

**Ontario Energy
Board**
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**Commission de l'énergie
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BY E-MAIL

November 11, 2010

Christine Dade
Manager
PowerStream Inc.
161 Cityview Boulevard
Vaughan, ON L4H 0A9

Dear Ms. Dade:

**Re: EB-2010-0110 – PowerStream Inc. 2011 Electricity Distribution Rate
Adjustment Application**

The Ontario Energy Board has received a copy of e-mail correspondence dated November 8, 2010 from Mr. and Mrs. Smith regarding PowerStream's 2011 electricity distribution rate application to the OEB as well as PowerStream's response to that e-mail. PowerStream copied the Board at the request of Mr. and Mrs. Smith.

The Board finds it necessary to point out a significant error in the information PowerStream provided to Mr. and Mrs. Smith in its November 9th response e-mail. In particular, PowerStream's response indicates:

"The recent distribution rate application we filed with the Ontario Energy Board (OEB) **was mandatory under OEB regulations**. It is a filing that all Ontario utilities **must submit each year** in order to be compliant with the regulator. The OEB **has deemed that this filing is required** for all Ontario Utilities in order to ensure that the necessary resources are in place so that utilities are able to provide reliable electricity distribution services to customers when inflation and other cost pressures (minus efficiency targets set by the OEB) are considered." (emphasis added)

As PowerStream is well aware, the filing of IRM distribution rate applications with the Board is not mandatory. If PowerStream were to choose to maintain its current rates and not file a distribution rate application with the Board, it would not create a compliance issue with the Board. While it is correct to say that PowerStream is not permitted to charge for the distribution of electricity or for meeting its obligation to sell

electricity to every person connected to its distribution system except in accordance with an order of this Board, the decision to apply to the Board for different rates is usually discretionary on the part of the utility, taking in consideration its own business requirements and good utility practice. While the Board does have the power to require a utility to file a rate application with the Board, it has not done so in this case.

The Board finds the statement in PowerStream's response to Mr. and Mrs. Smith to be factually incorrect and misleading. Please ensure that Mr. and Mrs. Smith are immediately given the correct information and copy your response to the Board. The Board also expects that any future correspondence with customers will be accurate.

Yours truly,

Original Signed By

Kirsten Walli
Board Secretary