



RP-2005-0020
EB-2005-0409

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 or orders approving or
fixing just and reasonable distribution rates and other
charges, effective May 1, 2006.

BEFORE: Paul Vlahos
Presiding Member

Bob Betts
Member

DECISION AND ORDER

PowerStream Inc. (“PowerStream” or the “Applicant”) is a licensed distributor providing electrical service to consumers within its defined service area. PowerStream filed an application (the “Application”) with the Ontario Energy Board (the “Board”) for an order or orders approving or fixing just and reasonable rates for the distribution of electricity and other matters, to be effective May 1, 2006.

PowerStream is one of over 90 electricity distributors in Ontario that are regulated by the Board. To streamline the process for the approval of distribution rates and charges for these distributors, the Board developed and issued the 2006 Electricity Distribution Rate Handbook (the “Handbook”) and complementary spreadsheet-based models. These materials were developed after extensive public consultation with distributors, customer groups, public and environmental interest groups, and other interested parties. The Handbook contains requirements and guidelines for filing an application. The models determine the amounts to be included for the payments in lieu of taxes (“PILs”) and calculate rates based on historical financial and other information entered by the distributor.

Also included in this process was a methodology and model for the final recovery of regulatory assets flowing from the Board's decision dated December 9, 2004 on the Review and Recovery of Regulatory Assets – Phase 2 for Toronto Hydro, London Hydro, Enersource Hydro Mississauga and Hydro One Networks Inc. ("Hydro One"). In Chapter 10 of the decision, the Board outlined a Phase 2 process for the remaining distributors. By letter of July 12, 2005, the Board provided guidance and a spreadsheet-based model to the distributors for the inclusion of this recovery as part of their 2006 distribution rate applications.

As a distributor that is embedded in Hydro One Network's low voltage system, the Applicant has included the recovery of certain Regulatory Assets that have been allocated by Hydro One Networks. The amount claimed by the Applicant was provided by Hydro One Networks as a reasonable approximation of the actual amount that Hydro One Networks will assess the Applicant. To the degree that the amount differs from the actual amount approved for Hydro One Networks in another proceeding (RP-2005-0020/EB-2005-0378), this difference will be reconciled at the end of the Regulatory Asset recovery period, as set out in the Phase II regulatory assets decision issued on December 9, 2004 (RP-2004-0064/RP-2004-0069/RP-2004-0100/RP-2004-0117/RP-2004-0118).

In its preliminary review of the 2006 rate applications received from the distributors, the Board identified several issues that appeared to be common to many or all of the distributors. As a result, the Board held a hearing (EB-2005-0529) to consider these issues (the "Generic Issues Proceeding") and released its decision (the "Generic Decision") on March 21, 2006. The rulings flowing from that Generic Decision apply to this Application, except to the extent noted in this Decision. The Board notes that pursuant to ss. 21 (6.1) of the *Ontario Energy Board Act, 1998*, and to the extent that it is pertinent to this Application, the evidentiary record of the Generic Issues Proceeding is part of the evidentiary record upon which the Board is basing this Decision.

In December 2001, the Board authorized the establishment of deferral accounts by the distributors related to the payments that the distributors make to the Ministry of Finance in lieu of taxes. The Board is required, under its enabling legislation, to make an order with respect to non-commodity deferral accounts once every twelve months. The Board has considered the information available with respect to these accounts and orders that the amounts recorded in the accounts will not be reflected in rates as part of the Rate Order that will result from this Decision. The Board will continue to monitor the accounts with a view to clearing them when appropriate.

Public notice of the rate Application made by PowerStream was given through newspaper publication in its service area. The evidence filed was made available to the public. Interested parties intervened in the proceeding. The evidence in the Application was tested through written interrogatories from Board staff and intervenors, and intervenors and PowerStream had the opportunity to file written argument. While the Board has considered the entire record in this proceeding, it has made reference in this Decision only to such evidence and argument as is necessary to provide context to its findings.

PowerStream has requested an amount of \$91,651,268 as revenue to be recovered through distribution rates and charges. Included in this amount is a credit of \$6,973,189 for the recovery of regulatory assets. Except where noted in this Decision, the Board finds that PowerStream has filed its Application in accordance with the Handbook and the guidelines for the recovery of regulatory assets.

Notwithstanding PowerStream's general compliance with the Handbook and associated models, in considering this Application the Board reviewed the following matters in detail:

- Low Voltage Rates;
- Tier 1 Revenue Adjustments;
- Tier 1 Cost of Power Adjustment;
- PILs Interest Adjustment;
- Rate Harmonization and Consolidation;
- Regulatory Assets;
- Transformation Assets;
- Specific Service Charges; and
- Consequences of the Generic Decision (EB-2005-0529).

