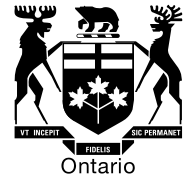


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**BY E-MAIL**

July 13, 2012

Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli:

**Re: Board Staff Submission Draft Issues List  
PowerStream Inc.  
Application for 2013 Distribution Rates  
Board File Number EB-2012-0161**

On July 6, 2012, the Board issued Procedural Order No. 1 in the above proceeding which established, among other things that Board staff and intervenors wishing to comment on the draft issues list attached as Appendix B of this Procedural Order should file submissions with the Board and deliver them to all parties on or before July 13, 2012.

The following is Board staff's submission on this matter.

The approach that Board staff has taken in providing its comments is to attach to this letter a version of the draft issues list included in Procedural Order No. 1 with Board staff's proposed changes indicated through the track changes function.

Board staff's proposed changes fall into two areas:

The first relates to numbering, typographical, or minor wording changes which are indicated on the attachment and about which no further comment will be made.

The second area is proposed additions to the issues list. These fall into two categories. The first category is issues which are normally included on Board approved issues lists and which Board staff believes should accordingly be added to the issues list in this proceeding. These include issues related to economic and business planning assumptions, service quality, the green energy plan, (proposed issues 1.1, 1.2 and 1.4 respectively) shared services/corporate costs (proposed issue 4.4), and cost allocation (proposed issue 7.1). In this context, staff also proposes that the load forecasting issue be modified to refer to class-specific load forecasts as the Board requires these since

the CDM component of the forecast must be specifically identified by class as the amount approved by the Board will be the basis for the lost revenue adjustment mechanism variance account (proposed issue 3.2) In addition, staff proposes that the existing loss factor issue be expanded to include total losses, rather than distribution losses as proposed by PowerStream (proposed issue 9.4). All of these proposed additions/changes are reflected in the attachment.

The second area is those issues which staff believes should be included because they are relevant to PowerStream's application, i.e. the alignment of the rate year with the fiscal year (proposed issue 1.3) and rate harmonization (proposed issue 9.5). These proposed additions are also reflected in the attachment.

Sincerely,

*Original Signed By*

Martin Davies  
Project Advisor, Applications & Regulatory Audit

Attachment

cc: Parties to EB-2012-0161 proceeding

# POWERSTREAM INC.

EB-2012-0161

## DRAFT ISSUES LIST WITH PROPOSED BOARD STAFF CHANGES

### 1. General

- 1.1 Are PowerStream's economic and business planning assumptions appropriate?
- 1.2 Is service quality, based on the Board specified performance indicators acceptable?
- 1.3 Are the proposals to align the rate year with PowerStream's fiscal year, and for rates effective January 1, 2013 appropriate?
- 1.4 Is the proposed Green Energy Act Plan appropriate?

### ~~1.2.~~ **Rate Base (Exhibit B)**

- ~~1.2.1~~ 1.2.1 Is the proposed Rate Base for Test Year 2013 appropriate? (B1)
- ~~1.2.2~~ 1.2.2 Is the Working Capital Allowance for Test Year 2013 appropriate? (B3)
- ~~1.3.3~~ 1.3.3 ~~Are~~ Is the proposed Capital Expenditures forecast for Test Year 2013 appropriate? (B1)

### ~~2.3.~~ **Operating Revenue (Exhibit C)**

- ~~2.3.1~~ 2.3.1 Is the proposed forecast of 2013 Test Year Throughput Revenue appropriate? (C1)
- ~~2.3.2~~ 2.3.2 Are the proposed customers/connections and class-specific load forecasts (both kWh and kW) for Test Year 2013 appropriate, including the impact of CDM and weather normalization? (C1)
- ~~2.3.3~~ 2.3.3 Is the proposed forecast of Test Year 2013 revenues from other regulated rates and charges appropriate? (C2)

### ~~3.4.~~ **Operating Costs (Exhibit D)**

- ~~3.4.1~~ 3.4.1 Is the overall Test Year 2013 OM&A forecast appropriate? (D1)

# POWERSTREAM INC.

## EB-2012-0161

~~3.24.2~~ 3.24.2 Is the proposed level of the Depreciation/Amortization expense for 2013 appropriate? (D1)

~~3.34.3~~ 3.34.3 Is the Test Year 2013 forecast of PILs appropriate? (D2)

4.4 Is the proposed allocation of shared services and corporate costs appropriate? (A4)

### ~~4.5.~~ 4.5. Deferral and Variance Accounts (Exhibits I)

~~4.15.1~~ 4.15.1 Is the proposed clearance of deferral and variance account balances appropriate?

~~4.25.2~~ 4.25.2 Are the proposed new deferral and variance accounts for the test year appropriate?

### ~~5.6.~~ 5.6. Cost of Capital (Exhibit E)

~~5.16.1~~ 5.16.1 Are the proposed Test Year cost of capital parameters appropriate?

### ~~6.~~ 6. ~~Blank – no issues shown~~

### 7. Cost Allocation (Exhibit G)

7.1 Is PowerStream's proposed cost allocation methodology for 2013 appropriate?

~~7.47.2~~ 7.47.2 Are the revenue to cost ratios in the cost allocation for Test Year 2013 appropriate?

### 8. Modified International Financial Reporting System (Exhibit F)

8.1 Is the proposed service revenue requirement calculated using modified IFRS appropriate?

### 9. Rate Design (Exhibits H)

**POWERSTREAM INC.**

**EB-2012-0161**

9.1 Is the full ~~schedule of rates~~ Tariff of Rates and Charges as proposed appropriate?

9.2 Is the derivation of the proposed base distribution rates appropriate?

9.3 Are the proposed changes to LV rates appropriate?

9.4 Are the proposed ~~Distribution~~ Total Loss Factors appropriate?

9.5 Is PowerStream's proposed rate harmonization appropriate?