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BY E-MAIL

December 2, 2011

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: PowerStream Inc.
2012 IRM3 Rate Application
Board Staff Interrogatories
Board File No. EB-2011-0005**

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

Yours truly,

Original Signed By

Stephen Vetsis
Analyst – Applications & Regulatory Audit

Encl.

Board Staff Interrogatories
2012 IRM3 Electricity Distribution Rate Application
PowerStream Inc. ("PowerStream")
EB-2011-0005

Board Staff Interrogatory No. 1

Board staff has attempted to reconcile the consumption (i.e. billed kWh, billed kW, etc.) data entered in the submitted models to information filed by PowerStream in RRR 2.1.5.

- a) Please confirm whether the data filed by PowerStream as part of RRR 2.1.5 represents metered (i.e. non-loss adjusted) or billed consumption data.

2012 Shared Tax Savings Work Form – Barrie Rate Zone

Board Staff Interrogatory No. 2

Ref: 2012 Shared Tax Savings Work Form – Sheet 5 “Z-Factor Tax Changes”

A section of Sheet 5 “Z-Factor Tax Changes” of the 2012 Shared Tax Savings Work Form for the South rate zone is reproduced below.

Summary - Sharing of Tax Change Forecast Amounts

For the 2008 year, enter any Tax Credits from the Cost of Service Tax Calculation (Positive =)

\$ -

1. Tax Related Amounts Forecast from Capital Tax Rate Changes

2008

2012

Taxable Capital

\$ 149,853,574

\$ 149,853,574

Deduction from taxable capital up to \$15,000,000

\$ 15,000,000

\$ 15,000,000

Net Taxable Capital

\$ 134,853,574

\$ 134,853,574

Rate

0.225%

0.000%

Ontario Capital Tax (Deductible, not grossed-up)

\$ 303,421

\$ -

2. Tax Related Amounts Forecast from Income Tax Rate Changes

2008

2012

Regulatory Taxable Income

\$ 5,134,969

\$ 5,134,969

Corporate Tax Rate

33.50%

25.59%

Tax Impact

\$ 1,720,215

\$ 1,314,128

Grossed-up Tax Amount

\$ 2,586,789

\$ 1,766,105

Tax Related Amounts Forecast from Capital Tax Rate Changes

\$ 303,421

\$ -

Tax Related Amounts Forecast from Income Tax Rate Changes

\$ 2,586,789

\$ 1,766,105

Total Tax Related Amounts

\$ 2,890,210

\$ 1,766,105

Incremental Tax Savings

-\$ 1,124,105

Sharing of Tax Savings (50%)

-\$ 562,052

Board staff was unable to reconcile the Rate, Ontario Capital Tax and Total Tax Related Amounts variables shown in the Shared Tax Savings Work Form with the data filed by

PowerStream in the draft Rate Order, filed on April 7, 2008 from Barrie Hydro's last rebasing application (EB-2007-0746).

- a) Please provide evidence in support of the values in the Shared Tax Savings Work Form for the Barrie rate zone. Please indicate if there are any errors and Board staff will make the appropriate changes to the model.

2012 Shared Tax Savings Work Form – South Rate Zone

Board Staff Interrogatory No. 3

Ref: 2012 Shared Tax Savings Work Form – Sheet 3 “Re-based Bill Det & Rates”

A section of Sheet 3 “Re-based Bill Det & Rates” of the 2012 Shared Tax Savings Work Form for the South rate zone is reproduced below.

Last COS Re-based Year was in 2009									
Rate Group	Rate Class	Fixed Metric	Vol Metric	Re-based Billed Customers or Connections	Re-based Billed kWh	Re-based Billed kW	Rate ReBal Base Service Charge	Rate ReBal Base Distribution Volumetric Rate kWh	Rate ReBal Base Distribution Volumetric Rate kW
				A	B	C	D	E	F
RES	Residential	Customer	kWh	218,157	2,034,450,648		11.89	0.0134	
GSLT50	General Service Less Than 50 kW	Customer	kWh	23,700	803,126,540		28.39	0.0115	
GSGT50	General Service 50 to 4,999 kW	Customer	kW	3,902	3,909,095,504	10,189,730	83.71		3.4730
LU	Large Use	Customer	kW	1	31,414,814	82,809	2,154.67		1.0393
UL	Unmetered Scattered Load	Connection	kWh	2,121	8,195,169		14.20	0.0086	
SL	Street Lighting	Connection	kW	142	682,931	1,750	1.98		9.3098
SL	Street Lighting	Connection	kW	63,805	42,341,705	126,683	0.83		4.8192

Board staff has been unable to reconcile the data in columns B and C with the data provided in Exhibit C1/Tab 1/Schedule 4/Table 4 of PowerStream's last cost of service application (EB-2008-0244).