Low Voltage Rates

PowerStream included in its Application recovery of ongoing Low Voltage ("LV") charges that Hydro One Networks will be levying on PowerStream for Low Voltage wheeling distribution services provided to PowerStream.

PowerStream stated in its Application that it has adjusted distribution expenses by \$879,693 to reflect the amount that it expects to pay Hydro One for LV service after May 1, 2006 and that this amount is calculated using 4 months of 2004 demand data

and 8 months of 2005 data. However, the Handbook states that the embedded distributor's 2004 consumption levels should be used and, consequently, PowerStream's approach represents a departure from the Handbook.

PowerStream stated that this has been done since "the data for the first eight months of 2004 reflect a metering configuration that is different from the present configuration." In response to a Board staff interrogatory requesting the quantification of the impact of applying this methodology versus that specified in the Handbook, PowerStream noted that recovery would be reduced by \$153,347.

The Board is of the view that the Handbook should be followed unless there is a compelling reason for doing otherwise. Powerstream's reasons for requesting the variation have not been sufficiently compelling, particularly in light of the deferral account handling of the LV charges, and the opportunity to track and "true-up" the LV costs charged by the host distributor and corresponding revenues recovered from ratepayers. Accordingly, the Board has adjusted PowerStream's low voltage recovery amount to conform to the approach outlined in the Handbook.

The estimate of PowerStream's low voltage expenses reflects Hydro One Networks' current approved LV rate of \$0.56/kW. Hydro One Networks applied for an LV rate of \$0.63/kW in its 2006 rate application RP-2005-0020/EB-2005-0378, and the Board has approved this rate. Recognizing that apparent difference, and in an effort to avoid systemic sources of variance, the Board will adjust Powerstream's rates to reflect the LV rates authorized by the Board for the host distributor. Accordingly, the Board has further revised the amount for LV charge recovery in PowerStream's revenue requirement.

Tier 1 Revenue Adjustments

PowerStream includes in the model a series of Tier 1 Revenue adjustments. These adjustments total \$6,721,921 and are listed below:

| | |
|------------------------------|--------------------|
| Other Electric Revenue | \$ 253,559 |
| Misc. Service Revenue | \$ 827,000 |
| Misc. Non-Op Revenue | \$ 758,493 |
| Rate Payer Benefit Inc. Int. | \$ 145,600 |
| Interest & Div. Inc. | \$4,737,269 |
| Total | \$6,721,921 |

PowerStream stated that the adjustment to Other Electric Revenue of \$253,559 is related to revenue that was received in 2004 from a feeder for which charges were billed from Richmond Hill Hydro to Markham Hydro and which were no longer charged once PowerStream was created. The Board is not persuaded that this adjustment is necessary since PowerStream's filing is based on consolidated data and this amount should be subject to inter-corporate elimination upon consolidation. PowerStream's evidence has not provided a clear justification for this adjustment. Therefore, the Board does not accept the proposed adjustment and has removed it from the Applicant's model.

Regarding the adjustment to Miscellaneous Service Revenue of \$827,000, PowerStream stated that it is related to revenue received by Hydro Vaughan for the Vaughan Mills project which will not continue to be received in 2006. The Board is concerned that this adjustment is an example of selective ratemaking, and represents a quasi-forward test year approach that is not appropriate for an historical test year application. The Handbook permits, and in some instances requires, adjustments to be made for specific items in 2004 that were unusual, in the context of an historical test year application. However, such allowance does not extend to making selective adjustments which effectively constitute a piecemeal forward test year approach. PowerStream had the option to file a forward test year application but chose not to.

A further reason for this finding is that PowerStream has not demonstrated that the Vaughan Mills project is out of character for its ongoing business and that similar projects may not occur in the future. In addition, there is no evidence that PowerStream has made any corresponding adjustments to remove expenses related to this revenue. For these reasons, the Board does not accept this adjustment and has removed it from the Applicant's model.

With respect to the adjustment to Miscellaneous Non-operating Revenue of \$758,493 PowerStream stated that it consisted of three items, which are: (1) \$531,000 related to a one-time payment from developers for lost or damaged fibreglass construction stakes; (2) \$100,000 one-time credit received by Richmond Hill Hydro from a supplier, and (3) \$127,493 administrative fee formerly charged by Markham Hydro for repairing damaged utility property. With respect to the administrative charge levied by Markham Hydro, PowerStream has not provided enough information to demonstrate that this revenue loss is not compensated for elsewhere through specific service charges. In any event, both the supplier credit and the administrative fee appear to be piecemeal forward adjustments which are not appropriate for an historical test year application. The Board has adjusted the Applicant's model to reflect these findings.

