

**2008 Incentive Rate Mechanism Application
Ontario Energy Board Staff Interrogatories for
PowerStream Inc. — EB-2007-0850**

For each of the interrogatories below, please provide a complete explanation. Where applicable, clarify whether there were errors, confirming what the correct entry should have been, or justify the noted discrepancies. The format of the response should repeat the references and the interrogatories.

Ref.: Manager's Summary, Add back of SMART Meter Amount

1. Please indicate if the costs associated with the new smart meter adder of \$1.41 per metered customer per month relate only to meeting the minimum functionality set out in Ontario Regulation 425/06. If any of the costs are associated with functionality exceeding the minimum functionality set out in Ontario Regulation 425/06, please provide a breakdown in accordance with Appendix A to the EB-2007-0063 Decision with Reasons, clearly separating costs associated with the minimum functionality from those relating to functionality that goes beyond the minimum requirements.
2. If PowerStream Inc. is applying for funding of costs related to functionality that exceeds Ontario Regulation 425/06 in terms of minimum functionality, please justify why any of those costs should be considered for funding.

Ref.: Smart Meter Model, 3. LDC Assumptions and Data

3. Sheet 3 of the smart meter model dated November 23, 2007, shows planned capital expenditures of \$426,800 on computer hardware and \$190,200 on computer software for 2008. These are 72% and 59% higher, respectively, than the planned capital expenditures for the same items shown in the model filed as part of your 2007 IRM application (EB-2007-0573). Please explain what the drivers behind these increases are.
4. The total operating expenses remained consistent across the file dated November 23, 2007, and the model filed as part of your 2007 IRM application (EB-2007-0573), except for 2008 where there is a difference of about \$625,000 (double the amount shown in the earlier file).
 - a. Please explain.
 - b. It appears that most of the difference described above, but not all, is due to the inclusion of "IESO charges for MDM/R service". Please explain why this amount was included in 2008, and why it was included in 2008 only.

- c. Please recalculate your proposed rate adder for the May 1, 2008, to April 30, 2009, without the “estimated \$500,000 for 2008” for the “IESO charges for the MDM/R service.”

Ref.: 2008 IRM Model, 3. 2007 Tariff Sheet

- 5. You entered the descriptor for the legacy General Service 50 to 4,999 kW as “(formerly Time of Use)”. Your current 2007 Board approved Tariff of Rates and Charges shows this descriptor as being “— Legacy”.

- 6. Monthly Rates and Charges for Large Use

- a. A review of your current 2007 Board approved Tariff of Rates and Charges indicates that the “Retail Transmission Rate – Network Service Rate” on row 206 should include the descriptor “- Interval Metered”.
- b. A review of your current 2007 Board approved Tariff of Rates and Charges indicates that the “Retail Transmission Rate – Line and Transformation Connection Service Rate” on row 207 should include the descriptor “- Interval Metered”.

- 7. Monthly Rates and Charges for Unmetered Scattered Load

A review of your current 2007 Board approved Tariff of Rates and Charges indicates that the Service Charge should include the descriptor “(per connection)”.

- 8. Monthly Rates and Charges for Street Lighting

A review of your current 2007 Board approved Tariff of Rates and Charges indicates that the Service Charge should include the descriptor “(per connection)”.