



**WASAGA**

**DISTRIBUTION INC.**

March 07, 2017

P.O. Box 20, 950 River Road West, Wasaga Beach, Ontario L9Z 1A2  
Tel: (705) 429-2517 Fax: (705) 429-2590 E-mail: hydro@wasagadist.ca

Ontario Energy Board  
Attention: Kirsten Walli, Board Secretary  
P.O. Box 2319, 27<sup>th</sup> Floor  
2300 Yonge Street  
Toronto, Ontario  
M4P 1E4

Dear Ms. Walli,

**Re: Response to Draft Decision and Rate Order  
OEB File Number EB-2016-0108 – 2017 Distribution Rate Application**

On February 28, 2017, the Board Secretary issued a Draft Decision and Rate Order regarding Wasaga Distribution Inc.'s (WDI) Incentive Rate Mechanism Adjustment Application for 2017 Distribution Rates (EB-2016-0108).

In accordance with this letter, the Applicant has reviewed the information and is of the opinion that the Draft Tariff of Rates and Charges are accurate and complete.

In the Draft Decision and Rate order on page 7 the following was stated: *"Wasaga Distribution noted that it would prefer to complete a more comprehensive review of all Group 1 accounts, especially RSVA – Power and RSVA – GA .... The OEB directs that this review be conducted by way of an external special purpose audit engagement...."*

While Wasaga Distribution wishes to cooperate fully with this request, WDI has several concerns around the direction the OEB has taken in regards to the request for the external audit. The concerns are as follows:

- When WDI staff agreed to withdraw the request for Group 1 disposal and do a wholesome review, WDI was not made aware that this would become an external special purpose audit which would put increased financial pressure on WDI.
- In what form does the OEB wish the external special purpose audit to be – should it be an audit that includes every part of the billing and finance cycle or just the finance cycle?
- WDI is concerned that when the audit is submitted next year with its' 2018 IRM application the OEB will find that the audit did not meet its' needs and WDI will be required to do another audit – this will create inefficiencies in expense and time on WDI and its' staff.
- WDI is concerned that there is not an external auditor capable enough of completing the audit to the required completeness for both OEB and WDI.



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As stated above WDI wishes to comply with the audit request but are hesitant to carry out the special purpose audit until WDI's concerns are addressed.

An electronic copy of this response has been filed on the OEB's RSS portal.

Should the OEB or OEB Staff have any questions or responses regarding this matter please contact Joanne Tackaberry at [j.tackaberry@wasagadist.ca](mailto:j.tackaberry@wasagadist.ca) or 705-429-2517.

Yours truly,

Joanne Tackaberry, CPA, CGA  
Director of Finance  
Wasaga Distribution Inc.