

August 31, 2010

Delivered by Courier and Filed Electronically via RESS

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. (OEB Electricity Distributor Licence ED-2004-0420)
2010 Smart Meter Cost Recovery Application – Board File No. EB-2010-0209
Responses to VECC Interrogatories**

Accompanying this letter, please find PowerStream Inc.'s ("PowerStream's") public responses to the VECC interrogatories in this matter. Please note that detailed responses to Interrogatories 7 through 9 are being filed in confidence pursuant to the Board's *Practice Direction on Confidential Filings*, for the reasons set out in PowerStream's public response to Interrogatory No.7. PowerStream's responses to Board Staff interrogatories were filed electronically earlier this afternoon.

PowerStream is prepared to provide copies of the responses to parties' counsel and experts or consultants provided that they have executed the Board's form of Declaration and Undertaking with respect to confidentiality and that they comply with the Practice Direction, subject to PowerStream's right to object to the Board's acceptance of a Declaration and Undertaking from any person. Because it is in receipt of executed Declarations and Undertakings from counsel and the consultant to VECC, PowerStream will be providing copies of the confidential responses to those individuals by courier. In keeping with the requirements of the Practice Direction, PowerStream is filing confidential unredacted versions of the responses under separate cover, in a sealed envelope marked "Confidential". We anticipate that they will be delivered to you by Wednesday, September 1, 2010.

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

Yours truly,

Original Signed by Tom Barrett

Tom Barrett
Manager, Rate Applications

Encls.

cc: Mr. Colin A. Macdonald, PowerStream Inc.
Mr. James C. Sidlofsky, Borden Ladner Gervais LLP

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, (Schedule B);

AND IN THE MATTER OF an application by PowerStream Inc. for an order or orders approving or fixing a just and reasonable distribution rates related to Smart Meter deployment, to be effective November 1, 2010.

**PowerStream Inc. (“PowerStream”)
Responses to VECC Interrogatories**

Part I – PUBLIC Material

Delivered August 31, 2010

VECC Question #1

References: i) OEB Guideline G-2008-0002:

ii) OEB Filing Requirements for Smart Meter Investment Plans, October 26, 2006

- a) Confirm that Guideline G-2008-0002 has not superseded the Filing Requirements for Smart Meter Investment Plans, October 26, 2006
- b) Confirm that paragraph 7 of the Filing Requirements specifies that
7. Specifically, and in as much detail as possible, please provide the following information for your planned implementation of the SMIP:
- the number of meters installed by class and by year, both in absolute terms and as a percentage of the class;
 - the capital expenditures and amortization by class and by year;
 - the operating expenses by class and by year;
 - the effect of the SMIP on the level of the allowance for PILs.
- c) Has PowerStream kept records by class as required and are accounts 1556 and 1555 segregated by rate class? Please elaborate.

Response

- a) PowerStream is unable to confirm this. The two documents appear to serve different purposes.
- b) PowerStream confirms that the above excerpt is taken from the Filing Requirements for Smart Meter Investment Plans, October 26, 2006.

- c) PowerStream has recorded Smart Meter costs in accounts 1555 and 1556 as per the Board's guidance in the Accounting Procedures Handbook; related Frequently Asked Questions; and Guideline G-2008-0002 (Smart Meter Funding and Cost Recovery). Those guidelines do not require that costs be segregated by rate class.

PowerStream tracks the smart meter funding adder collected by rate class. Please see PowerStream's response to Board Staff IR #3 for a discussion of costs by rate class.

VECC Question #2

References: PowerStream. SM Cost Recovery Application Page 15/16 and Tables1-3

Preamble: PowerStream installed 53,262 smart meters in 2008 and 84,094 smart meters in 2009 in its South rate zone. In this Application, PowerStream seeks recovery of the revenue requirement in respect of the 137,356 smart meters with a capital cost of \$18.9 million installed in 2008 and 2009 in the PowerStream South rate zone.

- a) Provide a breakdown of Residential and Commercial meter installations in 2008, 2009 and forecast 2010
- b) Provide by year Support/details of the 2008-2009 and forecast 2010 *Residential Class* SM Unit costs (procurement and installation separately)
- c) Provide by year support/details of the 2008-2009 actual and forecast 2010 *Residential Class* SM AMI, communications and back office costs (procurement and installation)
- d) Provide by year support/details of the 2008-2009 and forecast 2010 *Commercial Class* SM Unit costs (procurement and installation separately)
- e) Provide by year support/details of the 2008-2009 actual and forecast 2010 *Commercial Class* SM AMI, communications and back office costs (procurement and installation)
- f) Provide a schedule that gives a breakdown of the 2008 and 2009 Capital Costs between the Residential and GS<50kw classes. Reconcile to Table 2
- g) Provide a breakdown of the O&M costs for meters installed in 2008 and 2009 between the Residential, GS<50kw classes. Reconcile to Table 3
- h) Were/are any SM installed in other classes? If so provide details of costs, if any, to be recovered
- i) Provide the details of the balances and the amounts to be disposed of in Accounts 1555 and 1556 **by class**. Include the carrying cost calculation(s)

Response

a) The following table shows actual smart meter installations for 2008 and 2009 and planned installations for 2010, for the PowerStream South rate zone.

Table VECC 2-1: Smart Meter Deployment by Customer Class

	Residential	GS<50 kW	Total
2008 Actual	53,262	-	53,262
2009 Actual	81,481	2,613	84,094
Sub-total	134,743	2,613	137,356
2010 Planned	9,500	21,000	30,500
Total	144,243	23,613	167,856

b) The table below shows the procurement cost of the smart meters broken down by rate class and year, and the unit costs.

Table VECC 2-2: Smart Meter Procurement Costs

\$000	Residential	GS<50 kW	Total
2008 Actual	\$ 4,622	\$ -	\$ 4,622
2009 Actual	\$ 8,303	\$ 1,642	\$ 9,946
Sub-total	\$ 12,926	\$ 1,642	\$ 14,568
2010 Planned	\$ 1,033	\$ 13,199	\$ 14,233
Total	\$ 13,959	\$ 14,842	\$ 28,801
\$ per meter	Residential	GS<50 kW	
2008 Actual	\$ 86.79	\$ -	
2009 Actual	\$ 101.90	\$ 628.56	
2010 Planned	\$ 108.76	\$ 628.54	

Actual cost per meter was quite low in 2008 as a result of very favourable US dollar exchange rates.

In 2009, less favourable exchange rates and an annual price escalation increased the cost of meters. Costs were also higher in 2009 for consulting, contract negotiations and preparation of new contracts for installation which have been included in procurement costs.

The estimated 2010 meter cost is based on an annual price escalation and a less favourable US dollar exchange rate than the exchange rate in 2009.

The table below shows the installation cost of the smart meters broken down by rate class, year and the unit costs.

Table VECC 2-3: Smart Meter Installation Costs

\$000	Residential	GS<50 kW	Total
2008 Actual	\$ 1,039	\$ -	\$ 1,039
2009 Actual	\$ 1,603	\$ 141	\$ 1,744
Sub-total	\$ 2,643	\$ 141	\$ 2,784
2010 Planned	\$ 162	\$ 1,230	\$ 1,393
Total	\$ 2,805	\$ 1,372	\$ 4,177
\$ per meter	Residential	GS<50 kW	
2008 Actual	\$ 19.51	\$ -	
2009 Actual	\$ 19.68	\$ 54.00	
2010 Planned	\$ 17.09	\$ 58.59	
Average	\$ 19.45	\$ 58.08	

The estimated installation rate for 2010 reflects only the contracted price of a standard swap of a smart meter for a conventional meter. There is no provision in the estimate for extra cost involved with Murray Jensen meter base repair work. The higher actual costs in 2009 are reflective of this additional repair work.

- c) The table below shows the communications cost of the smart meters broken down by rate class and year.

Table VECC 2-4: Smart Meter Communications Cost

\$000	Residential	GS<50 kW	Total
2008 Actual	\$ 388	\$ 8	\$ 396
2009 Actual	\$ -	\$ -	\$ -
Sub-total	\$ 388	\$ 8	\$ 396
2010 Planned	\$ 149	\$ 3	\$ 152
Total	\$ 537	\$ 10	\$ 548

These are costs for the radio towers that collect data from the meters. These costs have been allocated between the rate classes based on the number of smart meters for each class. The functions performed by these assets do not differ by rate class.

The table below shows the "back office" cost of the smart meters broken down by rate class and year.

Table VECC 2-5: Smart Meter "Back Office" Costs

\$000	Residential	GS<50 kW	Total
2008 Actual	\$ 416	\$ 8	\$ 424
2009 Actual	\$ 691	\$ 13	\$ 705
Sub-total	\$ 1,107	\$ 21	\$ 1,129
2010 Planned	\$ 232	\$ 4	\$ 236
Total	\$ 1,339	\$ 26	\$ 1,365

PowerStream has included the following costs in the category of "back office" costs: AMI hardware (other than meters and radio towers), software design and development costs related to AMI, MDM/R, customer billing system (CIS) interfaces and time of use billing. These costs have been allocated between the rate classes based on the number of smart meters for each class.

- d) See part b above.
- e) See part c above.
- f) The following table shows the 2008 and 2009 capital cost by rate class.

Table VECC 2-6: 2008 and 2009 Capital Cost by Rate Class

\$000	Residential	GS<50 kW	Total
Meter	\$ 12,926	\$ 1,642	\$ 14,568
Installation	\$ 2,643	\$ 141	\$ 2,784
Communications	\$ 388	\$ 8	\$ 396
Back office	\$ 1,107	\$ 21	\$ 1,129
Total	\$ 17,063	\$ 1,813	\$ 18,876

The total of this table agrees with table 2 as filed.

g) The following table shows the 2008 and 2009 OM&A by rate class.

Table VECC 2-7: 2008 and 2009 OM&A by Rate Class

	Residential	GS<50 kW	Total
Maintenance	\$ 71,638	\$ 2,297	\$ 73,935
Wide Area Network	\$ 530,804	\$ 5,976	\$ 536,780
Business Process Redesign	\$ 50,742	\$ 984	\$ 51,726
Customer Communication	\$ 345,623	\$ 7,655	\$ 353,278
Change Management	\$ -	\$ -	\$ -
Administration Cost	\$ 142,806	\$ 2,670	\$ 145,476
Other AMI Expenses	\$ 1,057,353	\$ 7,389	\$ 1,064,742
Total	\$ 2,198,966	\$ 26,971	\$ 2,225,937

Maintenance costs are for fixing or replacing smart meters that are not working properly and parts for meter base repairs when installing smart meters on Murray Jensen meter bases.

Wide area network is the cost of operating the advanced metering infrastructure network. See the response to VECC IR#7 for additional information.

Customer communications consists of customer information packages, brochures, door hangers and other materials used to communicate with customers regarding upcoming smart meter installation, smart meter information and time of use billing information.

Administration Cost consists of staff training and incremental call centre cost for smart meter inquiries.

Other AMI expenses consists mainly of monthly third party charges for an operational data store which is used to ensure that meters are functioning correctly and providing the necessary information that will be required for the Provincial MDM/R. This system is essential for PowerStream to efficiently and successfully meet the deadlines for getting smart meters onto the Provincial MDM/R and TOU billing.

These costs have been allocated between the rate classes based on the number of smart meters for each class. The total of this table agrees with table 3 as filed.

h) PowerStream South has not installed smart meters for any rate classes other than residential and GS<50 kW. At this time, PowerStream has no plans to install smart meters for other rate classes.

- i) As indicated in the response to VECC IR #1 c) above, PowerStream does not keep these accounts broken down by rate class. The allocation of these amounts to the customer classes is discussed in the response to Board Staff IR# 8. Carrying charges calculated on accounts 1555 and 1556 are not used in the calculation of the amounts for disposition and are not relevant. These carrying charge amounts are reversed when recognizing the approved amounts. The actual interest charged or credited to customers is calculated in the Actual Smart Meter Cost Recovery model - see PowerStream's response to VECC IR #3.

VECC Question #3

References:

- i) PowerStream. SM Cost Recovery Application Page 19-20 Tables 4, 5
- ii) Appendix 2

- a) Provide a Copy of OEB Worksheets that calculate the net fixed assets, revenue requirement and SM Actual cost recovery rate rider for 2008 an 2009 costs by rate class (Residential, GS<50kw) Reconcile with Table 4 and Table 7

- b) Provide a Copy of OEB Worksheets that calculate the revenue requirement and Disposition rate rider by rate class (Residential, GS<50kw). Reconcile with Table 5 and Table 7

Response

- a) In response to this question, PowerStream has prepared the attached Appendix 1: Actual Smart Meter Cost Recovery – Residential Class and Appendix 2: Actual Smart Meter Cost Recovery – GS<50 kW Class. Details of the net fixed assets, revenue requirement and rate rider calculations are in these Appendices. The resulting revenue requirement and rate rider amounts are summarized in the table below.

**Table VECC 3-1: SM Actual Cost Recovery Rate Rider ("True-up")
Calculated by Rate Class**

	Total	Residential	GS<50 KW
Revenue Requirement 2008	\$1,650,280	\$ 1,648,353	\$ 1,927
Revenue Requirement 2009	\$3,004,305	\$ 2,846,094	\$ 158,211
Revenue Requirement 2010 (to Oct 31/10)	\$3,442,955	\$ 3,074,998	\$ 367,957
Revenue Requirement Total	\$8,097,540	\$ 7,569,445	\$ 528,095
Smart Meter Rate Adder	(\$6,379,090)	\$ (5,756,543)	\$ (622,547)
Carrying Cost	(\$34,413)	\$ (24,968)	\$ (9,445)
Smart Meter True-up	\$1,684,037	\$1,787,934	(\$103,897)
Metered Customers	243,761	219,943	23,818
Rate Rider to Recover Smart Meter Costs	\$ 1.15	\$ 1.35	\$ (0.73)
Recovery period November 1, 2010 to April 30, 2011			

The next table compares the total from the table above to the results of the model filed and shown in Table 4 of the Application.

