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**BY EMAIL**

January 28, 2014

Ontario Energy Board  
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[kirsten.walli@ontarioenergyboard.ca](mailto:kirsten.walli@ontarioenergyboard.ca)

Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli:

**Re: Collus PowerStream Corp. ("Collus PowerStream")  
2014 Distribution Rate Application  
Board Staff Submission  
Board File No. EB-2013-0121**

In accordance with Procedural Order No. 1, please find attached Board staff's submission in the above noted proceeding. The applicant has been copied on this filing.

Collus PowerStream's reply submission is due on February 14, 2014.

Yours truly,

*Original Signed By*

Christiane Wong  
Information Administrator – Applications & Regulatory Audit



# **ONTARIO ENERGY BOARD**

## **STAFF SUBMISSION**

2014 ELECTRICITY DISTRIBUTION RATES

Collus PowerStream Corp.

EB-2013-0121

**January 28, 2014**

**Board Staff Submission  
Collus PowerStream Corp.  
2014 IRM4 Rate Application  
EB-2013-0121**

## **Introduction**

Collus PowerStream Corp. (“Collus PowerStream”) filed an application (the “Application”) with the Ontario Energy Board (the “Board”) on November 25, 2013, seeking approval for changes to the distribution rates that Collus PowerStream charges for electricity distribution, to be effective May 1, 2014. The Application is based on the 2014 Incentive Regulation Mechanism (“IRM”).

The purpose of this document is to provide the Board with the submissions of Board staff based on its review of the evidence submitted by Collus PowerStream.

## **The Application**

In the interrogatory phase, Board staff identified certain discrepancies in the data filed by Collus PowerStream. In response to Board staff interrogatories, Collus PowerStream confirmed there were errors in some of the models filed and, further to its Collus PowerStream’s request, Board staff made the necessary corrections to the models.

Board staff has reviewed Collus PowerStream’s Group 1 Deferral and Variance Account balances and notes that the principal balances as of December 31, 2012 reconcile with the balances reported as part of the *Reporting and Record-Keeping Requirements*. Collus Powerstream’s total Group 1 Deferral and Variance Account balances amount to a credit of \$210,629. The Group 1 balance excluding Account 1589 – Global Adjustment Sub-Account is a credit of \$85,572, and is applicable only to RPP customers. These balances also include interest calculated to April 30, 2013. Based on the threshold test calculation, the Group 1 Deferral and Variance Account balances equate to \$0.0007 per kWh, which does not exceed the preset disposition threshold. Collus PowerStream did not request disposition of these Accounts.

Accordingly, Board staff has no issue with Collus PowerStream's request to not dispose of its 2012 Deferral and Variance Account balances at this time.

### **2014 Tax Sharing Work Form**

The Tax Sharing Work form is required to be filled out in accordance with the Board's *Filing Requirements for Electricity Distribution Rate Applications* (the "Filing Requirements") issued on July 17, 2013. This document states that any calculated annual tax changes over the plan term will be allocated to customer rate classes through an explicit volumetric rate rider that is derived using the annualized consumption by customer class. As indicated in Sheet 1 of the work form, the applicant's most recent cost of service application is the mandatory source for this information.

In reviewing the Application, Board staff was unable to reconcile consumption-related figures entered by Collus Powerstream in Sheet 3 of the Tax Sharing Work form with the figures included in Collus PowerStream's 2013 cost of service application.

In its response to a Board staff interrogatory concerning this discrepancy<sup>1</sup>, Collus PowerStream maintained that there was no discrepancy between these numbers and provided figures in support of its position.

Having reviewed Collus PowerStream's response, Board staff does not agree that the two figures were reconciled because Collus PowerStream's statement of consumption in Sheet 3 included energy attributable to losses. As noted above, the Tax Sharing Work form requires a statement of consumption by class, as reported in the most recent re-basing year, in order to depict the "annualized consumption by customer class" outlined in the Filing Requirements.

Board staff further notes that it appears that Collus PowerStream did not complete Sheet 5 "Z-Factor Tax Changes" of the Tax Sharing Work form.

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<sup>1</sup> Collus PowerStream Corp.'s response to interrogatories, January 17, 2014, pages 3 & 4

Board staff submits that Collus PowerStream should submit a revised version of the Tax Sharing Work form, indicating consumption figures by class as filed in 2013 cost of service application. Collus PowerStream should also submit a Sheet 5 with the appropriate entries. In its reply submission, Collus PowerStream should explain the entries it made in Sheet 5.

All of which is respectfully submitted