriate?

- **Complete Settlement:** See settlement of Issue 2.1. The effect of this settlement is to decrease depreciation expense from \$36,540,000 to \$36,243,000.
- **Evidence:** The evidence on this issue includes the following:  
Exhibit D1-1-5  
Board Staff Interrogatory #15  
VECC Interrogatory #42  
Energy Probe Interrogatories #8, 17  
SEC #27

#### 4.6 Are the amounts proposed for 2009 capital and property taxes appropriate?

- **Complete Settlement:** For the purpose of achieving a settlement of all of the issues, the parties have accepted the evidence of PowerStream on this issue.
- **Evidence:** The evidence on this issue includes the following:  
Exhibits D1-1-3, D2-1-2, D2-1-3  
Energy Probe Interrogatories #20, 21

#### 4.7 Is the amount proposed for 2009 Payments in Lieu of Taxes, including the methodology, appropriate?

- **Complete Settlement:** In its application, PowerStream sought approval to include in revenue requirement an amount of \$8,898,000 in respect of Payments in Lieu of Taxes ("PILs"). This amount was calculated using Federal and Ontario income tax rates and Ontario capital tax rates that were current as of the date of filing (i.e., October 10, 2008).

PowerStream has updated the PILs amount to reflect the new tax measures that were included in the 2009 Federal and Ontario Budgets. The calculation of the revised PILs amount is set out below in Table 4.7.

**Table 4.7: Payments in Lieu of Taxes (PILs) \$000**

	As filed - Jan. 2009 Update	Settlement Proposal
Taxable Income	23,186	19,389
PILs	8,898	7,129

Please see Schedule B for complete details.

For the purpose of achieving a settlement of all of the issues, the parties have accepted the evidence of PowerStream on this issue.

- **Evidence:** The evidence on this issue includes the following:

Exhibits D2-1-2, D2-1-2, D2-1-3  
Board Staff Interrogatory #52  
VECC Interrogatory #45  
Energy Probe Interrogatories #22, 23

## 5. REGULATORY ASSETS (Exhibits E)

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

- **Complete Settlement:** PowerStream has updated the amounts for disposition and the rate riders to reflect responses to Board Staff Interrogatories. The amount to be returned to customers has been increased from \$27,899,049 (as filed) to \$28,088,900. This \$189,851 increase reflects; (i) interest on account 2425 balances up to April 30, 2006; and (ii) adjustments to reflect actual interest rates from July 1, 2008 to April 30, 2009.

Please see Schedule C for details.

For the purpose of achieving a settlement of all of the issues, the parties have accepted the evidence of PowerStream on this issue.

- **Evidence:** The evidence on this issue includes the following:

Exhibits E1-1-1, E1-1-2  
Board Staff Interrogatories #53, 54, 55, 56, 57, 58, 67, 69  
VECC Interrogatory #46  
Energy Probe Interrogatories # 24, 25, 26



## 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?

- Complete Settlement:** For rate-making purposes, PowerStream's deemed capital structure and cost of capital were determined in accordance with the *Report of the Board on Cost of Capital and 2<sup>nd</sup> Generation Incentive Regulation for Ontario's Electricity Distributors (December 20, 2006)* (the "COC Report"). The COC Report continues the equity risk premium/formulaic approach to determining the rate of return on common equity, or "ROE," that the Board implemented for gas utilities in 1997.

In its application, PowerStream calculated a 2009 rate of return on rate base using: (i) a deemed capital structure of 56 percent long-term debt, 4 percent short-term debt and 40 percent equity; (ii) a 5.89 percent cost of long-term debt and 3.67 percent cost of short-term debt; and (iii) an ROE of 8.4 percent. The rate of return on rate base for 2009 calculated in accordance with these values (which were current as of the date of filing), was 6.81 percent.

By letter to all licensed electricity distributors, dated February 24, 2009, the Board updated the cost of capital parameter values for 2009.

The parties accept PowerStream's deemed capital structure for the purpose of determining the rate of return on rate base for 2009. The parties agree that PowerStream's 2009 forecast weighted average cost of capital, as filed, should be revised to reflect the updated cost of capital parameter values set out in the Board's February 24<sup>th</sup> letter. The calculation of PowerStream's rate of return on rate base for 2009, in accordance with the updated parameters, is set out in Table 6.1 below.

**Table 6.1: Weighted Average Cost of Capital**

	Deemed Capital Structure	Rate	Weighted Average Cost of Capital
Long-term debt	56%	5.89%	3.30%
Short-term debt	4%	1.33%	0.05%
Equity	40%	8.01%	3.20%
Total	100%		6.56%

By letter dated March 16, 2009 to "All Interested Stakeholders," the Board initiated a consultative process (EB-2009-0084) to help it to determine whether current economic and financial market conditions warrant an adjustment to any of the cost of capital parameter values set out in the Board's letter of February 24, 2009. The parties agree that if the Board makes any such adjustment as a result of this consultation that is intended by the Board to apply to 2009 rates for parties whose cost of service applications have been the subject of a Board decision (whether based on a settlement or otherwise), PowerStream will adjust its cost of capital parameter values accordingly as directed in the Board's decision on that consultation.

- **Evidence:** The evidence on this issue includes the following:

Exhibits F1-1-1, F1-1-2  
Board Staff Interrogatory #59  
VECC Interrogatory #48a  
Energy Probe Interrogatories #27, 28

**6.2 Are PowerStream's proposed costs and mix for its short and long-term debt for the 2009 test year appropriate?**

- **Complete Settlement:** See settlement of Issue 6.1.
- **Evidence:** The evidence on this issue includes the following:

Exhibits F1-1-1, F1-1-2  
Board Staff Interrogatory #59  
VECC Interrogatory #47  
SEC #32, 33, 34

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

### 7.1 Is PowerStream's cost allocation appropriate?

- **Complete Settlement:** PowerStream calculated 2009 revenue-to-cost ratios for each customer class on the basis of an updated cost allocation model (its "2009 Cost Allocation Model"). Some ratios were then adjusted to bring them within the "ranges of tolerance" established by the Board in its report on the *Application of Cost Allocation for Electricity Distributors* (November 28, 2007). The resulting cost-to-revenue ratios were set out in Table 1 of Exhibit H-1-2 in PowerStream's application.

As a result of the settlement of the series 2, 3, and 4 issues herein, PowerStream has further updated its 2009 Cost Allocation Model to reflect agreed-upon adjustments to rate-base, OM&A and, consequently, revenue requirement. The resultant revenue-to-cost ratios were then adjusted in order to bring them within the "ranges of tolerance" as follows:

- a. the "Large Use" rate class revenue-to-cost ratio was adjusted downwards to the top of its "range of tolerance" (i.e., to 115%);
- b. the "Unmetered Scattered Load" rate class revenue-to-cost ratio was adjusted downwards to the top of its "range of tolerance" (i.e., to 119%);
- c. the "Street Lighting" rate class revenue-to-cost ratio was adjusted upward to: (i) bring it within its range of tolerance; and (ii) absorb a portion of the reduction in the amount of revenue requirement allocated to the "Large Use" rate class; and
- d. the "Sentinel Lighting" rate class revenue-to-cost ratio was adjusted upwards to: (i) bring it within its range of tolerance; and (ii) absorb a portion of the reduction in the amount of revenue requirement allocated to the "Large Use" rate class.

Table 7.1 below shows the adjustments made to reflect the provisions of this Settlement Proposal.

**Table 7.1: Revenue-to-Cost Ratios**

	As per Information filing PowerStream RUN 2	Test Year at calculated rates	OEB Proposed Range		Proposed per Settlement
	2006	2009	Low	High	2009
<b>Revenue /Expenses Ratio</b>					
Residential	93.4%	92.9%	85%	115%	<b>92.9%</b>
GS Less Than 50 kW	113.5%	116.7%	80%	120%	<b>116.7%</b>
GS 50 to 4,999 kW	108.1%	106.5%	80%	180%	<b>106.5%</b>
GS 50 to 4,999 kW Legacy					
Large Use	75.9%	378.8%	85%	115%	<b>115.0%</b>
Unmetered Scattered Load	169.6%	126.4%	80%	120%	<b>119.9%</b>
Sentinel Lighting	16.4%	45.5%	70%	120%	<b>75.4%</b>
Street Lighting	54.4%	64.8%	70%	120%	<b>74.5%</b>

In Table 7.1 above, the ratios in the column “Test Year at Calculated Rates” are the result of updating the 2009 Cost Allocation Model to reflect the changes in revenue requirement agreed upon in this Settlement Proposal. The ratios in the column “Proposed per Settlement” reflect the agreement among parties in respect of Large Use, Street Lighting and Sentinel Lighting customer classes, noted above. For the Unmetered Scattered Load customer class, the ratio was adjusted to bring it within the Board’s range. Please see Schedule D for details.

For the purpose of achieving settlement of all issues, the parties accept the use of PowerStream’s cost allocation methodology for 2009 rates, and the resultant revenue-to-cost ratios, for each rate class, as revised to reflect this Settlement Proposal.

**Evidence:** The evidence on this issue includes the following:

Exhibits H-1-1, H-1-2, H-1-1  
Board Staff Interrogatory #60  
VECC Interrogatories #48B, 49, 50

## 7.2 Are the proposed revenue to cost ratios appropriate? (Exhibit I)

- **Complete Settlement:** See the settlement of Issue 7.1
- **Evidence:** The evidence on this issue includes the following:

Exhibits H-1-2, I-1-1, I-1-2, I-6-4  
Board Staff Interrogatory #61  
VECC Interrogatory # 51  
SEC Interrogatories #35, 36

## 8. Rate Design (Exhibit I)

### 8.1 Are customer charges and the fixed-variable splits for each class appropriate?

**Complete Settlement:** VECC takes no position on this issue. All of the other parties agree that the customer charges and the fixed-variable splits that are set out in its application (as of January 30, 2009) are appropriate, subject to the following changes:

- (i) the fixed charge applicable to the General Service > 50kW rate class is reduced from \$301.73 to \$83.41 so that it does not exceed the range stipulated in the Board's current guidelines; and
- (ii) the fixed charge applicable to the "Large Use" rate class is reduced from \$3,978.09 to \$2,146.94 to be closer to the top of the range in the Board's current guidelines, but it is not reduced completely, in order to ensure that the variable charge, net of transformer credit, will be a positive amount.

The above-noted fixed charges do not include the Smart Meter rate adder.

- **Evidence:** The evidence on this issue includes the following:

Exhibit I-1-1, I-6-1, I-6-2  
Board Staff Interrogatories #62, 63  
SEC Interrogatories #37, 38

### 8.2 Are PowerStream's proposed rates appropriate?

- **Complete Settlement:** Schedule E to this Settlement Proposal sets out PowerStream's proposed 2009 distribution rates, adjusted to reflect the provisions of the Settlement Proposal. The parties accept these rates as appropriate for the 2009 rate year.
- **Evidence:** The evidence on this issue includes the following:

Exhibit I-6-2

### 8.3 Are the customer bill impacts appropriate?

- **Complete Settlement:** Schedule F to this Settlement Proposal sets out the monthly bill impacts associated with the recovery and allocation of PowerStream's applied-for revenue requirement, as adjusted to reflect the provisions of the Settlement Proposal. The parties accept, as appropriate for the 2009 rate year, these bill impacts.
- **Evidence:** The evidence on this issue includes the following:

Exhibit I-6-3, I-6-5, A1-4-1  
VECC Interrogatory #1

### 8.4 Are the proposed Low Voltage and Retail Transmission Service Rates appropriate?

- **Complete Settlement:** The parties accept, as appropriate, the Low Voltage and Retail Service Rates set out in PowerStream's application.
- **Evidence:** The evidence on this issue includes the following:

Exhibit I-4-1, I-5-1  
Board Staff Interrogatory #64, 65, 66

### 8.5 Are the proposed Loss Factors appropriate?

- **Complete Settlement:** The parties accept PowerStream's proposed Loss Factor, recalculated to reflect the use of a three-year (2004-2006) average and ignoring the abnormally high year, 2007. The parties agree that the resultant Loss Factor – 2.99% (previously 3.33%) – is the appropriate billing determinant.

**Table 8.5: Recalculation of Loss Factor**

	2004	2005	2006
"Wholesale" kWh (IESO)	6,645,252,037	7,030,201,674	6,948,341,694
"Retail" kWh (Distributor)	6,431,131,687	6,832,435,064	6,744,270,701
Loss Factor	3.22%	2.81%	2.94%
		<b>Average</b>	<b>2.99%</b>

- **Evidence:** The evidence on this issue includes the following:

Exhibits D1-1-10, D1-1-11  
Board Staff Interrogatory #68  
VECC Interrogatory #44B

**8.6 Are the proposed Regulatory Asset (Deferral and Variance Account) rate riders appropriate?**

- **Complete Settlement:** PowerStream has recalculated the regulatory asset rate riders proposed in its application to reflect the Board's current "billing determinant" methodology. The revised rate riders are set out in Schedule C of this Settlement Proposal. The parties accept, as appropriate, the revised rate riders.
- **Evidence:** The evidence on this issue includes the following:

Exhibit E1-1-1, E1-1-2, I-1-2

**8.7 Is the Smart Meter rate adder change appropriate?**

- **Complete Settlement:** The parties agree that the **Smart Meter Actual Cost Recovery rate adder should be recalculated as shown below** in Table 8.7. No change is required in the calculation of Smart Meter Future Cost Recovery rate rider. Both riders have been calculated on the basis of a twelve month recovery period.

**Table 8.7 Smart Meter Rate Adder**

Monthly Rate Rider	Per Application	Settlement Proposal
Future Cost Recovery	\$ 1.04	\$ 1.04
Actual Cost Recovery	\$ (0.19)	\$ 0.28
<b>Total</b>	<b>\$ 0.85</b>	<b>\$ 1.32</b>

The Smart Meter Actual Cost Recovery rate rider has been updated to reflect the calculation made by Board Staff that was provided to the parties at the Settlement Conference. Board Staff's calculation was reviewed by the parties at the Settlement Conference and found to be acceptable. Board Staff's calculation is attached as Schedule G of this Settlement Proposal.

Board Staff's calculation has taken the Actual Cost Recovery worksheet as filed by PowerStream and converted this to a multi-year revenue requirement calculation that properly reflects the timing of when the Smart Meter assets are being added to rate base and included in rates. The sheet originally filed by PowerStream in its Application was taken from Appendix E of the Smart Meter Combined Proceeding (EB-2007-0063). PowerStream did not calculate the revenue requirement on these assets for 2008 and the carrying costs for the period January 1, 2008 to April 30, 2009. The Board Staff calculation has included these items.

- **Evidence:** The evidence on this issue includes the following:

Exhibit I-3-1, I-3-2, I-3-3

Board Staff Interrogatories #16, 17, 18, 38, 70

VECC Interrogatories #54, 55A

CCC Interrogatories # 32, 33, 34



## 9. RATE IMPLEMENTATION

### 9.1 Is it appropriate to declare rates interim as of May 1, 2009?

- This issue is no longer outstanding. By order issued March 31, 2009, the Board made PowerStream's current rates interim, effective May 1, 2009 pending determination of its 2009 rates application and the issuance of a rate order reflecting such determination.

### 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)?

- **Complete Settlement:** In its application, PowerStream sought an order approving final rates for the 2009 rate year effective May 1, 2009. The parties accept this proposal. PowerStream proposes that the new rates which are effective May 1, 2009 be implemented August 1, 2009. Certain adjustments will be necessary to reflect the difference between the effective date and the implementation date.

Fixed and variable distribution rates will be adjusted by a rate rider to reflect that the 2009 increase in rates will be collected over nine months, August 1, 2009 to April 30, 2010, rather than the full twelve month period.

The LRAM and SSM rate riders would be adjusted to reflect that the amount to be recovered will be collected over nine months, August 1, 2009 to April 30, 2010, rather than the full twelve month period.

Regulatory Asset Recovery rate riders would be recalculated for disposition over a twenty one month period, August 1, 2009 to April 30, 2011.

The Smart Meter Actual Cost Recovery rate rider will be adjusted to reflect that the amount to be recovered will be collected over nine months, August 1, 2009 to April 30, 2010, rather than the full twelve month period.

PowerStream does not propose to adjust the Smart Meter Future Cost Recovery rate rider, retail transmission rates, or the Rural Rate Protection Charge. These differences will be captured in variance and deferral accounts for future true up.

PowerStream will provide supporting calculations for these adjustments and revised bill impacts with the Draft Rate Order.

## 10. OTHER ISSUES

### 10.1 Is the LRAM and SSM proposal appropriate? (Exhibit I)

- **Complete Settlement:** In its application, PowerStream sought recovery of a Lost Revenue Adjustment Mechanism or "LRAM" amount of \$429,896 and a Shared Savings Mechanism or "SSM" amount of \$398,214, calculated up to and including December 31, 2007. These amounts total to \$828,110.

The parties agree that the LRAM amount should be reduced from \$429,896 to \$300,088 to reflect the recalculation of the "kWh savings" for the Spring and Fall 2006 and 2007 "EKC CFL" programs using the 2007 Ontario Power Authority ("OPA") saving assumptions.

The parties further agree that the SSM amount should be reduced from \$398,214 to \$215,234 to reflect the savings associated with the Spring and Fall 2006 OPA-funded programs.

As a result of settlement, the total LRAM and SSM amount is \$515,322.

Schedule H to the Settlement Proposal sets out the derivation of the recalculated LRAM and SSM amounts.

- **Evidence:** The evidence on this issue includes the following:

Exhibit I-2-1  
Board Staff Interrogatories #71, 72, 73, 74  
VECC Interrogatories #52, 53  
CCC Interrogatories #35, 36

### 10.2 Is service quality in relation to the OEB specified performance indicators acceptable?

- **Complete Settlement:** For the purpose of achieving settlement of all issues, the parties agree that PowerStream's service quality, in relation to OEB-specified performance indicators, is acceptable.

**Schedule A to Settlement Proposal**

**PowerStream Inc.**

**2009 Electricity Distribution Rates**

**EB-2008-0244**

**Issues List**

**Preamble:**

It is understood that the costs 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 RATEBASE (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 initiative 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 Affiliate 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 (Exhibits 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?