The Board is of the view that the component of the adjustment related to the one-time payment from developers for lost or damaged fibreglass construction stakes may be appropriate. However, the Board is concerned about the apparent absence of a corresponding removal of related costs. Accordingly, the Board deems and allows 50% of this adjustment. The Board has adjusted the Applicant's model to reflect this finding.

PowerStream has made an adjustment under 'Rate-payer Benefit Including Interest' of \$145,600. This adjustment is comprised of administrative fees levied by Hydro Vaughan for service restorations and repairs to correct power diversions, which as a result of a review and correspondence with the Board's Compliance Office were discontinued. The Board considers this an appropriate adjustment and will allow it.

PowerStream has also made an adjustment to interest and dividend income in the amount of \$4,737,269, consisting of two components. The first relates to interest earned on regulatory asset balances, which PowerStream claims will not be earned in the future. The second is recovery of \$2,357,942 because PowerStream claims that it will no longer maintain excess cash balances to meet short-term cash requirements and will, accordingly, generate less income in future years.

Regarding PowerStream's adjustment related to the regulatory asset accounts, the Board finds that the Applicant has provided insufficient evidence to justify this adjustment. The adjustment appears selective and relates only to interest on three of the regulatory asset accounts. Accordingly, the Board will not allow the adjustment on the basis of the information provided. The Board has adjusted the Applicant's model to remove this adjustment.

The Board is of the view that the component related to lost interest on cash balances represents an adjustment more appropriate to the scope of a future test year application and, accordingly, will not allow it. The Board has adjusted the Applicant's model to reflect this finding.

Tier 1 Cost of Power Adjustment

PowerStream has included in its Application a total adjustment to working capital of \$1,075,129. Of this amount, \$451,764 is related to the Cost of Power ("COP") adjustment referenced in the Handbook, and this portion of the adjustment is accepted by the Board.

PowerStream stated that the remaining \$623,364 is due to the COP in its 2004 trial balance being the energy amount billed to customers by PowerStream, rather than PowerStream's actual COP.

PowerStream further explained that "in accordance with Article 490 during the year, PowerStream books the costs associated with purchasing power to the trial balance. This amount equals the IESO invoices. In order to ensure that the COP is a pass through PowerStream reviews the total cost versus the total energy billed and the appropriate RSVA adjustment is made."

The Board does not accept this adjustment. The Board is of the view that a consistent approach to an adjustment of this kind would require that it be undertaken for 2002, 2003 and 2004 and then averaged, as is the case for the COP adjustment outlined on page 33 of the Handbook. Additionally, such adjustments would involve all of the RSVA accounts. Accordingly, the Board has adjusted the Applicant's model to remove this adjustment amount of \$623,364.

PILs Interest Adjustment

In determining the amount of its PILs recovery, PowerStream removed \$1,775,178 of 2004 interest expense on the basis that this expense was higher than would be expected in a typical year due to the presence of four non-typical factors, which were:

| | |
|--|---------------------|
| Reduced carrying charges due to reduction in over-recovery of transmission connection expenses | \$ 885,449 |
| Elimination of \$25 million in Richmond Hill notes | \$ 638,206 |
| Customer deposit interest expense offset by the interest earned on customer deposits | \$ 206,523 |
| Fee to arrange increased line of credit to support the formation of PowerStream | \$ 45,000 |
| Total | \$ 1,775,178 |

These are in the Board's view adjustments that are akin to a future test year review and not in compliance with Section 7.2.6 of the Handbook. Accordingly, the Board does not accept the adjustments and has revised the Applicant's models to remove them.

Rate Harmonization and Consolidation

The Town of Richmond Hill ("Richmond Hill") intervened in this proceeding to stress the importance of PowerStream honouring the commitments made to harmonize electricity distribution rates, so that Richmond Hill customers would not continue to pay significantly higher rates than Markham and Vaughan customers.

Richmond Hill submitted that a "harmonization plan should be brought forward independently of any cost allocation plan in the event that the Board determines that it will not require PowerStream to make any cost allocation-related adjustments in 2007." Richmond Hill further submitted that "the Board has the authority and discretion to direct an applicant to bring materials forward in subsequent rate cases."

In reply, PowerStream submitted that there was "no new information or change in circumstances that support such a course of action," and in any event there was no need for the Board to make the requested direction since "PowerStream has already unequivocally committed to prepare and prosecute an application to the Board seeking approval of distribution rates for 2007, fully harmonized across PowerStream's entire service area, on the basis of a system-wide cost allocation study."