Table VECC 3-2: SM True-up: Filed Compared to Table VECC 3-1

	Table 4 as filed	Total VECC IR #3 a	Difference
Revenue Requirement 2008	\$1,650,030	\$1,650,280	(\$250)
Revenue Requirement 2009	\$3,004,081	\$3,004,305	\$ (224)
Revenue Requirement 2010 (to Oct 31/10)	\$3,442,964	\$3,442,955	\$ 9
Revenue Requirement Total	\$8,097,075	\$8,097,540	\$ (465)
Smart Meter Rate Adder	(\$7,509,327)	(\$6,379,090)	\$ (1,130,237)
Carrying Cost	(\$38,680)	(\$34,413)	\$ (4,267)
Smart Meter True-up	\$549,067	\$1,684,037	\$ (1,134,970)
Metered Customers	249,715	243,761	5,954
Rate Rider to Recover Smart Meter Costs	\$ 0.37	\$ 1.15	\$ (0.78)
Recovery period November 1, 2010 to April 30, 2011			

The significant differences, seen in the "Smart Meter Rate Adder" and "Carrying Cost" lines of Table VECC 3-2, are due to the exclusion of the smart meter funding adder collected from the GS>50 kW and Large Use customers. These amounts were included when this was calculated on an overall basis but excluded when calculated on a class by class basis.

If the Actual Smart Meter Cost Recovery model is to be prepared on a rate class basis, it would follow logically that models be prepared for the GS>50 kW and Large Use classes also. These classes have contributed smart meter funding adder amounts totaling \$1.1 million in the period January 2008 to April 2010. Since smart meters are not being installed for these classes, presumably no costs would be allocated and the "true-up" would return the amounts collected plus carrying costs thereon.

The reconciliation with Table 7 is discussed in part (b) of this question below.

- b) It is the same OEB Worksheets, specifically the Actual Smart Meter Cost Recovery Model, that are used to calculate both the "Smart Meter Actual Cost" disposition rate rider and the Smart Meter rate rider as explained below.

The summary on the first page of the model is used to calculate the "Smart Meter True-up" amount used to determine the Smart Meter Actual Cost Recovery disposition rate rider. For 2010, this shows ten months of revenue requirement,

representing the revenue requirement earned from January 1, 2010 to October 31, 2010 which is appropriate for this purpose.

The annual revenue requirement for 2010 is found on sheet 2 ("Revenue Requirement") and this is what is used to calculate the Smart Meter rate rider that will be in effect until replaced by new cost of service rates.

In response to part (a) of this question, models were prepared that separately calculate the revenue requirement for the Residential and GS<50 kW rate classes ("VECC 3a Models"). The following table summarizes these class specific models in the format of Table 5 of the filing.

Table VECC 3-3: SM Revenue Requirement Calculated by Class

Rate Base	Total	Residential	GS<50 KW
Net Fixed Assets	\$ 16,941,145	\$ 15,253,192	\$ 1,687,953
Working Capital Allowance	\$ 179,746	\$ 154,460	\$ 25,286
Total	\$ 17,120,891	\$ 15,407,652	\$ 1,713,239
Revenue Requirement			
Short Term Interest	\$ 14,177	\$ 12,758	\$ 1,419
Long Term Interest	\$ 564,715	\$ 508,206	\$ 56,509
Return on Equity	\$ 674,563	\$ 607,061	\$ 67,502
OM&A	\$ 1,198,300	\$ 1,029,730	\$ 168,570
Amortization	\$ 1,416,244	\$ 1,292,312	\$ 123,932
Grossed-up PILs	\$ 263,546	\$ 239,930	\$ 23,616
Total	\$ 4,131,545	\$ 3,689,997	\$ 441,548

The following table compares the total of the class specific revenue requirements to the revenue requirement in Table 5 of the filing.

Table VECC 3-4: SM Revenue Requirement Comparison – As Filed to VECC Table 3-3

Rate Base	Table 5 Filed	VECC 3a Total	Difference
Net Fixed Assets	\$ 16,941,365	\$ 16,941,145	\$ 220
Working Capital Allowance	\$ 179,745	\$ 179,746	-\$ 1
Total	\$ 17,121,110	\$ 17,120,891	\$ 219
Revenue Requirement			
Short Term Interest	\$ 14,176	\$ 14,177	\$ (1)
Long Term Interest	\$ 564,723	\$ 564,715	\$ 8
Return on Equity	\$ 674,572	\$ 674,563	\$ 9
OM&A	\$ 1,198,300	\$ 1,198,300	\$ -
Amortization	\$ 1,416,245	\$ 1,416,244	\$ 1
Grossed-up PILs	\$ 263,541	\$ 263,546	\$ (5)
Total	\$ 4,131,557	\$ 4,131,545	\$ 12

The sum of the VECC 3a Models is the same as the totals in Table 5 of the Application with some very minor differences.

The table below compares the results taken from the models by rate class to the results in Table 7 of the Application, for the Residential rate class.

Table VECC 3-5: Residential Class Rate Rider Comparison

Residential Class	Table 7 filed	VECC 3a model
Customers	219,943	219,943
Revenue requirement	\$ 3,836,220	\$ 3,689,997
Monthly Charge	\$ 1.45	\$ 1.40

The difference between the rate rider as filed and the rate rider calculated in response to this IR is due to the difference in revenue requirement allocated to the Residential class. PowerStream's method of allocation is described in its response to Board Staff IR #8.

The table below compares the results taken from the models by rate class to the results in Table 7 of the Application, for the GS<50 kW rate class.

Table VECC 3-6: GS<50 kW Class Rate Rider Comparison

GS<50 kW Class	Table 7 filed	VECC 3b model
Customers	23,818	23,818
Revenue requirement	\$ 295,337	\$ 441,548
Monthly Charge	\$ 1.03	\$ 1.54

The difference between the rate rider as filed and the rate rider calculated in response to this IR is due to the difference in revenue requirement allocated to the GS<50 kW class. PowerStream's method of allocation is described in its response to Board Staff IR # 8.

The following table shows reconciles the total revenue requirement in Table 7 of the Application with the rate class specific model revenue requirements.

Table VECC 3-6: Revenue Requirement Comparison

Revenue requirement	Table 7 filed	VECC 3a model
Residential Class	\$ 3,836,220	\$ 3,689,997
GS<50 kW Class	\$ 295,337	\$ 441,548
Total	\$ 4,131,557	\$ 4,131,545

On an overall basis, there is a minor difference of \$12. The differences, in the amounts allocated to the different rate classes, are due to the allocation methodology used by PowerStream, explained in the response to Board Staff IR #8, and the allocation resulting from running separate Actual Smart Meter Cost Recovery models by rate class.

VECC Question #4

References: i) PowerStream. SM Cost Recovery Application Page 21-22
 ii) Appendix 2-Page 2

Preamble: PowerStream proposes to allocate the revenue requirement of \$4.1 million between the Residential and the GS< 50 kW customer classes which received the meters covered by the disposition rate rider.

- Return allocated based on the capital costs of the meters installed for each class;
 - OM&A allocated based on the number of meters installed for each class;
 - PILs allocated based on the revenue requirement allocated to each class before PILs.
- a) Provide a calculation of the allocated revenue requirement per customer for residential and GS<50 kW classes. Reconcile this with the answer to VECC Question 3 part b)

Response

- a) The tables below take the data from the answer to VECC IR #3(b) and show this as allocated revenue per customer.

Table VECC 4-1: Revenue Requirement per Customer Comparison

Residential Class	Table 7 filed	VECC 3b model
Customers	219,943	219,943
Revenue requirement	\$ 3,836,220	\$ 3,689,997
Revenue requirement /customer	\$ 17.44	\$ 16.78

GS<50 kW Class	Table 7 filed	VECC 3b model
Customers	23,818	23,818
Revenue requirement	\$ 295,337	\$ 441,548
Revenue requirement /customer	\$ 12.40	\$ 18.54

The differences are due to the different allocation methodologies as discussed in the response to VECC IR #3 above.

VECC Question #5

References: i) PowerStream. SM Cost Recovery Application Pages 10 and 23,
ii) Appendix 3-Page 2

Preamble: In 2010 PowerStream plans to install another 100,500 smart meters, at a total cost of approximately \$26.8 million, for both the South and North rate zones. This includes most of the more complex and costly general service/commercial smart meter replacements. These will be addressed in a future rate application.

- a) Provide a cash flow projection for PowerStream (South and North) showing SM rate adder revenue and SM expenditures by Class per Month for the 2008, 2009 Actuals and forecast 2010 (and if applicable 2011) rate years,
- b) Reconcile the 2008 and 2009 cash flows with the Actual Cost Recovery rate riders for each class for 2008 and 2009 costs
- c) Compare the forecast surplus/deficit for each class in 2010 (and if appropriate 2011) to the proposed aggregate (residential and GS<50 kW) \$0.50 /metered customer per month

Response

- a) As discussed in the response to VECC IR #1(c), PowerStream's system does not provide SM expenditure by Class per Month for the 2008 and 2009 actual costs. The SM Funding adder collected is recorded by rate class. See the response to Board Staff IR# 9(a). For 2010 see the response to part c of this question below.
- b) The Board-developed Actual Smart Meter Cost Recovery Model effectively deals with the cash flow aspects by calculating interest monthly on the net of the SM funding adder collected and the revenue requirement on SM expenditures. In the response to VECC IR #4(a) above, this is set out by class and compared to the proposed rate riders as filed.
- c) PowerStream has prepared Smart Meter Rate Calculation models to calculate a SM funding adder for 2010, for each of the Residential and GS<50 kW rate classes. See Appendix 3 for the Smart Meter Rate Calculation Model – Residential Class and Appendix 4 for the Smart Meter Rate Calculation Model – GS<50 kW Class.

The results of these models are summarized in Table 5-1 below, under the column "VECC 5c Models, and compared with the Updated 2010 Smart Meter Funding Adder as filed.

Table VECC 5-1: Smart Meter Funding Adder by Rate Class

Rate Class	As filed	VECC 5c Models
Residential	\$ 0.50	\$ 0.15
GS<50 kW	\$ 0.50	\$ 3.83
GS>50 kW	\$ 0.50	\$ -
Large Use	\$ 0.50	\$ -

VECC Question #6

Reference: PowerStream. SM Cost Recovery Application Page 23,

- a) Based on the responses to questions regarding calculation of costs, revenue requirements and rate riders by rate class, provide a version of Table 8 that shows the changes resulting from these responses, and
- b) Compare these amounts to the original Table 8 as filed
- c) Update as necessary the Bill Impacts in Appendix 5

Response

- a) For purposes of responding to this question, PowerStream has prepared the following table showing the results of the calculations by rate class in the same format as Table 8 of the Application. PowerStream has also prepared the tables of rate riders and bill impacts set out in response to parts (b) and (c) below. PowerStream notes that the calculation of the SM Funding Adder and the SM Actual Cost Recovery rate rider on a rate class basis is a departure from the Board’s treatment of smart meter costs in PowerStream’s 2009 EDR proceeding and the past practice of allocating the SM funding adder across all metered customers.

Table VECC 6-1: Rate Riders Calculated by Rate Class Summary

Rate Riders Calculated per VECC IRs	Before	After	Change
SM Funding Adder -Residential	\$ 1.81	\$ 0.15	\$ (1.66)
SM Funding Adder - GS < 50 kW	\$ 1.81	\$ 3.83	\$ 2.02
SM Funding Adder - GS > 50 kW	\$ 1.81	\$ -	\$ (1.81)
SM Funding Adder - Large Use	\$ 1.81	\$ -	\$ (1.81)
SM Actual Cost Recovery-Residential		\$ 1.35	\$ 1.35
SM Actual Cost Recovery- GS<50 kW		\$ (0.73)	\$ (0.73)
SM Actual Cost Recovery- GS>50 kW		\$ -	\$ -
SM Actual Cost Recovery- Large Use	\$ -	\$ -	\$ -
Smart Meter Disposition - Residential	\$ -	\$ 1.40	\$ 1.40
Smart Meter Disposition - GS<50kW	\$ -	\$ 1.54	\$ 1.54
Total Change			
Total Change - Residential	\$ 1.81	\$ 2.90	\$ 1.09
Total Change - GS<50kW	\$ 1.81	\$ 4.64	\$ 2.83
Total Change - Other metered customers	\$ 1.81	\$ -	\$ (1.81)

b) The table below compares the proposed smart meter rate riders in the Application to those in Table VECC 6-1 above.

Table VECC 6-2: Comparison Smart Meter Rate Riders

Monthly SM Rate Riders	As filed	VECC 6a	Difference
SM Funding Adder -Residential	\$ 0.50	\$ 0.15	\$ (0.35)
SM Funding Adder - GS < 50 kW	\$ 0.50	\$ 3.83	\$ 3.33
SM Funding Adder - GS > 50 kW	\$ 0.50	\$ -	\$ (0.50)
SM Funding Adder - Large Use	\$ 0.50	\$ -	\$ (0.50)
SM Actual Cost Recovery-Residential	\$ 0.37	\$ 1.35	\$ 0.98
SM Actual Cost Recovery- GS<50 kW	\$ 0.37	\$ (0.73)	\$ (1.10)
SM Actual Cost Recovery- GS>50 kW	\$ 0.37	\$ -	\$ (0.37)
SM Actual Cost Recovery- Large Use	\$ 0.37	\$ -	\$ (0.37)
Smart Meter Disposition - Residential	\$ 1.45	\$ 1.40	\$ (0.05)
Smart Meter Disposition - GS<50kW	\$ 1.03	\$ 1.54	\$ 0.51
Total of Monthly SM Rate Riders			
Residential	\$ 2.32	\$ 2.90	\$ 0.58
GS<50 kW	\$ 1.90	\$ 4.64	\$ 2.74
Other metered customers	\$ 0.87	\$ -	\$ (0.87)
Total Change from Current SM Rate Riders			
Total Change - Residential	\$ 0.51	\$ 1.09	\$ 0.58
Total Change - GS<50kW	\$ 0.09	\$ 2.83	\$ 2.74
Total Change - Other metered customers	\$ (0.94)	\$ (1.81)	\$ (0.87)

Table VECC 6-2 illustrates that the calculation of these rate riders on a rate class basis results in an increase in the total smart meter rate riders for both the Residential and GS<50 kW classes with a decrease for GS>50 kW and Large Use classes. The decrease for the GS>50 kW and Large Use class would be even greater if SM Actual Cost Recovery rate riders are calculated for these classes as discussed in the response to VECC IR#3(a).