**PowerStream Inc. (ED-2004-0420)**

PILs Calculations for 2009 EDR Application (EB 2008-0244)

October 10, 2008

**Model Overview***Select a worksheet link*

Tab	ShortName	Title	Instruction	Link
<b>P</b>		<b>PILS Calculations</b>		<b>P0 Administration</b>
P0	Admin	Administration	Enter administrative information about the Application	<a href="#">P0 Administration</a>
P1	UCC	Undepreciated Capital Costs (UCC)	Enter actual balances and projected asset additions & retirements	<a href="#">P1 Undepreciated Capital Costs (UCC)</a>
P2	CEC	Cumulative Eligible Capital (CEC)	Enter actual balance, projected changes and deduction rates	<a href="#">P2 Cumulative Eligible Capital (CEC)</a>
P3	Interest	Interest Expense	Enter deemed and projected actual interest amounts	<a href="#">P3 Interest Expense</a>
P4	LCF	Loss Carry-Forward (LCF)	Enter details of historical losses available to offset projected taxable income	<a href="#">P4 Loss Carry-Forward (LCF)</a>
P5	Reserves	Reserve Balances	Enter balance amounts and projected changes in tax and accounting reserves	<a href="#">P5 Reserve Balances</a>
P6	TxbIncome	Taxable Income	Enter amounts required to calculate taxable income	<a href="#">P6 Taxable Income</a>
P7	CapitalTax	Capital Taxes	Enter rate base amounts	<a href="#">P7 Capital Taxes</a>
P8	TotalPILs	Total PILs Expense	Enter tax credit amounts	<a href="#">P8 Total PILs Expense</a>
<b>Y</b>		<b>Reference Information</b>		<b>Y1 Tax Rates and Exemptions</b>
Y1	TaxRates	Tax Rates and Exemptions	Enter applicable rates and exemption amounts	<a href="#">Y1 Tax Rates and Exemptions</a>
Y2	CCA	Capital Cost Allowances (CCA)	Enter asset classes and applicable rates for CCA deductions	<a href="#">Y2 Capital Cost Allowances (CCA)</a>
<b>Z</b>		<b>Model Parameters</b>		<b>Z1 Model Variables</b>
Z1	ModelVariables	Model Variables		<a href="#">Z1 Model Variables</a>
Z0	Disclaimer	Software Terms of Use		<a href="#">Z0 Software Terms of Use</a>

# PowerStream Inc. (ED-2004-0420)

PILs Calculations for 2009 EDR Application (EB 2008-0244)

October 10, 2008

## P0 Administration

*Enter administrative information about the Application*

Application Version

Name of Applicant

License Number

Test Year

File Number(s)

Date of Application

Contact:

PowerStream Inc.
ED-2004-0420
2009
EB 2008-0244
10-Oct-2008

Name

Tom Barrett

email

tom.barrett@powerstream.ca

phone

905-532-4640

Date of previous Test Year approval

31-Mar-2006



**PowerStream Inc. (ED-2004-0420)**

PILs Calculations for 2009 EDR Application (EB 2008-0244)

October 10, 2008

**P1 Undepreciated Capital Costs (UCC)***Enter actual balances and projected asset additions & retirements*

Class	Description	UCC Balance 31 Dec/07 <sup>1</sup>	Less: Non- Distribution Portion	Less: Disallowed FMV Increment	UCC 2008 Opening Balance	2008 Actual Additions	2008 Actual Retirements	UCC Before 1/2 Yr Adjustment	1/2 Year Reduction	Reduced UCC	Rate %	2008 CCA	UCC 31 Dec/08
1	Distribution System - post 1987	335,500,865			335,500,865			335,500,865		335,500,865	4.0%	13,420,035	322,080,830
1.1	Buildings (acq'd post Mar 19/07)					25,086,638		25,086,638	12,543,319	12,543,319	6.0%	752,599	24,334,039
2	Distribution System - pre 1988	73,841,730			73,841,730			73,841,730		73,841,730	6.0%	4,430,504	69,411,226
8	General Office/Stores Equip	25,182,249			25,182,249	8,554,777	29,550	33,707,476	4,262,614	29,444,863	20.0%	5,888,973	27,818,504
10	Computer Hardware/ Vehicles	4,334,104			4,334,104	1,957,277	41,995	6,249,386	957,641	5,291,745	30.0%	1,587,524	4,661,863
10.1	Certain Automobiles										30.0%		
12	Computer Software	1,417,340			1,417,340	501,562		1,918,902	250,781	1,668,121	100.0%	1,668,121	250,781
13.1	Leasehold Improvement Vaughan	159,240			159,240	515,843		675,083	257,922	417,162		208,498	466,585
13.2	Leasehold Improvement 2005	105,973			105,973			105,973		105,973		43,854	62,119
13.3	Leasehold Improvement Markham Hydro	367,163			367,163			367,163		367,163		83,187	283,976
13.4	Leasehold Improvement # 4	65,432			65,432			65,432		65,432		18,662	46,770
14	Franchise										6 years		
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs	655,207			655,207			655,207		655,207	8.0%	52,417	602,790
43.1	Certain Energy-Efficient Electrical Generating Equipment										30.0%		
45	Computers & Systems Software (acq'd post Mar 22/04)	1,921,658			1,921,658			1,921,658		1,921,658	45.0%	864,746	1,056,912
45.1	Computers & Systems Software (acq'd post Mar 17/07)					3,050,047		3,050,047	1,525,024	1,525,024	55.0%	838,763	2,211,284
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)					753,228		753,228	376,614	376,614	30.0%	112,984	640,244
47	Distribution System post Feb 22/05	57,606,597			57,606,597	33,779,840		91,386,437	16,889,920	74,496,517	8.0%	5,959,721	85,426,716
13.5	Computers & Systems Software (acq'd Jan 28/09 - Jan 31/10)										100.0%		
45.1	Smart Meters - Computers & Systems Software										55.0%		
47	Smart Meters - Distribution System post Feb 22/05										8.0%		
50	Computers & Systems Software (acq'd Jan 28/09 - Jan 31/10)												
	WIP	40,156,399			40,156,399			40,156,399		40,156,399			40,156,399
	<b>TOTAL</b>	<b>541,313,957</b>			<b>541,313,957</b>	<b>74,199,212</b>	<b>71,545</b>	<b>615,441,624</b>	<b>37,063,834</b>	<b>578,377,791</b>		<b>35,830,586</b>	<b>579,511,038</b>

<sup>1</sup> per Schedule B of 2007 corporate tax return

**PowerStream Inc. (ED-2004-0420)**

PILs Calculations for 2009 EDR Application (EB 2008-024)

October 10, 2008

**P1 Undepreciated Capital Costs (UCC)***Enter actual balances and projected asset addition*

Class	Description	2009 Actual Additions	2009 Actual Retirements	UCC Before 1/2 Yr Adjustment	1/2 Year Reduction	Reduced UCC	Rate %	2009 CCA	UCC 31 Dec/09
1	Distribution System - post 1987	-		322,080,830		322,080,830	4.0%	12,883,233	309,197,597
1.1	Buildings (acq'd post Mar 19/07)	-		24,334,039		24,334,039	6.0%	1,460,042	22,873,997
2	Distribution System - pre 1988			69,411,226		69,411,226	6.0%	4,164,674	65,246,553
8	General Office/Stores Equip	1,601,621	50,000	29,370,125	775,811	28,594,314	20.0%	5,718,863	23,651,262
10	Computer Hardware/ Vehicles	1,567,068	537,000	5,691,931	515,034	5,176,897	30.0%	1,553,069	4,138,862
10.1	Certain Automobiles						30.0%		
12	Computer Software	814,834		1,065,615	407,417	658,198	100.0%	658,198	407,417
13.1	Leasehold Improvement Vaughan			466,585		466,585		208,498	258,088
13.2	Leasehold Improvement 2005			62,119		62,119		43,854	18,265
13.3	Leasehold Improvement Markham Hydro			283,976		283,976		83,187	200,789
13.4	Leasehold Improvement # 4			46,770		46,770		18,662	28,108
14	Franchise								
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs			602,790		602,790	8.0%	48,223	554,567
43.1	Certain Energy-Efficient Electrical Generating Equipment						30.0%		
45	Computers & Systems Software (acq'd post Mar 22/04)			1,056,912		1,056,912	45.0%	475,610	581,302
45.1	Computers & Systems Software (acq'd post Mar 17/07)	203,268		2,414,552	101,634	2,312,918	55.0%	1,272,105	1,142,447
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	694,260		1,334,504	347,130	987,374	30.0%	296,212	1,038,292
47	Distribution System post Feb 22/05	75,068,477		180,493,193	37,533,239	122,959,954	8.0%	9,836,796	150,656,396
13.5	Computers & Systems Software (acq'd Jan 28/09 - Jan 31/10)						100.0%		
45.1	Smart Meters - Computers & Systems Software						55.0%		
47	Smart Meters - Distribution System post Feb 22/05						8.0%		
50	Computers & Systems Software (acq'd Jan 28/09 - Jan 31/10)	2,544,612		2,544,612		2,544,612	100.0%	2,544,612	
	WIP			40,156,399		40,156,399			40,156,399
	<b>TOTAL</b>	<b>82,482,140</b>	<b>587,000</b>	<b>661,416,178</b>	<b>39,680,264</b>	<b>621,735,914</b>		<b>41,265,838</b>	<b>620,150,339</b>

<sup>1</sup> per Schedule B of 2007 corporate tax return

# PowerStream Inc. (ED-2004-0420)

PILs Calculations for 2009 EDR Application (EB 2008-0244)

October 10, 2008

## P2 Cumulative Eligible Capital (CEC)

Enter actual balance, projected changes and deduction rates

	2008		2009	
<b>CEC Opening Balance <sup>1</sup></b>		<b>9,227,586</b>		<b>8,581,655</b>
Eligible Capital Property (ECP) Acquisitions				
Other Adjustments				
Subtotal	x 3/4 =		x 3/4 =	
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after December 20, 2002	x 1/2 =		x 1/2 =	
Amount transferred on amalgamation or wind-up of subsidiary				
Subtotal before deductions		<b>9,227,586</b>		<b>8,581,655</b>
ECP Dispositions (net)				
Other Adjustments				
Subtotal	x 3/4 =		x 3/4 =	
Balance before tax deduction		<b>9,227,586</b>		<b>8,581,655</b>
<b>Tax Deduction</b>	Rate: 7.0%	<b>645,931</b>	Rate: 7.0%	<b>600,716</b>
<b>CEC Ending Balance</b>		<b><u>8,581,655</u></b>		<b><u>7,980,939</u></b>

<sup>1</sup> 2008 amount per ending balance on Schedule 10 of 2007 corporate tax return

# PowerStream Inc. (ED-2004-0420)

PILs Calculations for 2009 EDR Application (EB 2008-0244)

October 10, 2008

## P3 Interest Expense

Enter deemed and projected actual interest amounts

	2008	2009
Deemed Interest Expense (A)	17,399,607	17,664,346
3900-Interest Expense		
Add: Capitalized Interest (USA #6040)		
Add: Capitalized Interest (USA #6042)		
Less: non-debt interest expense (USA #6035)		
Total Interest Projected (B)		
Excess Interest Expense		

Enter credit to P&L as positive number

Enter credit to P&L as positive number

Enter other adjustments for tax purposes

This schedule only applied to 2006 EDR and is not relevant for 2009 EDR.

(B) less (A); if negative: zero

# PowerStream Inc. (ED-2004-0420)

PILs Calculations for 2009 EDR Application (EB 2008-0244)

October 10, 2008

## P4 Loss Carry-Forward (LCF)

Enter details of historical losses available to offset projected taxable income

	Balance <input type="checkbox"/> 31 Dec/07 <sup>1</sup>	Less: Non- Distribution Portion	Utility Balance <input type="checkbox"/> 31 Dec/07	2008	2009
<b>Non-Capital LCF:</b>					
Opening Balance					
Application of LCF to reduce taxable income					
<b>Ending Balance</b>					
<b>Net Capital LCF:</b>					
Opening Balance					
Application of LCF to reduce taxable capital gains					
<b>Ending Balance</b>					

<sup>1</sup> per Schedule 7-1 of 2007 corporate tax return

**PowerStream Inc. (ED-2004-0420)**

PILs Calculations for 2009 EDR Application (EB 2008-0244)

October 10, 2008

**P5 Reserve Balances***Enter balance amounts and projected changes in tax and accounting reserves*

	Balance <input type="checkbox"/> 31 Dec/07 <sup>1</sup>	Less: Non- Distribution Portion	Utility Balance <input type="checkbox"/> 31 Dec/07	Changes <input type="checkbox"/> (+/-) <input type="checkbox"/> in 2008	Balance <input type="checkbox"/> 31 Dec/08	Changes <input type="checkbox"/> (+/-) <input type="checkbox"/> in 2009	Balance <input type="checkbox"/> 31 Dec/09
Capital Gains Reserves ss.40(1)							
<b>Tax Reserves not deducted for book purposes:</b>							
Reserve for doubtful accounts ss. 20(1)(l)							
Reserve for goods and services not delivered ss. 20(1)(m)							
Reserve for unpaid amounts ss. 20(1)(n)	2,553,849	2,553,849					
Debt & Share Issue Expenses ss. 20(1)(e)							
<b>TOTAL</b>	<b>2,553,849</b>	<b>2,553,849</b>					
<b>Accounting Reserves not deducted for tax purposes:</b>							
General Reserve for Inventory Obsolescence (non-specific)	300,000		300,000		300,000		300,000
General reserve for bad debts	850,000		850,000		850,000		850,000
<b>Accrued Employee Future Benefits:</b>							
- Medical and Life Insurance							
- Short & Long-term Disability							
- Accumulated Sick Leave							
- Termination Cost							
- Other Post-Employment Benefits	7,240,564		7,240,564	1,080,000	8,320,564	1,080,000	9,400,564
Provision for Environmental Costs							
Restructuring Costs							
Accrued Contingent Litigation Costs							
Accrued Self-Insurance Costs							
Other Contingent Liabilities	2,354,601		2,354,601	(1,500,000)	854,601		854,601
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)							
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)							
Accrued donation	760,000	760,000					
<b>TOTAL</b>	<b>11,505,165</b>	<b>760,000</b>	<b>10,745,165</b>	<b>(420,000)</b>	<b>10,325,165</b>	<b>1,080,000</b>	<b>11,405,165</b>

<sup>1</sup> per Schedule 13 of 2007 corporate tax return

**PowerStream Inc. (ED-2004-0420)****PILs Calculations for 2009 EDR Application (EB 2008-0244)****October 10, 2008****P6 Taxable Income***Enter amounts required to calculate taxable income*

	T2 S1 line #	2006 EDR Approved			2008 Projection	2009 @ existing rates	2009 @ new dist. rates
		Tax Return	Less: Non- Distribution Portion	Utility Only			
<b>Income/(Loss) before PILs/Taxes (Accounting) <sup>1</sup></b>		24,995,035	372,383	24,622,652	25,130,162	21,512,821	16,879,126
<b>Additions:</b>							
Interest and penalties on taxes	103	45,219		45,219	5,000	5,000	5,000
Amortization of tangible assets	104	27,870,567	94,782	27,775,785	32,792,368	36,241,484	36,241,484
Amortization of intangible assets	106	86,005		86,005	1,200	1,200	1,200
Recapture of capital cost allowance from Schedule 8	107						
Gain on sale of eligible capital property from Schedule 10	108						
Income or loss for tax purposes- joint ventures or partnerships	109	2,585		2,585	8,500	8,500	8,500
Loss in equity of subsidiaries and affiliates	110						
Loss on disposal of assets	111						
Charitable donations	112	112,000		112,000	15,000	45,000	45,000
Taxable Capital Gains	113	110,978		110,978			
Political Donations	114	6,871		6,871	1,000	1,000	1,000
Deferred and prepaid expenses	116						
Scientific research expenditures deducted -financials	118						
Capitalized interest	119						
Non-deductible club dues and fees	120	578		578	40,000	40,000	40,000
Non-deductible meals and entertainment expense	121	37,680		37,680	40,000	40,000	40,000
Non-deductible automobile expenses	122	10,191		10,191	10,000	10,000	10,000
Non-deductible life insurance premiums	123						
Non-deductible company pension plans	124						
Tax reserves beginning of year	125	162,000		162,000			
Reserves from financial statements- end of year	126	5,549,863		5,549,863	10,325,165	11,405,165	11,405,165
Soft costs on construction and renovation of buildings	127						
Book loss on joint ventures or partnerships	205						
Capital items expensed	206	6,360		6,360			
Debt issue expense	208						

# PowerStream Inc. (ED-2004-0420)

PILs Calculations for 2009 EDR Application (EB 2008-0244)

October 10, 2008

## P6 Taxable Income

Enter amounts required to calculate taxable income

	T2 S1 line #	2006 EDR Approved			2008 Projection	2009 @ existing rates	2009 @ new dist. rates
		Tax Return	Less: Non- Distribution Portion	Utility Only			
<b>Income/(Loss) before PILs/Taxes (Accounting) <sup>1</sup></b>		24,995,035	372,383	24,622,652	25,130,162	21,512,821	16,879,126
Development expenses claimed in current year	212						
Financing fees deducted in books	216	107,407		107,407			
Gain on settlement of debt	220						
Non-deductible advertising	226						
Non-deductible interest	227						
Non-deductible legal and accounting fees	228						
Recapture of SR&ED expenditures	231						
Share issue expense	235						
Write down of capital property	236						
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237						
Capital tax booked (2008 & 2009 at existing rates income before PILS is before capital taxes expense)		1,282,467		1,282,467			1,316,515
Pensions		8,527		8,527			
Contributions capitalized on books		18,721,281		18,721,281	19,705,099	19,733,101	19,733,101
Dividends credited to investment account		3,482,654		3,482,654			
Other non-deductible expense		100,000		100,000			
Carrying charges booked for accounting		245,132		245,132			
Ontario Specified Tax Credits					74,000	152,000	152,000
Refund interest		55,764		55,764			
Write-off of deferred charges booked		111,695		111,695			
Amortization of debt issue costs		73,078		73,078	585,000	628,000	628,000
Bond issue cost amortization		14,877		14,877			
Organizational costs expensed		42,817		42,817			
<b>Total Additions</b>		<b>58,246,596</b>	<b>94,782</b>	<b>58,151,814</b>	<b>63,602,332</b>	<b>68,310,450</b>	<b>69,626,965</b>



# PowerStream Inc. (ED-2004-0420)

PILs Calculations for 2009 EDR Application (EB 2008-0244)