The School Energy Coalition supported PowerStream's decision not to propose rate harmonization in the 2006 application on the basis that "Schools is a strong supporter of the use of properly conducted cost allocation studies for determining rates."

The Board is concerned about the rate disparities that continue to exist between PowerStream's Richmond Hill and other customers, especially given the time that has elapsed since the acquisition of Richmond Hill Hydro by PowerStream's predecessor companies.

The Board notes the specific commitment PowerStream has made, quoted above, and directs PowerStream to meet this commitment and bring forward a proposed harmonization plan to allow for the implementation of harmonized rates in 2007. Such a harmonization plan is required to be filed regardless of whether the cost allocation information is available.

Regulatory Assets

The Board notes that PowerStream has used “number of customers” as the allocator to dispose of the balance in Regulatory Asset Account 1508, even though the Board’s letter of July 25, 2005 had suggested distribution revenue as the appropriate allocator.

PowerStream stated that using number of customers as the allocator “is consistent with the objective of providing an adequate level of consumer protection to each consumer, regardless of that customer’s consumption. This ensures that the level of consumer protection afforded to each customer is not tied to the revenue that such customer contributes.”

The Board is of the view that a consistent approach to this adjustment should be applied across all applications and, accordingly, has adjusted PowerStream’s application to reflect the use of distribution revenue as the allocator for Account 1508.

Transformation Assets

Some assets operated by a distributor may be classified as part of a transmission system according to the definition of “transmission system” in the *Ontario Energy Board Act, 1998*. The Board has the power, under section 84 of the Act, to determine that transmission system assets are part of a distribution system, and can therefore treat them as distribution assets for the purpose of setting distribution rates.

The Board notes that there is an issue as to whether or not certain transformer station equipment owned by PowerStream and recorded in the transformer station equipment account requires such a determination to be made by the Board.

PowerStream did not request any such determination in its original application and in response to a Board staff interrogatory stated that: “PowerStream confirms that it is not including any assets in the distribution rate base that would not be included in the definition of the distribution rate base, other than those that have been deemed to be distribution assets under section 84 (a) of the *OEB Act, 1998*, in the Director of Licensing’s Decisions of October 2000.”

The Board is concerned that the subject assets might be classified as transformation assets under the *Ontario Energy Board Act, 1998*, despite the fact they are part of PowerStream’s distribution system. Accordingly, the Board deems the transformation assets to be distribution assets.

Specific Service Charges

PowerStream requested in its Application two Specific Service Charges which departed from the standard charges specified in the Handbook.

In Section 11.1 of its Application, PowerStream stated that where the Board has established standard charges, it charged the standard amounts. However, PowerStream provides two services for which there is no standard Board-approved charge: final bill issue (\$10) and reference letter (\$15) and proposed to continue these charges. PowerStream stated that these charges had been approved by the Board for its three predecessor utilities.

PowerStream subsequently stated that upon further review, both these charges could be accommodated within the Board's standard charges.

The Board wishes to see continued movement toward uniformity in provincial electricity rates and that the rates applied reasonably match the cost of services rendered. The Board is charged with the responsibility of ensuring that cross subsidization of services is minimized to the extent practicable. The Board has therefore revised the Applicant's standard service charges, and directs the Applicant to apply these charges as stated in the Tariff of Rates and Charges. In making this finding, the Board concluded that there should not be an undue impact on customers using these services.

Consequences of the Generic Decision on this Application

The Generic Decision contains findings relevant to funding for smart meters for electricity distributors. The Applicant did not file a specific smart meter investment plan or request approval of any associated amount in revenue requirement. Absent a specific plan or discrete revenue requirement, the Generic Decision provides that \$0.30 per residential customer per month be reflected in the Applicant's revenue requirement. The Board finds that this increase in the revenue requirement amount will be allocated equally to all metered customers and recovered through their monthly service charge. This increment is reflected in the approved monthly service charges contained in the Tariff of Rates and Charges appended to this Decision. Pursuant to the Generic Decision, a variance account will be established, the details of which will be communicated in due course.

Resulting Revenue Requirement

As a result of the Board's determinations on these issues, the Board has adjusted the revenue requirement to be recovered through distribution rates and charges to \$84,503,381, including a credit amount of \$6,973,189 for the recovery of Regulatory Assets.