Under the VECC IR#6 scenario, total monthly SM rate riders for the Residential class are higher by \$0.58 compared to the riders proposed in the Application. This difference consists of a decrease of \$0.35 in the SM Funding Adder, an increase of \$0.98 in the SM Actual Cost Recovery rate rider and a decrease of \$0.05 in the Smart Meter Disposition rate rider.

- c) The following table compares the bill impacts as per the Application with the bill impacts using the rate riders from Table VECC 6-2, column "VECC 6a" resulting from the calculation by rate class of each rate rider.

Table VECC 6-3: Bill Impact Comparison

Monthly Bill Impacts	As filed	VECC 6-2
Residential \$ increase (decrease)	\$ 0.58	\$ 1.23
Residential % increase (decrease)	0.50%	1.15%
GS<50kW \$ increase (decrease)	\$ 0.10	\$ 3.20
GS<50 kW % increase (decrease)	0.04%	1.18%

VECC Question # 7

Reference: KMI-Sensus Supply Contract and Pricing Schedule

- a) Confirm that Powerstream Contracted with KMI-Sensus under Option 2. If not please elaborate/explain
- b) Provide a schedule that translates the costs shown in the pricing schedule to the numbers of residential and commercial meters and the AMCD capital costs filed in the current application for 2008 and 2009.
- c) Provide a Schedule that translates the pricing shown in the pricing schedule to the AMI and other costs filed for 2008 and 2009
- d) Provide the changes to pricing for 2010 (north and south) for KMI-Sensus Meter supply and services

Response

The response to this question is being filed in confidence.

VECC IRs #7, #8 and #9 relate to the contractual relationships between PowerStream and Sensus, Honeywell and Olameter, respectively, and to the pricing of their products and services for PowerStream.

Sensus, Honeywell and Olameter are corporations which are engaged in competitive businesses. The disclosure of the pricing information requested in these questions could reasonably be expected to prejudice the economic interests of, significantly prejudice the competitive positions of, cause undue financial loss to, and be injurious to the financial interests of Sensus, Honeywell and Olameter, respectively, since it would enable their competitors to ascertain the scope and pricing of services provided by these companies. In response to inquiries from PowerStream, all of these companies have requested that this information be kept confidential.

The Board's Practice Direction on Confidential Filings (the "Practice Direction") recognizes that these are among the factors that the Board will take into consideration when addressing the confidentiality of filings. They are also addressed in section 17(1) of the *Freedom of Information and Protection of Privacy Act* ("FIPPA"), and the Practice Direction notes (at Appendix C of the Practice Direction) that third party information as described in subsection 17(1) of FIPPA is among the types of information previously assessed or maintained by the Board as confidential. This approach is also consistent with the Board's treatment of commercially sensitive smart meter-related documents in the Combined Smart Meter Proceeding, and with the approach approved by the Board

in respect of certain agreements between PowerStream and each of these companies in the current proceeding.

Accordingly, PowerStream requests that these responses be kept confidential. PowerStream is prepared to provide copies of the responses to parties' counsel and experts or consultants provided that they have executed the Board's form of Declaration and Undertaking with respect to confidentiality and that they comply with the Practice Direction, subject to PowerStream's right to object to the Board's acceptance of a Declaration and Undertaking from any person. Because it is in receipt of executed Declarations and Undertakings from counsel and the consultant to VECC [PowerStream will be providing copies of the confidential responses to those individuals by courier. In keeping with the requirements of the Practice Direction, PowerStream is filing confidential unredacted versions of the responses under separate cover, in a sealed envelope marked "Confidential".

VECC Question # 8

Reference: Honeywell contract and pricing schedule

- a) Confirm that Honeywell was contracted to install 36,000 meters from January 2008 to June 30, 2008. If not clarify for how many meters and over what period
- b) Specify how many residential meters and commercial meters were actually installed by Honeywell in Powerstream South and for which costs recovery is now sought.
- c) Provide a schedule that translates the costs shown in the pricing schedule to the numbers of residential and commercial meters and the capital costs filed in the current application for 2008 and 2009.

Response

The response to this question is being filed in confidence for the reasons set out in response to VECC IR #7.

VECC Question # 9

Reference: Olameter Contract and Pricing Schedule

- a) Confirm that Olameter has been contracted to install meters Starting in July 2008. Clarify for how many residential and commercial meters and over what period
- b) Specify how many residential meters and commercial meters were actually installed by Olameter in Powerstream South in 2008 and 2009 and for which cost recovery is sought.
- c) Provide a schedule that translates the costs shown in the Olameter pricing schedule to the numbers of residential and commercial meters and the capital and operating costs filed in the current application for 2008 and 2009.
- d) Is Olameter contracted for 2010 (North and South and if so what differences are there in pricing of the Olameter services?

Response

The response to this question is being filed in confidence for the reasons set out in response to VECC IR #7.

PowerStream Inc.
Actual Smart Meter Cost Recovery Model - Residential Class

Rate Rider to Recover Actual Smart Meter Costs to December 31, 2009

Revenue Requirement 2008	\$1,648,353
Revenue Requirement 2009	\$2,846,094
Revenue Requirement 2010 (to Oct 31/10)	\$3,074,998
Revenue Requirement Total	\$7,569,445
Smart Meter Rate Adder	(\$5,756,543)
Carrying Cost	(\$24,968)
Smart Meter True-up	\$1,787,934

Residential Customers 219,943

Rate Rider to Recover Smart Meter Costs \$ 1.35

Recovery period November 1, 2010 to April 30, 2011

2010 Addition to Rate Base (Smart Meters installed in 2008 and 2009)

Fixed Assets

Smart Meters	\$16,481,836
Computer Software	\$580,570
	<u>\$17,062,406</u>

Accumulated Depreciation

Smart Meters	(\$959,795)
Computer Software	(\$203,262)
	<u>(\$1,163,058)</u>

Addition to Net Fixed Assets \$15,899,348

2009 Amortization Expense

Smart Meters	\$754,595
Computer Software	\$150,012
	<u>\$904,607</u>

2010 Amortization Expense

Smart Meters	\$1,098,789
Computer Software	\$193,523
	<u>\$1,292,312</u>

PowerStream Inc.
Actual Smart Meter Cost Recovery Model - Residential Class

Incremental Revenue Requirement Calculation

		2008		2009		2010	Notes
Net Fixed Assets		\$ 3,108,532		\$ 11,058,206		\$ 15,253,192	1
OM&A	\$1,116,199		\$1,082,767		\$1,029,730		
Working Capital Allowance	15%	\$ 167,430	15%	\$ 162,415	15%	\$ 154,460	
Rate Base		\$ 3,275,962		\$ 11,220,621		\$ 15,407,652	
Deemed ST Debt	0%	\$ -	4%	\$ 448,825	4%	\$ 616,306	
Deemed LT Debt	60%	\$ 1,965,577	56%	\$ 6,283,548	56%	\$ 8,628,285	
Deemed Equity	40%	\$ 1,310,385	40%	\$ 4,488,249	40%	\$ 6,163,061	
ST Interest	0.00%	\$ -	1.33%	\$ 5,969	2.07%	\$ 12,758	
LT Interest	6.16%	\$ 121,080	5.89%	\$ 370,101	5.89%	\$ 508,206	
ROE	9.00%	\$ 117,935	8.01%	\$ 359,509	9.85%	\$ 607,061	
		\$ 239,014		\$ 735,579		\$ 1,128,025	
OM&A		\$ 1,116,199		\$ 1,082,767		\$ 1,029,730	2
Amortization		\$ 258,451		\$ 904,607		\$ 1,292,312	
Grossed-up PILs		\$ 34,689		\$ 123,141		\$ 239,930	
Revenue Requirement		\$ 1,648,353		\$ 2,846,094		\$ 3,689,997	

NOTES

1. Average assets for 2010 excludes 2010 additions as only considering meters installed up to Dec 31/09.
2. OM&A costs for meters installed in 2008 and 2009 total \$2,198,966 as per response to VECC IR 2g only
Estimated costs for 2010 allocated on the basis of the number of meters for each class.
3. Actual costs up to Dec 31/07 were cleared in 2009 EDR and added to rate base (EB-2008-0244) and are excluded.

PowerStream Inc.
Actual Smart Meter Cost Recovery Model - Residential Class

PILs Calculation

	2008 Actual	2009 Actual	2010 Forecasted
INCOME TAX			
Net Income	\$ 117,935	\$ 359,509	\$ 607,061
Amortization	\$ 258,451	\$ 904,607	\$ 1,292,312
CCA	-\$ 334,104	-\$ 1,085,010	-\$ 1,389,414
Change in taxable income	\$ 42,282	\$ 179,106	\$ 509,960
Tax Rate	33.50%	33.00%	31.00%
Income Taxes Payable	\$ 14,164	\$ 59,105	\$ 158,088

ONTARIO CAPITAL TAX

Closing Net Fixed Assets	\$ 5,950,813	\$ 15,522,041	\$ 14,423,252
Less: Exemption	\$ -	\$ -	\$ -
Deemed Taxable Capital	\$ 5,950,813	\$ 15,522,041	\$ 14,423,252
Ontario Capital Tax Rate	0.225%	0.225%	0.075%
Net Amount (Taxable Capital x Rate)	\$ 13,389	\$ 34,925	\$ 10,817

Gross Up

	PILs Payable	PILs Payable	PILs Payable
Change in Income Taxes Payable	\$ 14,164	\$ 59,105	\$ 158,088
Change in OCT	\$ 13,389	\$ 34,925	\$ 10,817
PIL's	\$ 27,554	\$ 94,030	\$ 168,905

Gross Up	Gross Up	Gross Up
33.50%	33.00%	31.00%

	Grossed Up PILs	Grossed Up PILs	Grossed Up PILs
Change in Income Taxes Payable	\$ 21,300	\$ 88,216	\$ 229,112
Change in OCT	\$ 13,389	\$ 34,925	\$ 10,817
PIL's	\$ 34,689	\$ 123,141	\$ 239,930

PowerStream Inc.
Actual Smart Meter Cost Recovery Model - Residential Class

Filed: August 31, 2010
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 PowerStream Inc
 2010 Smart Meter Cost Recovery VECC IRRs
 Appendix 1
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Average Net Fixed Assets

	2008 Actual	2009 Actual	2010 Forecasted
Net Fixed Assets - meters			
Opening Capital Investment	\$ -	\$ 6,156,013	\$ 16,481,836
Capital Investment	\$ 6,156,013	\$ 10,325,823	
Closing Capital Investment	\$ 6,156,013	\$ 16,481,836	\$ 16,481,836
Opening Accumulated Amortization	\$ -	\$ 205,200	\$ 959,795
Amortization Year One	15 years \$ 205,200	\$ 344,194	\$ -
Amortization Thereafter	\$ -	\$ 410,401	\$ 1,098,789
Closing Accumulated Amortization	\$ 205,200	\$ 959,795	\$ 2,058,584
Opening Net Fixed Assets	\$ -	\$ 5,950,813	\$ 15,522,041
Closing Net Fixed Assets	\$ 5,950,813	\$ 15,522,041	\$ 14,423,252
Average Net Fixed Assets	\$ 2,975,406	\$ 10,736,427	\$ 14,972,646

	2008 Actual	2009 Actual	2010 Forecasted
Net Fixed Assets - software			
Opening Capital Investment	\$ -	\$ 319,502	\$ 580,570
Capital Investment	\$ 319,502	\$ 261,068	
Closing Capital Investment	\$ 319,502	\$ 580,570	\$ 580,570
Opening Accumulated Amortization	\$ -	\$ 53,250	\$ 203,262
Amortization Year One	3 years \$ 53,250	\$ 43,511	\$ -
Amortization Thereafter	\$ -	\$ 106,501	\$ 193,523
Closing Accumulated Amortization	\$ 53,250	\$ 203,262	\$ 396,786
Opening Net Fixed Assets	\$ -	\$ 266,252	\$ 377,308
Closing Net Fixed Assets	\$ 266,252	\$ 377,308	\$ 183,784
Average Net Fixed Assets	\$ 133,126	\$ 321,780	\$ 280,546

Totals

Average Net Fixed Assets	\$ 3,108,532	\$ 11,058,206	\$ 15,253,192
Amorization Expense	\$ 258,451	\$ 904,607	\$ 1,292,312
Capital Investment	\$ 6,475,515	\$ 10,586,891	\$ -

PowerStream Inc.
Actual Smart Meter Cost Recovery Model - Residential Class
For PILs Calculation

UCC

	2008 Forecasted	2009 Forecasted	2010 Forecasted
Opening UCC	\$ -	\$ 5,909,772	\$ 15,349,781
Capital Additions	\$ 6,156,013	\$ 10,325,823	\$ -
UCC Before Half Year Rule	\$ 6,156,013	\$ 16,235,595	\$ 15,349,781
Half Year Rule (1/2 Additions - Disposals)	\$ 3,078,007	\$ 5,162,912	\$ -
Reduced UCC	\$ 3,078,007	\$ 11,072,684	\$ 15,349,781
CCA Rate Class	47		
CCA Rate	8%		
CCA	\$ 246,241	\$ 885,815	\$ 1,227,982
Closing UCC	\$ 5,909,772	\$ 15,349,781	\$ 14,121,798

UCC

	2008 Forecasted	2009 Forecasted	2010 Forecasted
Opening UCC	\$ -	\$ 231,639	\$ 293,512
Capital Additions	\$ 319,502	\$ 261,068	\$ -
UCC Before Half Year Rule	\$ 319,502	\$ 492,707	\$ 293,512
Half Year Rule (1/2 Additions - Disposals)	\$ 159,751	\$ 130,534	\$ -
Reduced UCC	\$ 159,751	\$ 362,173	\$ 293,512
CCA Rate Class	50		
CCA Rate	55%		
CCA	\$ 87,863	\$ 199,195	\$ 161,432
Closing UCC	\$ 231,639	\$ 293,512	\$ 132,080
Total CCA	\$ 334,104	\$ 1,085,010	\$ 1,389,414

PowerStream Inc.

