

September 15, 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 Board Staff and VECC Supplementary Interrogatories**

Accompanying this letter, please find two copies of PowerStream Inc.'s ("PowerStream's") responses to the Board Staff and VECC supplementary interrogatories in this matter, filed in accordance with Procedural Order No. 2.

These responses have been filed electronically via RESS and delivered by e-mail to the intervenor and observer of record in this matter.

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 Supplementary Board Staff Interrogatories**

Delivered September 15, 2010

1) Ref: Board Staff IRR #8(a)

In IRR #8(a), PowerStream Inc. (“PowerStream”) states that the installed cost per meter differs greatly for a single-phase meter compared to a 3-phase meter used for a GS<50 kW customer. Please provide a description of how it is determined that a GS < 50 kW customer should be provided with 3-phase service instead of single-phase service.

Response:

Most of PowerStream’s GS<50 kW customers have 3-phase service. The type of service that a customer has will depend on its electrical load requirements and/or the requirements of the plaza or complex in which the customer is located and/or the requirements of the customer(s) that preceded the current customer at the site.

The type of meter installed must match the existing required type of electrical service. PowerStream will be replacing existing 3-phase conventional meters with 3-phase smart meters and replacing single-phase conventional meters with single-phase smart meters.

2) Ref: Board Staff IRR #4

In response to Board staff IR #4, PowerStream states that its smart meter program in 2010 in its South zone is heavily focused on installation of 3-phase commercial smart meters, including demand meters, for GS<50 kW customers, who do not have interval meters. Installed unit costs for 3-phase commercial meters are stated to be much higher than for the single phase meters installed for residential customers.

- a) Please provide a cost breakdown of planned 3-phase meters and single-phase meters for the GS<50 kW customer class in PowerStream's smart meter program for 2010 in its South zone.
- b) Please provide a cost breakdown of installed 3-phase meters and single-phase meters for the GS<50 kW customer class installed from 2006 to 2009, by year.
- c) Please provide a detailed description of the cost drivers (i.e. meter cost, time and labour for installation, etc.) that materially add to different meter installation costs for 3-phase versus single-phase smart meters.
- d) Are the costs for single-phase smart meters for GS < 50 kW customers similar to the costs for a residential smart meter? If not, please explain.
- e) Please populate the following table for the GS < 50 kW class:

GS<50 kW	Single Phase Service	3-Phase Service
Number of Customers (forecasted to end of 2010)		
	Single-Phase Smart Meter	3-Phase Smart Meter
Number of Smart Meters for GS < 50 kW Customer Class		
Number of Smart Meters installed up to Dec 31/09		
Number of Smart Meters Planned to be installed in 2010		

Response:

- a) The following table sets out the costs of the planned 2010 GS<50 kW smart meter installations in the PowerStream South rate zone, by meter type.

Table Staff SUP 2-1: 2010 Planned GS<50 kW Installations by Meter Type - Cost Breakdown

Summary	Single-phase	3-phase	Total
Meter cost	\$ 382,950	\$ 6,998,222	\$ 7,381,172
Installation	\$ 607,500	\$ 2,314,170	\$ 2,921,670
Total installed meter cost	\$ 990,450	\$ 9,312,392	\$ 10,302,842
Units	4,500	17,142	21,642
Average cost per unit	\$ 220.10	\$ 543.25	\$ 476.06

PowerStream has recently obtained alternative sourcing for its 3-phase meters at significantly lower cost. As well PowerStream has more accurately identified the number of single-phase and 3-phase meters to be installed for the GS<50 kW customer class. PowerStream had previously assumed that all GS<50 kW installations would be 3-phase meters.

Please see Appendix Staff S-1 for an updated calculation of the 2010 smart meter funding adder based on 2010 meters only and the updated 3-phase meter costs. Based on this update, the proposed funding adder is reduced from \$0.50 per month per metered customer to \$0.41 per month per metered customer.

- b) During the 2006-2009 period, PowerStream installed smart meters for GS<50 kW customers in 2009 only; all installations were in its South rate zone. All of the GS<50 kW meters installed in 2009 were 3-phase meters. Please see the cost breakdowns provided in PowerStream's responses to Staff IRs #3 & 9, and VECC IRs #2, #7 & #9.
- c) There are several cost drivers that contribute to higher meter installation costs for both 3-phase and single-phase commercial smart meters compared to single-phase residential meters.
- The meters are often located in electrical rooms along with other electrical equipment and meters servicing more than one customer.
 - It requires more time to gain access to the commercial meter and to coordinate the interruption and subsequent restoration of the electrical service.
 - There are significantly fewer GS<50 kW customers than residential customers and their locations are broadly distributed throughout PowerStream's service territory. The lower density results in more travel time on average per

installation compared to higher density residential installations.