In its letter of December 20, 2004 to electricity distributors, the Board indicated that it would consider the disposition of the 2005 OEB dues recorded in Account 1508 in this proceeding. However, given that the final 2005 OEB dues are not available because of the difference in fiscal years for the Board and the distributors, and given that the model used to develop the Application does not incorporate this provision, the Board will review and dispose of the 2005 OEB dues at a later time.

Cost Awards

This Application is one of a number of applications before the Board dealing with 2006 rates chargeable by distributors. Intervenors may be parties to multiple applications and, if eligible, their costs associated with a specific distributor may not be separable. Therefore, for these applications, the matter of intervenor cost awards will be addressed by the Board at a later date, upon the conclusion of the current rate applications. If an intervenor that is eligible to recover its costs is able to uniquely identify its costs associated with this Application, it must file its cost claim within 10 days from the receipt of this Decision.

THE BOARD ORDERS THAT:

1. The Tariff of Rates and Charges set out in Appendix "A" of this Order is approved, effective May 1, 2006, for electricity consumed or estimated to have been consumed on and after May 1, 2006. The application of the revised distribution rates shall be prorated to May 1, 2006. If PowerStream Inc.'s billing system is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors shall be implemented upon the first subsequent billing for each billing cycle.
2. The Tariff of Rates and Charges set out in Appendix "A" of this Order supersedes all previous distribution rate schedules approved by the Ontario Energy Board for PowerStream Inc., and is final in all respects.

3. PowerStream Inc. shall notify its customers of the rate changes no later than with the first bill reflecting the new rates.

DATED at Toronto, April 28, 2006.

ONTARIO ENERGY BOARD

A handwritten signature in black ink, appearing to read "P. O'Dell", written over a horizontal line.

Peter H. O'Dell
Assistant Board Secretary

Appendix "A"

RP-2005-0020
EB-2005-0409

April 28, 2006

ONTARIO ENERGY BOARD

PowerStream Inc.

TARIFF OF RATES AND CHARGES

Effective May 1, 2006

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

RP-2005-0020
EB-2005-0409

APPLICATION

- The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Codes, Guidelines or Orders of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.
- No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code, Guideline or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.
- This schedule does not contain any rates and charges relating to the electricity commodity (e.g. the Regulated Price Plan).

EFFECTIVE DATES

DISTRIBUTION RATES - May 1, 2006 for all consumption or deemed consumption services used on or after that date.

SPECIFIC SERVICE CHARGES - May 1, 2006 for all charges incurred by customers on or after that date.

LOSS FACTOR ADJUSTMENT – May 1, 2006 unless the distributor is not capable of prorating changed loss factors jointly with distribution rates. In that case, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

SERVICE CLASSIFICATIONS

Residential

This classification refers to an account taking electricity at 750 volts or less where the electricity is used exclusively in a separately metered living accommodation. Customers shall be residing in single-dwelling units that consist of a detached house or one unit of a semi-detached, duplex, triplex or quadruplex house, with a residential zoning. Separately metered dwellings within a town house complex or apartment building also qualify as residential customers.

Multi-unit residential establishments such as apartment buildings supplied through one service (bulk metered) shall be classified as general service.

General Service Less Than 50 kW

This classification refers to a non residential account taking electricity at 750 volts or less whose monthly average peak demand is less than, or is forecast to be less than, 50 kW.

General Service 50 to 4,999 kW

This classification refers to a non residential account whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 5,000 kW.

General Service 50 to 4,999 kW – Time of Use

This classification refers to a non residential account whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 5,000 kW. Usage is measured by a time of use meter, which is a device that measures and records electrical usage during pre-specified periods of the day cumulatively over a meter reading period.

Large Use

This classification refers to an account whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 5,000 kW.

Unmetered Scattered Load

This classification refers to an account taking electricity at 750 volts or less whose average monthly peak demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The customer will provide detailed manufacturer information/ documentation with regard to electrical demand/consumption of the proposed unmetered load.

Sentinel Lighting

This classification refers to an unmetered lighting load supplied to a sentinel light.

PowerStream Inc.

TARIFF OF RATES AND CHARGES

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RP-2005-0020
EB-2005-0409

Street Lighting

This classification applies to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting operation, controlled by photo cells. The consumption for these customers will be based on the calculated connected load times the required lighting times established in the approved OEB street lighting load shape template.