Actual Smart Meter Cost Recovery Model - Residential Class

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

Month	Opening Balance	SM Adder	Revenue Requirement	Closing Balance (excluding Stranded)
Jan-08	0	(248,094)	137,363	(110,731)
Feb-08	(110,731)	(104,731)	137,363	(78,099)
Mar-08	(78,099)	(152,619)	137,363	(93,356)
Apr-08	(93,356)	(154,623)	137,363	(110,616)
May-08	(110,616)	(244,333)	137,363	(217,586)
Jun-08	(217,586)	(242,871)	137,363	(323,094)
Jul-08	(323,094)	(258,523)	137,363	(444,255)
Aug-08	(444,255)	(255,783)	137,363	(562,675)
Sep-08	(562,675)	(251,416)	137,363	(676,728)
Oct-08	(676,728)	(271,001)	137,363	(810,366)
Nov-08	(810,366)	(252,466)	137,363	(925,470)
Dec-08	(925,470)	(264,339)	137,363	(1,052,446)
Jan-09	(1,052,446)	(266,973)	237,174	(1,082,244)
Feb-09	(1,082,244)	(241,643)	237,174	(1,086,713)
Mar-09	(1,086,713)	(269,672)	237,174	(1,119,210)
Apr-09	(1,119,210)	(249,917)	237,174	(1,131,953)
May-09	(1,131,953)	(266,216)	237,174	(1,160,994)
Jun-09	(1,160,994)	(308,367)	237,174	(1,232,187)
Jul-09	(1,232,187)	(267,198)	237,174	(1,262,210)
Aug-09	(1,262,210)	(267,887)	237,174	(1,292,923)
Sep-09	(1,292,923)	(225,039)	237,174	(1,280,787)
Oct-09	(1,280,787)	(232,526)	237,174	(1,276,139)
Nov-09	(1,276,139)	(225,757)	237,174	(1,264,721)
Dec-09	(1,264,721)	(234,549)	237,174	(1,262,096)
Jan-10	(1,262,096)		307,500	(954,596)
Feb-10	(954,596)		307,500	(647,096)
Mar-10	(647,096)		307,500	(339,597)
Apr-10	(339,597)		307,500	(32,097)
May-10	(32,097)		307,500	275,403
Jun-10	275,403		307,500	582,903
Jul-10	582,903		307,500	890,402
Aug-10	890,402		307,500	1,197,902
Sep-10	1,197,902		307,500	1,505,402
Oct-10	1,505,402		307,500	1,812,902
Total		(5,756,543)	7,569,445	1,812,902

2008	(2,700,799)	1,648,353
2009	(3,055,744)	2,846,094
2010	0	3,074,998
	<u>(5,756,543)</u>	<u>7,569,445</u>

PowerStream Inc.

Actual Smart Meter Cost Recovery Model - Residential Class

Table Staff 16-2: Account 1555 – Interest

Month	Opening Balance (excluding Stranded)	Days	Rate	Interest	To Date
Jan-08	0	31	5.14%	0	0
Feb-08	(110,731)	28	5.14%	(437)	(437)
Mar-08	(78,099)	31	5.14%	(341)	(778)
Apr-08	(93,356)	30	4.08%	(313)	(1,091)
May-08	(110,616)	31	4.08%	(383)	(1,474)
Jun-08	(217,586)	30	4.08%	(730)	(2,204)
Jul-08	(323,094)	31	3.35%	(919)	(3,123)
Aug-08	(444,255)	31	3.35%	(1,264)	(4,387)
Sep-08	(562,675)	30	3.35%	(1,549)	(5,936)
Oct-08	(676,728)	31	3.35%	(1,925)	(7,862)
Nov-08	(810,366)	30	3.35%	(2,231)	(10,093)
Dec-08	(925,470)	31	3.35%	(2,633)	(12,726)
Jan-09	(1,052,446)	31	2.4500%	(2,190)	(14,916)
Feb-09	(1,082,244)	28	2.4500%	(2,034)	(16,950)
Mar-09	(1,086,713)	31	2.4500%	(2,261)	(19,211)
Apr-09	(1,119,210)	30	1.0000%	(920)	(20,131)
May-09	(1,131,953)	31	1.0000%	(961)	(21,093)
Jun-09	(1,160,994)	30	1.0000%	(954)	(22,047)
Jul-09	(1,232,187)	31	0.5500%	(576)	(22,622)
Aug-09	(1,262,210)	31	0.5500%	(590)	(23,212)
Sep-09	(1,292,923)	30	0.5500%	(584)	(23,796)
Oct-09	(1,280,787)	31	0.5500%	(598)	(24,395)
Nov-09	(1,276,139)	30	0.5500%	(577)	(24,972)
Dec-09	(1,264,721)	31	0.5500%	(591)	(25,562)
Jan-10	(1,262,096)	31	0.5500%	(590)	(26,152)
Feb-10	(954,596)	28	0.5500%	(403)	(26,555)
Mar-10	(647,096)	31	0.5500%	(302)	(26,857)
Apr-10	(339,597)	30	0.5500%	(154)	(27,010)
May-10	(32,097)	31	0.5500%	(15)	(27,025)
Jun-10	275,403	30	0.5500%	124	(26,901)
Jul-10	582,903	31	0.5500%	272	(26,629)
Aug-10	890,402	31	0.5500%	416	(26,213)
Sep-10	1,197,902	30	0.5500%	542	(25,671)
Oct-10	1,505,402	31	0.5500%	703	(24,968)

PowerStream Inc.
Actual Smart Meter Cost Recovery Model - GS < 50 kW Class

Rate Rider to Recover Actual Smart Meter Costs to December 31, 2009

Revenue Requirement 2008	\$1,927
Revenue Requirement 2009	\$158,211
Revenue Requirement 2010 (to Oct 31/10)	\$367,957
Revenue Requirement Total	\$528,095
Smart Meter Rate Adder	(\$622,547)
Carrying Cost	(\$9,445)
Smart Meter True-up	(\$103,897)

Residential Customers 23,818

Rate Rider to Recover Smart Meter Costs (0.73)

Recovery period November 1, 2010 to April 30, 2011

2010 Addition to Rate Base (Smart Meters installed in 2008 and 2009)

Fixed Assets

Smart Meters	\$1,802,692
Computer Software	\$11,259
	<u>\$1,813,951</u>

Accumulated Depreciation

Smart Meters	(\$60,090)
Computer Software	(\$3,942)
	<u>(\$64,032)</u>

Addition to Net Fixed Assets \$1,749,919

2009 Amortization Expense

Smart Meters	\$60,090
Computer Software	\$2,909
	<u>\$62,999</u>

2010 Amortization Expense

Smart Meters	\$120,179
Computer Software	\$3,753
	<u>\$123,932</u>

PowerStream Inc.**Actual Smart Meter Cost Recovery Model - GS < 50 kW Class****Incremental Revenue Requirement Calculation**

		2008		2009		2010	Notes
Net Fixed Assets		\$ 2,582		\$ 877,541		\$ 1,687,953	1
OM&A	\$ 984		\$ 25,987		\$ 168,570		
Working Capital Allowance	15%	\$ 148	15%	\$ 3,898	15%	\$ 25,286	
Rate Base		\$ 2,729		\$ 881,439		\$ 1,713,239	
Deemed ST Debt	0%	\$ -	4%	\$ 35,258	4%	\$ 68,530	
Deemed LT Debt	60%	\$ 1,638	56%	\$ 493,606	56%	\$ 959,414	
Deemed Equity	40%	\$ 1,092	40%	\$ 352,576	40%	\$ 685,295	
ST Interest	0.00%	\$ -	1.33%	\$ 469	2.07%	\$ 1,419	
LT Interest	6.16%	\$ 101	5.89%	\$ 29,073	5.89%	\$ 56,509	
ROE	9.00%	\$ 98	8.01%	\$ 28,241	9.85%	\$ 67,502	
		\$ 199		\$ 57,784		\$ 125,430	
OM&A		\$ 984		\$ 25,987		\$ 168,570	2
Amortization		\$ 1,033		\$ 62,999		\$ 123,932	
Grossed-up PILs		-\$ 289		\$ 11,442		\$ 23,616	
Revenue Requirement		\$ 1,927		\$ 158,211		\$ 441,548	

NOTES

1. Average assets for 2010 excludes 2010 additions as only considering meters installed up to Dec 31/09.
2. OM&A costs for meters installed in 2008 and 2009 only, costs for meters installed in 2010 are excluded and continue to be deferred in account 1556.
3. Actual costs up to Dec 31/07 were cleared in 2009 EDR and added to rate base (EB-2008-0244) and are excluded.

PowerStream Inc.
Actual Smart Meter Cost Recovery Model - GS < 50 kW Class

PILs Calculation

	2008 Actual	2009 Actual	2010 Forecasted
INCOME TAX			
Net Income	\$ 98	\$ 28,241	\$ 67,502
Amortization	\$ 1,033	\$ 62,999	\$ 123,932
CCA	-\$ 1,704	-\$ 75,971	-\$ 141,577
Change in taxable income	-\$ 573	\$ 15,270	\$ 49,857
Tax Rate	33.50%	33.00%	31.00%
Income Taxes Payable	-\$ 192	\$ 5,039	\$ 15,456

ONTARIO CAPITAL TAX

Closing Net Fixed Assets	\$ -	\$ 1,742,602	\$ 1,622,423
Less: Exemption	\$ -	\$ -	\$ -
Deemed Taxable Capital	\$ -	\$ 1,742,602	\$ 1,622,423
Ontario Capital Tax Rate	0.225%	0.225%	0.075%
Net Amount (Taxable Capital x Rate)	\$ -	\$ 3,921	\$ 1,217

Gross Up

	PILs Payable	PILs Payable	PILs Payable
Change in Income Taxes Payable	-\$ 192	\$ 5,039	\$ 15,456
Change in OCT	\$ -	\$ 3,921	\$ 1,217
PIL's	-\$ 192	\$ 8,960	\$ 16,672

Gross Up	Gross Up	Gross Up
33.50%	33.00%	31.00%

	Grossed Up PILs	Grossed Up PILs	Grossed Up PILs
Change in Income Taxes Payable	-\$ 289	\$ 7,521	\$ 22,399
Change in OCT	\$ -	\$ 3,921	\$ 1,217
PIL's	-\$ 289	\$ 11,442	\$ 23,616

PowerStream Inc.
Actual Smart Meter Cost Recovery Model - GS < 50 kW Class

Average Net Fixed Assets

Net Fixed Assets - meters

	2008 Actual	2009 Actual	2010 Forecasted
Opening Capital Investment	\$ -	\$ -	\$ 1,802,692
Capital Investment	\$ -	\$ 1,802,692	
Closing Capital Investment	\$ -	\$ 1,802,692	\$ 1,802,692
Opening Accumulated Amortization	\$ -	\$ -	\$ 60,090
Amortization Year One	15 years \$ -	\$ 60,090	\$ -
Amortization Thereafter	\$ -	\$ -	\$ 120,179
Closing Accumulated Amortization	\$ -	\$ 60,090	\$ 180,269
Opening Net Fixed Assets	\$ -	\$ -	\$ 1,742,602
Closing Net Fixed Assets	\$ -	\$ 1,742,602	\$ 1,622,423
Average Net Fixed Assets	\$ -	\$ 871,301	\$ 1,682,513

Net Fixed Assets - software

	2008 Actual	2009 Actual	2010 Forecasted
Opening Capital Investment	\$ -	\$ 6,196	\$ 11,259
Capital Investment	\$ 6,196	\$ 5,063	
Closing Capital Investment	\$ 6,196	\$ 11,259	\$ 11,259
Opening Accumulated Amortization	\$ -	\$ 1,033	\$ 3,942
Amortization Year One	3 years \$ 1,033	\$ 844	\$ -
Amortization Thereafter	\$ -	\$ 2,065	\$ 3,753
Closing Accumulated Amortization	\$ 1,033	\$ 3,942	\$ 7,695
Opening Net Fixed Assets	\$ -	\$ 5,163	\$ 7,317
Closing Net Fixed Assets	\$ 5,163	\$ 7,317	\$ 3,564
Average Net Fixed Assets	\$ 2,582	\$ 6,240	\$ 5,441

Totals

Average Net Fixed Assets	\$ 2,582	\$ 877,541	\$ 1,687,953
Amorization Expense	\$ 1,033	\$ 62,999	\$ 123,932
Capital Investment	\$ 6,196	\$ 1,807,755	\$ -

PowerStream Inc.
Actual Smart Meter Cost Recovery Model - GS < 50 kW Class
For PILs Calculation

UCC

	2008	2009	2010
	Forecasted	Forecasted	Forecasted
Opening UCC	\$ -	\$ -	\$ 1,730,584
Capital Additions	\$ -	\$ 1,802,692	\$ -
UCC Before Half Year Rule	\$ -	\$ 1,802,692	\$ 1,730,584
Half Year Rule (1/2 Additions - Disposals)	\$ -	\$ 901,346	\$ -
Reduced UCC	\$ -	\$ 901,346	\$ 1,730,584
CCA Rate Class	47		
CCA Rate	8%		
CCA	\$ -	\$ 72,108	\$ 138,447
Closing UCC	\$ -	\$ 1,730,584	\$ 1,592,138

UCC

	2008	2009	2010
	Forecasted	Forecasted	Forecasted
Opening UCC	\$ -	\$ 4,492	\$ 5,692
Capital Additions	\$ 6,196	\$ 5,063	\$ -
UCC Before Half Year Rule	\$ 6,196	\$ 9,555	\$ 5,692
Half Year Rule (1/2 Additions - Disposals)	\$ 3,098	\$ 2,532	\$ -
Reduced UCC	\$ 3,098	\$ 7,024	\$ 5,692
CCA Rate Class	50		
CCA Rate	55%		
CCA	\$ 1,704	\$ 3,863	\$ 3,131
Closing UCC	\$ 4,492	\$ 5,692	\$ 2,561
Total CCA	\$ 1,704	\$ 75,971	\$ 141,577

PowerStream Inc.