- a) Please provide evidence in support of the Board approved demand and consumption forecasts from PowerStream's prior rebasing application entered in columns B and C. Please indicate if there are any errors and Board staff will make the appropriate changes to the model.

Board Staff Interrogatory No. 4

Ref: 2012 Shared Tax Savings Work Form – Sheet 5 “Z-Factor Tax Changes”

A section of Sheet 5 “Z-Factor Tax Changes” of the 2012 Shared Tax Savings Work Form for the South rate zone is reproduced below.

Summary - Sharing of Tax Change Forecast Amounts			
	For the 2009 year, enter any Tax Credits from the Cost of Service Tax Calculation (Positive #)	\$	152,000
1. Tax Related Amounts Forecast from Capital Tax Rate Changes			
		2009	2012
Taxable Capital		\$ 600,117,757	\$ 600,117,757
Deduction from taxable capital up to \$15,000,000		\$ 15,000,000	\$ 15,000,000
Net Taxable Capital		\$ 585,117,757	\$ 585,117,757
Rate		0.225%	0.000%
Ontario Capital Tax (Deductible, not grossed-up)		\$ 1,316,515	\$ -
2. Tax Related Amounts Forecast from Income Tax Rate Changes			
		2009	2012
Regulatory Taxable Income		\$ 12,260,855	\$ 12,260,855
Corporate Tax Rate		33.00%	25.97%
Tax Impact		\$ 3,894,082	\$ 3,032,602
Grossed-up Tax Amount		\$ 5,812,063	\$ 4,096,656
Tax Related Amounts Forecast from Capital Tax Rate Changes		\$ 1,316,515	\$ -
Tax Related Amounts Forecast from Income Tax Rate Changes		\$ 5,812,063	\$ 4,096,656
Total Tax Related Amounts		\$ 7,128,578	\$ 4,096,656
Incremental Tax Savings			-\$ 3,031,921
Sharing of Tax Savings (50%)			-\$ 1,515,961

Board staff has been unable to reconcile the Taxable Capital and Tax Credit values provided with the data in Schedule B of the Settlement Agreement in PowerStream's last rebasing application (EB-2008-0224).

- a) Please provide Board approved evidence in support of the Taxable Capital and Tax Credit values from PowerStream's prior rebasing application. Please indicate if there are any errors and Board staff will make the appropriate changes to the model.

2012 IRM3 Rate Generator – Barrie Rate Zone

Board Staff Interrogatory No. 5

Ref: 2012 IRM3 Rate Generator – Sheet 4 “Current MFC”

A section of Sheet 4 “Current MFC” from the 2012 IRM3 Rate Generator filed for the Barrie rate zone is reproduced below.

Rate Description	Unit	Amount	Effective Until Date
General Service 50 to 4,999 kW			
Service Charge	\$	392.23	
Rate Rider for Recovery of Late Payment Penalty Litigation Costs	\$	5.38	April 30, 2012
General Service 50 to 4,999 kW - Time of Use			
Service Charge	\$	392.23	
Rate Rider for Recovery of Late Payment Penalty Litigation Costs	\$	5.38	April 30, 2012

Board staff has been unable to reconcile the service charge entered for the GS 50 to 4,999kW classes with PowerStream's most recent tariff of rates and charges.

- a) PowerStream's tariff indicates a service charge of \$393.23 for the GS 50 to 4,999kW classes. Please indicate if \$392.23 was entered into the rate generator in error and Board staff will make the necessary corrections. Otherwise, provide evidence in support of the entered values.

Account 1521 – Special Purpose Charge (SPC)

Board Staff Interrogatory No. 6

Ref: Application, page 11 – Manager's Summary – South rate zone

Ref: Application, page 19 – Manager's Summary – Barrie rate zone

On the pages referenced above, PowerStream has stated that it has not tracked amounts for account 1521 separately by rate zone.

- a) Please confirm PowerStream's SPC assessment amount for both rate zones and provide a copy of the original SPC invoice.