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September 17, 2013

Board Secretary
Ontario Energy Board
PO Box 2319
27th Floor 2300 Yonge Street
Toronto ON M4P 1E4

Attn: Kirsten Walli

RE: Collus PowerStream Corp. (License ED-2002-0518)
2013 Electricity Distribution Rates Application EB-2012-0116
Response – Board Staff Request

Please find enclosed Collus PowerStream's response to a request from Board Staff for more information in response to interrogatory 9.0-Staff-37. This response, in PDF format, has been filed through the Board's Regulatory Electronic Submission System (RESS).

If you have any questions please do not hesitate to contact the undersigned at gmcallister@collus.com or (705)445-1800 ext. 2274.

Yours truly,

Original signed by Glen McAllister

Glen McAllister, B.Sc., CMA
Manager, Billing & Regulatory
Collus PowerStream

9.0-Staff-37 Addendum

Ref: Account 1592, PILs and Tax Variance for 2006 and Subsequent Years – Subaccount HST/OVAT Input Tax Credits; E1/T1/S2, p.3 and Chapter 2 of the Filing Requirements For Electricity Transmission and Distribution Applications, Sections 2.12.2, June 28, 2012

The 2013 COS filing requirements state:

The applicant must state whether entries have been made to record variances in the sub-account of Account 1592 to cover the period from July 1, 2010 to December 31, 2012 since the Test Year, which starts January 1, 2013 would include the HST impacts in rates going forward. If this is not the case, please explain. If the rate year begins May 1, entries to record variances in the subaccount of Account 1592 would cover the period from July 1, 2010 to April 30, 2013.

The applicant is required to provide an analysis to support the applicant's conformity with the December 2010 APH FAQs using the example shown in the FAQ #4.

Board staff noted that the variances recorded in 1592 sub account did not cover the period from July 1, 2010 to August 31, 2013 since the rate year starts September 1, 2013.

Board staff also noted that Collus PowerStream has not provided the detailed analysis required by S.2.12.2 of the 2013 COS filing requirements.

- a) Please file the updated balance for disposition for Account 1592, PILs and Tax Variance for 2006 and Subsequent Years – Sub-account HST/OVAT Input Tax Credits to cover the period of July 1, 2010 to August 31, 2013 using the analysis method in the December 2010 APH FAQ #4.
- b) Please provide the details for the analysis for the completion of the record.

Response:

This addendum provides additional information requested by Board Staff during the Technical Conference and should be read in conjunction with the original reply.

Collus PowerStream has calculated the December 2010 APH FAQ#4 "PST savings related to depreciation expenses on capital items" as summarized in Table Staff-37A-1.

Table Staff-37A-1: Summary of FAQ#4 PST Savings on Depreciation

	2010	2011	2012	2013	Total
re 2010	\$ 1,324	\$ 2,648	\$ 2,648	\$ 1,986	\$ 8,606
re 2011		\$ 2,648	\$ 2,648	\$ 1,986	\$ 7,282
re 2012			\$ 2,648	\$ 1,986	\$ 4,634
Total	\$ 1,324	\$ 5,296	\$ 7,944	\$ 5,958	\$ 20,523
Monthly	\$ 221	\$ 441	\$ 662	\$ 662	

The summary uses the proxy amount of \$2,648 as discussed below. For 2010 the amount is based on a half year due to the implementation of HST effective July 1, 2010 and the monthly amount is determined by dividing by six months. For 2013, 9 months has been used as rebased rates are to be effective October 1, 2013.

The proxy amount of \$2,648 was determined by comparing the annual depreciation of \$45,985 on 2009 capital additions of \$1,078,565, to depreciation of \$43,337 calculated on the same additions with an adjustment to the cost as if PST had not been paid. For self-constructed assets, an assumption of 50% of the cost being subject to PST was used as labour and contractor costs make up about half the cost and were not subject to PST. This is summarized in Table Staff-37A-2 below.

Table Staff-37A-2: Calculation of Proxy Amount

Description	Amount			
2009 assets at cost - opening	\$ 23,710,964			
2009 assets at cost - closing	\$ 24,764,827			
2009 assets at cost - average	\$ 24,237,896			
2009 Depreciation	\$ 1,033,396			
Average depreciation rate	4.26%			
2009 Capital additions:	Actual additions	Adjusted Additions	Difference	
Self constructed	\$ 499,360	\$ 480,154	\$ (19,206)	
Purchased	\$ 579,206	\$ 536,301	\$ (42,904)	
Total additions	\$ 1,078,565	\$ 1,016,455	\$ (62,110)	
Average depreciation rate	4.26%	4.26%	4.26%	
Depreciation on additions	\$ 45,985	\$ 43,337	\$ (2,648)	

Table Staff-37A-3 provides a calculation of the amount to be booked in account 1592, HST/OVAT Input Tax Credits subaccount.