Actual Smart Meter Cost Recovery Model - GS < 50 kW Class

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

Month	Opening Balance	SM Adder	Revenue Requirement	Closing Balance (excluding Stranded)
Jan-08	0	(21,486)	161	(21,325)
Feb-08	(21,325)	(14,438)	161	(35,603)
Mar-08	(35,603)	(16,864)	161	(52,306)
Apr-08	(52,306)	(17,014)	161	(69,160)
May-08	(69,160)	(26,123)	161	(95,122)
Jun-08	(95,122)	(27,136)	161	(122,097)
Jul-08	(122,097)	(28,262)	161	(150,199)
Aug-08	(150,199)	(27,916)	161	(177,954)
Sep-08	(177,954)	(26,669)	161	(204,463)
Oct-08	(204,463)	(30,333)	161	(234,635)
Nov-08	(234,635)	(27,530)	161	(262,004)
Dec-08	(262,004)	(28,667)	161	(290,511)
Jan-09	(290,511)	(29,046)	13,184	(306,373)
Feb-09	(306,373)	(26,136)	13,184	(319,324)
Mar-09	(319,324)	(28,350)	13,184	(334,490)
Apr-09	(334,490)	(27,753)	13,184	(349,059)
May-09	(349,059)	(28,897)	13,184	(364,772)
Jun-09	(364,772)	(32,584)	13,184	(384,171)
Jul-09	(384,171)	(28,972)	13,184	(399,959)
Aug-09	(399,959)	(29,169)	13,184	(415,944)
Sep-09	(415,944)	(24,398)	13,184	(427,157)
Oct-09	(427,157)	(24,977)	13,184	(438,950)
Nov-09	(438,950)	(24,636)	13,184	(450,402)
Dec-09	(450,402)	(25,191)	13,184	(462,409)
Jan-10	(462,409)		36,796	(425,613)
Feb-10	(425,613)		36,796	(388,817)
Mar-10	(388,817)		36,796	(352,022)
Apr-10	(352,022)		36,796	(315,226)
May-10	(315,226)		36,796	(278,430)
Jun-10	(278,430)		36,796	(241,634)
Jul-10	(241,634)		36,796	(204,839)
Aug-10	(204,839)		36,796	(168,043)
Sep-10	(168,043)		36,796	(131,247)
Oct-10	(131,247)		36,796	(94,452)
Total		(622,547)	528,095	(94,452)

2008	(292,438)	1,927
2009	(330,109)	158,211
2010	0	367,957
	<u>(622,547)</u>	<u>528,095</u>

PowerStream Inc.
Actual Smart Meter Cost Recovery Model - GS < 50 kW Class

Table Staff 16-2: Account 1555 – Interest

Month	Opening Balance (excluding Stranded)	Days	Rate	Interest	To Date
Jan-08	0	31	5.14%	0	0
Feb-08	(21,325)	28	5.14%	(84)	(84)
Mar-08	(35,603)	31	5.14%	(155)	(240)
Apr-08	(52,306)	30	4.08%	(175)	(415)
May-08	(69,160)	31	4.08%	(240)	(655)
Jun-08	(95,122)	30	4.08%	(319)	(974)
Jul-08	(122,097)	31	3.35%	(347)	(1,321)
Aug-08	(150,199)	31	3.35%	(427)	(1,748)
Sep-08	(177,954)	30	3.35%	(490)	(2,238)
Oct-08	(204,463)	31	3.35%	(582)	(2,820)
Nov-08	(234,635)	30	3.35%	(646)	(3,466)
Dec-08	(262,004)	31	3.35%	(745)	(4,212)
Jan-09	(290,511)	31	2.4500%	(605)	(4,816)
Feb-09	(306,373)	28	2.4500%	(576)	(5,392)
Mar-09	(319,324)	31	2.4500%	(664)	(6,056)
Apr-09	(334,490)	30	1.0000%	(275)	(6,331)
May-09	(349,059)	31	1.0000%	(296)	(6,628)
Jun-09	(364,772)	30	1.0000%	(300)	(6,927)
Jul-09	(384,171)	31	0.5500%	(179)	(7,107)
Aug-09	(399,959)	31	0.5500%	(187)	(7,294)
Sep-09	(415,944)	30	0.5500%	(188)	(7,482)
Oct-09	(427,157)	31	0.5500%	(200)	(7,681)
Nov-09	(438,950)	30	0.5500%	(198)	(7,880)
Dec-09	(450,402)	31	0.5500%	(210)	(8,090)
Jan-10	(462,409)	31	0.5500%	(216)	(8,306)
Feb-10	(425,613)	28	0.5500%	(180)	(8,486)
Mar-10	(388,817)	31	0.5500%	(182)	(8,667)
Apr-10	(352,022)	30	0.5500%	(159)	(8,826)
May-10	(315,226)	31	0.5500%	(147)	(8,974)
Jun-10	(278,430)	30	0.5500%	(126)	(9,100)
Jul-10	(241,634)	31	0.5500%	(113)	(9,212)
Aug-10	(204,839)	31	0.5500%	(96)	(9,308)
Sep-10	(168,043)	30	0.5500%	(76)	(9,384)
Oct-10	(131,247)	31	0.5500%	(61)	(9,445)

SMART METER RATE CALCULATION MODEL - RESIDENTIAL CLASS

Sheet 1 Utility Information Sheet

Legend:	Input Cell	Pull-Down Menu Option	Output Cell
	From Another Sheet		To Another Sheet

Please note that this model uses MACROS. Before starting, please ensure that macros have been enabled.

Name of LDC: PowerStream Inc.

Licence Number: ED-2004-0420

Smart Meter Grouping: Listed

EB-2010-0209

EDR 2009 EB Number: EB-2008-0244

Date of Submission: June 11, 2010

Revision:

Version: 1.0

Contact Information

Name: Tom Barrett

Title: Manager, Rates

Phone Number: 905.532.4640

E-Mail Address: tom.barrett.powerstream.ca

PowerStream Inc.

EB-2010-0209

Friday, June 11, 2010

Sheet 2. Smart Meter Capital Cost and Operational Expense Data

Smart Meter Unit Installation Plan:

	2008 Actual	2009 Fcst	2010 Fcst	Total
<i>assume calendar year installation</i> Planned number of Residential smart meters to be installed - includes new services			9,500	9,500
Planned number of General Service Less Than 50 kW smart meters - includes new services				
Planned number of General Service Greater Than 50 kW smart meters - includes new services				-
Planned Meter Installation	-	-	9,500	9,500
Accumulative Planned Meter Installations Completed before January 1, 2011	-	-	9,500	

Capital Costs

1.1 ADVANCED METERING COMMUNICATION DEVICE (AMCD)

1.1.1 Smart Meter

may include new meters and modules, etc.

1.1.2 Installation Cost

may include socket kits plus shipping, labour, benefits, vehicle, etc.

1.1.3a Workforce Automation Hardware

may include fieldworker handhelds, barcode hardware, etc.

1.1.3b Workforce Automation Software

may include fieldworker handhelds, barcode hardware, etc.

Total Advanced Metering Communication Device (AMCD)

Asset Type	2008 Actual	2009 Fcst	2010 Fcst	Total
Smart Meter			\$ 1,033,244	\$ 1,033,244
Smart Meter			\$ 162,407	\$ 162,407
Comp. Hard.				\$ -
Comp. Soft.				\$ -
Total	\$ -	\$ -	\$ 1,195,651	\$ 1,195,651

1.2 ADVANCED METERING REGIONAL COLLECTOR (AMRC) (includes LAN)

1.2.1 Collectors

1.2.2 Repeaters

may include radio licence, etc.

1.2.3 Installation

may include meter seals and rings, collector computer hardware, etc.

Total Advanced Metering Regional Collector (AMRC) (includes LAN)

Asset Type	2008 Actual	2009 Fcst	2010 Fcst	Total
Smart Meter			\$ 47,438	\$ 47,438
Smart Meter	2008 Forecast	2009	2010	Total
Smart Meter	2008 Forecast	2009	2010	Total
Total	\$ -	\$ -	\$ 47,438	\$ 47,438

1.3 ADVANCED METERING CONTROL COMPUTER (AMCC)

1.3.1 Computer Hardware

1.3.2 Computer Software

1.3.3 Computer Software Licence & Installation (includes hardware & software)

may include AS/400 disc space, backup & recovery computer, UPS, etc

Total Advanced Metering Control Computer (AMCC)

Asset Type	2008 Actual	2009 Fcst	2010 Fcst	Total
Comp. Hard.				\$ -
Comp. Soft.				\$ -
Comp. Soft.				\$ -
Total	\$ -	\$ -	\$ -	\$ -

PowerStream Inc.

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Sheet 2. Smart Meter Capital Cost and Operational Expense Data

1.4 WIDE AREA NETWORK (WAN)

1.4.1 Activation Fees

Comp. Soft.

2008 Actual	2009 Fcst	2010 Fcst	Total
			\$ -
\$ -	\$ -	\$ -	\$ -

Total Wide Area Network (WAN)

1.5 OTHER AMI CAPITAL COSTS RELATED TO MINIMUM FUNCTIONALITY

1.5.1 Customer equipment (including repair of damaged equipment)

Comp. Hard.

2008 Actual	2009 Fcst	2010 Fcst	Total
			\$ -

1.5.2 AMI Interface to CIS

Comp. Soft.

2008 Actual	2009 Fcst	2010 Fcst	Total
		\$ 73,508	\$ 73,508

1.5.3 Professional Fees

Comp. Hard.

2008 Actual	2009 Fcst	2010 Fcst	Total
			\$ -

1.5.4 Integration

Comp. Hard.

2008 Actual	2009 Fcst	2010 Fcst	Total
			\$ -

1.5.5 Program Management

Comp. Hard.

2008 Actual	2009 Fcst	2010 Fcst	Total
			\$ -

1.5.6 Other AMI Capital

Comp. Hard.

2008 Actual	2009 Fcst	2010 Fcst	Total
			\$ -

Total Other AMI Capital Costs Related To Minimum Functionality

\$ -	\$ -	\$ 73,508	\$ 73,508
------	------	-----------	-----------

Total Capital Costs

\$ -	\$ -	\$ 1,316,597	\$ 1,316,597
------	------	--------------	--------------

O M & A

2.1 ADVANCED METERING COMMUNICATION DEVICE (AMCD)

2.1.1 Maintenance

may include meter reverification costs, etc.

Total Incremental AMI Operation Expenses

Comp. Soft.

2008 Actual	2009 Fcst	2010 Fcst	Total
		\$ 1,374	\$ 1,374
\$ -	\$ -	\$ 1,374	\$ 1,374

2.2 ADVANCED METERING REGIONAL COLLECTOR (AMRC) (includes LAN)

2.2.1 Maintenance

Comp. Hard.

2008 Actual	2009 Fcst	2010 Fcst	Total
		\$ 26,715	\$ 26,715
\$ -	\$ -	\$ 26,715	\$ 26,715

Total Advanced Metering Regional Collector (AMRC) (includes LAN)

\$ -	\$ -	\$ 26,715	\$ 26,715
------	------	-----------	-----------

2.3 ADVANCED METERING CONTROL COMPUTER (AMCC)

2.3.1 Hardware Maintenance

may include server support, etc.

Comp. Hard.

2008 Actual	2009 Fcst	2010 Fcst	Total
			\$ -

2.3.2 Software Maintenance

may include maintenance support, etc.

Comp. Soft.

			\$ -
--	--	--	------

Total Advanced Metering Control Computer (AMCC)

\$ -	\$ -	\$ -	\$ -
------	------	------	------

2.4 WIDE AREA NETWORK (WAN)

2.4.1 WIDE AREA NETWORK (WAN)

may include serial to Ethernet hardware, etc.

Comp. Hard.

2008 Actual	2009 Fcst	2010 Fcst	Total
			\$ -

Total Incremental Other Operation Expenses

\$ -	\$ -	\$ -	\$ -
------	------	------	------

PowerStream Inc.

