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Commission de l'énergie de l'Ontario
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August 6, 2015

Joanne Tackaberry
Manager, Administrative & Financial Services
Wasaga Distribution Inc.
P.O. Box 20, 950 River Road West
Wasaga Beach, ON L9Z 1A2

Dear Ms. Tackaberry:

Re: Follow-up Audit Review of Service Quality and Reliability Scorecard Measures

In 2014, the Ontario Energy Board (the OEB) authorized an audit of Wasaga Distribution Inc. (WDI) with respect to the following Service Quality and Reliability Scorecard Measures: New Residential/Small Business Services Connected on Time, Scheduled Appointments Met on Time, and Telephone Calls Answered on Time. The engagement letter for the original audit was sent on September 8, 2014 by the OEB's Audit and Performance Assessment (Audit).

In WDI's April 2, 2015 letter to Audit, WDI provided its management responses and action plans to address Audit's findings and the observation. An audit report was issued by Audit to WDI on March 31, 2015, outlining a number of findings and the observation with respect to the original audit, including management responses and action plans from WDI to address the findings and the observation. In its closing letter for the original audit, Audit indicated that it would perform a follow-up audit at a later date.

Audit concluded its initial audit in late 2014 and shared the results of the audit with WDI. Audit sent the follow-up audit engagement letter on June 18, 2015. Audit conducted a site visit on June 25, 2015 to examine the status of WDI's action plans and to test that the committed action plans to make improvements to certain processes and controls were properly implemented to ensure accurate record-keeping and reporting to the OEB.

As part of the follow-up audit, Audit noted a number of manual keying errors for which WDI could not adequately explain discrepancies between physical records and computer records. These deficiencies with respect to New Residential/Small Business Services Connected to dates recorded were adequately explained over the course of the follow-up audit, and Audit has received satisfactory explanation—in the form of improved processes and controls—that could reduce the number of these errors in future filings with the OEB. Audit acknowledges the efforts undertaken by WDI to put these new and more robust processes and controls in place.

On July 29, 2015, in a letter to the OEB, WDI summarized the status of its action plans responsive to the findings and the observation in the March 31, 2015 audit report and also described a number of incremental improvements to processes and controls as a result of the follow-up audit.

Audit has now completed its follow-up audit, and aside from the issue addressed above, Audit concludes that nothing has come to its attention that causes Audit to believe that WDI has not, in all material respects, followed the requirements set out in the Distribution System Code (DSC) and the Electricity Reporting and Record Keeping Requirements (RRR) with respect to New Residential/Small Business Services Connected on Time, Scheduled Appointments Met on Time, and Telephone Calls Answered on Time..

Moving forward, Audit expects that WDI will take all available opportunities to explore improvements to its processes and systems relating to all scorecard measures including New Residential/Small Business Services Connected on Time, Scheduled Appointments Met on Time, and Telephone Calls Answered on Time. Audit will be interested in learning more from WDI regarding improvement initiatives to its RRR processes and systems.

The observations identified in this follow-up audit represent the views of Audit and are not binding on the OEB.

The results of this follow-up audit will be reported to the OEB and may also be used as evidence in future proceedings involving WDI. Audit notes that, in its July 29 letter, WDI indicated that its Board of Directors has approved to have the audit results placed on the WDI website. It would be appreciated if WDI could notify Audit when it publishes the audit results on its website.

We thank the staff of WDI for the assistance and support provided to Audit during the follow-up audit.

Yours truly,



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cc: Jim Fraser, Chair, Wasaga Distribution Inc.