October 10, 2008

## P6 Taxable Income

Enter amounts required to calculate taxable income

	T2 S1 line #	2006 EDR Approved			2008 Projection	2009 @ existing rates	2009 @ new dist. rates
		Tax Return	Less: Non- Distribution Portion	Utility Only			
<b>Income/(Loss) before PILs/Taxes (Accounting) <sup>1</sup></b>		24,995,035	372,383	24,622,652	25,130,162	21,512,821	16,879,126
<b>Deductions:</b>							
Gain on disposal of assets per financial statements	401	320,268		320,268			
Dividends not taxable under section 83	402						
Capital cost allowance from Schedule 8	403	26,445,431	58,343	26,387,088	35,930,586	41,265,838	41,265,838
Terminal loss from Schedule 8	404						
Cumulative eligible capital deduction from Schedule 10 CEC	405	823,996		823,996	645,931	600,716	600,716
Allowable business investment loss	406						
Deferred and prepaid expenses	409						
Scientific research expenses claimed in year	411						
Tax reserves end of year	413	57,845		57,845			
Reserves from financial statements - balance at beginning of year	414	3,438,020		3,438,020	10,745,165	10,325,165	10,325,165
Contributions to deferred income plans	416						
Book income of joint venture or partnership	305						
Equity in income from subsidiary or affiliates	306	1,563,222		1,563,222			
Ontario Capital tax per CT23		1,350,011		1,350,011	1,200,293	1,316,515	1,316,515
20(1)(e) deferred financing fees		614,718		614,718			
S13(7.4) election capitalized contributions		18,721,281		18,721,281	19,705,099	19,733,101	19,733,101
Rebate cheque abd postage cost capitalized		73,390		73,390			
Interest capitalized for accounting, deducted for tax					1,314,000	958,900	958,900
<b>Total Deductions</b>		<b>53,408,182</b>	<b>58,343</b>	<b>53,349,839</b>	<b>69,541,074</b>	<b>74,200,235</b>	<b>74,200,235</b>

## P6 Taxable Income

Enter amounts required to calculate taxable income

	T2 S1 line #	2006 EDR Approved			2008 Projection	2009 @ existing rates	2009 @ new dist. rates
		Tax Return	Less: Non- Distribution Portion	Utility Only			
Income/(Loss) before PILs/Taxes (Accounting) <sup>1</sup>		24,995,035	372,383	24,622,652	25,130,162	21,512,821	16,879,126
<b>NET INCOME (LOSS) FOR TAX PURPOSES</b>		<b>29,833,449</b>	<b>408,822</b>	<b>29,424,627</b>	<b>19,191,420</b>	<b>15,623,035</b>	<b>12,305,855</b>
Charitable donations from Schedule 2		112,000	6,175	105,825	15,000	45,000	45,000
Taxable dividends deductible under section 112 or 113, from Schedule 3 (item 82)		3,482,683		3,482,683			
Non-capital losses of preceding taxation years from Schedule 4							
Net-capital losses of preceding taxation years from Schedule 4							
Limited partnership losses of preceding taxation years from Schedule 4							
<b>TAXABLE INCOME (LOSS)</b>		<b>26,238,766</b>	<b>402,647</b>	<b>25,836,119</b>	<b>19,176,420</b>	<b>15,578,035</b>	<b>12,260,855</b>

<sup>1</sup> 2008 Projection and 2009 @ existing rates = 'Distribution Net Income before Tax.'; 'Test' = Deemed Return On Equity

# PowerStream Inc. (ED-2004-0420)

PILs Calculations for 2009 EDR Application (EB 2008-0244)

October 10, 2008

## P7 Capital Taxes

Rates and exemptions from sheet Y1

Enter rate base amounts

	2008	2009	
<b>OCT (Ontario Capital Tax):</b>			
Rate Base	495,002,517	526,814,171	Average for year
Less: Exemption	<u>15,000,000</u>	<u>15,000,000</u>	
Deemed Taxable Capital	480,002,517	511,814,171	
Tax Rate	0.225%	0.225%	
<b>OCT payable</b>	<b>1,080,006</b>	<b>1,151,582</b>	
<b>From Detailed Calculation Model</b>	<b>1,200,293</b>	<b>1,316,515</b>	Capital tax is calculated on year end balances which is how the actual expense will be based.
<b>Federal LCT (Large Corporations Tax):</b>			
Rate Base	495,002,517	526,814,171	
Less: Exemption	<u>50,000,000</u>	<u>50,000,000</u>	
Deemed Taxable Capital	445,002,517	476,814,171	
Tax Rate			
<b>LCT payable</b>			

# PowerStream Inc. (ED-2004-0420)

PILs Calculations for 2009 EDR Application (EB 2008-0244)

October 10, 2008

## P8 Total PILs Expense

Enter tax credit amounts

	2008 Projection	2009 at Existing Rates	2009 at new Revenue Req.	
Regulatory Taxable Income/(Loss)	19,176,420	15,578,035	12,260,855	from sheet P6
Combined Income Tax Rate	33.50%	33.00%	33.00%	"t" (from sheet Y1)
Total Income Taxes	6,424,101	5,140,752	4,046,082	
Investment & Miscellaneous Tax Credits	74,000	152,000	152,000	Input amounts
<b>Income Tax Payable</b>	<b>6,350,101</b>	<b>4,988,752</b>	<b>3,894,082</b>	"i"
Large Corporations Tax (LCT)				from sheet P7
Ontario Capital Tax (OCT)	1,200,293	1,316,515	1,316,515	from sheet P7
Grossed-up Income Tax			5,812,063	= i / (1 - t)
Grossed-up LCT				= LCT / (1 - t)
<b>Total PILs Expense</b>	<b>7,550,394</b>	<b>6,305,267</b>	<b>7,128,578</b>	Enter these results on sheet E4

Taxable income grossed up for PILs	19,176,420	15,578,035	19,389,433
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# PowerStream Inc. (ED-2004-0420)

PILs Calculations for 2009 EDR Application (EB 2008-0244)

October 10, 2008

## Y1 Tax Rates and Exemptions

Enter applicable rates and exemption amounts

### 2008 INCOME TAXES

Income Range		Income Tax Rates			SBD Clawback
From	To	Federal	Ontario	Combined	
\$0	\$300,000	11.50%	5.50%	17.00%	
\$300,000	\$400,000	11.50%	5.50%	17.00%	
\$400,000	\$1,128,519	19.50%	5.50%	25.00%	4.67%
\$1,128,519		19.50%	14.00%	33.50%	

### 2009 INCOME TAXES

Income Range		Income Tax Rates			SBD Clawback
From	To	Federal	Ontario	Combined	
\$0	\$300,000	11.50%	5.50%	17.00%	
\$300,000	\$400,000	11.50%	5.50%	17.00%	
\$400,000	\$1,128,519	19.00%	5.50%	24.50%	4.67%
\$1,128,519		19.00%	14.00%	33.00%	

### 2008 CAPITAL TAXES

	LCT	OCT
Exemption	\$50,000,000	\$15,000,000
Capital Tax Rate		0.225%
Surtax Rate		

### 2009 CAPITAL TAXES

	LCT	OCT
Exemption	\$50,000,000	\$15,000,000
Capital Tax Rate		0.225%
Surtax Rate		

# PowerStream Inc. (ED-2004-0420)

PILs Calculations for 2009 EDR Application (EB 2008-0244)

October 10, 2008

## Y2 Capital Cost Allowances (CCA)

Enter asset classes and applicable rates for CCA deductions

Class	Description	Rate	Years	½ Year Rule
1	Distribution System - post 1987	4.0%		YES
1.1	Buildings (acq'd post Mar 19/07)	6.0%		YES
2	Distribution System - pre 1988	6.0%		YES
8	General Office/Stores Equip	20.0%		YES
10	Computer Hardware/ Vehicles	30.0%		YES
10.1	Certain Automobiles	30.0%		YES
12	Computer Software	100.0%		YES
13.1	Leasehold Improvement Vaughan		25	YES
13.2	Leasehold Improvement 2005		4	YES
13.3	Leasehold Improvement Markham Hydro			YES
13.4	Leasehold Improvement # 4			YES
14	Franchise		6	NO
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs	8.0%		YES
43.1	Certain Energy-Efficient Electrical Generating Equipment	30.0%		YES
45	Computers & Systems Software (acq'd post Mar 22/04)	45.0%		YES
45.1	Computers & Systems Software (acq'd post Mar 17/07)	55.0%		YES
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	30.0%		YES
47	Distribution System post Feb 22/05	8.0%		YES
50	Computers & Systems Software (acq'd Jan 28/09 - Jan 31/10)	100.0%		NO

**October 10, 2008**

## Z1 Model Variables

[illegible]

*RateMaker PILs v1.1* © Elenchus Research Associates

**SOFTWARE TERMS OF USE**

Elenchus Research Associates' intent in licensing *RateMaker PILs* (the "Model") is to provide utilities with a generic tool to assist in the development of cost of service applications for electricity distribution rates under the Forward Test Year approach. Certain adaptations of the Model may be required to meet regulatory requirements for any given rate application. It is the responsibility of the utility to ensure all data and documentation included in such an application, including output from the Model, will fulfill regulatory requirements. In particular, utilities should consult their tax adviser(s) to ensure the Model produces a complete and accurate calculation of expected PILs in accordance with applicable tax rules and legislation. Please see Appendix A in the *RateMaker.xls* documentation for complete terms of the software license.

Terms accepted?

YES



**Sheet 1 - Rate Riders Calculation**

**NAME OF UTILITY** PowerStream Inc.  
**NAME OF CONTACT** Tom Barrett, Manager, Rate Applications  
**E-mail Address** Tom.Barrett@PowerStream Inc.  
**PHONE NUMBER** 905-532-4640

**LICENCE NUMBER** ED-2004-0520  
**DOCID NUMBER**  
**Date** August 15, 2008

				Small									
Regulatory Asset Accounts:	Decision Ref.#	Amount	ALLOCATOR	Residential	GS < 50 KW	GS > 50 Non TOU	GS > 50 TOU	Intermediate	Large Users	Scattered Load	Sentinel Lighting	Street Lighting	Total
LV - Account 1550	2.0.34	\$ (374,347)	kWh	\$ (111,743)	\$ (43,623)	\$ (214,410)	\$ -		\$ (1,753)	\$ (459)	\$ (26)	\$ (2,333)	\$ (374,347)
WMSC - Account 1580	2.0.35	\$ (11,963,506)	kWh	\$ (3,571,126)	\$ (1,394,113)	\$ (6,852,199)	\$ -		\$ (56,008)	\$ (14,671)	\$ (821)	\$ (74,567)	\$ (11,963,506)
One-Time WMSC - Account 1582	2.0.35	\$ 406,499	kWh	\$ 121,341	\$ 47,370	\$ 232,826	\$ -		\$ 1,903	\$ 498	\$ 28	\$ 2,534	\$ 406,499
Network - Account 1584	2.0.35	\$ (763,506)	kWh	\$ (227,908)	\$ (88,972)	\$ (437,305)	\$ -		\$ (3,574)	\$ (936)	\$ (52)	\$ (4,759)	\$ (763,506)
Connection - Account 1586	2.0.35	\$ (8,924,229)	kWh	\$ (2,663,897)	\$ (1,039,945)	\$ (5,111,427)	\$ -		\$ (41,779)	\$ (10,944)	\$ (613)	\$ (55,623)	\$ (8,924,229)
Power - Account 1588	2.0.35	\$ (13,766,096)	kWh	\$ (4,109,202)	\$ (1,604,170)	\$ (7,884,648)	\$ -		\$ (64,447)	\$ (16,882)	\$ (945)	\$ (85,802)	\$ (13,766,096)
Subtotal - RSVA		\$ (35,385,185)		\$ (10,562,536)	\$ (4,123,453)	\$ (20,267,163)	\$ -	\$ -	\$ (165,658)	\$ (43,394)	\$ (2,430)	\$ (220,551)	\$ (35,385,185)
Other Regulatory Assets - Account 1508		\$ 3,500,224	kWh	\$ 1,044,823	\$ 407,883	\$ 2,004,783	\$ -		\$ 16,387	\$ 4,292	\$ 240	\$ 21,816	\$ 3,500,224
Retail Cost Variance Account - Acct 1518		\$ 109,069	# of Customers	\$ 95,796	\$ 10,536	\$ 1,711	\$ -		\$ 0	\$ 952	\$ 68	\$ 6	\$ 109,069
Retail Cost Variance Account (STR) Acct 1548		\$ -	# of Customers	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
Rebate Cheques - Acct 1525	5.0.19	\$ -	# cust. w/ Rebate Cheq	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
Hydro One's Environmental Costs - Acct 1525	5.0.25	\$ -	Dx Revenue	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
Pre Market Opening Energy - Acct 1571	3.0.27	\$ -	kWh for Non TOU Cust.	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
Extraordinary Event Losses - Acct 1572		\$ -		\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Rate Impact Amounts - Acct 1574		\$ -		\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
Other Deferred Credits - Acct 2425		\$ 100,075	kWh	\$ 29,873	\$ 11,662	\$ 57,319	\$ -		\$ 469	\$ 123	\$ 7	\$ 624	\$ 100,075
Transition Costs - Acct 1570	7.0.67	\$ -	# of Customers	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal - Non RSVA		\$ 3,709,368		\$ 1,170,491	\$ 430,080	\$ 2,063,813	\$ -		\$ 16,855	\$ 5,367	\$ 315	\$ 22,446	\$ 3,709,368
Total to be Recovered		\$ (31,675,817)		\$ (9,392,044)	\$ (3,693,373)	\$ (18,203,351)	\$ -	\$ -	\$ (148,802)	\$ (38,027)	\$ (2,114)	\$ (198,105)	\$ (31,675,817)

				Small									
Recoveries (repayments)	Amount	Residential	GS < 50 KW	GS > 50 Non TOU	GS > 50 TOU	Intermediate	Large Users	Scattered Load	Sentinel Lighting	Street Lighting	Total		
Actual Recoveries at December 31/07	\$ (712,435)	\$ (87,495)	\$ (123,985)	\$ (535,631)	\$ -	\$ -	\$ 86,706	\$ (40,158)	\$ 5,388	\$ (17,260)	\$ (712,435)		
Interest as of December 31, 2007	\$ (1,016,716)	\$ (999,175)	\$ (103,395)	\$ 51,052			\$ 21,512	\$ (9,032)	\$ (112)	\$ 22,433	\$ (1,016,717)		
Interest: January 2008 to April 2009	\$ (33,297)	\$ (4,089)	\$ (5,795)	\$ (25,034)	\$ -	\$ -	\$ 4,052	\$ (1,877)	\$ 252	\$ (807)	\$ (33,297)		
	\$ (1,762,448)	\$ (1,090,759)	\$ (233,175)	\$ (509,613)	\$ -		\$ 112,270	\$ (51,067)	\$ 5,528	\$ 4,366	\$ (1,762,449)		
Recoveries January 2008 to April 2009	\$ (1,760,644)	\$ (501,439)	\$ (317,437)	\$ (887,086)	\$ -		\$ (24,037)	\$ (3,627)	\$ 435	\$ (27,453)	\$ (1,760,644)		
Interest: January 2008 to April 2009	\$ (63,824)	\$ (18,833)	\$ (11,491)	\$ (31,538)	\$ -		\$ (847)	\$ (137)	\$ 16	\$ (993)	\$ (63,824)		
	\$ (1,824,468)	\$ (520,272)	\$ (328,928)	\$ (918,625)	\$ -		\$ (24,884)	\$ (3,764)	\$ 451	\$ (28,447)	\$ (1,824,468)		
Total Recoveries	\$ (3,586,916)	\$ (1,611,031)	\$ (562,103)	\$ (1,428,238)	\$ -	\$ -	\$ 87,387	\$ (54,831)	\$ 5,979	\$ (24,080)	\$ (3,586,917)		
Balance to be collected or refunded # of years:	2	\$ (28,088,900)		\$ (7,781,013)	\$ (3,131,270)	\$ (16,775,113)	\$ -	\$ -	\$ (236,189)	\$ 16,805	\$ (8,093)	\$ (174,025)	\$ (28,088,899)
Balance to be collected or refunded per year		\$ (14,044,450)		\$ (3,890,507)	\$ (1,565,635)	\$ (8,387,557)	\$ -	\$ -	\$ (118,095)	\$ 8,402	\$ (4,047)	\$ (87,012)	\$ (14,044,450)

Class	Residential	GS < 50 KW	GS > 50 Non		Large Users	Scattered Load	Sentinel Lighting	Street Lighting
	kWh	kWh	kW	kW		kWh	kW	kW
Billing Determinants	2,034,450,648	803,126,540	10,189,730	-	-	82,809	8,195,169	1,750
Billing Determinants - quantity								126,683
Regulatory Asset Rate Riders	\$ (0.0019)	\$ (0.0019)	\$ (0.8231)	\$ -	\$ -	\$ (1.4261)	\$ 0.0010	\$ (2.3126)

## Sheet 2 - December 31, 2007 Regulatory Assets

**NAME OF UTILITY** PowerStream Inc.  
**NAME OF CONTACT** Tom Barrett, Manager, Rate Applications  
**E-mail Address** [Tom.Barrett@PowerStream.Inc](mailto:Tom.Barrett@PowerStream.Inc)  
**PHONE NUMBER** 905-532-4640

**LICENCE NUMBER**  
**DOCID NUMBER**  
**Date**

**ED-2004-0520**  
 August 15, 2008

Account Description	Account Number	Principal Amounts as of Dec-31 2007	Interest to Dec31-07	Interest Jan1-08 to Apr30-09	Total Claim
RSVA - Low voltage	1550	\$ (351,929)	\$ (5,973)	\$ (16,445)	\$ (374,347)
RSVA - Wholesale Market Service Charge	1580	\$ (11,351,970)	\$ (80,971)	\$ (530,564)	\$ (11,963,506)
RSVA - One-time Wholesale Market Service	1582	\$ 347,152	\$ 43,123	\$ 16,224	\$ 406,499
RSVA - Retail Transmission Network Charge	1584	\$ (806,981)	\$ 81,190	\$ (37,716)	\$ (763,506)
RSVA - Retail Transmission Connection Charge	1586	\$ (7,654,478)	\$ (911,997)	\$ (357,753)	\$ (8,924,229)
RSVA - Power (excluding Global Adjustment)	1588	\$ (12,626,445)	\$ (549,523)	\$ (590,128)	\$ (13,766,096)
Sub-Totals		\$ (32,444,652)	\$ (1,424,150)	\$ (1,516,382)	\$ (35,385,185)
Other Regulatory Assets	1508	\$ 3,034,470	\$ 323,930	\$ 141,824	\$ 3,500,224
Retail Cost Variance Account - Retail	1518	\$ 100,872	\$ 3,482	\$ 4,715	\$ 109,069
Retail Cost Variance Account - STR	1548	\$ -	\$ -	\$ -	\$ -
Misc. Deferred Debits - incl. Rebate Cheques	1525	\$ -	\$ -	\$ -	\$ -
Qualifying Transition Costs	1570	\$ -	\$ -	\$ -	\$ -
Pre-Market Opening Energy Variances Total	1571	\$ -	\$ -	\$ -	\$ -
Extra-Ordinary Event Losses	1572	\$ -	\$ -	\$ -	\$ -
Deferred Rate Impact Amounts	1574	\$ -	\$ -	\$ -	\$ -
Other Deferred Credits	2425	\$ 97,353	\$ (1,828)	\$ 4,550	\$ 100,075
Sub-Totals		\$ 3,232,695	\$ 325,584	\$ 151,089	\$ 3,709,368
Total		\$ (29,211,957)	\$ (1,098,567)	\$ (1,365,293)	\$ (31,675,817)