MONTHLY RATES AND CHARGES

Markham Rate Zone

Residential

| | | |
|--|--------|----------|
| Service Charge | \$ | 10.46 |
| Distribution Volumetric Rate | \$/kWh | 0.0121 |
| Regulatory Asset Recovery | \$/kWh | (0.0007) |
| Retail Transmission Rate – Network Service Rate | \$/kWh | 0.0059 |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kWh | 0.0027 |
| Wholesale Market Service Rate | \$/kWh | 0.0052 |
| Rural Rate Protection Charge | \$/kWh | 0.0010 |
| Regulated Price Plan – Administration Charge | \$ | 0.25 |

General Service Less Than 50 kW

| | | |
|--|--------|----------|
| Service Charge | \$ | 27.10 |
| Distribution Volumetric Rate | \$/kWh | 0.0084 |
| Regulatory Asset Recovery | \$/kWh | (0.0012) |
| Retail Transmission Rate – Network Service Rate | \$/kWh | 0.0054 |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kWh | 0.0025 |
| Wholesale Market Service Rate | \$/kWh | 0.0052 |
| Rural Rate Protection Charge | \$/kWh | 0.0010 |
| Regulated Price Plan – Administration Charge | \$ | 0.25 |

General Service 50 to 4,999 kW

| | | |
|--|--------|----------|
| Service Charge | \$ | 303.38 |
| Distribution Volumetric Rate | \$/kW | 1.3530 |
| Regulatory Asset Recovery | \$/kW | (0.3898) |
| Retail Transmission Rate – Network Service Rate | \$/kW | 2.1855 |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kW | 0.9808 |
| Wholesale Market Service Rate | \$/kWh | 0.0052 |
| Rural Rate Protection Charge | \$/kWh | 0.0010 |
| Regulated Price Plan – Administration Charge (if applicable) | \$ | 0.25 |

General Service 50 – 4,999 kW – Time of Use

| | | |
|--|--------|----------|
| Service Charge | \$ | 2,573.78 |
| Distribution Volumetric Rate | \$/kW | 1.2830 |
| Regulatory Asset Recovery | \$/kW | (0.9205) |
| Retail Transmission Rate – Network Service Rate | \$/kW | 2.3211 |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kW | 1.0751 |
| Wholesale Market Service Rate | \$/kWh | 0.0052 |
| Rural Rate Protection Charge | \$/kWh | 0.0010 |
| Regulated Price Plan – Administration Charge (if applicable) | \$ | 0.25 |

PowerStream Inc.

TARIFF OF RATES AND CHARGES

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RP-2005-0020
EB-2005-0409

Unmetered Scattered Load

| | | |
|--|--------|----------|
| Service Charge (per customer) | \$ | 26.83 |
| Distribution Volumetric Rate | \$/kWh | 0.0084 |
| Regulatory Asset Recovery | \$/kWh | (0.0012) |
| Retail Transmission Rate – Network Service Rate | \$/kWh | 0.0054 |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kWh | 0.0025 |
| Wholesale Market Service Rate | \$/kWh | 0.0052 |
| Rural Rate Protection Charge | \$/kWh | 0.0010 |
| Regulated Price Plan – Administration Charge (if applicable) | \$ | 0.25 |

Sentinel Lighting

| | | |
|---|--------|--------|
| Service Charge | \$ | 0.56 |
| Distribution Volumetric Rate | \$/kW | 1.4323 |
| Regulatory Asset Recovery | \$/kW | 0.7657 |
| Retail Transmission Rate – Network Service Rate – Interval Metered | \$/kW | 1.6565 |
| Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered | \$/kW | 0.7740 |
| Wholesale Market Service Rate | \$/kWh | 0.0052 |
| Rural Rate Protection Charge | \$/kWh | 0.0010 |
| Regulated Price Plan – Administration Charge (if applicable) | \$ | 0.25 |

Street Lighting

| | | |
|--|--------|----------|
| Service Charge (per connection) | \$ | 0.20 |
| Distribution Volumetric Rate | \$/kW | 1.3526 |
| Regulatory Asset Recovery | \$/kW | (0.7320) |
| Retail Transmission Rate – Network Service Rate | \$/kW | 1.6482 |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kW | 0.7582 |
| Wholesale Market Service Rate | \$/kWh | 0.0052 |
| Rural Rate Protection Charge | \$/kWh | 0.0010 |
| Regulated Price Plan – Administration Charge (if applicable) | \$ | 0.25 |

Richmond Hill Rate Zone

Residential

| | | |
|--|--------|----------|
| Service Charge | \$ | 12.35 |
| Distribution Volumetric Rate | \$/kWh | 0.0140 |
| Regulatory Asset Recovery | \$/kWh | (0.0010) |
| Retail Transmission Rate – Network Service Rate | \$/kWh | 0.0059 |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kWh | 0.0027 |
| Wholesale Market Service Rate | \$/kWh | 0.0052 |
| Rural Rate Protection Charge | \$/kWh | 0.0010 |
| Regulated Price Plan – Administration Charge | \$ | 0.25 |

