



August 4, 2015

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

Re: PowerStream Inc. Custom IR Application 2016 to 2020
AMPCO Interrogatories
Board File No. EB-2015-0003

Dear Ms. Walli:

Attached please find AMPCO's interrogatories in the above proceeding.

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

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'Adam White', with a long horizontal flourish extending to the right.

Adam White
President
Association of Major Power Consumers in Ontario

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I-AMPCO-1

Ref: Section I, Tab 1, Schedule 1

- a) Please identify the material cost categories in the application that could potentially be affected a merger and explain the impact.
- b) Please discuss the impact on PowerStream's proposed performance metrics if a merger occurs.

I-AMPCO-2

Ref: Presentation July 28, 2015, Slide 13

Preamble: PowerStream references its "Journey to Excellence" based on the Excellence Canada framework.

- a) Please explain why PowerStream chose the Excellence Canada framework over other frameworks.
- b) Please provide the Business Case for the Journey to Excellence initiative.
- c) Please provide the costs by year from the date the program commenced to the end of 2014 and the forecast costs for each of the years 2015 to 2020.
- d) Please discuss how a merger could impact this initiative.

I-AMPCO-3

Ref: Presentation July 28, 2015, Slide 20

Preamble: PowerStream indicates it has already cut \$50 million from the current capital plan with the majority of the cuts through deferrals.

Please provide the cuts in dollars allocated to System Access, System Renewal, System Service and General Plant and identify the programs impacted by cuts.

I-AMPCO-4

Ref: Presentation July 28, 2015, Slide 21

Preamble: Slide 21 provides a comparison of population: Beyond End-of-Life (2014) compared to Future Projected End-of-Life (2020) and Replaced for 2015-2020.

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Please reproduce the slide showing a comparison of population: End-of-Life (2010) compared to Beyond End-of-Life (2014) and Replaced for 2010-2014.

I-AMPCO-5

Ref: EB-2012-0161 Board Decision dated December 21, 2012 (2013 COS Application)

3.3 Is the proposed Test Year Forecast of other revenues appropriate? (C2)

Complete Settlement: In its Application, PowerStream has recorded the revenues and costs associated with providing joint services to Shareholders in non-utility accounts. This represents a net total of \$782,000, consisting of \$272,000 mark-up on the services provided (the amount by which revenues for these activities exceed costs), and \$510,000 in late payment charges revenue related to water services. The Parties agree that this amount should be recorded as an offset to revenue requirement.

Please confirm PowerStream continues to record this as an offset to revenue requirement.

II-AMPCO-6

Ref: Exhibit G, Tab 2, 5.2.3 Page 5

Please discuss the number of cable failures per area and/or failure trend that is used to determine the area needs to be included in the cable remediation program.

II-AMPCO-7

Ref: Exhibit G, Tab 2, 5.2.3 Page 18

- a) Please discuss if PowerStream has changed its Design and Construction Practices since 2013 and if so, explain how.
- b) Please discuss if PowerStream has changed its inspection and maintenance cycles (excluding vegetation management) since 2013 and if so, explain how.

II-AMPCO-8

Ref: Exhibit G, Tab 2, 5.3.2

Preamble: PowerStream's Asset Condition Assessment provides Health Index Categories for key asset groups under the categories: very poor, poor, fair, good and very good.

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- a) Please provide the meaning of each Health Index Category: very poor, poor, fair, good and very good.
- b) Please explain how each Health Index Category guides the timing of asset remediation needs.
- c) Please confirm the health index data provided for each asset corresponds to the end of 2014.
- d) Please confirm the party that determined the Health Index Categories for each asset group.
- e) Please summarize Kinetrics' role in assessing the condition of PowerStream's assets and indicate the date of the last analysis undertaken by Kinetrics.
- f) Please provide Kinetrics' most recent Asset Condition Assessment report.

II-AMPCO-9

Ref: Exhibit G, Tab 2, 5.3.2 Page 44

Preamble: PowerStream provides age demographics for underground cable.

Please provide the Health Index Distribution for Underground Cable.

II-AMPCO-10

Ref: Exhibit G, Tab 2, 5.3.2 Page 53

Preamble: PowerStream includes obsolescence as a key driver for capital investment.

Please list the capital programs where obsolescence is a driver.

II-AMPCO-11

Ref: Exhibit G, Tab 2, 5.3.3 Page 33

Preamble: PowerStream indicates many of its Reactive O&M categories are trending upwards by inflationary amounts.

Please provide the inflationary assumptions by year.