## Sheet 2 - December 31, 2007 Regulatory Assets

**NAME OF UTILITY** PowerStream Inc.  
**NAME OF CONTACT** Tom Barrett, Manager, Rate Applications  
**E-mail Address** [Tom.Barrett@PowerStream Inc.](mailto:Tom.Barrett@PowerStream Inc.)  
**PHONE NUMBER** 905-532-4640

**LICENCE NUMBER** ED-2004-0520  
**DOCID NUMBER**  
**Date** August 15, 2008

2007 Data By Class	kW	kWhs	Cust. Num.'s	Dx Revenue	
RESIDENTIAL CLASS	0	2,039,498,572	204,330	\$	55,336,474
GENERAL SERVICE <50 KW CLASS	0	796,189,248	22,472	\$	16,821,155
GENERAL SERVICE >50 KW NON TIME OF USE	10,197,336	3,913,345,486	3,649	\$	36,466,287
GENERAL SERVICE >50 KW TIME OF USE	0	0		\$	-
INTERMEDIATE CLASS	0	0	-	\$	-
LARGE USER CLASS	86,879	31,986,565	1		205,723
SMALL SCATTERED LOADS	0	8,378,782	2,030		446,592
SENTINEL LIGHTS	1,243	469,111	145		8,650
STREET LIGHTING	118,262	42,585,750	13		931,319
<b>Totals</b>	<b>10,403,720</b>	<b>6,832,453,515</b>	<b>232,640</b>	<b>\$</b>	<b>110,216,201</b>

Allocators	kW	kWhs	Cust. Num.'s	Dx Revenue	Cust. #'s w/ Rebate Cheques	kWhs for Non TOU Customers	
RESIDENTIAL CLASS	0.0%	29.9%	87.8%	50.2%		0.00%	1,428,000
GENERAL SERVICE <50 KW CLASS	0.0%	11.7%	9.7%	15.3%		0.00%	426,260
GENERAL SERVICE >50 KW NON TIME OF USE	98.0%	57.3%	1.6%	33.1%		100.00%	166,406
GENERAL SERVICE >50 KW TIME OF USE	0.0%	0.0%	0.0%	0.0%			817,899
INTERMEDIATE CLASS	0.0%	0.0%	0.0%	0.0%			0
LARGE USER CLASS	0.8%	0.5%	0.0%	0.2%			0
SMALL SCATTERED LOADS	0.0%	0.1%	0.9%	0.4%		0.00%	6,685
SENTINEL LIGHTS	0.0%	0.0%	0.1%	0.0%			1,751
STREET LIGHTING	1.1%	0.6%	0.0%	0.8%			98
<b>Totals</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>0%</b>	<b>100%</b>	<b>8,901</b>
							1,428,000

**SHEET 3 - Interest on Reg. Assets Balance as of Dec. 31, 2007**

**NAME** PowerStream Inc. **LICENCE NUMBER** ED-2004-0520  
**NAME** Tom Barrett, Manager, Rate Applications **DOCID NUMBER**  
**E-mail** Tom.Barrett@PowerStream Inc. **Date** August 15, 2008  
**PHONE NUMBER** 905-532-4640

	Balance as of Dec. 31, 2007	Interest Jan 2008 to Apr 2009
1550 RSVA - Low voltage	\$ (351,929)	\$ (16,445)
1580 RSVA - Wholesale Market Service Charge	(11,351,970)	(530,564)
1582 RSVA - One-time Wholesale Market Service	347,152	16,224
1584 RSVA - Retail Transmission Network Charge	(806,981)	(37,716)
1586 RSVA - Retail Transmission Connection Charge	(7,654,478)	(357,753)
1588 RSVA - Power (excluding Global Adjustment)	(12,626,445)	(590,128)
1508 Other Regulatory Assets	3,034,470	141,824
1518 Retail Cost Variance Account - Retail	100,872	4,715
1548 Retail Cost Variance Account - STR	-	-
1525 Misc. Deferred Debits - incl. Rebate Cheques	-	-
1570 Qualifying Transition Costs	-	-
1571 Pre-Market Opening Energy Variances Total	-	-
1572 Extra-Ordinary Event Losses	-	-
1574 Deferred Rate Impact Amounts	-	-
2425 Other Deferred Credits	97,353	4,550
	<b>(29,211,957)</b>	<b>\$ (1,365,293)</b>
	previously filed	\$ (1,667,766)
	change	\$ 302,473

Interest for Jan 2008 - April 2009	Days	Rate	1550	1580	1582	1584	1586	1588	1508	1518	1548	1525	1570	1571	1572	1574	2425	Total
<b>Balance for Interest calculation</b>			\$ (351,929)	(11,351,970)	347,152	(806,981)	(7,654,478)	(12,626,445)	3,034,470	100,872	-	-	-	-	-	-	97,353	<b>(29,211,957)</b>
Jan 2008	31	5.14%	(1,536)	(49,557)	1,515	(3,523)	(33,415)	(55,120)	13,247	440	-	-	-	-	-	-	425	<b>(127,524)</b>
Feb 2008	29	5.14%	(1,437)	(46,360)	1,418	(3,296)	(31,260)	(51,564)	12,392	412	-	-	-	-	-	-	398	<b>(119,297)</b>
Mar 2008	31	5.14%	(1,536)	(49,557)	1,515	(3,523)	(33,415)	(55,120)	13,247	440	-	-	-	-	-	-	425	<b>(127,524)</b>
Apr 2008	30	4.08%	(1,180)	(38,068)	1,164	(2,706)	(25,669)	(42,342)	10,176	338	-	-	-	-	-	-	326	<b>(97,961)</b>
May 2008	31	4.08%	(1,220)	(39,337)	1,203	(2,796)	(26,524)	(43,753)	10,515	350	-	-	-	-	-	-	337	<b>(101,225)</b>
Jun 2008	30	4.08%	(1,180)	(38,068)	1,164	(2,706)	(25,669)	(42,342)	10,176	338	-	-	-	-	-	-	326	<b>(97,961)</b>
Jul 2008	31	3.35%	(1,001)	(32,299)	988	(2,296)	(21,779)	(35,925)	8,634	287	-	-	-	-	-	-	277	<b>(83,114)</b>
Aug 2008	31	3.35%	(1,001)	(32,299)	988	(2,296)	(21,779)	(35,925)	8,634	287	-	-	-	-	-	-	277	<b>(83,114)</b>
Sep 2008	30	3.35%	(969)	(31,257)	956	(2,222)	(21,076)	(34,766)	8,355	278	-	-	-	-	-	-	268	<b>(80,433)</b>
Oct 2008	31	3.35%	(1,001)	(32,299)	988	(2,296)	(21,779)	(35,925)	8,634	287	-	-	-	-	-	-	277	<b>(83,114)</b>
Nov 2008	30	3.35%	(969)	(31,257)	956	(2,222)	(21,076)	(34,766)	8,355	278	-	-	-	-	-	-	268	<b>(80,433)</b>
Dec 2008	31	3.35%	(1,001)	(32,299)	988	(2,296)	(21,779)	(35,925)	8,634	287	-	-	-	-	-	-	277	<b>(83,114)</b>
Jan 2009	31	2.45%	(732)	(23,621)	722	(1,679)	(15,928)	(26,273)	6,314	210	-	-	-	-	-	-	203	<b>(60,784)</b>
Feb 2009	28	2.45%	(661)	(21,335)	652	(1,517)	(14,386)	(23,731)	5,703	190	-	-	-	-	-	-	183	<b>(54,902)</b>
Mar 2009	31	2.45%	(732)	(23,621)	722	(1,679)	(15,928)	(26,273)	6,314	210	-	-	-	-	-	-	203	<b>(60,784)</b>
Apr 2009	30	1.00%	(289)	(9,330)	285	(663)	(6,291)	(10,378)	2,494	83	-	-	-	-	-	-	80	<b>(24,009)</b>
Total			(16,445)	(530,564)	16,224	(37,716)	(357,753)	(590,128)	141,824	4,715	-	-	-	-	-	-	4,550	<b>(1,365,293)</b>
Average rate	486	3.51%																

Updated from estimated to actual prescribed rates

# SHEET 4 - Interest on Actual Recoveries at December 31, 2007

NAME OF UTILITY	PowerStream Inc.	LICENCE NUMBER	ED-2004-0520
NAME OF CONTACT	Tom Barrett, Manager, Rate Applications	DOCID NUMBER	
E-mail Address	Tom.Barrett@PowerStream Inc.	Date	August 15, 2008
PHONE NUMBER	905-532-4640		

	Total	Residential	GS < 50 KW	GS > 50 Non TOU	GS > 50 TOU	Intermediate	Large Users	Small Scattered Load	Sentinel Lighting	Street Lighting
Actual Recoveries at Dec 31/07:	\$ (712,435)	\$ (87,495)	\$ (123,985)	\$ (535,631)			\$ 86,706	\$ (40,158)	\$ 5,388	\$ (17,260)

Month	Interest	Days											
Jan-08	5.14%	31	\$ (3,110)	\$ (382)	\$ (541)	\$ (2,338)	\$ -		\$ 379	\$ (175)	\$ 24	\$ (75)	
Feb-08	5.14%	29	\$ (2,909)	\$ (357)	\$ (506)	\$ (2,187)	\$ -		\$ 354	\$ (164)	\$ 22	\$ (70)	
Mar-08	5.14%	31	\$ (3,110)	\$ (382)	\$ (541)	\$ (2,338)	\$ -		\$ 379	\$ (175)	\$ 24	\$ (75)	
Apr-08	4.08%	30	\$ (2,389)	\$ (293)	\$ (416)	\$ (1,796)	\$ -		\$ 291	\$ (135)	\$ 18	\$ (58)	
May-08	4.08%	31	\$ (2,469)	\$ (303)	\$ (430)	\$ (1,856)	\$ -		\$ 300	\$ (139)	\$ 19	\$ (60)	
Jun-08	4.08%	30	\$ (2,389)	\$ (293)	\$ (416)	\$ (1,796)	\$ -		\$ 291	\$ (135)	\$ 18	\$ (58)	
Jul-08	3.35%	31	\$ (2,027)	\$ (249)	\$ (353)	\$ (1,524)	\$ -		\$ 247	\$ (114)	\$ 15	\$ (49)	
Aug-08	3.35%	31	\$ (2,027)	\$ (249)	\$ (353)	\$ (1,524)	\$ -		\$ 247	\$ (114)	\$ 15	\$ (49)	
Sep-08	3.35%	30	\$ (1,962)	\$ (241)	\$ (341)	\$ (1,475)	\$ -		\$ 239	\$ (111)	\$ 15	\$ (48)	
Oct-08	3.35%	31	\$ (2,027)	\$ (249)	\$ (353)	\$ (1,524)	\$ -		\$ 247	\$ (114)	\$ 15	\$ (49)	
Nov-08	3.35%	30	\$ (1,962)	\$ (241)	\$ (341)	\$ (1,475)	\$ -		\$ 239	\$ (111)	\$ 15	\$ (48)	
Dec-08	3.35%	31	\$ (2,027)	\$ (249)	\$ (353)	\$ (1,524)	\$ -		\$ 247	\$ (114)	\$ 15	\$ (49)	
Jan-09	2.45%	31	\$ (1,482)	\$ (182)	\$ (258)	\$ (1,115)	\$ -		\$ 180	\$ (84)	\$ 11	\$ (36)	
Feb-09	2.45%	28	\$ (1,339)	\$ (164)	\$ (233)	\$ (1,007)	\$ -		\$ 163	\$ (75)	\$ 10	\$ (32)	
Mar-09	2.45%	31	\$ (1,482)	\$ (182)	\$ (258)	\$ (1,115)	\$ -		\$ 180	\$ (84)	\$ 11	\$ (36)	
Apr-09	1.00%	30	\$ (586)	\$ (72)	\$ (102)	\$ (440)	\$ -		\$ 71	\$ (33)	\$ 4	\$ (14)	
Total Interest			\$ (33,297)	\$ (4,089)	\$ (5,795)	\$ (25,034)	\$ -		\$ 4,052	\$ (1,877)	\$ 252	\$ (807)	

Updated from estimated to actual prescribed rates

# Sheet 5 - Recoveries for the period January 1, 2008 - April 30, 2009

NAME OF UTILITY	PowerStream Inc.	LICENCE NUMBER	ED-2004-0520
NAME OF CONTACT	Tom Barrett, Manager, Rate Applications	DOCID NUMBER	
E-mail Address	Tom.Barrett@PowerStream Inc.	Date	August 15, 2008
PHONE NUMBER	905-532-4640		

## Residential Class January 1, 2008 - April 30, 2009

	kW (As Applicable)	kWh	Volumetric Rate Adder (per kWh)	Amount Recovered	Cumulative Balance	Interest Applied	Interest Rate	Days
January 2008				\$ (231,773)	\$ (231,773)		5.14%	31
February 2008				\$ (48,340)	\$ (280,112)	\$ (947)	5.14%	29
March 2008				\$ (118,059)	\$ (398,172)	\$ (1,223)	5.14%	31
April 2008				\$ (103,267)	\$ (501,439)	\$ (1,335)	4.08%	30
May 2008				\$ -	\$ (501,439)	\$ (1,738)	4.08%	31
June 2008				\$ -	\$ (501,439)	\$ (1,682)	4.08%	30
July 2008				\$ -	\$ (501,439)	\$ (1,427)	3.35%	31
August 2008				\$ -	\$ (501,439)	\$ (1,427)	3.35%	31
September 2008				\$ -	\$ (501,439)	\$ (1,381)	3.35%	30
October 2008				\$ -	\$ (501,439)	\$ (1,427)	3.35%	31
November 2008				\$ -	\$ (501,439)	\$ (1,381)	3.35%	30
December 2008				\$ -	\$ (501,439)	\$ (1,427)	3.35%	31
January 2009				\$ -	\$ (501,439)	\$ (1,043)	2.45%	31
February 2009				\$ -	\$ (501,439)	\$ (942)	2.45%	28
March 2009				\$ -	\$ (501,439)	\$ (1,043)	2.45%	31
April 2009				\$ -	\$ (501,439)	\$ (412)	1.00%	30
				<u>\$ (501,439)</u>		<u>\$ (18,833)</u>		

Updated from estimated to actual prescribed rates

## GS < 50 kW January 1, 2008 - April 30, 2009

	kW (As Applicable)	kWh	Volumetric Rate Adder (per kWh)	Amount Recovered	Cumulative Balance	Interest Applied	Interest Rate	Days
January 2008				\$ (70,857)	\$ (70,857)		5.14%	31
February 2008				\$ (85,954)	\$ (156,811)	\$ (289)	5.14%	29
March 2008				\$ (85,732)	\$ (242,543)	\$ (685)	5.14%	31
April 2008				\$ (74,894)	\$ (317,437)	\$ (813)	4.08%	30
May 2008				\$ -	\$ (317,437)	\$ (1,100)	4.08%	31
June 2008				\$ -	\$ (317,437)	\$ (1,065)	4.08%	30
July 2008				\$ -	\$ (317,437)	\$ (903)	3.35%	31
August 2008				\$ -	\$ (317,437)	\$ (903)	3.35%	31
September 2008				\$ -	\$ (317,437)	\$ (874)	3.35%	30
October 2008				\$ -	\$ (317,437)	\$ (903)	3.35%	31
November 2008				\$ -	\$ (317,437)	\$ (874)	3.35%	30
December 2008				\$ -	\$ (317,437)	\$ (903)	3.35%	31
January 2009				\$ -	\$ (317,437)	\$ (661)	2.45%	31
February 2009				\$ -	\$ (317,437)	\$ (597)	2.45%	28
March 2009				\$ -	\$ (317,437)	\$ (661)	2.45%	31
April 2009				\$ -	\$ (317,437)	\$ (261)	1.00%	30
				<u>\$ (317,437)</u>		<u>\$ (11,491)</u>		

# Sheet 5 - Recoveries for the period January 1, 2008 - April 30, 2009

NAME OF UTILITY	PowerStream Inc.	LICENCE NUMBER	ED-2004-0520
NAME OF CONTACT	Tom Barrett, Manager, Rate Applications	DOCID NUMBER	
E-mail Address	Tom.Barrett@PowerStream Inc.	Date	August 15, 2008
PHONE NUMBER	905-532-4640		

## GS > 50 Non-TOU January 1, 2008 - April 30, 2009

	kW (As Applicable)	kWh	Volumetric Rate Adder (per kW)	Amount Recovered	Cumulative Balance	Interest Applied	Interest Rate	Days
January 2008	5,000			\$ (104,964)	\$ (104,964)		5.14%	31
February 2008	5,000			\$ (319,938)	\$ (424,902)	\$ (429)	5.14%	29
March 2008	5,000			\$ (212,409)	\$ (637,311)	\$ (1,855)	5.14%	31
April 2008	5,000			\$ (249,775)	\$ (887,086)	\$ (2,137)	4.08%	30
May 2008	5,000			\$ -	\$ (887,086)	\$ (3,074)	4.08%	31
June 2008	5,000			\$ -	\$ (887,086)	\$ (2,975)	4.08%	30
July 2008	5,000			\$ -	\$ (887,086)	\$ (2,524)	3.35%	31
August 2008	5,000			\$ -	\$ (887,086)	\$ (2,524)	3.35%	31
September 2008	5,000			\$ -	\$ (887,086)	\$ (2,443)	3.35%	30
October 2008	5,000			\$ -	\$ (887,086)	\$ (2,524)	3.35%	31
November 2008	5,000			\$ -	\$ (887,086)	\$ (2,443)	3.35%	30
December 2008	5,000			\$ -	\$ (887,086)	\$ (2,524)	3.35%	31
January 2009	5,000			\$ -	\$ (887,086)	\$ (1,846)	2.45%	31
February 2009	5,000			\$ -	\$ (887,086)	\$ (1,667)	2.45%	28
March 2009	5,000			\$ -	\$ (887,086)	\$ (1,846)	2.45%	31
April 2009	5,000			\$ -	\$ (887,086)	\$ (729)	1.00%	30
				<u>\$ (887,086)</u>		<u>\$ (31,538)</u>		

