



PUBLIC INTEREST ADVOCACY CENTRE
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November 13, 2017

VIA E-MAIL

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

Dear Ms. Walli:

**Re: EB-2017-0056 Kitchener-Wilmot Hydro Inc. 2018 IRM Application
VECC Interrogatories**

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

We have also directed a copy of the same to the Applicant.

Yours truly,

A handwritten signature in black ink, appearing to read 'Cynthia Khoo', is written in a cursive style.

Cynthia Khoo
Counsel for VECC

Kitchener-Wilmot Hydro Inc. (KWHI)
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Deferral and Variance Accounts

VECC-1

Ref: Application Page 10

Preamble: The evidence indicates that KWHI was not approved for disposition of any balances in its 2016 IRM application until an audit is conducted by the OEB' Audit and Performance unit. The audit was completed in April 2017.

- a) Please provide a copy of the audit.
- b) Please discuss if KWHI has had any previous deferral and variance account audits conducted by the OEB and provide details, and copies of any relevant audit reports.

VECC-2

- a) Please describe the process used by KWHI to monitor and verify deferral and variance account entries to ensure accuracy.
 - i) What oversight and checks and balances are in place?
 - ii) What is the process to audit this function?
 - iii) Please provide any internal documents that details KWHI's internal monitoring processes.
 - iv) How long has an internal monitoring process been in place?
- b) As part of KWHI's annual audit process, are the deferral and variance account balances audited? If so, why were the errors not detected during that process?
- c) Please explain the process followed by KWHI in preparing its IRM applications and how it verifies the balances for disposition of deferral and variance accounts.
- d) Please explain in detail how the original manual adjustment error was discovered by KWHI.
- e) Please explain why KWHI did not discover error #2 described on Page 11 and error #3 on Page 12 (additional errors that were determined in the audit).

VECC-3

Ref: Application Page 10

Preamble: KWHI indicates Column BF shows the adjustment as per the May 23, 2017 letter "Guidance

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on Disposition of Accounts 1588 and 1589”.

a) Please explain the adjustment made with reference to the letter.