PUBLIC INTEREST ADVOCACY CENTRE

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September 21, 2012

VIA E-MAIL
Michael Janigan ext. 26
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Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge St.
Toronto, ON
M4P 1E4

Dear Ms. Walli:

Re: PowerStream Inc.
2013 Distribution Rate Application (EB-2012-0161)
Questions for Technical Conference

Set out below are specific issues that the Vulnerable Energy Consumers Coalition (VECC) plans on addressing at the September 24th Technical Conference:

- Issue 3 - Sub-Issue 3.1
- Issue 7 - Sub-Issue 7.2
- Issue 9 - Sub-Issue9.2
- Issue 1- Sub-Issue 1.4
- Issue 2 - Sub-Issue 2.3
- Issue 4 - Sub-Issue 4.1

VECC continues to review the evidence and may at the Technical Conference have further questions of clarification on all the issues responded to in the interrogatories.

Yours truly,

Michael Janigan
Counsel for VECC
Encl.
cc. Powerstream Inc. / Colin Macdonald
E-mail: colin.macdonald@powerstream.caPowerStream Inc.

POWERSTREAM INC.

2013 DISTRIBUTION RATE APPLICATION (EB-2012-0161)

VECC WRITTEN TECHNICAL CONFERENCE QUESTIONS

ISSUE #3: OPERATING REVENUE

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)

53. Reference: OEB #22

Question:

a) What does PowerStream mean by the statement – "The model should also be theoretically strong"?

54. Reference: VECC #18 a)

Question:

a) With respect to the 3rd Tranche programs implemented in 2005-2008 just reflecting annual savings with no persistence, please clarify what is meant by the statement that "savings were not developed or verified in this manner". Does this mean that::
   - The programs were known to have no persistence beyond one year, or
   - There may be persistence but no formal evaluation was performed.

55. Reference: VECC #18 d), e) & g)

Preamble: In response to VECC #18 g) PowerStream states that it has allocated CDM savings evenly over all twelve months of the year.

Question:

a) Please use a similar approach and estimate the first year's savings of each program based on the month the program started (e.g. If the program started July 1st, the first year savings would be 6/12's of the annualized value. If the program started September 1st, the first year savings would be 4/12s of the annualized value).

b) Please revise the data used in the regression analysis, re-estimate the load forecast model and provide an alternate forecast of purchased sales (both before and after CDM) for 2013.

56. Reference: VECC #18 h)

Question:

a) If the 2011 OPA Report is not available, what is the basis for the 2011 CDM savings shown in Exhibit C1, Tab 1, Schedule 2, page 4 – Table 3?

b) In response to a similar question, other distributors have filed a preliminary version of the OPA's 2011annual CDM report. Please provide PowerStream's.

57. Reference: VECC #22 b)& c)

Question:

a) Please provide the OPA's most recent 2012 Quarterly Report regarding PowerStream's CDM programs.

58. Reference: VECC #23 c)

Question:

a) The question asked for total number of in-suite Residential metered customers in each year. The referenced interrogatory response (VECC #15) only provides the additions for each year. Please provide the totals as requested.

<u>ISSUE #7: COST ALLOCATION</u>

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

59. Reference: VECC #44 b)

Question:

a) Please confirm that Sheet I7.1 of the Cost Allocation will need to be updated to incorporate the additional costs associated with some of the GS<50 customer meters.

ISSUE #9:   RATE DESIGN

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

60. Reference: VECC #48 a), Appendix A

Question:

a) Please reconcile the total revenue at current rate reported in Appendix A ($158,968,177) with that shown at Exhibit C1, Tab 1, Schedule 1, page 1 ($162,044,558).

b) Please reconcile the total revenue at current rate reported in Appendix A ($158,968,177) with that shown at Tab I6.1 of the Cost Allocation Model ($154,832,425).

c) Please explain the difference between the % of Revenue by Class in Appendix A and that show in Exhibit H, Tab 3 Schedule 1, page 2, Table 1 under “as per 2013 CAS”.

Issue #1 GENERAL

1.4 Is the proposed Green Energy Act Plan appropriate?

61. Reference: VECC #2

Question:

a) Was a **financial** analysis of the alternatives to the WiMAx communications system undertaken? If so please provide this analysis

Issue # 2 RATE BASE

2.3 Is the Capital Expenditures forecast for Test Year 2013 appropriate?

62. Reference: VECC #6

Question:

a) It is clear from the evidence that PowerStream does not expect the increase in sustainment capital to impact unscheduled replacement of equipment. The question was to find out why this is so. Why would an increase in expenditures not have an impact on budget for unscheduled repairs?

Issue #4 OPERATING COSTS

4.1 Is the overall Test Year 2013 OM&A forecast appropriate?

63. Reference VECC IR #30

Question

a) From the response to this interrogatory it appears that $235,000 in remaining environmental costs is built into the ongoing budget (2013 and beyond). The response also states that no assessment of remediation beyond 2013 has been made. Why does PowerStream believe the amount of $235,000 is a reasonable ongoing cost for this item?

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