



August 10, 2012

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319, 27th Floor  
2300 Yonge Street  
Toronto, ON M4P 1E4

Re: PowerStream Inc. 2013 Electricity Rate Application  
AMPCO Request for Late Intervenor Status & Submission of Interrogatories  
Board File No. EB-2012-0161

Dear Ms. Walli:

I am writing regarding the above proceeding to request late intervenor status.

### **AMPCO's Interest**

AMPCO is a not-for-profit consumer interest advocacy organization. AMPCO's members represent Ontario's major industries: forestry, chemical, mining and minerals, steel, petroleum products, cement, automotive and manufacturing and business consumers in general. AMPCO members are major investors, major employers and a major part of communities in which we operate, across Ontario.

AMPCO and its member companies are well known to the Board. AMPCO participates in many proceedings, working groups, consultations and initiatives of the Ontario Energy Board in which matters relevant to Ontario's large electricity consumers are being addressed.

AMPCO's interest in the Board's regulation of local distribution and transmission companies relates generally to the interests of consumers with respect to price, adequacy, reliability and quality of electricity service, and, more particularly, to how costs are allocated to, and rates are designed to recover costs from, industrial customers.

In the current application, AMPCO is interested in PowerStream's change in the Large User class from one customer to two customers, the allocation of new costs to this rate class and the resulting impacts.

### **Scope of Intervention**

Due to AMPCO's late intervention, AMPCO proposes to focus its intervention on the issues of cost allocation and rate design.

### **Costs**

We respectfully request that the Board please confirm AMPCO's eligibility for an award of costs in this matter. AMPCO has been granted intervenor cost awards in other OEB proceedings.

### **Association of Major Power Consumers in Ontario**

[www.ampco.org](http://www.ampco.org)

65 Queen Street West, Suite 1510  
Toronto, Ontario M5H 2M5

P. 416-260-0280  
F. 416-260-0442

## Notice

Please serve all correspondence pertaining to this proceeding to AMPCO's consultant as follows:

Ms. Shelley Grice, P. Eng.  
C/O AMPCO  
65 Queen Street West, Suite 1510  
Toronto, Ontario M5H 2M5  
C: 647-880-9942  
F: 416-260-0442  
Email: [shelley.grice@rogers.com](mailto:shelley.grice@rogers.com)

I apologize for filing our intervention request after the deadline. I have attached AMPCO's interrogatories to this letter in the event the Board decides to grant AMPCO intervenor status.

Please do not hesitate to contact me if you have any questions or require further information.

Sincerely yours,

*(ORIGINAL SIGNED)*

Adam White  
President  
Association of Major Power Consumers in Ontario

**EB-2012-0161**  
**PowerStream Inc. (PowerStream)**  
**2013 Electricity Rate Application**  
**AMPCO Interrogatories**

**7. Cost Allocation**

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

**Interrogatory # 1**

**Reference:** Exhibit G, Tab 1, Schedule 2

Preamble: The evidence states the following:

"A revenue allocation adjustment was required for the Large Use customer class, to increase the revenues and bring the revenue-to-cost ratios within the Board-approved range. The net adjustment to the Large Use class left a revenue sufficiency of \$220,000. Since the Street Light customer class has the highest revenue to cost ratio, the sufficiency has been credited to this customer class because doing so would move its revenue-to-cost ratio closer to 1.00 (i.e., fully allocated costs).

There has been a change in the revenue cost ratio for the Large Use class from the 2009 CAS to the 2013 CAS. PowerStream now has two large use customers, one of which uses the primary distribution system while the other uses dedicated feeder lines from a transformer station. Previously, PowerStream had only one customer in the Large Use class, making very limited use of the local distribution system. Now primary asset costs, in addition to the cost of the dedicated assets and the >50kV assets, are allocated to this class."

- a) Please discuss the steps PowerStream has taken to notify its pre-existing Large Use customer of the change in the Large User class and the new costs allocated to this class and the resulting impact. Please include in the response any allowance made for this Large Use Customer to express its views.
- b) Please provide a detailed breakdown of the dedicated asset costs for the pre-existing Large User customer for the years 2009 to 2013.
- c) Please provide a detailed breakdown of the new primary asset costs allocated to the Large User class in 2013.
- d) In AMPCO's view, the new Large Use customer is being subsidized by the pre-existing Large Use customer. Please comment.