

PowerStream Inc.

2009 Distribution Rates Application Proceeding EB-2008-0244

Proposed Issues List: March 9, 2009

Preamble:

It is understood that the cost and benefits attributable to PowerStream Inc. (for PowerStream ED-2004-0420 Rate Zone) related to the merger with Barrie Hydro Distribution Inc. are included in the scope of the specific issues listed below to the extent that they relate to the 2009 test year. This includes allocation of shared costs between PowerStream ED-2004-0420 and Barrie Hydro Distribution Inc. for the test year.

1. ADMINISTRATION (Exhibit A)

- 1.1 Has PowerStream responded appropriately to all relevant Board directions and settlement agreements from previous proceedings?
- 1.2 Has PowerStream complied with the Board's Filing Requirements in filing all relevant information pertaining to this application?

2. RATE BASE (Exhibit B)

- 2.1 Are the amounts proposed for Rate Base appropriate?
- 2.2 Are the amounts proposed for 2009 Capital Expenditures appropriate?
- 2.3 Has the Working Capital Allowance been determined appropriately?
- 2.4 Does the asset condition information and the Distribution System Planning Report adequately address the condition of the distribution system assets and support the planning and budgeting for OMA and Capital expenditures for 2009?
- 2.5 Is PowerStream's Overhead Capitalization Policy appropriate?

3. REVENUE REQUIREMENT (Exhibit C)

- 3.1 Is the calculation of the proposed revenue requirement for 2009 appropriate?
- 3.2 Is the proposed amount for 2009 Other Revenues, including revenues from affiliates and related parties appropriate? Is the methodology used to cost and price these services appropriate?
- 3.3 Are the proposed Specific Service Charges for 2009 appropriate?
- 3.4 Are PowerStream's economic and business planning assumptions for 2009 appropriate?
- 3.5 Is the load forecast and methodology appropriate including the weather normalization methodology?

- 3.6 Has the impact of Conservation and Demand Management initiatives been suitably reflected in the load forecast?
- 3.7 Is the Revenue Deficiency calculation for the test year appropriate? (Exhibit G)

4. COST OF SERVICE (Exhibit D)

- 4.1 Are the overall levels of the 2009 Operation, Maintenance and Administration budgets appropriate?
- 4.2 Are the proposed Purchased Services and Shared Services amounts appropriate?
- 4.3 Are the methodologies used to cost and price services from affiliates and related parties appropriate? Are the Shared Service Agreements appropriate?
- 4.4 Are the 2009 Human Resources related costs (wages, salaries, benefits, incentive payments, labour productivity and pension costs) including employee levels, appropriate?
- 4.5 Is PowerStream's depreciation expense appropriate?
- 4.6 Are the amounts proposed for 2009 capital and property taxes appropriate?
- 4.7 Is the amount proposed for 2009 Payments in Lieu of Taxes, including the methodology, appropriate?

5. REGULATORY ASSETS (Exhibit E)

- 5.1 Is the proposal for the amounts, disposition and continuance of PowerStream's existing Deferral and Variance Accounts (Regulatory Assets) appropriate?

6. COST OF CAPITAL/DEBT (Exhibit F)

- 6.1 Is the proposed Capital Structure and Rate of Return on Equity for PowerStream's distribution business appropriate?
- 6.2 Are PowerStream's proposed costs and mix for its short and long-term debt for the 2009 test year appropriate?

7. COST ALLOCATION AND RATE DESIGN (Exhibit H)

- 7.1 Is PowerStream's cost allocation appropriate?
- 7.2 Are the proposed revenue to cost ratios appropriate? (Exhibit I)

8. RATE DESIGN (Exhibit I)

- 8.1 Are customer charges and the fixed-variable splits for each class appropriate?
- 8.2 Are PowerStream's proposed rates appropriate?
- 8.3 Are the customer bill impacts appropriate?
- 8.4 Are the proposed Low Voltage and Retail Transmission Service Rates appropriate?
- 8.5 Are the proposed Loss Factors appropriate?

- 8.6 Are the proposed Regulatory Asset (Deferral and Variance Account) rate riders appropriate?
- 8.7 Is the Smart Meter rate adder change appropriate?

9. RATE IMPLEMENTATION

- 9.1 Is it appropriate to declare rates interim as of May 1, 2009?
- 9.2 What is the appropriate effective date of the proposed rates? What mechanism (if any) should be used to recover any shortfall, or refund any over-collection, after May 1, 2009?

10. OTHER ISSUES

- 10.1 Is the LRAM and SSM proposal appropriate? (Exhibit I)
- 10.2 Is service quality in relation to the OEB specified performance indicators acceptable?