- To accommodate its customers' needs, PowerStream has agreed, where necessary, to perform the work very early in the morning or on weekends to avoid any disruption to the operation of the customers' business. This scheduling results in overtime labour costs.

Due to the more complex installation situations and the greater customer interaction, the General Service under 50 kW installations are usually carried out by PowerStream's fully qualified meter staff.

These cost drivers pertain to most commercial installations and there is no discernable difference between commercial single-phase and 3-phase meter installations.

- d) The same physical meter is used for residential and single-phase GS<50 kW customers, resulting in the same material cost. However, installation costs will differ for the reasons discussed above in response to part (c) of this question. Other capital costs and OM&A costs are similar for all meter types.
- e) Please see the table below setting out the planned GS<50kW smart meter installations by meter type.

Table Staff SUP 2-2: Planned GS<50 kW Smart Meter 2010 Installations by Meter Type

GS<50 kW	Single Phase Service	3-Phase Service	Total
Number of Customers (forecasted to end of 2010)	4,500	19,755	24,255
	Single-Phase Smart Meter	3-Phase Smart Meter	
Number of Smart Meters for GS < 50 kW Customer Class	4,500	19,755	24,255
Number of Smart Meters installed up to Dec 31/09	-	2,613	2,613
Number of Smart Meters Planned to be installed in 2010	4,500	17,142	21,642

SMART METER RATE CALCULATION MODEL

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			9,500	9,500
Planned number of General Service Less Than 50 kW smart meters - includes new services			21,642	
Planned number of General Service Greater Than 50 kW smart meters - includes new services				-
Planned Meter Installation	-	-	31,142	31,142
Accumulative Planned Meter Installations Completed before January 1, 2011	-	-	31,142	

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			\$ 8,414,416	\$ 8,414,416
Smart Meter			\$ 3,084,077	\$ 3,084,077
Comp. Hard.				\$ -
Comp. Soft.				\$ -
Total	\$ -	\$ -	\$ 11,498,493	\$ 11,498,493

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			\$ 152,300	\$ 152,300
Smart Meter	2008 Forecast	2009	2010	\$ -
Smart Meter	2008 Forecast	2009	2010	\$ -
Total	\$ -	\$ -	\$ 152,300	\$ 152,300

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

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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
		\$ 236,000	\$ 236,000

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

\$ -	\$ -	\$ 236,000	\$ 236,000
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Total Capital Costs

\$ -	\$ -	\$ 11,886,793	\$ 11,886,793
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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

2008 Actual	2009 Fcst	2010 Fcst	Total
		\$ 1,600	\$ 1,600
\$ -	\$ -	\$ 1,600	\$ 1,600

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

2.2.1 Maintenance

2008 Actual	2009 Fcst	2010 Fcst	Total
		\$ 31,100	\$ 31,100

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

\$ -	\$ -	\$ 31,100	\$ 31,100
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2.3 ADVANCED METERING CONTROL COMPUTER (AMCC)

2.3.1 Hardware Maintenance

may include server support, etc.

2008 Actual	2009 Fcst	2010 Fcst	Total
			\$ -

2.3.2 Software Maintenance

may include maintenance support, etc.

			\$ -
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Total Advanced Metering Control Computer (AMCC)

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

2008 Actual	2009 Fcst	2010 Fcst	Total
			\$ -

\$ -	\$ -	\$ -	\$ -
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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
		\$ 5,200	\$ 5,200

2.5.2 Customer Communication
may include project communication, etc.

2008 Actual	2009 Fcst	2010 Fcst	Total
		\$ 231,000	\$ 231,000

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
		\$ 7,800	\$ 7,800

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
		\$ 66,800	\$ 66,800

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

\$ -	\$ -	\$ 310,800	\$ 310,800
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Total O M & A Costs

\$ -	\$ -	\$ 343,500	\$ 343,500
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PowerStream Inc.
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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	23,700
Other Metered Customers	3,903

Sum of Residential, General Service, and Large User 245,760

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	\$ -	\$ -	\$ 11,650,793	\$ 11,650,793
Computer Hardware	\$ -	\$ -	\$ -	\$ -
Computer Software	\$ -	\$ -	\$ 236,000	\$ 236,000
Tools & Equipment	\$ -	\$ -	\$ -	\$ -
Other Equipment	\$ -	\$ -	\$ -	\$ -
Total Capital Costs	\$ -	\$ -	\$ 11,886,793	\$ 11,886,793

