

**Ontario Energy  
Board**

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**BY EMAIL**

November 1, 2013

Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street, 27th Floor  
Toronto ON M4P 1E4

Dear Ms. Walli:

**Re: Rideau St. Lawrence Distribution Inc. - EB-2013-0169 - Audit of Deferral and  
Variance Accounts 1588, 1589 (Global Adjustment) and 1595**

The Ontario Energy Board (the "Board") authorized an audit of Rideau St. Lawrence Distribution Inc.'s ("RSL") Group<sup>1</sup> deferral and variance accounts 1588, 1589, and 1595 ("DVA") as per the Board Decision and Order EB-2011-0274. This audit was conducted by the Board's Regulatory Audit and Accounting group ("Regulatory Audit").

Regulatory Audit issued an engagement letter on June 6, 2013 regarding an audit of RSL's DVA balances as of December 31, 2012. The objective of this audit was to examine RSL's DVA balances as at December 31, 2012 for material accuracy and determine whether accounting policies and procedures for these accounts were properly and consistently applied and reported to the Board in accordance with Accounting Procedures Handbook ("APH"), Reporting and Record-keeping Requirements ("RRR"), and related guidelines. Regulatory Audit examined entries in the DVA accounts from January 1, 2010 to December 31, 2012. Account balances as at December 31, 2009 were disposed of on a final basis as per Board Decision and Order EB-2010-0113 dated April 7, 2011.

Regulatory Audit has completed its audit. RSL has made adjustments to balances in

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<sup>1</sup> Please refer to the July 31, 2009 *Report of the Board on Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR)* [EB-2008-0046] for classification and descriptions of Group 1 and Group 2 accounts.

accounts 1588, 1589, and 1595, as of December 31, 2012 as a result of findings made by Regulatory Audit and in preparation for its 2014 IRM rate proceeding EB-2013-0169. The details of the required changes to the Balances are as follows:

<b>Account</b>	<b>December 31, 2012 Balance per RSL's GL</b>	<b>December 31, 2012 Balance per Audit work</b>	<b>Adjustment Required</b>
1588	\$410,994.84	-\$45,579.67	-\$456,574.51
1589	-\$488,343.74	-\$59,859.37	\$428,484.37

Regulatory Audit notes that nothing has come to its attention during this audit to lead it to believe that the account balances, as adjusted based on the results of this audit are materially misstated.

Pursuant to the Board's direction, Regulatory Audit intends to file the full audit report on the record in the RSL's 2014 IRM rate proceeding EB-2013-0169.

The audit findings discussed in this letter represent the views of Regulatory Audit and are not binding on the Board.

I wish to thank RSL's staff for the assistance and support provided to us during this audit.

Please forward this letter to RSL.

Yours truly,

*Original Signed By*

Daria Babaie, *P. Eng., CMA*  
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cc : John Walsh, CEO, RSL  
Peter Soules, CFO, RSL