## GS > 50 TOU January 1, 2008 - April 30, 2009

	kW (As Applicable)	kWh	Volumetric Rate Adder (per kW)	Amount Recovered	Cumulative Balance	Interest Applied	Interest Rate	Days
January 2008				\$ -	\$ -		5.14%	31
February 2008					\$ -	\$ -	5.14%	29
March 2008					\$ -	\$ -	5.14%	31
April 2008					\$ -	\$ -	4.08%	30
May 2008				\$ -	\$ -	\$ -	4.08%	31
June 2008				\$ -	\$ -	\$ -	4.08%	30
July 2008				\$ -	\$ -	\$ -	3.35%	31
August 2008				\$ -	\$ -	\$ -	3.35%	31
September 2008				\$ -	\$ -	\$ -	3.35%	30
October 2008				\$ -	\$ -	\$ -	3.35%	31
November 2008				\$ -	\$ -	\$ -	3.35%	30
December 2008				\$ -	\$ -	\$ -	3.35%	31
January 2009				\$ -	\$ -	\$ -	2.45%	31
February 2009				\$ -	\$ -	\$ -	2.45%	28
March 2009				\$ -	\$ -	\$ -	2.45%	31
April 2009				\$ -	\$ -	\$ -	1.00%	30
				<u>\$ -</u>		<u>\$ -</u>		

# Sheet 5 - Recoveries for the period January 1, 2008 - April 30, 2009

NAME OF UTILITY	PowerStream Inc.	LICENCE NUMBER	ED-2004-0520
NAME OF CONTACT	Tom Barrett, Manager, Rate Applications	DOCID NUMBER	
E-mail Address	Tom.Barrett@PowerStream Inc.	Date	August 15, 2008
PHONE NUMBER	905-532-4640		

## Large User Class January 1, 2008 - April 30, 2009

	kW (As Applicable)	kWh	Volumetric Rate Adder (per kW)	Amount Recovered	Cumulative Balance	Interest Applied	Interest Rate	Days
January 2008				\$ -	\$ -		5.14%	31
February 2008				\$ (11,782)	\$ (11,782)	\$ -	5.14%	29
March 2008				\$ (6,206)	\$ (17,988)	\$ (51)	5.14%	31
April 2008				\$ (6,049)	\$ (24,037)	\$ (60)	4.08%	30
May 2008				\$ -	\$ (24,037)	\$ (83)	4.08%	31
June 2008				\$ -	\$ (24,037)	\$ (81)	4.08%	30
July 2008				\$ -	\$ (24,037)	\$ (68)	3.35%	31
August 2008				\$ -	\$ (24,037)	\$ (68)	3.35%	31
September 2008				\$ -	\$ (24,037)	\$ (66)	3.35%	30
October 2008				\$ -	\$ (24,037)	\$ (68)	3.35%	31
November 2008				\$ -	\$ (24,037)	\$ (66)	3.35%	30
December 2008				\$ -	\$ (24,037)	\$ (68)	3.35%	31
January 2009				\$ -	\$ (24,037)	\$ (50)	2.45%	31
February 2009				\$ -	\$ (24,037)	\$ (45)	2.45%	28
March 2009				\$ -	\$ (24,037)	\$ (50)	2.45%	31
April 2009				\$ -	\$ (24,037)	\$ (20)	1.00%	30
				\$ (24,037)		\$ (847)		

## Small Scattered Load January 1, 2008 - April 30, 2009

	kW (As Applicable)	kWh	Volumetric Rate Adder (per kWh)	Amount Recovered	Cumulative Balance	Interest Applied	Interest Rate	Days
January 2008				\$ (1,637)	\$ (1,637)		5.14%	31
February 2008				\$ (594)	\$ (2,231)	\$ (7)	5.14%	29
March 2008				\$ (761)	\$ (2,992)	\$ (10)	5.14%	31
April 2008				\$ (635)	\$ (3,627)	\$ (10)	4.08%	30
May 2008				\$ -	\$ (3,627)	\$ (13)	4.08%	31
June 2008				\$ -	\$ (3,627)	\$ (12)	4.08%	30
July 2008				\$ -	\$ (3,627)	\$ (10)	3.35%	31
August 2008				\$ -	\$ (3,627)	\$ (10)	3.35%	31
September 2008				\$ -	\$ (3,627)	\$ (10)	3.35%	30
October 2008				\$ -	\$ (3,627)	\$ (10)	3.35%	31
November 2008				\$ -	\$ (3,627)	\$ (10)	3.35%	30
December 2008				\$ -	\$ (3,627)	\$ (10)	3.35%	31
January 2009				\$ -	\$ (3,627)	\$ (8)	2.45%	31
February 2009				\$ -	\$ (3,627)	\$ (7)	2.45%	28
March 2009				\$ -	\$ (3,627)	\$ (8)	2.45%	31
April 2009				\$ -	\$ (3,627)	\$ (3)	1.00%	30
				\$ (3,627)		\$ (137)		



# Sheet 5 - Recoveries for the period January 1, 2008 - April 30, 2009

NAME OF UTILITY	PowerStream Inc.	LICENCE NUMBER	ED-2004-0520
NAME OF CONTACT	Tom Barrett, Manager, Rate Applications	DOCID NUMBER	
E-mail Address	Tom.Barrett@PowerStream Inc.	Date	August 15, 2008
PHONE NUMBER	905-532-4640		

## Sentinel Lighting Class January 1, 2008 - April 30, 2009

	kW (As Applicable)	kWh	Volumetric Rate Adder (per kW)	Amount Recovered	Cumulative Balance	Interest Applied	Interest Rate	Days
January 2008				\$ 152	\$ 152		5.14%	31
February 2008				\$ 106	\$ 258	\$ 1	5.14%	29
March 2008				\$ 92	\$ 350	\$ 1	5.14%	31
April 2008				\$ 85	\$ 435	\$ 1	4.08%	30
May 2008				\$ -	\$ 435	\$ 2	4.08%	31
June 2008				\$ -	\$ 435	\$ 1	4.08%	30
July 2008				\$ -	\$ 435	\$ 1	3.35%	31
August 2008				\$ -	\$ 435	\$ 1	3.35%	31
September 2008				\$ -	\$ 435	\$ 1	3.35%	30
October 2008				\$ -	\$ 435	\$ 1	3.35%	31
November 2008				\$ -	\$ 435	\$ 1	3.35%	30
December 2008				\$ -	\$ 435	\$ 1	3.35%	31
January 2009				\$ -	\$ 435	\$ 1	2.45%	31
February 2009				\$ -	\$ 435	\$ 1	2.45%	28
March 2009				\$ -	\$ 435	\$ 1	2.45%	31
April 2009				\$ -	\$ 435	\$ 0	1.00%	30
				\$ 435		\$ 16		

## Street Lighting Class January 1, 2008 - April 30, 2009

	kW (As Applicable)	kWh	Volumetric Rate Adder (per kW)	Amount Recovered	Cumulative Balance	Interest Applied	Interest Rate	Days
January 2008				\$ -	\$ -		5.14%	31
February 2008				\$ (17,626)	\$ (17,626)	\$ -	5.14%	29
March 2008				\$ (5,346)	\$ (22,971)	\$ (77)	5.14%	31
April 2008				\$ (4,482)	\$ (27,453)	\$ (77)	4.08%	30
May 2008				\$ -	\$ (27,453)	\$ (95)	4.08%	31
June 2008				\$ -	\$ (27,453)	\$ (92)	4.08%	30
July 2008				\$ -	\$ (27,453)	\$ (78)	3.35%	31
August 2008				\$ -	\$ (27,453)	\$ (78)	3.35%	31
September 2008				\$ -	\$ (27,453)	\$ (76)	3.35%	30
October 2008				\$ -	\$ (27,453)	\$ (78)	3.35%	31
November 2008				\$ -	\$ (27,453)	\$ (76)	3.35%	30
December 2008				\$ -	\$ (27,453)	\$ (78)	3.35%	31
January 2009				\$ -	\$ (27,453)	\$ (57)	2.45%	31
February 2009				\$ -	\$ (27,453)	\$ (52)	2.45%	28
March 2009				\$ -	\$ (27,453)	\$ (57)	2.45%	31
April 2009				\$ -	\$ (27,453)	\$ (23)	1.00%	30
				\$ (27,453)		\$ (993)		



# 2009 COST ALLOCATION INFORMATION FILING

## POWERSTREAM INC

EB-2005-0409/EB-2005-0410/EB-2005-0411, EB-2005-0337 EB-2007-0001

Friday, October 10, 2008

### Sheet 01 Revenue to Cost Summary Worksheet -

#### Class Revenue, Cost Analysis, and Return on Rate Base

			1	2	3	6	7	8	9
Rate Base		Total	Residential	GS <50	GS>50-Regular	Large Use >5MW	Street Light	Sentinel	Unmetered Scattered Load
<b>Assets</b>									
<b>crev</b>	Distribution Revenue (sale)	\$114,562,987	\$58,226,202	\$17,288,227	\$37,292,703	\$205,714	\$1,079,985	\$11,603	\$458,552
<b>mi</b>	Miscellaneous Revenue (mi)	\$6,568,047	\$3,627,310	\$1,588,671	\$1,248,751	\$904	\$15,306	\$545	\$86,559
<b>Total Revenue</b>		<b>\$121,131,033</b>	<b>\$61,853,512</b>	<b>\$18,876,898</b>	<b>\$38,541,454</b>	<b>\$206,619</b>	<b>\$1,095,292</b>	<b>\$12,148</b>	<b>\$545,111</b>
<b>Expenses</b>									
<b>di</b>	Distribution Costs (di)	\$12,278,333	\$6,535,048	\$1,432,674	\$4,101,246	\$5,530	\$172,896	\$3,045	\$27,894
<b>cu</b>	Customer Related Costs (cu)	\$10,397,488	\$6,312,341	\$2,006,502	\$1,851,415	\$616	\$118,261	\$1,534	\$106,819
<b>ad</b>	General and Administration (ad)	\$20,540,480	\$11,620,220	\$3,079,540	\$5,449,041	\$5,860	\$264,023	\$4,187	\$117,609
<b>dep</b>	Depreciation and Amortization (dep)	\$36,237,515	\$19,104,151	\$4,635,988	\$11,793,794	\$11,148	\$592,040	\$8,126	\$92,267
<b>INPUT</b>	PILs (INPUT)	\$7,127,875	\$3,931,045	\$858,639	\$2,224,990	\$3,784	\$92,897	\$1,682	\$14,838
<b>INT</b>	Interest	\$17,662,602	\$9,740,980	\$2,127,675	\$5,513,441	\$9,376	\$230,195	\$4,169	\$36,768
<b>Total Expenses</b>		<b>\$104,244,292</b>	<b>\$57,243,783</b>	<b>\$14,141,019</b>	<b>\$30,933,927</b>	<b>\$36,312</b>	<b>\$1,470,313</b>	<b>\$22,742</b>	<b>\$396,196</b>
<b>Direct Allocation</b>		<b>\$9,281</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$9,281</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>NI</b>	Allocated Net Income (NI)	\$16,877,460	\$9,307,971	\$2,033,095	\$5,268,356	\$8,959	\$219,962	\$3,983	\$35,134
<b>Revenue Requirement (includes NI)</b>		<b>\$121,131,034</b>	<b>\$66,551,755</b>	<b>\$16,174,114</b>	<b>\$36,202,283</b>	<b>\$54,552</b>	<b>\$1,690,275</b>	<b>\$26,725</b>	<b>\$431,330</b>
		Revenue Requirement Input equals Output							
<b>Rate Base Calculation</b>									
<b>Net Assets</b>									
<b>dp</b>	Distribution Plant - Gross	\$1,014,279,111	\$547,921,376	\$125,734,538	\$321,871,025	\$351,374	\$15,708,610	\$240,661	\$2,451,527
<b>gp</b>	General Plant - Gross	\$96,988,999	\$53,366,136	\$11,713,500	\$30,258,665	\$43,290	\$1,368,063	\$23,501	\$215,842
<b>accum dep</b>	Accumulated Depreciation	(\$460,202,090)	(\$243,052,264)	(\$58,817,864)	(\$149,009,861)	(\$104,066)	(\$7,893,162)	(\$106,407)	(\$1,218,466)
<b>co</b>	Capital Contribution	(\$194,079,446)	(\$106,273,417)	(\$23,564,172)	(\$60,479,118)	(\$52,511)	(\$3,170,696)	(\$49,567)	(\$489,966)
<b>Total Net Plant</b>		<b>\$456,986,574</b>	<b>\$251,961,832</b>	<b>\$55,066,003</b>	<b>\$142,640,711</b>	<b>\$238,088</b>	<b>\$6,012,815</b>	<b>\$108,188</b>	<b>\$958,937</b>
<b>Directly Allocated Net Fixed Assets</b>		<b>\$100,089</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$100,089</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>COP</b>	Cost of Power (COP)	\$421,633,748.6	\$125,604,694	\$49,584,129	\$241,343,158	\$1,939,515	\$2,614,129	\$42,163	\$505,960
	OM&A Expenses	\$43,216,300.3	\$24,467,608	\$6,518,717	\$11,401,702	\$12,005	\$555,180	\$8,765	\$252,323
	Directly Allocated Expenses	\$0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Subtotal</b>		<b>\$464,850,049</b>	<b>\$150,072,302</b>	<b>\$56,102,846</b>	<b>\$252,744,860</b>	<b>\$1,951,520</b>	<b>\$3,169,310</b>	<b>\$50,928</b>	<b>\$758,283</b>
<b>Working Capital</b>		<b>\$69,727,507.3</b>	<b>\$22,510,845</b>	<b>\$8,415,427</b>	<b>\$37,911,729</b>	<b>\$292,728</b>	<b>\$475,396</b>	<b>\$7,639</b>	<b>\$113,742</b>
<b>Total Rate Base</b>		<b>\$526,814,170</b>	<b>\$274,472,677.0</b>	<b>\$63,481,429.4</b>	<b>\$180,552,440</b>	<b>\$630,905</b>	<b>\$6,488,212</b>	<b>\$115,827</b>	<b>\$1,072,680</b>
		Rate Base Input equals Output							
<b>Equity Component of Rate Base</b>		<b>\$210,725,668</b>	<b>\$109,789,071</b>	<b>\$25,392,572</b>	<b>\$72,220,976</b>	<b>\$252,362</b>	<b>\$2,595,285</b>	<b>\$46,331</b>	<b>\$429,072</b>
<b>Net Income on Allocated Assets</b>		<b>\$16,877,460</b>	<b>\$4,609,729</b>	<b>\$4,735,879</b>	<b>\$7,607,527</b>	<b>\$161,026</b>	<b>(\$375,021)</b>	<b>(\$10,594)</b>	<b>\$148,915</b>
<b>Net Income on Direct Allocation Assets</b>		<b>\$1,666</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,666</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Income</b>		<b>\$16,879,126</b>	<b>\$4,609,729</b>	<b>\$4,735,879</b>	<b>\$7,607,527</b>	<b>\$162,691</b>	<b>(\$375,021)</b>	<b>(\$10,594)</b>	<b>\$148,915</b>
<b>RATIOS ANALYSIS</b>									
<b>REVENUE TO EXPENSES %</b>		<b>100.00%</b>	92.94%	116.71%	106.46%	378.76%	64.80%	45.45%	126.38%
<b>EXISTING REVENUE MINUS ALLOCATED COSTS</b>		<b>(\$0)</b>	<b>(\$4,698,243)</b>	<b>\$2,702,785</b>	<b>\$2,339,171</b>	<b>\$152,067</b>	<b>(\$594,983)</b>	<b>(\$14,578)</b>	<b>\$113,781</b>
<b>RETURN ON EQUITY COMPONENT OF RATE BASE</b>		8.01%	4.20%	18.65%	10.53%	64.47%	-14.45%	-22.87%	34.71%

**Instructions:**  
This is an input sheet for the Break Out of Distribution Assets, Contributed Capital, Amortization, and Amortization Expenses.  
**\*\*Please see Handbook for detailed instructions\*\***