General Service Less Than 50 kW

| | | |
|--|--------|----------|
| Service Charge | \$ | 31.61 |
| Distribution Volumetric Rate | \$/kWh | 0.0118 |
| Regulatory Asset Recovery | \$/kWh | (0.0003) |
| Retail Transmission Rate – Network Service Rate | \$/kWh | 0.0054 |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kWh | 0.0025 |
| Wholesale Market Service Rate | \$/kWh | 0.0052 |
| Rural Rate Protection Charge | \$/kWh | 0.0010 |
| Regulated Price Plan – Administration Charge | \$ | 0.25 |

PowerStream Inc.

TARIFF OF RATES AND CHARGES

Effective May 1, 2006

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RP-2005-0020
EB-2005-0409

General Service 50 to 4,999 kW

| | | |
|--|--------|----------|
| Service Charge | \$ | 278.99 |
| Distribution Volumetric Rate | \$/kW | 3.0582 |
| Regulatory Asset Recovery | \$/kW | (0.0082) |
| Retail Transmission Rate – Network Service Rate | \$/kW | 2.1855 |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kW | 0.9808 |
| Wholesale Market Service Rate | \$/kWh | 0.0052 |
| Rural Rate Protection Charge | \$/kWh | 0.0010 |
| Regulated Price Plan – Administration Charge (if applicable) | \$ | 0.25 |

Unmetered Scattered Load

| | | |
|--|--------|----------|
| Service Charge (per connection) | \$ | 15.67 |
| Distribution Volumetric Rate | \$/kWh | 0.0118 |
| Regulatory Asset Recovery | \$/kWh | (0.0003) |
| Retail Transmission Rate – Network Service Rate | \$/kWh | 0.0054 |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kWh | 0.0025 |
| Wholesale Market Service Rate | \$/kWh | 0.0052 |
| Rural Rate Protection Charge | \$/kWh | 0.0010 |
| Regulated Price Plan – Administration Charge (if applicable) | \$ | 0.25 |

Street Lighting

| | | |
|--|--------|----------|
| Service Charge (per connection) | \$ | 0.79 |
| Distribution Volumetric Rate | \$/kW | 4.4808 |
| Regulatory Asset Recovery | \$/kW | (0.8406) |
| Retail Transmission Rate – Network Service Rate | \$/kW | 1.6482 |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kW | 0.7582 |
| Wholesale Market Service Rate | \$/kWh | 0.0052 |
| Rural Rate Protection Charge | \$/kWh | 0.0010 |
| Regulated Price Plan – Administration Charge (if applicable) | \$ | 0.25 |

Vaughan Rate Zone

Residential

| | | |
|--|--------|----------|
| Service Charge | \$ | 11.21 |
| Distribution Volumetric Rate | \$/kWh | 0.0105 |
| Regulatory Asset Recovery | \$/kWh | (0.0017) |
| Retail Transmission Rate – Network Service Rate | \$/kWh | 0.0059 |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kWh | 0.0027 |
| Wholesale Market Service Rate | \$/kWh | 0.0052 |
| Rural Rate Protection Charge | \$/kWh | 0.0010 |
| Regulated Price Plan – Administration Charge | \$ | 0.25 |

General Service Less Than 50 kW

| | | |
|--|--------|----------|
| Service Charge | \$ | 26.72 |
| Distribution Volumetric Rate | \$/kWh | 0.0135 |
| Regulatory Asset Recovery | \$/kWh | (0.0022) |
| Retail Transmission Rate – Network Service Rate | \$/kWh | 0.0054 |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kWh | 0.0025 |
| Wholesale Market Service Rate | \$/kWh | 0.0052 |
| Rural Rate Protection Charge | \$/kWh | 0.0010 |
| Regulated Price Plan – Administration Charge | \$ | 0.25 |

PowerStream Inc.