II-AMPCO-12

Ref: Exhibit G, Tab 2, 5.3.3 Page 34

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- a) Please provide the total number of outages by year for the years 2006 to 2014 and 2015 year to date.
- b) Does PowerStream have an outage forecast for 2015 to 2020. If yes, please provide.
- c) Please provide the total number of Customer Minute Interruptions for the years 2006 to 2014 and 2015 year to date.

II-AMPCO-13

Ref: Exhibit G, Tab 2

For rate base funded projects, please provide a table that summarizes the capital contributions for each OEB category (System Access, System Renewal, System Service, General Plant) for the years 2010 to 2014 actuals, 2015 year-to-date and 2015 forecast to year-end, and forecast for 2016 to 2020.

II-AMPCO-14

Ref: Exhibit G, Tab 2

Please complete the table below to update 2015.

	2012	2013	2014	2015	2016	2017	2018	2019	2020
Opening WIP									
Capital Expenditures									
Closing WIP									
In-service Additions									

II-AMPCO-15

Ref: Exhibit G, Tab 2, 5.4.5 Page 19

Preamble: PowerStream indicates that according to meteorologists, the frequency and severity of storms is expected to become more common in the future.

Please provide a reference to support this statement.

II-AMPCO-16

Ref: Exhibit J, Tab 3, Page 2

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Preamble: Service life comparison with the Kinectrics report, "Asset Amortization Study for the Ontario Energy Board", issued April 28, 2010 is provided as supplementary information in electronic Appendix J-3-1 (Fixed Assets Useful Life Schedule). For several asset categories the proposed useful life is outside the range of Min, Max Typical Useful Life (TUL) as determined by Kinectrics.

- a) Please identify any changes in the proposed TUL of assets since PowerStream's last Cost of Service Application (EB-2012-0161).
- b) Please provide the analysis that supports the proposed changes.

III-AMPCO-17

Ref: G-AMPCO-5(b)

Please provide the Kinectrics reports that underlie each presentation provided as Appendix A, B and C.

III-AMPCO-18

Ref: G-AMPCO-11(a)

- a) Please explain why the cost to replace a mini-rupter switch in 2015 is significantly greater than in 2014.
- b) Please explain how PowerStream determined that 15 mini-rupter switches per year need to be replaced between 2015 and 2020 for a total of 90 replacements.
- c) Please confirm the escalator used to calculate the proposed budget for the years 2016 to 2020.

III-AMPCO-19

Ref: G-AMPCO-11(b)

Please explain why the cost to replace an automated switch in 2015 is greater than 2014.

III-AMPCO-20

Ref: G-AMPCO-11(g)

- a) Please explain the increase in O&M costs in 2014 compared to 2015 for pole testing.

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- b) Please explain the increase in O&M costs in 2015 compared to 2016 for underground cable testing, dry ice cleaning, infrared scanning and overhead switch maintenance.

III-AMPCO-21

Ref: G-AMPCO-11(j)

Please provide a schedule that shows vegetation management costs for overhead lines based on \$/km for the years 2011 to 2014 and forecast for 2015 to 2020.

III-AMPCO-22

Ref: G-AMPCO-19 (d) Appendix D

The response provides the abstract of the ACA Technical Report on Distribution Switchgear at PowerStream. Please provide the full report.

III-AMPCO-23

Ref: G-AMPCO-28

Please provide the rationale for increasing the number of projects and spending for Conversion of Rear Lot Overhead from \$3.5 million in 2015 to \$6 million per year for the years 2016 to 2020.

IV-AMPCO-24

Ref: Technical Conference Undertaking (TCQ) #1

- a) Please provide the 2015 year to date OM&A and Capital Actuals and the forecast to year end.

IV-AMPCO-25

Ref: Technical Conference Undertaking (TCQ) #17

- a) Please complete a similar table that shows the population and condition of each asset in 2011 and the number of units replaced for each of the years 2011 to 2014.
- b) Please discuss the asset condition trend for each asset type from 2011 to 2015.

IV-AMPCO-26

Ref: Technical Conference Undertaking (TCQ) #32

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- a) Please add a line to the table to show actual overtime costs for the years 2011 to 2014 and provide 2015 year to date actuals.
- b) Please explain any variances greater than 10%.
- c) Please provide PowerStream's overtime hours as a percent of regular hours for the years 2011 to 2014.
- d) Please discuss if PowerStream has an annual target for overtime hours as a percent of regular hours.
- e) Please confirm overtime is typically paid at double time.