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**Commission de l'énergie
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BY EMAIL

January 24, 2010

Ontario Energy Board
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto ON M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli:

**Re: PowerStream Inc.
2011 IRM3 Distribution Rate Application
Board Staff Submission
Board File No. EB-2010-0110**

In accordance with the Notice of Application and Written Hearing, please find attached the Board Staff Submission in the above proceeding. Please forward the following to PowerStream Inc. and to all other registered parties to this proceeding.

In addition please remind PowerStream Inc. that its Reply Submission is due by February 15, 2011.

Yours truly,

Original Signed By

Daniel Kim
Analyst, Applications & Regulatory Audit

Encl.



ONTARIO ENERGY BOARD

STAFF SUBMISSION

2011 ELECTRICITY DISTRIBUTION RATES

PowerStream Inc.

EB-2010-0110

January 24, 2011

**Board Staff Submission
PowerStream Inc.
2011 IRM3 Rate Application
EB-2010-0110**

Introduction

PowerStream Inc. ("PowerStream") filed an application (the "Application") with the Ontario Energy Board (the "Board"), received on October 15, 2010, under section 78 of the *Ontario Energy Board Act, 1998*, seeking approval for changes to the distribution rates that PowerStream charges for electricity distribution, to be effective May 1, 2011. The Application is based on the 2011 3rd Generation Incentive Regulation Mechanism.

The purpose of this document is to provide the Board with the submissions of Board staff based on its review of the evidence submitted by PowerStream.

Board staff makes submissions on the following matters:

- Disposition of Deferral and Variance Accounts as per the *Electricity Distributors' Deferral and Variance Account Review Report* (the "EDDVAR Report");
- Lost Revenue Adjustment Mechanism ("LRAM") and Shared Savings Mechanism ("SSM") Claim; and
- 2011 Retail Transmission Service Rates ("RTSR") Adjustment Workform.

DISPOSITION OF DEFERRAL AND VARIANCE ACCOUNTS AS PER THE EDDVAR REPORT

Background

The EDDVAR Report provides that during the IRM plan term, the distributor's Group 1 audited account balances will be reviewed and disposed if the preset disposition threshold of \$0.001 per kWh (debit or credit) is exceeded.

PowerStream has completed the 2011 IRM Deferral and Variance Account Workform and has determined that the preset disposition threshold has not been exceeded. The 2009 actual year end amount for Group 1 accounts with interest projected to April 30, 2011 is a debit of \$ 3,703,0172. Debits balances are amounts recoverable from customers. This amount results in a total claim per kWh of \$0.000567. As a result,

PowerStream is not seeking disposition of this amount in this application.

Submission

Board staff has reviewed PowerStream's 2011 IRM Deferral and Variance Account Workform and has no issue with PowerStream's request to not dispose of its 2009 Deferral and Variance Account balances at this time.

LRAM AND SSM CLAIM

Background

PowerStream requested the recovery of an LRAM claim of \$516,799 and an SSM claim of \$6,133.

Submission

The Board's *Guidelines for Electricity Distributor Conservation and Demand Management* (the "Guidelines") issued on March 28, 2008, outlines the information that is required when filing an application for LRAM and SSM claim.

Board staff submits that PowerStream's application for LRAM and SSM recovery is consistent with the Guidelines and the Board's Decision on Horizon's application (EB-2009-0192) for LRAM recovery. Board staff supports the recovery of the LRAM and SSM amounts, \$516,799 and \$6,133 respectively, as proposed by PowerStream.

2011 RTSR ADJUSTMENT WORKFORM ("RTSR workform")

Background

PowerStream requested an adjustment to its RTSRs, using the RTSR workform provided by the Board to assist distributors in calculating their specific RTSR adjustments.

The Board's instructions for filing Sheet "B1.2 2009 Distributor Billing Determinants" of the RTSR workform are to enter the most recently reported RRR billing determinants (2009 Audited RRR billed kWhs or billed kW's).

In response to Board staff interrogatory #1a, PowerStream stated that the RRR filing reported in April 2010 combined the total 2009 billing determinants for the South and North (former Barrie Hydro) rate zones and that the amounts entered in the RTSR workform are actual 2009 billing determinants for PowerStream South customers before any losses are applied. PowerStream subsequently corrected the RTSR workform to include the applicable loss factors and re-filed this workform.

Submission

Board staff has reviewed the updated RTSR workform and has no issue with PowerStream's adjustments.

All of which is respectfully submitted