TARIFF OF RATES AND CHARGES

Effective May 1, 2006

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RP-2005-0020
EB-2005-0409

General Service 50 to 4,999 kW

| | | |
|--|--------|----------|
| Service Charge | \$ | 290.79 |
| Distribution Volumetric Rate | \$/kW | 2.6462 |
| Regulatory Asset Recovery | \$/kW | (0.4488) |
| Retail Transmission Rate – Network Service Rate | \$/kW | 2.1855 |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kW | 0.9808 |
| Wholesale Market Service Rate | \$/kWh | 0.0052 |
| Rural Rate Protection Charge | \$/kWh | 0.0010 |
| Regulated Price Plan – Administration Charge (if applicable) | \$ | 0.25 |

Large Use

| | | |
|---|--------|----------|
| Service Charge | \$ | 7,718.58 |
| Distribution Volumetric Rate | \$/kW | 1.1148 |
| Regulatory Asset Recovery | \$/kW | (0.9271) |
| Retail Transmission Rate – Network Service Rate – Interval Metered | \$/kW | 2.5701 |
| Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered | \$/kW | 1.2295 |
| Wholesale Market Service Rate | \$/kWh | 0.0052 |
| Rural Rate Protection Charge | \$/kWh | 0.0010 |
| Regulated Price Plan – Administration Charge (if applicable) | \$ | 0.25 |

Unmetered Scattered Load

| | | |
|--|--------|----------|
| Service Charge (per connection) | \$ | 13.23 |
| Distribution Volumetric Rate | \$/kWh | 0.0135 |
| Regulatory Asset Recovery | \$/kWh | (0.0022) |
| Retail Transmission Rate – Network Service Rate | \$/kWh | 0.0054 |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kWh | 0.0025 |
| Wholesale Market Service Rate | \$/kWh | 0.0052 |
| Rural Rate Protection Charge | \$/kWh | 0.0010 |
| Regulated Price Plan – Administration Charge (if applicable) | \$ | 0.25 |

Sentinel Lighting

| | | |
|--|--------|--------|
| Service Charge | \$ | 0.50 |
| Distribution Volumetric Rate | \$/kW | 2.0430 |
| Regulatory Asset Recovery | \$/kW | 0.4220 |
| Retail Transmission Rate – Network Service Rate | \$/kW | 1.6565 |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kW | 0.7740 |
| Wholesale Market Service Rate | \$/kWh | 0.0052 |
| Rural Rate Protection Charge | \$/kWh | 0.0010 |
| Regulated Price Plan – Administration Charge (if applicable) | \$ | 0.25 |

Street Lighting

| | | |
|--|--------|----------|
| Service Charge (per connection) | \$ | 0.90 |
| Distribution Volumetric Rate | \$/kW | 3.6890 |
| Regulatory Asset Recovery | \$/kW | (1.3390) |
| Retail Transmission Rate – Network Service Rate | \$/kW | 1.6482 |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kW | 0.7582 |
| Wholesale Market Service Rate | \$/kWh | 0.0052 |
| Rural Rate Protection Charge | \$/kWh | 0.0010 |
| Regulated Price Plan – Administration Charge (if applicable) | \$ | 0.25 |

PowerStream Inc.

TARIFF OF RATES AND CHARGES

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RP-2005-0020
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Specific Service Charges – All Rate Zones

| | | |
|---|----|--------|
| Customer Administration | | |
| Arrears certificate | \$ | 15.00 |
| Statement of account | \$ | 15.00 |
| Duplicate invoices for previous billing | \$ | 15.00 |
| Request for other billing information | \$ | 15.00 |
| Easement letter | \$ | 15.00 |
| Income tax letter | \$ | 15.00 |
| Account history | \$ | 15.00 |
| Returned Cheque (plus bank charges) | \$ | 15.00 |
| Legal letter charge | \$ | 15.00 |
| Account set up charge/change of occupancy charge (plus credit agency costs if applicable) | \$ | 30.00 |
| Special meter reads | \$ | 30.00 |
| Meter dispute charge plus Measurement Canada fees (if meter found correct) | \$ | 30.00 |
| Non-Payment of Account | | |
| Late Payment - per month | % | 1.50 |
| Late Payment - per annum | % | 19.56 |
| Collection of account charge – no disconnection | \$ | 30.00 |
| Disconnect/Reconnect Charges - At Meter During Regular Hours | \$ | 65.00 |
| Disconnect/Reconnect Charges - At Meter After Hours | \$ | 185.00 |
| Specific Charge for Access to the Power Poles – per pole/year | \$ | 22.35 |
| Allowances | | |
| Transformer Allowance for Ownership - per kW of billing demand/month | \$ | (0.60) |
| Primary Metering Allowance for transformer losses – applied to measured demand and energy | % | (1.00) |

LOSS FACTORS

| | |
|---|--------|
| Total Loss Factor – Secondary Metered Customer < 5,000 kW | 1.0393 |
| Total Loss Factor – Secondary Metered Customer > 5,000 kW | 1.0145 |
| Total Loss Factor – Primary Metered Customer < 5,000 kW | 1.0289 |
| Total Loss Factor – Primary Metered Customer > 5,000 kW | 1.0045 |