Table Staff-37A-3: account 1592, HST/OVAT Input Tax Credits

Monthly Savings	2010	2011	2012	2013			
Capital	\$ 221	\$ 441	\$ 662	\$ 662			
OM&A	\$ 2,303	\$ 2,303	\$ 2,303	\$ 2,303			
Total	\$ 2,524	\$ 2,744	\$ 2,965	\$ 2,965			
Entries	Principal		Interest				
Date	Additions	Balance	Additions	Balance	Total	Days	Rate
1-Jul-10		\$ -		\$ -	\$ -		
31-Jul-10	\$ 2,524	\$ 2,524	\$ -	\$ -	\$ 2,524	31	0.89%
31-Aug-10	\$ 2,524	\$ 5,047	\$ 2	\$ 2	\$ 5,049	31	0.89%
30-Sep-10	\$ 2,524	\$ 7,571	\$ 4	\$ 6	\$ 7,577	30	0.89%
31-Oct-10	\$ 2,524	\$ 10,095	\$ 8	\$ 13	\$ 10,108	31	1.20%
30-Nov-10	\$ 2,524	\$ 12,618	\$ 10	\$ 23	\$ 12,642	30	1.20%
31-Dec-10	\$ 2,524	\$ 15,142	\$ 13	\$ 36	\$ 15,178	31	1.20%
31-Jan-11	\$ 2,744	\$ 17,886	\$ 19	\$ 55	\$ 17,941	31	1.47%
28-Feb-11	\$ 2,744	\$ 20,631	\$ 20	\$ 75	\$ 20,706	28	1.47%
31-Mar-11	\$ 2,744	\$ 23,375	\$ 26	\$ 101	\$ 23,476	31	1.47%
30-Apr-11	\$ 2,744	\$ 26,119	\$ 28	\$ 129	\$ 26,249	30	1.47%
31-May-11	\$ 2,744	\$ 28,864	\$ 33	\$ 162	\$ 29,026	31	1.47%
30-Jun-11	\$ 2,744	\$ 31,608	\$ 35	\$ 197	\$ 31,805	30	1.47%
31-Jul-11	\$ 2,744	\$ 34,353	\$ 39	\$ 236	\$ 34,589	31	1.47%
31-Aug-11	\$ 2,744	\$ 37,097	\$ 43	\$ 279	\$ 37,376	31	1.47%
30-Sep-11	\$ 2,744	\$ 39,841	\$ 45	\$ 324	\$ 40,165	30	1.47%
31-Oct-11	\$ 2,744	\$ 42,586	\$ 50	\$ 374	\$ 42,959	31	1.47%
30-Nov-11	\$ 2,744	\$ 45,330	\$ 51	\$ 425	\$ 45,755	30	1.47%
31-Dec-11	\$ 2,744	\$ 48,074	\$ 57	\$ 482	\$ 48,556	31	1.47%
31-Jan-12	\$ 2,965	\$ 51,039	\$ 60	\$ 542	\$ 51,581	31	1.47%
29-Feb-12	\$ 2,965	\$ 54,004	\$ 60	\$ 601	\$ 54,606	29	1.47%
31-Mar-12	\$ 2,965	\$ 56,969	\$ 67	\$ 669	\$ 57,638	31	1.47%
30-Apr-12	\$ 2,965	\$ 59,934	\$ 69	\$ 738	\$ 60,672	30	1.47%
31-May-12	\$ 2,965	\$ 62,899	\$ 75	\$ 812	\$ 63,712	31	1.47%
30-Jun-12	\$ 2,965	\$ 65,864	\$ 76	\$ 888	\$ 66,753	30	1.47%
31-Jul-12	\$ 2,965	\$ 68,829	\$ 82	\$ 971	\$ 69,800	31	1.47%
31-Aug-12	\$ 2,965	\$ 71,794	\$ 86	\$ 1,057	\$ 72,851	31	1.47%
30-Sep-12	\$ 2,965	\$ 74,759	\$ 87	\$ 1,143	\$ 75,903	30	1.47%
31-Oct-12	\$ 2,965	\$ 77,725	\$ 93	\$ 1,237	\$ 78,961	31	1.47%
30-Nov-12	\$ 2,965	\$ 80,690	\$ 94	\$ 1,331	\$ 82,020	30	1.47%
31-Dec-12	\$ 2,965	\$ 83,655	\$ 101	\$ 1,431	\$ 85,086	31	1.47%
31-Jan-13	\$ 2,965	\$ 86,620	\$ 104	\$ 1,536	\$ 88,155	31	1.47%
28-Feb-13	\$ 2,965	\$ 89,585	\$ 98	\$ 1,633	\$ 91,218	28	1.47%
31-Mar-13	\$ 2,965	\$ 92,550	\$ 112	\$ 1,745	\$ 94,295	31	1.47%
30-Apr-13	\$ 2,965	\$ 95,515	\$ 112	\$ 1,857	\$ 97,372	30	1.47%
31-May-13	\$ 2,965	\$ 98,480	\$ 119	\$ 1,976	\$100,456	31	1.47%
30-Jun-13	\$ 2,965	\$ 101,445	\$ 119	\$ 2,095	\$103,540	30	1.47%
31-Jul-13	\$ 2,965	\$ 104,410	\$ 127	\$ 2,222	\$106,632	31	1.47%
31-Aug-13	\$ 2,965	\$ 107,375	\$ 130	\$ 2,352	\$109,727	31	1.47%
30-Sep-13	\$ 2,965	\$ 110,340	\$ 130	\$ 2,482	\$112,822	30	1.47%