Enter Net Fixed Assets from **approved** EDR,  
Sheet 3-1, cell F12

\$457,086,663

BA Rate Base '\$1510

RATE BASE AND DISTRIBUTION ASSETS		BALANCE SHEET ITEMS									EXPENSE ITEMS			
Account	Description	Break out Functions	BREAK OUT (%)	BREAK OUT (\$)	After BO	Contributed Capital - 1995	Accumulated Depreciation - 2105 Capital Contribution	Accumulated Depreciation - 2105 Fixed Assets Only	Accumulated Depreciation - 2120	Asset net of Accumulated Depreciation and Contributed Capital	5705 Amortization Expense - Property, Plant, and Equipment	5710 Amortization of Limited Term Electric Plant	5715 Amortization of Intangibles and Other Electric Plant	5720 Amortization of Electric Plant Acquisition Adjustments
1565	Conservation and Demand Management	\$0		-	-					-				
1805	Land	\$3,148,457		(\$3,148,457)	-									
1805-1	Land Station >50 kV		97.00%	\$3,054,003	3,054,003	\$0				3,054,003				
1805-2	Land Station <50 kV		3.00%	\$94,454	94,454	\$0				94,454				
1806	Land Rights	\$581,621		(\$581,621)	-									
1806-1	Land Rights Station >50 kV		54.00%	\$314,076	314,076	\$0		(\$63,297)		250,779				
1806-2	Land Rights Station <50 kV		46.00%	\$267,546	267,546	\$0		(\$53,919)		213,626				
1808	Buildings and Fixtures	\$3,845,612		(\$3,845,612)	-									
1808-1	Buildings and Fixtures > 50 kV		99.00%	\$3,807,156	3,807,156	\$0		(\$604,458)		3,202,697	\$75,330			
1808-2	Buildings and Fixtures < 50 kV		1.00%	\$38,456	38,456	\$0		(\$6,106)		32,350	\$761			
1810	Spare Parts	\$0		\$0	-									
1810-1	Spare Parts		0.00%	\$0	-	\$0		(\$542,773)	-	542,773	\$304,780			
1810-2	Spare Parts		100.00%	\$0	-	\$0				-				
1815	Transformer Station Equipment - Normally Primary above 50 kV	\$99,178,666		\$0	99,178,666	(\$16,607,951)	\$4,892,789	(\$27,998,840)		59,464,664	\$1,865,511			
1820	Distribution Station Equipment - Normally Primary below 50 kV	\$10,971,011		(\$10,971,011)	-					-				
1820-1	Distribution Station Equipment - Normally Primary below 50 kV (Bulk)		0.00%	\$0	-			\$0		-				
1820-2	Distribution Station Equipment - Normally Primary below 50 kV (Primary)		80.00%	\$8,776,809	8,776,809	(\$12,016)	\$1,434	(\$3,624,143)		5,142,084	\$227,732			
1820-3	Distribution Station Equipment - Normally Primary below 50 kV (Wholesale Meters)		20.00%	\$2,194,202	2,194,202	(\$3,004)	\$359	(\$906,036)		1,285,521	\$57,091			
1825	Storage Battery Equipment	\$0		\$0	-	(\$3,004)	\$359	(\$906,036)						
1825-1	Storage Battery Equipment > 50 kV		0.00%	\$0	-	\$0	\$0			-				
1825-2	Storage Battery Equipment <50 kV		100.00%	\$0	-	\$0	\$0			-				
1830	Poles, Towers and Fixtures	\$95,591,779		(\$95,591,779)	-									
1830-3	Poles, Towers and Fixtures - Subtransmission Bulk Delivery		0.00%	\$0	-	\$0	\$0	\$0		-	\$0			
1830-4	Poles, Towers and Fixtures - Primary		98.00%	\$93,679,944	93,679,944	(\$6,919,282)	\$1,209,740	(\$18,705,615)		69,264,787	\$1,615,738			
1830-5	Poles, Towers and Fixtures - Secondary		2.00%	\$1,911,836	1,911,836	(\$141,210)	\$24,688	(\$381,747)		1,413,567	\$32,974			
1835	Overhead Conductors and Devices	\$119,075,568		(\$119,075,568)	-									
1835-3	Overhead Conductors and Devices - Subtransmission Bulk Delivery			\$0	-	\$0	\$0	\$0		-	\$0			
1835-4	Overhead Conductors and Devices - Primary		91.00%	\$108,358,767	108,358,767	(\$19,826,626)	\$4,952,168	(\$67,008,297)		26,476,013	\$4,484,099			
1835-5	Overhead Conductors and Devices - Secondary		9.00%	\$10,716,801	10,716,801	(\$1,960,875)	\$489,775	(\$6,627,386)		2,618,314	\$443,482			
1840	Underground Conduit	\$53,416,552		(\$53,416,552)	-									
1840-3	Underground Conduit - Bulk Delivery			\$0	-					-	\$0			
1840-4	Underground Conduit - Primary		100.00%	\$53,416,552	53,416,552	(\$13,414,103)	\$1,928,341	(\$24,151,464)		17,779,326	\$1,404,047			
1840-5	Underground Conduit - Secondary		0.00%	\$0	-	\$0				-	\$0			
1845	Underground Conductors and Devices	\$254,833,938		(\$254,833,938)	-									
1845-3	Underground Conductors and Devices - Bulk Delivery		0.00%	\$0	-	\$0	\$0	\$0		-	\$0			
1845-4	Underground Conductors and Devices - Primary		100.00%	\$254,833,938	254,833,938	(\$58,687,930)	\$10,278,740	(\$150,604,210)		55,818,538	\$9,067,338			
1845-5	Underground Conductors and Devices - Secondary		0.00%	\$0	-	\$0	\$0	\$0		-	\$0			
1850	Line Transformers	\$215,498,608		\$0	215,498,608	(\$48,646,881)	\$10,338,310	(\$104,039,222)		73,150,815	\$6,569,728			
1855	Services	\$96,567,772		\$0	96,567,772	(\$21,312,668)	\$2,528,480	(\$22,804,944)		54,978,640	\$1,131,111			
1860	Meters	\$61,569,526		\$0	61,569,526	(\$6,546,900)	\$1,299,128	(\$1,116,900)		30,185,831	\$2,040,196			
	Total	\$1,014,279,111		\$0	\$1,014,279,111	(\$194,079,446)	\$37,941,953	(\$454,258,380)	\$0	403,883,238	\$28,299,808	\$0		\$0
	SUB TOTAL from I3	\$1,014,279,111										\$0		

General Plant	Break out Functions				Contributed Capital - 1995	Accumulated Depreciation - 2105 Capital Contribution	Accumulated Depreciation - 2105 Fixed Assets Only	Accumulated Depreciation - 2120	Net Asset	5705 Amortization Expense - Property, Plant, and Equipment	5710 Amortization of Limited Term Electric Plant	5715 Amortization of Intangibles and Other Electric Plant	5720 Amortization of Electric Plant Acquisition Adjustments
1905	Land	\$4,840,524			4,840,524				\$ 4,840,524				\$109
1906	Land Rights	\$0			-				\$ -				\$0



**\*\*Please see Handbook for detailed instructions\*\***

8A Rate Base'!\$/\$10

[illegible]

POWERSTREAM - Future Test Year Rate model

Revenue to Cost Ratios by Customer Class

As per Information filing PowerStream RUN 2	Test Year at calculated rates	OEB PROPOSED RANGE		Proposed per Application
2006	2009	Low	High	2009

**Revenue /Expenses Ratio**

Residential	93.4%	92.9%	85%	115%	<b>92.9%</b>
GS Less Than 50 kW	113.5%	116.7%	80%	120%	<b>116.7%</b>
GS 50 to 4,999 kW	108.1%	106.5%	80%	180%	<b>106.5%</b>
GS 50 to 4,999 kW Legacy					
Large Use	<b>75.9%</b>	<b>378.8%</b>	85%	115%	<b>115.0%</b>
Unmetered Scattered Load	<b>169.6%</b>	<b>126.4%</b>	80%	120%	<b>119.9%</b>
Sentinel Lighting	<b>16.4%</b>	<b>45.5%</b>	70%	120%	<b>75.4%</b>
Street Lighting	<b>54.4%</b>	<b>64.8%</b>	70%	120%	<b>74.5%</b>

**Total Revenue (Costs Allocated)**

(line 35, CA model)

As per Information filing	Test Year at calculated rates	Proposed per Application
2006	2009	
Residential	\$58,397,913	66,551,755
GS Less Than 50 kW	\$16,255,808	16,174,114
GS 50 to 4,999 kW	\$30,817,558	36,202,283
GS 50 to 4,999 kW Legacy		-
Large Use	\$1,729,521	54,552
Unmetered Scattered Load	\$335,613	431,330
Sentinel Lighting	\$46,200	26,725
Street Lighting	\$1,351,605	1,690,275
	<b>\$108,934,219</b>	<b>\$121,131,034</b>

**Total Revenue requirement**

tab O1, line 20

As per Information filing	Test Year at calculated rates	Proposed per Application
2006	2009	
Residential	\$54,545,141	\$61,853,512
GS Less Than 50 kW	\$18,449,078	\$18,876,898
GS 50 to 4,999 kW	\$33,316,307	\$38,541,454
GS 50 to 4,999 kW Legacy	\$0	\$0
Large Use	\$1,312,156	\$62,735
Unmetered Scattered Load	\$569,255	\$517,171
Sentinel Lighting	\$7,581	\$20,148
Street Lighting	\$734,701	\$1,259,116
	<b>\$108,934,219</b>	<b>\$121,131,033</b>

**Miscellaneous revenue**

tab O1, line 19

Residential	\$3,394,822	3,627,310	3,627,310
GS Less Than 50 kW	\$1,383,906	1,588,671	1,588,671
GS 50 to 4,999 kW	\$1,238,742	1,248,751	1,248,751
GS 50 to 4,999 kW Legacy			-
Large Use	\$37,458	904	904
Unmetered Scattered Load	\$15,334	86,559	86,559
Sentinel Lighting	\$1,369	545	545
Street Lighting	\$24,717	15,306	15,306
	<b>\$6,096,348</b>	<b>\$6,568,047</b>	<b>\$6,568,047</b>

**Distribution Revenue Requirement**

tab O1, line 18

As per Information filing	Test Year at calculated rates	Distribution revenue re- allocation	Proposed per Application
2006	2009	2009	2009
Residential	\$51,150,319	\$58,226,202	\$58,226,202
GS Less Than 50 kW	\$17,065,172	\$17,288,227	\$17,288,227
GS 50 to 4,999 kW	\$32,077,565	\$37,292,703	\$37,292,703
GS 50 to 4,999 kW Legacy		\$0	\$0
Large Use	\$1,274,698	\$205,714	\$61,830
Unmetered Scattered Load	\$553,921	\$458,552	\$430,612
Sentinel Lighting	\$6,212	\$11,603	\$19,603
Street Lighting	\$709,984	\$1,079,985	\$1,243,810
Total	<b>\$102,837,871</b>	<b>\$114,562,987</b>	<b>\$114,562,987</b>

PowerStream Inc.

**PROPOSED TARIFF OF RATES AND CHARGES**  
Effective May 1st, 2009

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

EB-2008-0244

**SERVICE CLASSIFICATIONS**

**Residential**

This classification refers to an account taking electricity at 750 volts or less where the electricity is used exclusively in a separately metered living accommodation. Customers shall be residing in single-dwelling units that consist of a detached house or one unit of a semi-detached, duplex, triplex or quadruplex house, with a residential zoning. Separately metered dwellings within a town house complex or apartment building also qualify as residential customers.

Multi-unit residential establishments such as apartment buildings supplied through one service (bulk metered) shall be classified as general service.

**General Service Less Than 50 kW**

This classification refers to a non residential account taking electricity at 750 volts or less whose monthly average peak demand is less than, or is forecast to be less than, 50 kW.

**General Service 50 to 4,999 kW**

This classification refers to a non residential account whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 5,000 kW.

**General Service 50 to 4,999 kW - Legacy**

This classification refers to a non residential account whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 5,000 kW. Usage is measured by a time of use meter, which is a device that measures and records electrical usage during pre-specified periods of the day cumulatively over a meter reading period.

**Large Use**

This classification refers to an account whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 5,000 kW.

**Unmetered Scattered Load**

This classification refers to an account taking electricity at 750 volts or less whose average monthly peak 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 customer will provide detailed manufacturer information/ documentation with regard to electrical demand/consumption of the proposed unmetered load.

**Sentinel Lighting**

This classification refers to an unmetered lighting load supplied to a sentinel light.

This classification applies to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting operation, controlled by photo cells. The consumption for these customers will be based on the calculated connected load times the required lighting times established in the approved OEB street lighting load shape template.

**Street Lighting**

This classification applies to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting operation, controlled by photo cells. The consumption for these customers will be based on the calculated connected load times the required lighting times established in the approved OEB street lighting load shape template.

PowerStream Inc.

PROPOSED TARIFF OF RATES AND CHARGES  
Effective May 1st, 2009

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

MONTHLY RATES AND CHARGES

**Residential**

Service Charge	\$	13.17
Distribution Volumetric Rate	\$/kWh	0.0135
LRAM / SSM Rider	\$/kWh	0.0001
Regulatory Asset Recovery	\$/kWh	(0.0019)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0053
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0024
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Regulated Price Plan – Administration Charge	\$	0.25

**General Service Less Than 50 kW**

Service Charge	\$	29.61
Distribution Volumetric Rate	\$/kWh	0.0116
LRAM / SSM Rider	\$/kWh	0.0000
Regulatory Asset Recovery	\$/kWh	(0.0019)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0048
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0022
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Regulated Price Plan – Administration Charge	\$	0.25

**General Service 50 to 4,999 kW**

Service Charge	\$	84.73
Distribution Volumetric Rate	\$/kW	3.5078
LRAM / SSM Rider	\$/kW	0.0287
Regulatory Asset Recovery	\$/kW	(0.8231)
Retail Transmission Rate – Network Service Rate	\$/kW	1.9489
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	0.8765
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Regulated Price Plan – Administration Charge	\$	0.25

**Large Use**

Service Charge	\$	2,148.26
Distribution Volumetric Rate	\$/kW	1.0913
LRAM / SSM Rider	\$/kW	0.0000
Regulatory Asset Recovery	\$/kW	(1.4261)
Retail Transmission Rate – Network Service Rate	\$/kW	2.2864
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.0359
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Regulated Price Plan – Administration Charge	\$	0.25

**Unmetered Scattered Load**

Service Charge	\$	14.14
Distribution Volumetric Rate	\$/kWh	0.0087
LRAM / SSM Rider	\$/kWh	0.0000
Regulatory Asset Recovery	\$/kWh	0.0010
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0048
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0024
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Regulated Price Plan – Administration Charge	\$	0.25

PowerStream Inc.

PROPOSED TARIFF OF RATES AND CHARGES

Effective May 1st, 2009

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

**Sentinel Lighting**

Service Charge (per connection)	\$	1.98
Distribution Volumetric Rate	\$/kW	9.3165
LRAM / SSM Rider	\$/kW	0.0000
Regulatory Asset Recovery	\$/kW	(2.3126)
Retail Transmission Rate – Network Service Rate	\$/kW	1.4893
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	0.7432
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Regulated Price Plan – Administration Charge	\$	0.25

**Street Lighting**

Service Charge (per connection)	\$	0.83
Distribution Volumetric Rate	\$/kW	4.8386
LRAM / SSM Rider	\$/kW	0.0000
Regulatory Asset Recovery	\$/kW	(0.6869)
Retail Transmission Rate – Network Service Rate	\$/kW	1.4744
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	0.6815
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Regulated Price Plan – Administration Charge	\$	0.25



PowerStream Inc.

PROPOSED TARIFF OF RATES AND CHARGES

Effective May 1st, 2009

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

**Specific Service Charges**

**Customer Administration**

Arrears certificate	\$	15.00
Statement of account	\$	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
Account history	\$	15.00
Returned cheque charge (plus bank charges)	\$	15.00
Legal letter charge	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
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
Disconnect/Reconnect at meter - during regular hours	\$	65.00
Disconnect/Reconnect at meter - after regular hours	\$	185.00

Specific Charge for Access to the Power Poles \$/pole/year	\$	22.35
Temporary service install & remove - overhead - no transformer	\$	500.00

**Allowances**

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

**LOSS FACTORS**

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0299
Total Loss Factor – Secondary Metered Customer > 5,000 kW	1.0145
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0231
Total Loss Factor – Primary Metered Customer > 5,000 kW	1.0045



## POWERSTREAM - Future Test Year Rate model

Class	Consumption kWh	Load kW	2008 Bill	2009 Bill	Difference \$	Bill Impact %	Max	Min
Residential	100		\$ 22.93	\$ 22.72	\$ (0.21)	-0.9%	-0.9%	-1.5%
	250		36.49	36.07	(0.42)	-1.2%		
	500		59.09	58.31	(0.78)	-1.3%		
	750		81.69	80.55	(1.14)	-1.4%		
	1,000		106.52	104.96	(1.57)	-1.5%		
	1,500		156.62	154.30	(2.32)	-1.5%		
	2,000		206.72	203.65	(3.07)	-1.5%		
General Service Less Than 50 kW	1,000		121.96	119.83	(2.13)	-1.7%	-1.7%	-1.8%
	2,000		219.61	215.67	(3.94)	-1.8%		
	2,500		268.43	263.58	(4.85)	-1.8%		
	5,000		512.55	503.16	(9.39)	-1.8%		
	10,000		1,000.78	982.32	(18.46)	-1.8%		
	12,500		1,244.89	1,221.90	(23.00)	-1.8%		
General Service 50 to 4,999 kW	15,000	60	1,746.94	1,544.18	(202.76)	-11.6%	1.1%	-11.6%
	40,000	100	3,813.18	3,620.59	(192.59)	-5.1%		
	80,000	250	7,570.92	7,442.99	(127.92)	-1.7%		
	100,000	500	10,369.03	10,371.95	2.92	0.0%		
	400,000	1,000	35,269.02	35,405.16	136.14	0.4%		
	1,000,000	3,000	90,321.84	91,287.33	965.49	1.1%		
Large Use	2,800,000	7,350	246,863.14	228,727.07	(18,136.07)	-7.3%	-3.3%	-7.3%
	5,000,000	10,000	418,955.04	396,866.15	(22,088.89)	-5.3%		
	8,000,000	15,000	660,042.60	630,495.56	(29,547.04)	-4.5%		
	10,000,000	17,500	816,910.55	783,634.44	(33,276.12)	-4.1%		
	12,000,000	20,000	973,778.51	936,773.31	(37,005.19)	-3.8%		
	15,000,000	22,000	1,200,980.55	1,160,992.10	(39,988.45)	-3.3%		
Unmetered Scattered Load	250	0	37.08	36.43	(0.66)	-1.8%	-1.8%	-1.9%
	500	0	59.10	58.00	(1.10)	-1.9%		
	750	0	81.38	79.80	(1.58)	-1.9%		
	1,000	0	105.84	103.81	(2.04)	-1.9%		
	1,500	0	154.78	151.83	(2.94)	-1.9%		
	2,000	0	203.71	199.86	(3.85)	-1.9%		
Sentinel Lighting	60	0.30	8.81	9.09	0.28	3.1%	3.1%	2.4%
	180	0.50	18.79	19.23	0.44	2.4%		
	270	0.75	27.12	27.81	0.68	2.5%		
	350	1.00	34.77	35.70	0.93	2.7%		
Street Lighting	882,119	2,639	\$ 140,798.56	\$ 141,951.20	\$ 1,152.63	0.8%	0.8%	0.8%