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)	\$ -	\$ -	\$ 1,600	\$ 1,600
2.2 Advanced Metering Regional Collector (AMRC) (includes LAN)	\$ -	\$ -	\$ 31,100	\$ 31,100
2.3 Advanced Metering Control Computer (AMCC)	\$ -	\$ -	\$ -	\$ -
2.4 Wide Area Network (WAN)	\$ -	\$ -	\$ -	\$ -
2.5 Other AMI OM&A Costs Related To Minimum Functionality	\$ -	\$ -	\$ 310,800	\$ 310,800
Total O M & A Costs	\$ -	\$ -	\$ 343,500	\$ 343,500

Per Meter Cost Split:

	Per Meter	Installed	Investment	% of Invest
Smart meter including installation	\$ 374.12	31,142	\$ 11,650,793	95%
Computer Hardware Costs	\$ -	31,142	\$ -	0%
Computer Software Costs	\$ 7.58	31,142	\$ 236,000	2%
Tools & Equipment	\$ -	31,142	\$ -	0%
Other Equipment	\$ -	31,142	\$ -	0%
Smart meter incremental operating expenses	\$ 11.03	31,142	\$ 343,500	3%
Total Smart Meter Capital Costs per meter	\$ 392.73		\$ 12,230,293	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)	\$ -	\$ -	\$ 11,650,793.00
Closing Capital Investment	\$ -	\$ -	\$ 11,650,793.00
Opening Accumulated Amortization	\$ -	\$ -	\$ -
Amortization Year 1 (15 Years Straight Line)	\$ -	\$ -	\$ 388,359.77
Closing Accumulated Amortization	\$ -	\$ -	\$ 388,359.77
Opening Net Fixed Assets	\$ -	\$ -	\$ -
Closing Net Fixed Assets	\$ -	\$ -	\$ 11,262,433.23
Average Net Fixed Assets	\$ -	\$ -	\$ 5,631,216.62

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)	\$ -	\$ -	\$ 236,000.00
Closing Capital Investment	\$ -	\$ -	\$ 236,000.00
Opening Accumulated Amortization	\$ -	\$ -	\$ -
Amortization Year 1 (3 Years Straight Line)	\$ -	\$ -	\$ 39,333.33
Closing Accumulated Amortization	\$ -	\$ -	\$ 39,333.33
Opening Net Fixed Assets	\$ -	\$ -	\$ -
Closing Net Fixed Assets	\$ -	\$ -	\$ 196,666.67
Average Net Fixed Assets	\$ -	\$ -	\$ 98,333.33

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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.**EB-2010-0209****Friday, June 11, 2010****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	\$ -	\$ -	\$ 11,650,793.00
UCC Before Half Year Rule	\$ -	\$ -	\$ 11,650,793.00
Half Year Rule (1/2 Additions - Disposals)	\$ -	\$ -	\$ 5,825,396.50
Reduced UCC	\$ -	\$ -	\$ 5,825,396.50
CCA Rate Class 47	8.0%	8.0%	8.0%
CCA	\$ -	\$ -	\$ 466,031.72
Closing UCC	\$ -	\$ -	\$ 11,184,761.28

UCC - Computer Equipment

CCA Class 45 (45%)

	2008 Actual	2009 Fcst	2010
Opening UCC	\$ -	\$ -	\$ -
Capital Additions Computer Hardware	\$ -	\$ -	\$ -
Capital Additions Computer Software	\$ -	\$ -	\$ 236,000.00
UCC Before Half Year Rule	\$ -	\$ -	\$ 236,000.00
Half Year Rule (1/2 Additions - Disposals)	\$ -	\$ -	\$ 118,000.00
Reduced UCC	\$ -	\$ -	\$ 118,000.00
CCA Rate Class 45	45%	45%	45%
CCA	\$ -	\$ -	\$ 53,100.00
Closing UCC	\$ -	\$ -	\$ 182,900.00

