

November 12, 2014

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street  
26th Floor, Box 2319  
Toronto, ON M4P 1E4

Dear Ms. Walli

**Re: PowerStream Inc. (Licence ED-2004-0420)  
2015 Electricity Distribution Rate Adjustment Application EB-2014-0108  
Reply Submission**

Please find enclosed two (2) paper copies of the above captioned reply submission. This submission, 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.

Yours truly,

*Original signed by*

Tom Barrett  
Manager, Rate Applications

**EB-2014-0108**

**IN THE MATTER OF** the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, (Schedule B);

**AND IN THE MATTER OF** an application by PowerStream Inc. for an order approving just and reasonable rates and other charges for electricity distribution to be effective January 1, 2015.

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**POWERSTREAM INC.**

**Reply Submission**

**November 12, 2014**

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1 PowerStream has received submissions from Board Staff and the intervenor of record,  
2 Vulnerable Energy Consumers Coalition (VECC).

3 PowerStream's submissions are organized into two sections dealing with the submissions from  
4 each of these parties.

5 **Board Staff Submissions:**

6 PowerStream notes that Board Staff has no issues with the Application as filed.

7 **Vulnerable Energy Consumers Coalition (VECC)**

8 PowerStream notes that VECC had only one issue with the Application as filed. The issue is  
9 with regards to the LRAM variance account (LRAMVA) claim and it is limited to the amount in  
10 respect of the Demand Response 3 (DR3) program.

11 VECC submits that no amount be approved for the DR3 program peak demand reductions  
12 thereby reducing the LRAMVA claim by \$69,836.

13 Upon consideration of VECC's submission, PowerStream is persuaded that the reduction in  
14 billed demand may be less than 100% of the OPA reported demand reduction in the months  
15 that there are demand response activations. This will depend on the individual circumstances of  
16 each customer participating in the DR3 program.

17 PowerStream submits that it is equally unlikely that the reduction in billed demand will be 0% of  
18 the OPA reported demand reduction in the months that there are demand response activations  
19 as purported by VECC.

20 For the following reasons, PowerStream submits that a value of 50% of the OPA demand  
21 reduction for an average of three months per year is a reasonable estimate of the lost revenue  
22 impact due to lower billed demand. This would result in a reduction of 50% of the LRAMVA  
23 claim in respect of the DR3 program or approximately \$35,000.



1 actual demand reductions based on past history to reflect that some participants may not  
2 be able to deliver the full contracted reduction all of the time.

3 5. The OPA-reported Net Peak Demand Savings (kW) are counted as progress towards  
4 2011-2014 OPA Contracted Province-Wide CDM Programs. The reductions reported by  
5 the OPA are the best available data for use in calculating the lost revenue.

6 6. On the days where most of the DR3 activation hours occur, for many customers it is  
7 likely that the peak demand without reduction, driven by the high air-conditioning load,  
8 would be significantly higher than the peak demand on days where there are no  
9 activations. It is reasonable to assume that under these circumstances the peak  
10 reductions will coincide with what would have been the customer's monthly peak  
11 demand, thereby reducing the billed demand for the month. In the case of several  
12 activations within the same month (e.g. July 2011 – 3 activations) it is very likely that not  
13 only the peak (highest) monthly demand has been reduced but even the second and  
14 third highest demands. The difference between the peak demand before reduction and  
15 the 4<sup>th</sup> highest peak demand would be an even greater differential than the peak demand  
16 before reduction and the 2<sup>nd</sup> highest demand in the month. The reduction in billed  
17 demand may be less than 100% of the OPA reported demand reduction but it is very  
18 unlikely that it is 0%.

19 PowerStream therefore submits that a value of 50% of the OPA demand reduction for an  
20 average of three months per year is a reasonable estimate of the lost revenue impact due to  
21 lower billed demand. This would result in a reduction of 50% of the LRAMVA claim in  
22 respect of the DR3 program or approximately \$35,000.