## Bill Impacts - Monthly Consumptions

Residential

kWh 1000  
kW 0

Loss Factor  
Threshold

1.0368 1.0299  
800

	Current Rates			Proposed			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Monthly Service Charge	1	\$ 13.23	\$ 13.23	1	\$ 13.17	\$ 13.17	\$ (0.06)	-0.45%	13.18%
Distribution (kWh)	1,000	\$ 0.0131	\$ 13.10	1,000	\$ 0.0135	\$ 13.50	\$ 0.40	3.05%	13.51%
Distribution (kW)	-	\$ -	\$ -	-	\$ -	\$ -	\$ -	0.00%	0.00%
LRAM / SSM adder	1,000	\$ -	\$ -	1,000	\$ 0.0001	\$ 0.10	\$ 0.10	0.00%	0.10%
Regulatory Assets (kWh)	1,000	\$ -	\$ -	1,000	\$ (0.0019)	\$ (1.90)	\$ (1.90)	0.00%	-1.90%
Regulatory Assets (kW)	-	\$ -	\$ -	-	\$ -	\$ -	\$ -	0.00%	0.00%
<b>Sub-Total</b>			\$ 26.33			\$ 24.87	\$ 1.46	-5.55%	24.88%
Other Charges	1,037	\$ 0.0132	\$ 13.69	1,030	\$ 0.0132	\$ 13.59	\$ (0.09)	-0.67%	13.60%
Transmission charges	1,037	\$ 0.0072	\$ 7.46	1,030	\$ 0.0077	\$ 7.93	\$ 0.47	6.23%	7.93%
Cost of Power Commodity (kWh)	800	\$ 0.050	\$ 40.00	800	\$ 0.050	\$ 40.00	\$ -	0.00%	40.02%
Cost of Power Commodity (kW)	237	\$ 0.059	\$ 13.97	230	\$ 0.059	\$ 13.56	\$ (0.41)	-2.91%	13.57%
<b>Total Bill before Taxes</b>			\$ 101.45			\$ 99.96	\$ (1.49)	-1.47%	100%
<b>Total Bill Including Taxes</b>			\$ 106.52			\$ 104.96	\$ (1.57)	-1.47%	

General Service Less Than 50 kW

kWh 2000  
kW 0

Loss Factor  
Threshold

1.0368 1.0299  
750

	Current Rates			Proposed			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Monthly Service Charge	1	\$ 29.91	\$ 29.91	1	\$ 29.61	\$ 29.61	\$ (0.30)	-1.00%	14.42%
Distribution (kWh)	2,000	\$ 0.0114	\$ 22.80	2,000	\$ 0.0116	\$ 23.20	\$ 0.40	1.75%	11.30%
Distribution (kW)	-	\$ -	\$ -	-	\$ -	\$ -	\$ -	0.00%	0.00%
LRAM / SSM adder	2,000	\$ -	\$ -	2,000	\$ -	\$ -	\$ -	0.00%	0.00%
Regulatory Assets (kWh)	2,000	\$ -	\$ -	2,000	\$ (0.0019)	\$ (3.80)	\$ (3.80)	0.00%	-1.85%
Regulatory Assets (kW)	-	\$ -	\$ -	-	\$ -	\$ -	\$ -	0.00%	0.00%
<b>Sub-Total</b>			\$ 52.71			\$ 49.01	\$ 3.70	-7.02%	23.86%
Other Charges	2,074	\$ 0.0132	\$ 27.37	2,060	\$ 0.0132	\$ 27.19	\$ (0.18)	-0.67%	13.24%
Transmission charges	2,074	\$ 0.0065	\$ 13.48	2,060	\$ 0.0070	\$ 14.42	\$ 0.94	6.98%	7.02%
Cost of Power Commodity (kWh)	750	\$ 0.050	\$ 37.50	750	\$ 0.050	\$ 37.50	\$ -	0.00%	18.26%
Cost of Power Commodity (kW)	1,324	\$ 0.059	\$ 78.09	1,310	\$ 0.059	\$ 77.28	\$ (0.81)	-1.04%	37.62%
<b>Total Bill before Taxes</b>			\$ 209.15			\$ 205.40	\$ (3.76)	-1.80%	100%
<b>Total Bill Including Taxes</b>			\$ 219.61			\$ 215.67	\$ (3.94)	-1.80%	

General Service 50 to 4,999 kW

kWh 80,000  
kW 250

Loss Factor  
Threshold

1.0368 1.0299  
750

	Current Rates			Proposed			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Monthly Service Charge	1	\$ 302.94	\$ 302.94	1	\$ 84.73	\$ 84.73	\$ (218.21)	-72.03%	1.20%
Distribution (kWh)	-	\$ -	\$ -	-	\$ -	\$ -	\$ -	0.00%	0.00%
Distribution (kW)	250	\$ 2.3627	\$ 590.68	250	\$ 3.5078	\$ 876.95	\$ 286.28	48.47%	12.37%
LRAM / SSM adder	250	\$ -	\$ -	250	\$ 0.0287	\$ 7.18	\$ 7.18	0.00%	0.10%
Regulatory Assets (kWh)	-	\$ -	\$ -	-	\$ -	\$ -	\$ -	0.00%	0.00%
Regulatory Assets (kW)	250	\$ -	\$ -	250	\$ (0.8231)	\$ (205.78)	\$ (205.78)	0.00%	-2.90%
<b>Sub-Total</b>			\$ 893.62			\$ 763.08	\$ 130.54	-14.61%	10.76%
Other Charges	82,944	\$ 0.0132	\$ 1,094.86	82,392	\$ 0.0132	\$ 1,087.57	\$ (7.29)	-0.67%	15.34%
Transmission charges	250	\$ 2.6400	\$ 660.00	250	\$ 2.8254	\$ 706.35	\$ 46.35	7.02%	9.96%
Cost of Power Commodity (kWh)	750	\$ 0.055	\$ 41.25	750	\$ 0.055	\$ 41.25	\$ -	0.00%	0.58%
Cost of Power Commodity (kW)	82,194	\$ 0.055	\$ 4,520.67	81,642	\$ 0.055	\$ 4,490.31	\$ (30.36)	-0.67%	63.35%
<b>Total Bill before Taxes</b>			\$ 7,210.40			\$ 7,088.56	\$ (121.83)	-1.69%	100%
<b>Total Bill Including Taxes</b>			\$ 7,570.92			\$ 7,442.99	\$ (127.92)	-1.69%	



## Bill Impacts - Monthly Consumptions

### Large Use

kWh	2,800,000
kW	7,350

Loss Factor  
Threshold

1.0145  
750

1.0145

	Current Rates			Proposed			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Monthly Service Charge	1	\$ 8,979.30	\$ 8,979.30	1	\$ 2,148.26	\$ 2,148.26	\$ (6,831.04)	-76.08%	0.99%
Distribution (kWh)	-	\$ -	\$ -	-	\$ -	\$ -	\$ -	0.00%	0.00%
Distribution (kW)	7,350	\$ 1.3036	\$ 9,581.46	7,350	\$ 1.0913	\$ 8,021.06	\$ (1,560.41)	-16.29%	3.68%
LRAM / SSM adder	7,350	\$ -	\$ -	7,350	\$ -	\$ -	\$ -	0.00%	0.00%
Regulatory Assets (kWh)	-	\$ -	\$ -	-	\$ -	\$ -	\$ -	0.00%	0.00%
Regulatory Assets (kW)	7,350	\$ -	\$ -	7,350	\$ (1.4261)	\$ (10,481.84)	\$ (10,481.84)	0.00%	-4.81%
<b>Sub-Total</b>			\$ 18,560.76			\$ 312.52	\$ 18,873.28	-101.68%	-0.14%
Other Charges	2,840,600	\$ 0.0132	\$ 37,495.92	2,840,600	\$ 0.0132	\$ 37,495.92	\$ -	0.00%	17.21%
Transmission charges	7,350	\$ 3.1045	\$ 22,818.08	7,350	\$ 3.3223	\$ 24,418.91	\$ 1,600.83	7.02%	11.21%
Cost of Power Commodity (kWh)	750	\$ 0.055	\$ 41.25	750	\$ 0.055	\$ 41.25	\$ -	0.00%	0.02%
Cost of Power Commodity (kW)	2,839,850	\$ 0.055	\$ 156,191.75	2,839,850	\$ 0.055	\$ 156,191.75	\$ -	0.00%	71.70%
<b>Total Bill before Taxes</b>			\$ 235,107.76			\$ 217,835.31	\$ (17,272.45)	-7.35%	100%
<b>Total Bill Including Taxes</b>			\$ 246,863.14			\$ 228,727.07	\$ (18,136.07)	-7.35%	



## Bill Impacts - Monthly Consumptions

### Unmetered Scattered Load

kWh	500
kW	-

Loss Factor  
Threshold

1.0368  
750

1.0299

	Current Rates			Proposed			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Monthly Service Charge	1	\$ 14.35	\$ 14.35	1	\$ 14.14	\$ 14.14	\$ (0.21)	-1.46%	25.60%
Distribution (kWh)	500	\$ 0.0114	\$ 5.70	500	\$ 0.0087	\$ 4.35	\$ (1.35)	-23.68%	7.87%
Distribution (kW)	-	\$ -	\$ -	-	\$ -	\$ -	\$ -	0.00%	0.00%
LRAM / SSM adder	500	\$ -	\$ -	500	\$ -	\$ -	\$ -	0.00%	0.00%
Regulatory Assets (kWh)	500	\$ -	\$ -	500	\$ 0.0010	\$ 0.50	\$ 0.50	0.00%	0.91%
Regulatory Assets (kW)	-	\$ -	\$ -	-	\$ -	\$ -	\$ -	0.00%	0.00%
<b>Sub-Total</b>			<b>\$ 20.05</b>			<b>\$ 18.99</b>	<b>\$ 1.06</b>	<b>-5.29%</b>	<b>34.38%</b>
Other Charges	518	\$ 0.0132	\$ 6.84	515	\$ 0.0132	\$ 6.80	\$ (0.05)	-0.67%	12.30%
Transmission charges	518	\$ 0.0067	\$ 3.47	515	\$ 0.0072	\$ 3.71	\$ 0.23	6.75%	6.71%
Cost of Power Commodity (kWh)	518	\$ 0.050	\$ 25.92	515	\$ 0.050	\$ 25.75	\$ (0.17)	-0.67%	46.61%
Cost of Power Commodity (kW)	-	\$ 0.059	\$ -	-	\$ 0.059	\$ -	\$ -	0.00%	0.00%
<b>Total Bill before Taxes</b>			<b>\$ 56.29</b>			<b>\$ 55.24</b>	<b>\$ (1.04)</b>	<b>-1.85%</b>	<b>100%</b>
<b>Total Bill Including Taxes</b>			<b>\$ 59.10</b>			<b>\$ 58.00</b>	<b>\$ (1.10)</b>	<b>-1.85%</b>	

### Sentinel Lighting

kWh	180
kW	0.50

Loss Factor  
Threshold

1.0368  
750

1.0299

	Current Rates			Proposed			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Monthly Service Charge	1.0	\$ 2.01	\$ 2.01	1.0	\$ 1.98	\$ 1.98	\$ (0.03)	-1.49%	10.81%
Distribution (kWh)	-	\$ -	\$ -	-	\$ -	\$ -	\$ -	0.00%	0.00%
Distribution (kW)	0.5	\$ 6.0842	\$ 3.04	0.5	\$ 9.3165	\$ 4.66	\$ 1.62	53.13%	25.43%
LRAM / SSM adder	0.5	\$ -	\$ -	0.5	\$ -	\$ -	\$ -	0.00%	0.00%
Regulatory Assets (kWh)	-	\$ -	\$ -	-	\$ -	\$ -	\$ -	0.00%	0.00%
Regulatory Assets (kW)	0.5	\$ -	\$ -	0.5	\$ (2.3126)	\$ (1.16)	\$ (1.16)	0.00%	-6.31%
<b>Sub-Total</b>			<b>\$ 5.05</b>			<b>\$ 5.48</b>	<b>\$ 0.43</b>	<b>8.51%</b>	<b>29.93%</b>
Other Charges	187	\$ 0.0132	\$ 2.46	185	\$ 0.0132	\$ 2.45	\$ (0.02)	-0.67%	13.36%
Transmission charges	0.5	\$ 2.0877	\$ 1.04	0.5	\$ 2.2325	\$ 1.12	\$ 0.07	6.94%	6.09%
Cost of Power Commodity (kWh)	187	\$ 0.050	\$ 9.33	185	\$ 0.050	\$ 9.27	\$ (0.06)	-0.67%	50.61%
Cost of Power Commodity (kW)	-	\$ 0.059	\$ -	-	\$ 0.059	\$ -	\$ -	0.00%	0.00%
<b>Total Bill before Taxes</b>			<b>\$ 17.89</b>			<b>\$ 18.31</b>	<b>\$ 0.42</b>	<b>2.37%</b>	<b>100%</b>
<b>Total Bill Including Taxes</b>			<b>\$ 18.79</b>			<b>\$ 19.23</b>	<b>\$ 0.44</b>	<b>2.37%</b>	

### Street Lighting

kWh	882,119
kW	2,639.22

Loss Factor  
Threshold

1.0368  
750

1.0299

	Current Rates			Proposed			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Monthly Service Charge	63,805	\$ 0.84	\$ 53,595.97	63,805	\$ 0.83	\$ 52,957.92	\$ (638.05)	-1.19%	39.17%
Distribution (kWh)	-	\$ -	\$ -	-	\$ -	\$ -	\$ -	0.00%	0.00%
Distribution (kW)	2,639	\$ 3.4686	\$ 9,154.41	2,639	\$ 4.8386	\$ 12,770.15	\$ 3,615.74	39.50%	9.45%
LRAM / SSM adder	2,639	\$ -	\$ -	2,639	\$ -	\$ -	\$ -	0.00%	0.00%
Regulatory Assets (kWh)	-	\$ -	\$ -	-	\$ -	\$ -	\$ -	0.00%	0.00%
Regulatory Assets (kW)	2,639	\$ -	\$ -	2,639	\$ (0.6869)	\$ (1,812.88)	\$ (1,812.88)	0.00%	-1.34%
<b>Sub-Total</b>			<b>\$ 62,750.38</b>			<b>\$ 63,915.18</b>	<b>\$ 1,164.81</b>	<b>1.86%</b>	<b>47.28%</b>
Other Charges	914,581	\$ 0.0132	\$ 12,072.47	908,494	\$ 0.0132	\$ 11,992.12	\$ (80.34)	-0.67%	8.87%
Transmission charges	2,639	\$ 2.0148	\$ 5,317.51	2,639	\$ 2.1559	\$ 5,689.90	\$ 372.39	7.00%	4.21%
Cost of Power Commodity (kWh)	750	\$ 0.050	\$ 37.50	750	\$ 0.050	\$ 37.50	\$ -	0.00%	0.03%
Cost of Power Commodity (kW)	913,831	\$ 0.059	\$ 53,916.02	907,744	\$ 0.059	\$ 53,556.91	\$ (359.11)	-0.67%	39.62%
<b>Total Bill before Taxes</b>			<b>\$ 134,093.87</b>			<b>\$ 135,191.62</b>	<b>\$ 1,097.75</b>	<b>0.82%</b>	<b>100%</b>
<b>Total Bill Including Taxes</b>			<b>\$ 140,798.56</b>			<b>\$ 141,951.20</b>	<b>\$ 1,152.63</b>	<b>0.82%</b>	

### Rate Rider to Recover Smart Meter Costs

Revenue Requirement 2006	\$	5,336
Revenue Requirement 2007	\$	1,141,537
Revenue Requirement 2008	\$	1,738,435
Revenue Requirement Total	\$	2,885,309
Smart Meter Rate Adder	-\$	2,002,866
Carrying Cost	-\$	35,704
Smart Meter True-up	\$	846,738

Metered Customers 249,355

**Rate Rider to Recover Smart Meter Costs \$ 0.28**

### 2009 Addition to Rate Base

Fixed Assets		
Smart Meters	\$	9,631,705
Computer Software	\$	490,200
	\$	10,121,905
Accumulated Depreciation		
Smart Meters	-\$	967,351
Computer Software	-\$	245,100
	-\$	1,212,451

**Addition to Net Fixed Assets - Jan. 1, 2009 \$ 8,909,454**

2009 Amortization Expense		
Smart Meters	\$	642,114
Computer Software	\$	163,400
	\$	805,514

**Incremental Revenue Requirement Calculation**

	2006		2007		2008		2009	
Net Fixed Assets		\$ 30,306		\$ 4,887,790		\$ 9,312,211		\$ 8,506,698
OM&A	\$ -		\$ 190,519		\$ -		\$ -	
WCA	15%	\$ -	15%	\$ 28,578	15%	\$ -	15%	\$ -
Rate Base		\$ 30,306		\$ 4,916,368		\$ 9,312,211		\$ 8,506,698
Deemed ST Debt	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -
Deemed LT Debt	60%	\$ 18,184	60%	\$ 2,949,821	60%	\$ 5,587,327	60%	\$ 5,104,019
Deemed Equity	40%	\$ 12,122	40%	\$ 1,966,547	40%	\$ 3,724,884	40%	\$ 3,402,679
ST Interest	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -
LT Interest	6.16%	\$ 1,120	6.16%	\$ 181,709	6.16%	\$ 344,179	6.16%	\$ 314,408
ROE	9.00%	\$ 1,091	9.00%	\$ 176,989	9.00%	\$ 335,240	9.00%	\$ 306,241
		\$ 2,211		\$ 358,698		\$ 679,419		\$ 620,649
OM&A		\$ -		\$ 190,519		\$ -		\$ -
Amortization		\$ 2,090		\$ 404,847		\$ 805,514		\$ 805,514
Grossed-up PILs		\$ 1,035		\$ 187,473		\$ 253,503		\$ 150,479
Revenue Requirement		\$ 5,336		\$ 1,141,537		\$ 1,738,435		\$ 1,576,641

## PILs Calculation

	2006	2007	2008	2009
	Forecasted	Forecasted	Forecasted	Forecasted
<b>INCOME TAX</b>				
Net Income	\$ 1,091	\$ 176,989	\$ 335,240	\$ 306,241
Amortization	-\$ 2,090	-\$ 404,847	-\$ 805,514	-\$ 805,514
CCA	\$ 2,508	\$ 522,381	\$ 934,797	\$ 768,144
Change in taxable income	\$ 1,509	\$ 294,523	\$ 464,523	\$ 268,871
Tax Rate	36.12%	36.12%	33.50%	33.00%
Income Taxes Payable	\$ 545	\$ 106,382	\$ 155,615	\$ 88,727
<b>ONTARIO CAPITAL TAX</b>				
Closing Net Fixed Assets	\$ 60,612	\$ 9,306,468	\$ 8,664,354	\$ 8,022,241
Less: Exemption	\$ -	\$ -	\$ -	\$ -
Deemed Taxable Capital	\$ 60,612	\$ 9,306,468	\$ 8,664,354	\$ 8,022,241
Ontario Capital Tax Rate	0.300%	0.225%	0.225%	0.225%
Net Amount (Taxable Capital x Rate)	\$ 181.84	\$ 20,939.55	\$ 19,494.80	\$ 18,050.04
<b>Gross Up</b>				
	PILs Payable	PILs Payable	PILs Payable	PILs Payable
Change in Income Taxes Payable	\$ 545.06	\$ 106,381.70	\$ 155,615.17	\$ 88,727.44
Change in OCT	\$ 181.84	\$ 20,939.55	\$ 19,494.80	\$ 18,050.04
PIL's	\$ 726.90	\$ 127,321.25	\$ 175,109.97	\$ 106,777.48
	Gross Up	Gross Up	Gross Up	Gross Up
	33.00%	32.00%	30.50%	30.50%
	Grossed Up PILs	Grossed Up PILs	Grossed Up PILs	Grossed Up PILs
Change in Income Taxes Payable	\$ 853.26	\$ 166,533.65	\$ 234,007.77	\$ 132,429.02
Change in OCT	\$ 181.84	\$ 20,939.55	\$ 19,494.80	\$ 18,050.04
PIL's	\$ 1,035.09	\$ 187,473.21	\$ 253,502.57	\$ 150,479.06