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	\$ -	\$ -	\$ 5,631,217
Net Fixed Assets Computer Hardware	\$ -	\$ -	\$ -
Net Fixed Assets Computer Software	\$ -	\$ -	\$ 98,333
Net Fixed Assets Tools & Equipment	\$ -	\$ -	\$ -
Net Fixed Assets Other Equipment	\$ -	\$ -	\$ -
Total Net Fixed Assets	\$ -	\$ -	\$ 5,729,550
Operation Expense	\$ -	\$ -	\$ 343,500
Working Capital 15 %	\$ -	\$ -	\$ 51,525
Smart Meters included in Rate Base	\$ -	\$ -	\$ 5,781,075
Deemed Debt (3. LDC Assumptions and Data)	60% \$ -	60% \$ -	60% \$ 3,468,645
Deemed Equity (3. LDC Assumptions and Data)	40% \$ -	40% \$ -	40% \$ 2,312,430
			\$ 5,781,075
Weighted Debt Rate (3. LDC Assumptions and Data)	5.59% \$ -	5.59% \$ -	5.59% \$ 193,759
Proposed ROE (3. LDC Assumptions and Data)	8.01% \$ -	8.01% \$ -	8.01% \$ 185,226
Return on Rate Base	\$ -	\$ -	\$ 378,984
Incremental Operating Expenses (3. LDC Assumptions and Data)	\$ -	\$ -	\$ 343,500
Amortization Expenses - Smart Meters	\$ -	\$ -	\$ 388,360
Amortization Expenses - Computer Hardware	\$ -	\$ -	\$ -
Amortization Expenses - Computer Software	\$ -	\$ -	\$ 39,333
Amortization Expenses - Tools & Equipment	\$ -	\$ -	\$ -
Amortization Expenses - Other Equipment	\$ -	\$ -	\$ -
Total Amortization Expenses	\$ -	\$ -	\$ 427,693
Revenue Requirement Before PILs	\$ -	\$ -	\$ 1,150,177
Incremental Operating Expenses	\$ -	\$ -	-\$ 343,500
Depreciation Expenses	\$ -	\$ -	-\$ 427,693
Interest Expense	\$ -	\$ -	-\$ 193,759
Taxable Income For PILs	\$ -	\$ -	\$ 185,226
Grossed up PILs (5. PILs)	\$ -	\$ -	\$ 50,731
Revenue Requirement Before PILs	\$ -	\$ -	\$ 1,150,177
Grossed up PILs (5. PILs)	\$ -	\$ -	\$ 50,731
Revenue Requirement for Smart Meters	\$ -	\$ -	\$ 1,200,908
Revenue Requirement for Smart Meters			\$ 1,200,908
2009 EDR Total Metered Customers (3. LDC Assumptions and Data)			\$ 245,760
Annualized amount required per metered customer			\$ 4.89
Number of months in year			12
2010 Smart Meter Rate Adder			\$ 0.41

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

PILs Calculation

	2007 Actual	2008 Actual	2009	2010
INCOME TAX				
Net Income	\$ -	\$ -	\$ -	\$ 185,226
Amortization	\$ -	\$ -	\$ -	\$ 427,693
CCA - Class 47 (8%) Smart Meters	\$ -	\$ -	\$ -	\$ 466,032
CCA - Class 45 (45%) Computers	\$ -	\$ -	\$ -	\$ 53,100
CCA - Class 8 (20%) Other Equipment	\$ -	\$ -	\$ -	\$ -
Change in taxable income	\$ -	\$ -	\$ -	\$ 93,787
Tax Rate (3. LDC Assumptions and Data)	33.50%	33.50%	33.00%	31.00%
Income Taxes Payable	\$ -	\$ -	\$ -	\$ 29,074
ONTARIO CAPITAL TAX				
Smart Meters	\$ -	\$ -	\$ -	\$ 11,262,433
Computer Hardware	\$ -	\$ -	\$ -	\$ -
Computer Software	\$ -	\$ -	\$ -	\$ 196,667
Tools & Equipment	\$ -	\$ -	\$ -	\$ -
Other Equipment	\$ -	\$ -	\$ -	\$ -
Rate Base	\$ -	\$ -	\$ -	\$ 11,459,100
Less: Exemption	\$ -	\$ -	\$ -	\$ -
Deemed Taxable Capital	\$ -	\$ -	\$ -	\$ 11,459,100
Ontario Capital Tax Rate	0.285%	0.225%	0.225%	0.150%
Net Amount (Taxable Capital x Rate)	\$ -	\$ -	\$ -	\$ 8,594
Gross Up				
Change in Income Taxes Payable	\$ -	\$ -	\$ -	\$ 29,074
Change in OCT	\$ -	\$ -	\$ -	\$ 8,594
PIL's	\$ -	\$ -	\$ -	\$ 37,668
	Gross Up 33.50%	Gross Up 33.50%	Gross Up 33.00%	Gross Up 31.00%
Change in Income Taxes Payable	\$ -	\$ -	\$ -	\$ 42,136
Change in OCT	\$ -	\$ -	\$ -	\$ 8,594
PIL's	\$ -	\$ -	\$ -	\$ 50,731