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Sheet 2. Smart Meter Capital Cost and Operational Expense Data

2.5 OTHER AMI OM&A COSTS RELATED TO MINIMUM FUNCTIONALITY

2.5.1 Business Process Redesign

2008 Actual	2009 Fcst	2010 Fcst	Total
		\$ 4,467	\$ 4,467

2.5.2 Customer Communication
may include project communication, etc.

2008 Actual	2009 Fcst	2010 Fcst	Total
		\$ 198,429	\$ 198,429

2.5.3 Program Management

2008 Actual	2009 Fcst	2010 Fcst	Total
			\$ -

2.5.4 Change Management
may include training, etc.

2008 Actual	2009 Fcst	2010 Fcst	Total
		\$ 6,700	\$ 6,700

2.5.5 Administration Cost

2008 Actual	2009 Fcst	2010 Fcst	Total
			\$ -

2.5.6 Other AMI Expenses

2008 Actual	2009 Fcst	2010 Fcst	Total
		\$ 57,381	\$ 57,381

Total 2.5 Other AMI OM&A Costs Related To Minimum Functionality

\$ -	\$ -	\$ 266,977	\$ 266,977
------	------	------------	------------

Total O M & A Costs

\$ -	\$ -	\$ 295,067	\$ 295,067
------	------	------------	------------

PowerStream Inc.
EB-2010-0209
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Sheet 3. LDC Assumptions and Data

Assumptions:

1. Planned meter installations occur evenly through the year.
2. Year assumed January to December
3. Amortization is straight line and has half year rule applied in first year

2009 EDR Data Information

Deemed Debt (from 2009 PowerStream EDR)	60%
Deemed Equity (from 2009 PowerStream EDR)	40%
Weighted Debt Rate (from 2009 PowerStream EDR)	5.59%
Proposed ROE (from 2009 PowerStream EDR)	8.01%

Weighted Average Cost of Capital 6.56%

Working Capital Allowance % 15.00%

2009 EDR Total Metered Customers

Residential	218,157
General Service Less Than 50 kW	
Other Metered Customers	

Sum of Residential, General Service, and Large User 218,157

Smart Meter Rate Adders

	Residential	GS and LU
2006 EDR Smart Meter Rate Adder	\$ 0.27	\$ 0.27
2007 EDR Smart Meter Rate Adder	\$ 0.73	\$ 0.73
2008 EDR Smart Meter Rate Adder	\$ 1.21	\$ 1.21
2009 EDR Smart Meter Rate Adder	\$ 1.04	\$ 1.04
2010 EDR Smart Meter Rate Adder	\$ -	\$ -

2009 EDR Tax Rate

Corporate Income Tax Rate (from 2009 PowerStream EDR)	33.00%
-------------------------------------------------------	--------

Capital Data:

	2008 Actual	2009 Fcst	2010 Fcst	Total
Smart Meter	\$ -	\$ -	\$ 1,243,089	\$ 1,243,089
Computer Hardware	\$ -	\$ -	\$ -	\$ -
Computer Software	\$ -	\$ -	\$ 73,508	\$ 73,508
Tools & Equipment	\$ -	\$ -	\$ -	\$ -
Other Equipment	\$ -	\$ -	\$ -	\$ -
Total Capital Costs	\$ -	\$ -	\$ 1,316,597	\$ 1,316,597

LDC Amortization Policy:

	Amortization	CCA Class	CCA Rate
Smart Meter Amortization Rate <i>Enter Amortization Policy</i>	15 Years	47	8 %
Computer Hardware Amortization Rate <i>Enter Amortization Policy</i>	5 Years	45	45 %
Computer Software Amortization Rate <i>Enter Amortization Policy</i>	3 Years	45	45 %
Tools & Equipment Amortization Rate <i>Enter Amortization Policy</i>	10 Years	8	20 %
Other Equipment Amortization Rate <i>Enter Amortization Policy</i>	10 Years	8	20 %

Operating Expense Data:

	2008 Actual	2009 Fcst	2010 Fcst	Total
2.1 Advanced Metering Communication Device (AMCD)	\$ -	\$ -	\$ 1,374	\$ 1,374
2.2 Advanced Metering Regional Collector (AMRC) (includes LAN)	\$ -	\$ -	\$ 26,715	\$ 26,715
2.3 Advanced Metering Control Computer (AMCC)	\$ -	\$ -	\$ -	\$ -
2.4 Wide Area Network (WAN)	\$ -	\$ -	\$ -	\$ -
2.5 Other AMI OM&A Costs Related To Minimum Functionality	\$ -	\$ -	\$ 266,977	\$ 266,977
Total O M & A Costs	\$ -	\$ -	\$ 295,067	\$ 295,067

Per Meter Cost Split:

	Per Meter	Installed	Investment	% of Invest
Smart meter including installation	\$ 130.85	9,500	\$ 1,243,089	77%
Computer Hardware Costs	\$ -	9,500	\$ -	0%
Computer Software Costs	\$ 7.74	9,500	\$ 73,508	5%
Tools & Equipment	\$ -	9,500	\$ -	0%
Other Equipment	\$ -	9,500	\$ -	0%
Smart meter incremental operating expenses	\$ 31.06	9,500	\$ 295,067	18%
Total Smart Meter Capital Costs per meter	\$ 169.65		\$ 1,611,664	100%

PowerStream Inc.

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Sheet 6. SM Avg Net Fixed Assets & UCC

Smart Meter Average Net Fixed Assets

Net Fixed Assets - Smart Meters

	2008 Actual	2009 Fcst	2010
Opening Capital Investment	\$ -	\$ -	\$ -
Capital Investment (3. LDC Assumptions and Data)	\$ -	\$ -	\$ 1,243,089.00
Closing Capital Investment	\$ -	\$ -	\$ 1,243,089.00
Opening Accumulated Amortization	\$ -	\$ -	\$ -
Amortization Year 1 (15 Years Straight Line)	\$ -	\$ -	\$ 41,436.30
Closing Accumulated Amortization	\$ -	\$ -	\$ 41,436.30
Opening Net Fixed Assets	\$ -	\$ -	\$ -
Closing Net Fixed Assets	\$ -	\$ -	\$ 1,201,652.70
Average Net Fixed Assets	\$ -	\$ -	\$ 600,826.35

Net Fixed Assets - Computer Hardware

	2008 Actual	2009 Fcst	2010
Opening Capital Investment	\$ -	\$ -	\$ -
Capital Investment (3. LDC Assumptions and Data)	\$ -	\$ -	\$ -
Closing Capital Investment	\$ -	\$ -	\$ -
Opening Accumulated Amortization	\$ -	\$ -	\$ -
Amortization Year 1 (5 Years Straight Line)	\$ -	\$ -	\$ -
Closing Accumulated Amortization	\$ -	\$ -	\$ -
Opening Net Fixed Assets	\$ -	\$ -	\$ -
Closing Net Fixed Assets	\$ -	\$ -	\$ -
Average Net Fixed Assets	\$ -	\$ -	\$ -

Net Fixed Assets - Computer Software

	2008 Actual	2009 Fcst	2010
Opening Capital Investment	\$ -	\$ -	\$ -
Capital Investment (3. LDC Assumptions and Data)	\$ -	\$ -	\$ 73,508.00
Closing Capital Investment	\$ -	\$ -	\$ 73,508.00
Opening Accumulated Amortization	\$ -	\$ -	\$ -
Amortization Year 1 (3 Years Straight Line)	\$ -	\$ -	\$ 12,251.33
Closing Accumulated Amortization	\$ -	\$ -	\$ 12,251.33
Opening Net Fixed Assets	\$ -	\$ -	\$ -
Closing Net Fixed Assets	\$ -	\$ -	\$ 61,256.67
Average Net Fixed Assets	\$ -	\$ -	\$ 30,628.33

PowerStream Inc.
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Sheet 6. SM Avg Net Fixed Assets & UCC

Net Fixed Assets - Tools & Equipment	2008 Actual	2009 Fcst	2010
Opening Capital Investment	\$ -	\$ -	\$ -
Capital Investment (3. LDC Assumptions and Data)	\$ -	\$ -	\$ -
Closing Capital Investment	\$ -	\$ -	\$ -
Opening Accumulated Amortization	\$ -	\$ -	\$ -
Amortization Year 1 (10 Years Straight Line)	\$ -	\$ -	\$ -
Closing Accumulated Amortization	\$ -	\$ -	\$ -
Opening Net Fixed Assets	\$ -	\$ -	\$ -
Closing Net Fixed Assets	\$ -	\$ -	\$ -
Average Net Fixed Assets	\$ -	\$ -	\$ -

Net Fixed Assets - Other Equipment	2008 Actual	2009 Fcst	2010
Opening Capital Investment	\$ -	\$ -	\$ -
Capital Investment (3. LDC Assumptions and Data)	\$ -	\$ -	\$ -
Closing Capital Investment	\$ -	\$ -	\$ -
Opening Accumulated Amortization	\$ -	\$ -	\$ -
Amortization Year 1 (10 Years Straight Line)	\$ -	\$ -	\$ -
Closing Accumulated Amortization	\$ -	\$ -	\$ -
Opening Net Fixed Assets	\$ -	\$ -	\$ -
Closing Net Fixed Assets	\$ -	\$ -	\$ -
Average Net Fixed Assets	\$ -	\$ -	\$ -

PowerStream Inc.

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Sheet 6. SM Avg Net Fixed Assets &UCC

For PILs Calculation

UCC - Smart Meters

CCA Class 47 (8%)

	2008 Actual	2009 Fcst	2010
Opening UCC	\$ -	\$ -	\$ -
Capital Additions	\$ -	\$ -	\$ 1,243,089.00
UCC Before Half Year Rule	\$ -	\$ -	\$ 1,243,089.00
Half Year Rule (1/2 Additions - Disposals)	\$ -	\$ -	\$ 621,544.50
Reduced UCC	\$ -	\$ -	\$ 621,544.50
CCA Rate Class 47	8.0%	8.0%	8.0%
CCA	\$ -	\$ -	\$ 49,723.56
Closing UCC	\$ -	\$ -	\$ 1,193,365.44

UCC - Computer Equipment

CCA Class 45 (45%)

	2008 Actual	2009 Fcst	2010
Opening UCC	\$ -	\$ -	\$ -
Capital Additions Computer Hardware	\$ -	\$ -	\$ -
Capital Additions Computer Software	\$ -	\$ -	\$ 73,508.00
UCC Before Half Year Rule	\$ -	\$ -	\$ 73,508.00
Half Year Rule (1/2 Additions - Disposals)	\$ -	\$ -	\$ 36,754.00
Reduced UCC	\$ -	\$ -	\$ 36,754.00
CCA Rate Class 45	45%	45%	45%
CCA	\$ -	\$ -	\$ 16,539.30
Closing UCC	\$ -	\$ -	\$ 56,968.70

UCC - General Equipment

CCA Class 8 (20%)

	2008 Actual	2009 Fcst	2010
Opening UCC	\$ -	\$ -	\$ -
Capital Additions Tools & Equipment	\$ -	\$ -	\$ -
Capital Additions Other Equipment	\$ -	\$ -	\$ -
UCC Before Half Year Rule	\$ -	\$ -	\$ -
Half Year Rule (1/2 Additions - Disposals)	\$ -	\$ -	\$ -
Reduced UCC	\$ -	\$ -	\$ -
CCA Rate Class 8	20%	20%	20%
CCA	\$ -	\$ -	\$ -
Closing UCC	\$ -	\$ -	\$ -

Smart Meter Rate Calculation

Average Asset Values

Net Fixed Assets Smart Meters
Net Fixed Assets Computer Hardware
Net Fixed Assets Computer Software
Net Fixed Assets Tools & Equipment
Net Fixed Assets Other Equipment
Total Net Fixed Assets

Working Capital

Operation Expense
Working Capital 15 %

Smart Meters included in Rate Base

Return on Rate Base

Deemed Debt (3. LDC Assumptions and Data)
Deemed Equity (3. LDC Assumptions and Data)

Weighted Debt Rate (3. LDC Assumptions and Data)
Proposed ROE (3. LDC Assumptions and Data)

Return on Rate Base

Operating Expenses

Incremental Operating Expenses (3. LDC Assumptions and Data)

Amortization Expenses

Amortization Expenses - Smart Meters
Amortization Expenses - Computer Hardware
Amortization Expenses - Computer Software
Amortization Expenses - Tools & Equipment
Amortization Expenses - Other Equipment

Total Amortization Expenses

Revenue Requirement Before PILs

Calculation of Taxable Income

Incremental Operating Expenses
Depreciation Expenses
Interest Expense

Taxable Income For PILs

Grossed up PILs (5. PILs)

Revenue Requirement Before PILs

Grossed up PILs (5. PILs)

Revenue Requirement for Smart Meters

2010 Smart Meter Rate Adder

Revenue Requirement for Smart Meters
2009 EDR Total Metered Customers (3. LDC Assumptions and Data)
Annualized amount required per metered customer
Number of months in year

2010 Smart Meter Rate Adder

	2008 Actual	2009 Forecast	2010
Net Fixed Assets Smart Meters	\$ -	\$ -	\$ 600,826
Net Fixed Assets Computer Hardware	\$ -	\$ -	\$ -
Net Fixed Assets Computer Software	\$ -	\$ -	\$ 30,628
Net Fixed Assets Tools & Equipment	\$ -	\$ -	\$ -
Net Fixed Assets Other Equipment	\$ -	\$ -	\$ -
Total Net Fixed Assets	\$ -	\$ -	\$ 631,455
Operation Expense	\$ -	\$ -	\$ 295,067
Working Capital 15 %	\$ -	\$ -	\$ 44,260
Smart Meters included in Rate Base	\$ -	\$ -	\$ 675,715
Deemed Debt (3. LDC Assumptions and Data)	60% \$ -	60% \$ -	60% \$ 405,429
Deemed Equity (3. LDC Assumptions and Data)	40% \$ -	40% \$ -	40% \$ 270,286
			\$ 675,715
Weighted Debt Rate (3. LDC Assumptions and Data)	5.59% \$ -	5.59% \$ -	5.59% \$ 22,647
Proposed ROE (3. LDC Assumptions and Data)	8.01% \$ -	8.01% \$ -	8.01% \$ 21,650
Return on Rate Base	\$ -	\$ -	\$ 44,297
Incremental Operating Expenses (3. LDC Assumptions and Data)	\$ -	\$ -	\$ 295,067
Amortization Expenses - Smart Meters	\$ -	\$ -	\$ 41,436
Amortization Expenses - Computer Hardware	\$ -	\$ -	\$ -
Amortization Expenses - Computer Software	\$ -	\$ -	\$ 12,251
Amortization Expenses - Tools & Equipment	\$ -	\$ -	\$ -
Amortization Expenses - Other Equipment	\$ -	\$ -	\$ -
Total Amortization Expenses	\$ -	\$ -	\$ 53,688
Revenue Requirement Before PILs	\$ -	\$ -	\$ 393,051
Incremental Operating Expenses	\$ -	\$ -	\$ 295,067
Depreciation Expenses	\$ -	\$ -	\$ 53,688
Interest Expense	\$ -	\$ -	\$ 22,647
Taxable Income For PILs	\$ -	\$ -	\$ 21,650
Grossed up PILs (5. PILs)	\$ -	\$ -	\$ 5,024
Revenue Requirement Before PILs	\$ -	\$ -	\$ 393,051
Grossed up PILs (5. PILs)	\$ -	\$ -	\$ 5,024
Revenue Requirement for Smart Meters	\$ -	\$ -	\$ 398,075
Revenue Requirement for Smart Meters			\$ 398,075
2009 EDR Total Metered Customers (3. LDC Assumptions and Data)			\$ 218,157
Annualized amount required per metered customer			\$ 1.82
Number of months in year			12
2010 Smart Meter Rate Adder			\$ 0.15