## Average Net Fixed Assets

### Net Fixed Assets

	2006 Forecasted	2007 Forecasted	2008 Forecasted	2009 Forecasted
Opening Capital Investment	\$ -	\$ 62,702	\$ 9,631,705	\$ 9,631,705
Capital Investment	\$ 62,702	\$ 9,569,003		
Closing Capital Investment	\$ 62,702	\$ 9,631,705	\$ 9,631,705	\$ 9,631,705
Opening Accumulated Amortization	\$ -	\$ 2,090	\$ 325,237	\$ 967,351
Amortization Year One	\$ 2,090	\$ 318,967	\$ -	\$ -
Amortization Thereafter	\$ -	\$ 4,180	\$ 642,114	\$ 642,114
Closing Accumulated Amortization	\$ 2,090	\$ 325,237	\$ 967,351	\$ 1,609,464
Opening Net Fixed Assets	\$ -	\$ 60,612	\$ 9,306,468	\$ 8,664,354
Closing Net Fixed Assets	\$ 60,612	\$ 9,306,468	\$ 8,664,354	\$ 8,022,241
Average Net Fixed Assets	\$ 30,306	\$ 4,683,540	\$ 8,985,411	\$ 8,343,298

### Net Fixed Assets

	2006 Forecasted	2007 Forecasted	2008 Forecasted	2009 Forecasted
Opening Capital Investment	\$ -	\$ -	\$ 490,200	\$ 490,200
Capital Investment	\$ -	\$ 490,200		
Closing Capital Investment	\$ -	\$ 490,200	\$ 490,200	\$ 490,200
Opening Accumulated Amortization	\$ -	\$ -	\$ 81,700	\$ 245,100
Amortization Year One	\$ -	\$ 81,700	\$ -	\$ -
Amortization Thereafter	\$ -	\$ -	\$ 163,400	\$ 163,400
Closing Accumulated Amortization	\$ -	\$ 81,700	\$ 245,100	\$ 408,500
Opening Net Fixed Assets	\$ -	\$ -	\$ 408,500	\$ 245,100
Closing Net Fixed Assets	\$ -	\$ 408,500	\$ 245,100	\$ 81,700
Average Net Fixed Assets	\$ -	\$ 204,250	\$ 326,800	\$ 163,400

## For PILs Calculation

### UCC

	2006 Forecasted	2007 Forecasted	2008 Forecasted	2009 Forecasted
Opening UCC	\$ -	\$ 60,194	\$ 9,241,621	\$ 8,502,292
Capital Additions	\$ 62,702	\$ 9,569,003	\$ -	\$ -
UCC Before Half Year Rule	\$ 62,702	\$ 9,629,197	\$ 9,241,621	\$ 8,502,292
Half Year Rule (1/2 Additions - Disposals)	\$ 31,351	\$ 4,784,502	\$ -	\$ -
Reduced UCC	\$ 31,351	\$ 4,844,695	\$ 9,241,621	\$ 8,502,292
CCA Rate Class	47			
CCA Rate	8%			
CCA	\$ 2,508	\$ 387,576	\$ 739,330	\$ 680,183
Closing UCC	\$ 60,194	\$ 9,241,621	\$ 8,502,292	\$ 7,822,108

### UCC

	2006 Forecasted	2007 Forecasted	2008 Forecasted	2009 Forecasted
Opening UCC	\$ -	\$ -	\$ 355,395	\$ 159,928
Capital Additions	\$ -	\$ 490,200	\$ -	\$ -
UCC Before Half Year Rule	\$ -	\$ 490,200	\$ 355,395	\$ 159,928
Half Year Rule (1/2 Additions - Disposals)	\$ -	\$ 245,100	\$ -	\$ -
Reduced UCC	\$ -	\$ 245,100	\$ 355,395	\$ 159,928
CCA Rate Class	50			
CCA Rate	55%			
CCA	\$ -	\$ 134,805	\$ 195,467	\$ 87,960
Closing UCC	\$ -	\$ 355,395	\$ 159,928	\$ 71,967

Table Staff 16-1: Account 1555 Smart Meter Capital and Offset Account – Principal

Month	Opening Balance	SM Adder	Revenue Requirement	Closing Balance (excluding Stranded)
May-06	\$ -	\$ 53,082	\$ -	\$ 53,082
Jun-06	-\$ 53,082	\$ 55,204	\$ -	\$ 108,286
Jul-06	-\$ 108,286	\$ 58,518	\$ -	\$ 166,804
Aug-06	-\$ 166,804	\$ 61,423	\$ -	\$ 228,227
Sep-06	-\$ 228,227	\$ 59,434	\$ -	\$ 287,661
Oct-06	-\$ 287,661	\$ 60,877	\$ -	\$ 348,538
Nov-06	-\$ 348,538	\$ 62,646	\$ -	\$ 411,184
Dec-06	-\$ 411,184	\$ 61,058	\$ 5,336	\$ 466,906
Jan-07	-\$ 466,906	\$ 62,549	\$ -	\$ 529,455
Feb-07	-\$ 529,455	\$ 57,342	\$ -	\$ 586,797
Mar-07	-\$ 586,797	\$ 63,206	\$ -	\$ 650,003
Apr-07	-\$ 650,003	\$ 59,797	\$ 1,074	\$ 708,726
May-07	-\$ 708,726	\$ 152,613	\$ 167,537	\$ 693,802
Jun-07	-\$ 693,802	\$ 161,831	\$ 150,245	\$ 705,388
Jul-07	-\$ 705,388	\$ 173,477	\$ 160,126	\$ 718,739
Aug-07	-\$ 718,739	\$ 167,808	\$ 234,512	\$ 652,034
Sep-07	-\$ 652,034	\$ 156,656	\$ 245,014	\$ 563,677
Oct-07	-\$ 563,677	\$ 188,831	\$ 110,287	\$ 642,221
Nov-07	-\$ 642,221	\$ 119,756	\$ 67,118	\$ 694,858
Dec-07	-\$ 694,858	\$ 166,758	\$ 5,624	\$ 855,992
Jan-08	-\$ 855,992	\$ -	\$ 144,870	\$ 711,123
Feb-08	-\$ 711,123	\$ -	\$ 144,870	\$ 566,253
Mar-08	-\$ 566,253	\$ -	\$ 144,870	\$ 421,384
Apr-08	-\$ 421,384	\$ -	\$ 144,870	\$ 276,514
May-08	-\$ 276,514	\$ -	\$ 144,870	\$ 131,644
Jun-08	-\$ 131,644	\$ -	\$ 144,870	\$ 13,225
Jul-08	\$ 13,225	\$ -	\$ 144,870	\$ 158,095
Aug-08	\$ 158,095	\$ -	\$ 144,870	\$ 302,964
Sep-08	\$ 302,964	\$ -	\$ 144,870	\$ 447,834
Oct-08	\$ 447,834	\$ -	\$ 144,870	\$ 592,704
Nov-08	\$ 592,704	\$ -	\$ 144,870	\$ 737,573
Dec-08	\$ 737,573	\$ -	\$ 144,870	\$ 882,443
Jan-09	\$ 882,443	\$ -	\$ -	\$ 882,443
Feb-09	\$ 882,443	\$ -	\$ -	\$ 882,443
Mar-09	\$ 882,443	\$ -	\$ -	\$ 882,443
Apr-09	\$ 882,443	\$ -	\$ -	\$ 882,443
2006	-\$	\$ 472,242	\$ 5,336	
2007	-\$	\$ 1,530,624	\$ 1,141,537	
2008	\$	\$ -	\$ 1,738,435	
	-\$	\$ 2,002,866	\$ 2,885,309	

Table Staff 16-2: Account 1555 – Interest

Month	Opening Balance (excluding Stranded)	Days	Rate	Interest	To Date
May-06	\$ -	31	4.1400%	\$ -	\$ -
Jun-06	-\$ 53,082	30	4.1400%	-\$ 181	-\$ 181
Jul-06	-\$ 108,286	31	4.5900%	-\$ 422	-\$ 603
Aug-06	-\$ 166,804	31	4.5900%	-\$ 650	-\$ 1,253
Sep-06	-\$ 228,227	30	4.5900%	-\$ 861	-\$ 2,114
Oct-06	-\$ 287,661	31	4.5900%	-\$ 1,121	-\$ 3,235
Nov-06	-\$ 348,538	30	4.5900%	-\$ 1,315	-\$ 4,550
Dec-06	-\$ 411,184	31	4.5900%	-\$ 1,603	-\$ 6,153
Jan-07	-\$ 466,906	31	4.5900%	-\$ 1,820	-\$ 7,973
Feb-07	-\$ 529,455	28	4.5900%	-\$ 1,864	-\$ 9,838
Mar-07	-\$ 586,797	31	4.5900%	-\$ 2,288	-\$ 12,125
Apr-07	-\$ 650,003	30	4.5900%	-\$ 2,452	-\$ 14,577
May-07	-\$ 708,726	31	4.5900%	-\$ 2,763	-\$ 17,340
Jun-07	-\$ 693,802	30	4.5900%	-\$ 2,617	-\$ 19,958
Jul-07	-\$ 705,388	31	4.5900%	-\$ 2,750	-\$ 22,708
Aug-07	-\$ 718,739	31	4.5900%	-\$ 2,802	-\$ 25,510
Sep-07	-\$ 652,034	30	4.5900%	-\$ 2,460	-\$ 27,969
Oct-07	-\$ 563,677	31	5.1400%	-\$ 2,461	-\$ 30,430
Nov-07	-\$ 642,221	30	5.1400%	-\$ 2,713	-\$ 33,143
Dec-07	-\$ 694,858	31	5.1400%	-\$ 3,033	-\$ 36,177
Jan-08	-\$ 855,992	31	5.1400%	-\$ 3,727	-\$ 39,903
Feb-08	-\$ 711,123	29	5.1400%	-\$ 2,896	-\$ 42,799
Mar-08	-\$ 566,253	31	5.1400%	-\$ 2,465	-\$ 45,265
Apr-08	-\$ 421,384	30	4.0800%	-\$ 1,409	-\$ 46,674
May-08	-\$ 276,514	31	4.0800%	-\$ 956	-\$ 47,629
Jun-08	-\$ 131,644	30	4.0800%	-\$ 440	-\$ 48,070
Jul-08	\$ 13,225	31	3.3500%	\$ 38	-\$ 48,032
Aug-08	\$ 158,095	31	3.3500%	\$ 449	-\$ 47,584
Sep-08	\$ 302,964	30	3.3500%	\$ 832	-\$ 46,752
Oct-08	\$ 447,834	31	3.3500%	\$ 1,271	-\$ 45,481
Nov-08	\$ 592,704	30	3.3500%	\$ 1,628	-\$ 43,853
Dec-08	\$ 737,573	31	3.3500%	\$ 2,093	-\$ 41,761
Jan-09	\$ 882,443	31	2.4500%	\$ 1,836	-\$ 39,924
Feb-09	\$ 882,443	28	2.4500%	\$ 1,659	-\$ 38,266
Mar-09	\$ 882,443	31	2.4500%	\$ 1,836	-\$ 36,430
Apr-09	\$ 882,443	30	1.0000%	\$ 725	-\$ 35,704

## SCHEDULE H: LRAM/SSM CALCULATIONS

### Revised Summary Schedule from Settlement Proceeding

**Table 1: LRAM/SSM Totals by Rate Class and Rate Riders**

Rate Class	2005 Program Amounts		2006 Program Amounts		2007 Program Amounts		LRAM	SSM	Combined Total	Billing Type	Billing Units (2009)	Rate Rider
	LRAM	SSM	LRAM	SSM	LRAM	SSM	Total	Total				
Residential	\$ 60,695	\$ 18,156	\$ 96,287	\$ 26,750	\$ 4,204	\$ (15,776)	\$ 161,186	\$ 29,130	\$ 190,316	kwh	2,034,450,648	\$0.0001
GS<50 kw	\$ -	\$ -	\$ -	\$ -	\$ 1,144	\$ 31,542	\$ 1,144	\$ 31,542	\$ 32,686	kwh	803,126,540	\$0.0000
GS>50 kw	\$ 69,001	\$ 21,507	\$ 42,934	\$ 98,953	\$ 25,824	\$ 34,102	\$ 137,758	\$ 154,561	\$ 292,320	kw	10,189,730	\$0.0287
Large Use	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	kw	82,809	\$0.0000
<b>TOTALS</b>	\$ 129,695	\$ 39,663	\$ 139,221	\$ 125,702	\$ 31,172	\$ 49,869	\$ 300,088	\$ 215,234	\$ 515,322		2,847,849,727	

**NOTES:**

- 1) GS>50 and Large Use class LRAM amounts have been reduced by the transformer allowance credit.
- 2) Program savings were calculated from the start date to December 31/07.
- 3) Amounts have not been adjusted for taxes.
- 4) LRAM amounts include carrying charges.

**SUMMARY LRAM AND SSM WITH VECC REQUESTED ADJUSTMENTS - Settlement Revision**

	FILED LRAM Total	FILED SSM Total	Combined Filed Total	VECC 52 requested adjust (SSM - remove OPA funded)	VECC 53 ( 2006 and 2007 LRAM chg to OPA measures	Combined VECC adjustments	Net change with Reduction Adjustments
Residential	290,994	212,110	503,104	(182,980)	(129,808)	(312,788)	190,317
GS<50 kw	1,144	31,542	32,686	N/A	N/A	N/A	32,686
GS>50 kw	137,758	154,561	292,320	N/A	N/A	N/A	292,320
<b>TOTALS</b>	<b>429,897</b>	<b>398,214</b>	<b>828,110</b>	<b>(182,980)</b> (applies to SSM only)	<b>(129,808)</b> (applies to LRAM only)	<b>(312,788)</b>	<b>515,322</b>

**PowerStream Inc. - VECC IR 52 h(i)**  
**2006 SSM Claim- Settlement Revision**  
**for Co-Branded Mass Market Program - Residential class only**

	TRC Costs		TRC Benefits		TRC Net Benefits		SSM
<b>As Filed Claim</b>	<b>\$</b>	<b>632,637</b>	<b>\$</b>	<b>4,781,577</b>	<b>\$</b>	<b>4,148,940</b>	<b>\$ 207,447</b>
Fall EKC	\$	218,457	\$	2,518,170	\$	2,299,713	\$ 114,986
Spring EKC	\$	176,265	\$	1,536,144	\$	1,359,879	\$ 67,994
<b>Reduction in SSM - remove all 2006 EKC opa funded programs</b>							<b>\$ 182,980</b>
<b>Adjusted Claim</b>	<b>\$</b>	<b>237,915</b>	<b>\$</b>	<b>727,263</b>	<b>\$</b>	<b>489,348</b>	<b>\$ 24,467</b>

**POWERSTREAM - 2009 FUTURE TEST YEAR RATE APPLICATION**  
**LRAM SETTLEMENT ADJUSTMENT**

(EXPLANATION: IR VECC #53h requested recalculation of LRAM for co-branded mass markets based on OPA assumptions. Results in lower LRAM)

2006 YEAR															
Program	Partially Effective Factor	Rate Class	2006 Distribution Rates	2007 Distribution Rates	Qty	Filed kwh per unit ( OEB assumptions) **	OPA Assumptions kwh per unit *	Net change in kwh/unit (**)	Free Ridership	Net Change Fully Effective kWh Savings (net of free ridership)	Partially Effective 2006 kWh /kw Savings (net of FR)	Net changeLRAM \$\$	Net change kwh /kw savings	Carrying Charges Applied to net change	Total LRAM \$\$ Net Change
CFL Distribution	0.50	Residential	\$ 0.0130	\$ 0.0128	17,845	104	44	60	10.00%	965,237	482,619	\$ 18,629	1,447,856	n/a	n/a
EKC Spring CFLs	0.67	Residential	\$ 0.0130	\$ 0.0128	45,877	104	44	60	10.00%	2,467,119	1,644,746	\$ 52,961	4,111,865	\$ 17,629	\$ 70,590
EKC Fall CFLs	0.25	Residential	\$ 0.0130	\$ 0.0128	47,745	104	44	60	10.00%	2,582,512	645,628	\$ 41,449	3,228,140	\$ 13,841	\$ 55,290
Co- Branded Mass Markets	n/a	residential	n/a	n/a	111,467	n/a	n/a	n/a		6,014,868	2,772,993	\$ 113,039	8,787,861	\$ 31,470	\$ 125,880
(remove CFL distribution per above as the original filing omitted this LRAM program) - see filed table 7B -oversight												\$ (18,629)	(1,447,856)	n/a	n/a
2006 LRAM REDUCTION ADJUSTMENT												\$ 94,410	7,340,005	\$ 31,470	\$ 125,880

2007 YEAR															
Program	Partially Effective Factor	Rate Class	2006 Distribution Rates	2007 Distribution Rates	Qty	Filed kwh per unit ( OEB assumptions) **	OPA Assumptions kwh per unit *	Net change in kwh/unit (**)	Free Ridership	Net Change Fully Effective kWh Savings (net of free ridership)	Partially Effective 2006 kWh /kw Savings (net of FR)	Net changeLRAM \$\$	Net change kwh /kw savings	Carrying Charges Applied to net change	Total LRAM \$\$ Net Change
CFL Distribution	0.46	Residential	N/A	\$ 0.0128	9,046	104	44	60	10.00%	489,298	224,245	\$ 2,870	713,543	1,058	\$ 3,928
2007 LRAM REDUCTION ADJUSTMENT												\$ 2,870	713,543	1,058	\$ 3,928

\* Source: OPA Measure and Assumptions List - (15 W CFL) - February 2008

\*\* Source - Rounded amounts shown but actual per unit savings calculation included decimals

**COMBINED 2006 AND 2007 LRAM REDUCTION ADJUSTMENT DUE TO VECC 53h**

**\$ 97,280 8,053,548 32,528 \$ 129,808**