

June 8, 2009

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)
Settlement Proposal - REVISED**

When reviewing the Settlement Proposal which was filed on May 29, 2009, we noticed that there was a typographical error in Issue 2.1, on page 11 of 32, third paragraph. We enclose the page with the change in bold and double underlined and a clean replacement page. We ask that the revised page be substituted for the original page in the Settlement Proposal. Please be advised that this is the only place in the Settlement Proposal that the error appears and that all of the tables and schedules in the Settlement Proposal that deal with revenue requirement and resultant rates and rate impacts reflect the correct OM&A amount as per the settlement.

Please note also that the replacement page has been filed, in PDF format, on the Board's web portal and an electronic copy has been sent to all Intervenors.

If you have any questions, please do not hesitate to contact the undersigned.

Yours truly,

Original signed by

Colin A. Macdonald
VP, Rates & Corporate Accounting

Encl.
Cc. All Parties

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
Total	533,832	526,814

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