PowerStream Inc.
EB-2010-0209
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Sheet 5. PILs

PILs Calculation

	2007 Actual	2008 Actual	2009	2010
INCOME TAX				
Net Income	\$ -	\$ -	\$ -	\$ 21,650
Amortization	\$ -	\$ -	\$ -	\$ 53,688
CCA - Class 47 (8%) Smart Meters	\$ -	\$ -	\$ -	\$ 49,724
CCA - Class 45 (45%) Computers	\$ -	\$ -	\$ -	\$ 16,539
CCA - Class 8 (20%) Other Equipment	\$ -	\$ -	\$ -	\$ -
Change in taxable income	\$ -	\$ -	\$ -	\$ 9,075
Tax Rate (3. LDC Assumptions and Data)	33.50%	33.50%	33.00%	31.00%
Income Taxes Payable	\$ -	\$ -	\$ -	\$ 2,813

ONTARIO CAPITAL TAX				
Smart Meters	\$ -	\$ -	\$ -	\$ 1,201,653
Computer Hardware	\$ -	\$ -	\$ -	\$ -
Computer Software	\$ -	\$ -	\$ -	\$ 61,257
Tools & Equipment	\$ -	\$ -	\$ -	\$ -
Other Equipment	\$ -	\$ -	\$ -	\$ -
Rate Base	\$ -	\$ -	\$ -	\$ 1,262,909
Less: Exemption	\$ -	\$ -	\$ -	\$ -
Deemed Taxable Capital	\$ -	\$ -	\$ -	\$ 1,262,909
Ontario Capital Tax Rate	0.285%	0.225%	0.225%	0.150%
Net Amount (Taxable Capital x Rate)	\$ -	\$ -	\$ -	\$ 947

Gross Up

	PILs Payable	PILs Payable	PILs Payable	PILs Payable
Change in Income Taxes Payable	\$ -	\$ -	\$ -	\$ 2,813
Change in OCT	\$ -	\$ -	\$ -	\$ 947
PIL's	\$ -	\$ -	\$ -	\$ 3,760

Gross Up	Gross Up	Gross Up	Gross Up
33.50%	33.50%	33.00%	31.00%

	Grossed Up PILs	Grossed Up PILs	Grossed Up PILs	Grossed Up PILs
Change in Income Taxes Payable	\$ -	\$ -	\$ -	\$ 4,077
Change in OCT	\$ -	\$ -	\$ -	\$ 947
PIL's	\$ -	\$ -	\$ -	\$ 5,024

SMART METER RATE CALCULATION MODEL - GS <50 KW CLASS

Sheet 1 Utility Information Sheet

Legend:	Input Cell	Pull-Down Menu Option	Output Cell
	From Another Sheet		To Another Sheet

Please note that this model uses MACROS. Before starting, please ensure that macros have been enabled.

Name of LDC: PowerStream Inc.

Licence Number: ED-2004-0420

Smart Meter Grouping: Listed

EB-2010-0209

EDR 2009 EB Number: EB-2008-0244

Date of Submission: June 11, 2010

Revision:

Version: 1.0

Contact Information

Name: Tom Barrett

Title: Manager, Rates

Phone Number: 905.532.4640

E-Mail Address: tom.barrett@powerstream.ca

PowerStream Inc.

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Sheet 2. Smart Meter Capital Cost and Operational Expense Data

Smart Meter Unit Installation Plan:

	2008 Actual	2009 Fcst	2010 Fcst	Total
<i>assume calendar year installation</i> Planned number of Residential smart meters to be installed - includes new services				-
Planned number of General Service Less Than 50 kW smart meters - includes new services			21,000	
Planned number of General Service Greater Than 50 kW smart meters - includes new services				-
Planned Meter Installation	-	-	21,000	21,000
Accumulative Planned Meter Installations Completed before January 1, 2011	-	-	21,000	

Capital Costs

1.1 ADVANCED METERING COMMUNICATION DEVICE (AMCD)

1.1.1 Smart Meter

may include new meters and modules, etc.

1.1.2 Installation Cost

may include socket kits plus shipping, labour, benefits, vehicle, etc.

1.1.3a Workforce Automation Hardware

may include fieldworker handhelds, barcode hardware, etc.

1.1.3b Workforce Automation Software

may include fieldworker handhelds, barcode hardware, etc.

Total Advanced Metering Communication Device (AMCD)

Asset Type	2008 Actual	2009 Fcst	2010 Fcst	Total
Smart Meter			\$ 13,199,361	\$ 13,199,361
Smart Meter			\$ 1,230,393	\$ 1,230,393
Comp. Hard.				\$ -
Comp. Soft.				\$ -
Total	\$ -	\$ -	\$ 14,429,754	\$ 14,429,754

1.2 ADVANCED METERING REGIONAL COLLECTOR (AMRC) (includes LAN)

1.2.1 Collectors

1.2.2 Repeaters

may include radio licence, etc.

1.2.3 Installation

may include meter seals and rings, collector computer hardware, etc.

Total Advanced Metering Regional Collector (AMRC) (includes LAN)

Asset Type	2008 Actual	2009 Fcst	2010 Fcst	Total
Smart Meter			\$ 104,862	\$ 104,862
Smart Meter	2008 Forecast	2009	2010	Total
Smart Meter	2008 Forecast	2009	2010	Total
Total	\$ -	\$ -	\$ 104,862	\$ 104,862

1.3 ADVANCED METERING CONTROL COMPUTER (AMCC)

1.3.1 Computer Hardware

1.3.2 Computer Software

1.3.3 Computer Software Licence & Installation (includes hardware & software)

may include AS/400 disc space, backup & recovery computer, UPS, etc

Total Advanced Metering Control Computer (AMCC)

Asset Type	2008 Actual	2009 Fcst	2010 Fcst	Total
Comp. Hard.				\$ -
Comp. Soft.				\$ -
Comp. Soft.				\$ -
Total	\$ -	\$ -	\$ -	\$ -

PowerStream Inc.

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Sheet 2. Smart Meter Capital Cost and Operational Expense Data

1.4 WIDE AREA NETWORK (WAN)

1.4.1 Activation Fees

Comp. Soft.

2008 Actual	2009 Fcst	2010 Fcst	Total
			\$ -
\$ -	\$ -	\$ -	\$ -

Total Wide Area Network (WAN)

1.5 OTHER AMI CAPITAL COSTS RELATED TO MINIMUM FUNCTIONALITY

1.5.1 Customer equipment (including repair of damaged equipment)

Comp. Hard.

2008 Actual	2009 Fcst	2010 Fcst	Total
			\$ -

1.5.2 AMI Interface to CIS

Comp. Soft.

2008 Actual	2009 Fcst	2010 Fcst	Total
		\$ 162,492	\$ 162,492

1.5.3 Professional Fees

Comp. Hard.

2008 Actual	2009 Fcst	2010 Fcst	Total
			\$ -

1.5.4 Integration

Comp. Hard.

2008 Actual	2009 Fcst	2010 Fcst	Total
			\$ -

1.5.5 Program Management

Comp. Hard.

2008 Actual	2009 Fcst	2010 Fcst	Total
			\$ -

1.5.6 Other AMI Capital

Comp. Hard.

2008 Actual	2009 Fcst	2010 Fcst	Total
			\$ -

Total Other AMI Capital Costs Related To Minimum Functionality

\$ -	\$ -	\$ 162,492	\$ 162,492
------	------	------------	------------

Total Capital Costs

\$ -	\$ -	\$ 14,697,108	\$ 14,697,108
------	------	---------------	---------------

O M & A

2.1 ADVANCED METERING COMMUNICATION DEVICE (AMCD)

2.1.1 Maintenance

may include meter reverification costs, etc.

Total Incremental AMI Operation Expenses

Comp. Soft.

2008 Actual	2009 Fcst	2010 Fcst	Total
		\$ 226	\$ 226
\$ -	\$ -	\$ 226	\$ 226

2.2 ADVANCED METERING REGIONAL COLLECTOR (AMRC) (includes LAN)

2.2.1 Maintenance

Comp. Hard.

2008 Actual	2009 Fcst	2010 Fcst	Total
		\$ 4,385	\$ 4,385

Total Advanced Metering Regional Collector (AMRC) (includes LAN)

\$ -	\$ -	\$ 4,385	\$ 4,385
------	------	----------	----------

2.3 ADVANCED METERING CONTROL COMPUTER (AMCC)

2.3.1 Hardware Maintenance

may include server support, etc.

2.3.2 Software Maintenance

may include maintenance support, etc.

Total Advanced Metering Control Computer (AMCC)

Comp. Hard.

2008 Actual	2009 Fcst	2010 Fcst	Total
			\$ -

			\$ -
--	--	--	------

\$ -	\$ -	\$ -	\$ -
------	------	------	------

2.4 WIDE AREA NETWORK (WAN)

2.4.1 WIDE AREA NETWORK (WAN)

may include serial to Ethernet hardware, etc.

Total Incremental Other Operation Expenses

Comp. Hard.

2008 Actual	2009 Fcst	2010 Fcst	Total
			\$ -

\$ -	\$ -	\$ -	\$ -
------	------	------	------

PowerStream Inc.

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Sheet 2. Smart Meter Capital Cost and Operational Expense Data

2.5 OTHER AMI OM&A COSTS RELATED TO MINIMUM FUNCTIONALITY

2.5.1 Business Process Redesign

2008 Actual	2009 Fcst	2010 Fcst	Total
		\$ 733	733

2.5.2 Customer Communication

may include project communication, etc.

2008 Actual	2009 Fcst	2010 Fcst	Total
		\$ 32,571	32,571

2.5.3 Program Management

2008 Actual	2009 Fcst	2010 Fcst	Total
			-

2.5.4 Change Management

may include training, etc.

2008 Actual	2009 Fcst	2010 Fcst	Total
		\$ 1,100	1,100

2.5.5 Administration Cost

2008 Actual	2009 Fcst	2010 Fcst	Total
			-

2.5.6 Other AMI Expenses

2008 Actual	2009 Fcst	2010 Fcst	Total
		\$ 9,419	9,419

Total 2.5 Other AMI OM&A Costs Related To Minimum Functionality

\$ -	\$ -	\$ 43,823	\$ 43,823
------	------	-----------	-----------

Total O M & A Costs

\$ -	\$ -	\$ 48,434	\$ 48,434
------	------	-----------	-----------

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Sheet 3. LDC Assumptions and Data

Assumptions:

1. Planned meter installations occur evenly through the year.
2. Year assumed January to December
3. Amortization is straight line and has half year rule applied in first year

2009 EDR Data Information

Deemed Debt (from 2009 PowerStream EDR)	60%
Deemed Equity (from 2009 PowerStream EDR)	40%
Weighted Debt Rate (from 2009 PowerStream EDR)	5.59%
Proposed ROE (from 2009 PowerStream EDR)	8.01%

Weighted Average Cost of Capital 6.56%

Working Capital Allowance % 15.00%

2009 EDR Total Metered Customers

Residential	
General Service Less Than 50 kW	23,700
Other Metered Customers	

Sum of Residential, General Service, and Large User 23,700

Smart Meter Rate Adders

	Residential	GS and LU
2006 EDR Smart Meter Rate Adder	\$ 0.27	\$ 0.27
2007 EDR Smart Meter Rate Adder	\$ 0.73	\$ 0.73
2008 EDR Smart Meter Rate Adder	\$ 1.21	\$ 1.21
2009 EDR Smart Meter Rate Adder	\$ 1.04	\$ 1.04
2010 EDR Smart Meter Rate Adder	\$ -	\$ -

2009 EDR Tax Rate

Corporate Income Tax Rate (from 2009 PowerStream EDR)	33.00%
-------------------------------------------------------	--------

Capital Data:

	2008 Actual	2009 Fcst	2010 Fcst	Total
Smart Meter	\$ -	\$ -	\$ 14,534,616	\$ 14,534,616
Computer Hardware	\$ -	\$ -	\$ -	\$ -
Computer Software	\$ -	\$ -	\$ 162,492	\$ 162,492
Tools & Equipment	\$ -	\$ -	\$ -	\$ -
Other Equipment	\$ -	\$ -	\$ -	\$ -
Total Capital Costs	\$ -	\$ -	\$ 14,697,108	\$ 14,697,108

LDC Amortization Policy:

	Amortization	CCA Class	CCA Rate
Smart Meter Amortization Rate <i>Enter Amortization Policy</i>	15 Years	47	8 %
Computer Hardware Amortization Rate <i>Enter Amortization Policy</i>	5 Years	45	45 %
Computer Software Amortization Rate <i>Enter Amortization Policy</i>	3 Years	45	45 %
Tools & Equipment Amortization Rate <i>Enter Amortization Policy</i>	10 Years	8	20 %
Other Equipment Amortization Rate <i>Enter Amortization Policy</i>	10 Years	8	20 %

Operating Expense Data:

	2008 Actual	2009 Fcst	2010 Fcst	Total
2.1 Advanced Metering Communication Device (AMCD)	\$ -	\$ -	\$ 226	\$ 226
2.2 Advanced Metering Regional Collector (AMRC) (includes LAN)	\$ -	\$ -	\$ 4,385	\$ 4,385
2.3 Advanced Metering Control Computer (AMCC)	\$ -	\$ -	\$ -	\$ -
2.4 Wide Area Network (WAN)	\$ -	\$ -	\$ -	\$ -
2.5 Other AMI OM&A Costs Related To Minimum Functionality	\$ -	\$ -	\$ 43,823	\$ 43,823
Total O M & A Costs	\$ -	\$ -	\$ 48,434	\$ 48,434

Per Meter Cost Split:

	Per Meter	Installed	Investment	% of Invest
Smart meter including installation	\$ 692.12	21,000	\$ 14,534,616	99%
Computer Hardware Costs	\$ -	21,000	\$ -	0%
Computer Software Costs	\$ 7.74	21,000	\$ 162,492	1%
Tools & Equipment	\$ -	21,000	\$ -	0%
Other Equipment	\$ -	21,000	\$ -	0%
Smart meter incremental operating expenses	\$ 2.31	21,000	\$ 48,434	0%
Total Smart Meter Capital Costs per meter	\$ 702.17		\$ 14,745,542	100%

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Sheet 6. SM Avg Net Fixed Assets & UCC

Smart Meter Average Net Fixed Assets

Net Fixed Assets - Smart Meters

	2008 Actual	2009 Fcst	2010
Opening Capital Investment	\$ -	\$ -	\$ -
Capital Investment (3. LDC Assumptions and Data)	\$ -	\$ -	\$ 14,534,616.00
Closing Capital Investment	\$ -	\$ -	\$ 14,534,616.00
Opening Accumulated Amortization	\$ -	\$ -	\$ -
Amortization Year 1 (15 Years Straight Line)	\$ -	\$ -	\$ 484,487.20
Closing Accumulated Amortization	\$ -	\$ -	\$ 484,487.20
Opening Net Fixed Assets	\$ -	\$ -	\$ -
Closing Net Fixed Assets	\$ -	\$ -	\$ 14,050,128.80
Average Net Fixed Assets	\$ -	\$ -	\$ 7,025,064.40

Net Fixed Assets - Computer Hardware

	2008 Actual	2009 Fcst	2010
Opening Capital Investment	\$ -	\$ -	\$ -
Capital Investment (3. LDC Assumptions and Data)	\$ -	\$ -	\$ -
Closing Capital Investment	\$ -	\$ -	\$ -
Opening Accumulated Amortization	\$ -	\$ -	\$ -
Amortization Year 1 (5 Years Straight Line)	\$ -	\$ -	\$ -
Closing Accumulated Amortization	\$ -	\$ -	\$ -
Opening Net Fixed Assets	\$ -	\$ -	\$ -
Closing Net Fixed Assets	\$ -	\$ -	\$ -
Average Net Fixed Assets	\$ -	\$ -	\$ -

Net Fixed Assets - Computer Software

	2008 Actual	2009 Fcst	2010
Opening Capital Investment	\$ -	\$ -	\$ -
Capital Investment (3. LDC Assumptions and Data)	\$ -	\$ -	\$ 162,492.00
Closing Capital Investment	\$ -	\$ -	\$ 162,492.00
Opening Accumulated Amortization	\$ -	\$ -	\$ -
Amortization Year 1 (3 Years Straight Line)	\$ -	\$ -	\$ 27,082.00
Closing Accumulated Amortization	\$ -	\$ -	\$ 27,082.00
Opening Net Fixed Assets	\$ -	\$ -	\$ -
Closing Net Fixed Assets	\$ -	\$ -	\$ 135,410.00
Average Net Fixed Assets	\$ -	\$ -	\$ 67,705.00

PowerStream Inc.

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Sheet 6. SM Avg Net Fixed Assets & UCC

Net Fixed Assets - Tools & Equipment	2008 Actual	2009 Fcst	2010
Opening Capital Investment	\$ -	\$ -	\$ -
Capital Investment (3. LDC Assumptions and Data)	\$ -	\$ -	\$ -
Closing Capital Investment	\$ -	\$ -	\$ -
Opening Accumulated Amortization	\$ -	\$ -	\$ -
Amortization Year 1 (10 Years Straight Line)	\$ -	\$ -	\$ -
Closing Accumulated Amortization	\$ -	\$ -	\$ -
Opening Net Fixed Assets	\$ -	\$ -	\$ -
Closing Net Fixed Assets	\$ -	\$ -	\$ -
Average Net Fixed Assets	\$ -	\$ -	\$ -

Net Fixed Assets - Other Equipment	2008 Actual	2009 Fcst	2010
Opening Capital Investment	\$ -	\$ -	\$ -
Capital Investment (3. LDC Assumptions and Data)	\$ -	\$ -	\$ -
Closing Capital Investment	\$ -	\$ -	\$ -
Opening Accumulated Amortization	\$ -	\$ -	\$ -
Amortization Year 1 (10 Years Straight Line)	\$ -	\$ -	\$ -
Closing Accumulated Amortization	\$ -	\$ -	\$ -
Opening Net Fixed Assets	\$ -	\$ -	\$ -
Closing Net Fixed Assets	\$ -	\$ -	\$ -
Average Net Fixed Assets	\$ -	\$ -	\$ -

PowerStream Inc.
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Sheet 6. SM Avg Net Fixed Assets &UCC

For PILs Calculation

UCC - Smart Meters

CCA Class 47 (8%)	2008 Actual	2009 Fcst	2010
Opening UCC	\$ -	\$ -	\$ -
Capital Additions	\$ -	\$ -	\$ 14,534,616.00
UCC Before Half Year Rule	\$ -	\$ -	\$ 14,534,616.00
Half Year Rule (1/2 Additions - Disposals)	\$ -	\$ -	\$ 7,267,308.00
Reduced UCC	\$ -	\$ -	\$ 7,267,308.00
CCA Rate Class 47	8.0%	8.0%	8.0%
CCA	\$ -	\$ -	\$ 581,384.64
Closing UCC	\$ -	\$ -	\$ 13,953,231.36

UCC - Computer Equipment

CCA Class 45 (45%)	2008 Actual	2009 Fcst	2010
Opening UCC	\$ -	\$ -	\$ -
Capital Additions Computer Hardware	\$ -	\$ -	\$ -
Capital Additions Computer Software	\$ -	\$ -	\$ 162,492.00
UCC Before Half Year Rule	\$ -	\$ -	\$ 162,492.00
Half Year Rule (1/2 Additions - Disposals)	\$ -	\$ -	\$ 81,246.00
Reduced UCC	\$ -	\$ -	\$ 81,246.00
CCA Rate Class 45	45%	45%	45%
CCA	\$ -	\$ -	\$ 36,560.70
Closing UCC	\$ -	\$ -	\$ 125,931.30

UCC - General Equipment

CCA Class 8 (20%)	2008 Actual	2009 Fcst	2010
Opening UCC	\$ -	\$ -	\$ -
Capital Additions Tools & Equipment	\$ -	\$ -	\$ -
Capital Additions Other Equipment	\$ -	\$ -	\$ -
UCC Before Half Year Rule	\$ -	\$ -	\$ -
Half Year Rule (1/2 Additions - Disposals)	\$ -	\$ -	\$ -
Reduced UCC	\$ -	\$ -	\$ -
CCA Rate Class 8	20%	20%	20%
CCA	\$ -	\$ -	\$ -
Closing UCC	\$ -	\$ -	\$ -

Smart Meter Rate Calculation

Average Asset Values

Net Fixed Assets Smart Meters
 Net Fixed Assets Computer Hardware
 Net Fixed Assets Computer Software
 Net Fixed Assets Tools & Equipment
 Net Fixed Assets Other Equipment
 Total Net Fixed Assets

	2008 Actual	2009 Forecast	2010	
Net Fixed Assets Smart Meters	\$ -	\$ -	\$ 7,025,064	
Net Fixed Assets Computer Hardware	\$ -	\$ -	\$ -	
Net Fixed Assets Computer Software	\$ -	\$ -	\$ 67,705	
Net Fixed Assets Tools & Equipment	\$ -	\$ -	\$ -	
Net Fixed Assets Other Equipment	\$ -	\$ -	\$ -	
Total Net Fixed Assets	\$ -	\$ -	\$ 7,092,769	\$ 7,092,769
Working Capital				
Operation Expense	\$ -	\$ -	\$ 48,434	
Working Capital 15 %	\$ -	\$ -	\$ 7,265	\$ 7,265
Smart Meters included in Rate Base				
	\$ -	\$ -	\$ 7,100,034	
Return on Rate Base				
Deemed Debt (3. LDC Assumptions and Data)	60% \$ -	60% \$ -	60% \$ 4,260,021	
Deemed Equity (3. LDC Assumptions and Data)	40% \$ -	40% \$ -	40% \$ 2,840,014	
	\$ -	\$ -	\$ 7,100,034	
Weighted Debt Rate (3. LDC Assumptions and Data)	5.59% \$ -	5.59% \$ -	5.59% \$ 237,965	
Proposed ROE (3. LDC Assumptions and Data)	8.01% \$ -	8.01% \$ -	8.01% \$ 227,485	
Return on Rate Base	\$ -	\$ -	\$ 465,450	\$ 465,450
Operating Expenses				
Incremental Operating Expenses (3. LDC Assumptions and Data)	\$ -	\$ -	\$ 48,434	\$ 48,434
Amortization Expenses				
Amortization Expenses - Smart Meters	\$ -	\$ -	\$ 484,487	
Amortization Expenses - Computer Hardware	\$ -	\$ -	\$ -	
Amortization Expenses - Computer Software	\$ -	\$ -	\$ 27,082	
Amortization Expenses - Tools & Equipment	\$ -	\$ -	\$ -	
Amortization Expenses - Other Equipment	\$ -	\$ -	\$ -	
Total Amortization Expenses	\$ -	\$ -	\$ 511,569	\$ 511,569
Revenue Requirement Before PILs				
	\$ -	\$ -	\$ 1,025,453	\$ 1,025,453
Calculation of Taxable Income				
Incremental Operating Expenses	\$ -	\$ -	-\$ 48,434	
Depreciation Expenses	\$ -	\$ -	-\$ 511,569	
Interest Expense	\$ -	\$ -	-\$ 237,965	
Taxable Income For PILs	\$ -	\$ -	\$ 227,485	\$ 227,485
Grossed up PILs (5. PILs)				
	\$ -	\$ -	\$ 65,050	\$ 65,050
Revenue Requirement Before PILs	\$ -	\$ -	\$ 1,025,453	
Grossed up PILs (5. PILs)	\$ -	\$ -	\$ 65,050	
Revenue Requirement for Smart Meters	\$ -	\$ -	\$ 1,090,503	\$ 1,090,503
2010 Smart Meter Rate Adder				
Revenue Requirement for Smart Meters			\$ 1,090,503	
2009 EDR Total Metered Customers (3. LDC Assumptions and Data)			\$ 23,700	
Annualized amount required per metered customer			\$ 46.01	
Number of months in year			12	
2010 Smart Meter Rate Adder			\$ 3.83	\$ 3.83

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Sheet 5. PILs

PILs Calculation

	2007 Actual	2008 Actual	2009	2010
INCOME TAX				
Net Income	\$ -	\$ -	\$ -	\$ 227,485
Amortization	\$ -	\$ -	\$ -	\$ 511,569
CCA - Class 47 (8%) Smart Meters	\$ -	\$ -	\$ -	\$ 581,385
CCA - Class 45 (45%) Computers	\$ -	\$ -	\$ -	\$ 36,561
CCA - Class 8 (20%) Other Equipment	\$ -	\$ -	\$ -	\$ -
Change in taxable income	\$ -	\$ -	\$ -	\$ 121,109
Tax Rate (3. LDC Assumptions and Data)	33.50%	33.50%	33.00%	31.00%
Income Taxes Payable	\$ -	\$ -	\$ -	\$ 37,544
ONTARIO CAPITAL TAX				
Smart Meters	\$ -	\$ -	\$ -	\$ 14,050,129
Computer Hardware	\$ -	\$ -	\$ -	\$ -
Computer Software	\$ -	\$ -	\$ -	\$ 135,410
Tools & Equipment	\$ -	\$ -	\$ -	\$ -
Other Equipment	\$ -	\$ -	\$ -	\$ -
Rate Base	\$ -	\$ -	\$ -	\$ 14,185,539
Less: Exemption	\$ -	\$ -	\$ -	\$ -
Deemed Taxable Capital	\$ -	\$ -	\$ -	\$ 14,185,539
Ontario Capital Tax Rate	0.285%	0.225%	0.225%	0.150%
Net Amount (Taxable Capital x Rate)	\$ -	\$ -	\$ -	\$ 10,639
Gross Up				
Change in Income Taxes Payable	\$ -	\$ -	\$ -	\$ 37,544
Change in OCT	\$ -	\$ -	\$ -	\$ 10,639
PIL's	\$ -	\$ -	\$ -	\$ 48,183
	Gross Up 33.50%	Gross Up 33.50%	Gross Up 33.00%	Gross Up 31.00%
Change in Income Taxes Payable	\$ -	\$ -	\$ -	\$ 54,411
Change in OCT	\$ -	\$ -	\$ -	\$ 10,639
PIL's	\$ -	\$ -	\$ -	\$ 65,050