



October 8, 2015

Kirsten Walli
Board Secretary
Ontario Energy Board
PO Box 2319
2300 Yonge Street, Suite 2700
Toronto ON M4P 1E4

Dear Ms. Walli:

**Re: E.L.K. Energy Inc.
Distribution License ED- ED-2003-0015
2016 Incentive Regulation Mechanism ("IRM") Distribution Rate
Application EB-2015-0064 Addendum**

In accordance with the instructions released by the Ontario Energy Board ("the Board") dated July 16, 2015, E.L.K. Energy Inc. ("E.L.K.") submitted its application for approval for 2016 incentive regulation mechanism based on rates effective May 1, 2016.

An electronic copy of this Application had been filed with the Board RESS Filing System and two (2) hard copies have been sent to the Board Secretary as well as a PDF copy of the current Tariff Sheet. This is an addendum that describes the activity of accounts 1588 and 1589 as described in the decision and rate order EB-2014-0067.

Please do not hesitate to contact myself if I can be of further assistance.

Regards

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After the completion of the 2015 IRM and the EB-2014-0067 Decision and Rate order, E.L.K. completed a comprehensive review of its deferral and variance account balances. As a result of this review, there was a re-class of two regulatory accounts which was reviewed by our auditors KPMG.

This correction is simply a re-class of two regulatory accounts. E.L.K. also proactively contacted the OEB in order to revise its 2.1.7 filing for the year-end filing and submitted documentation and support as requested from the OEB which was reviewed by the OEB audit department. The changes have been made and submitted. Below is a chart of the revised amounts which has been updated in E.L.K.'s 2016 IRM.

	Account #	Total Claim	RRR As at April 30, 2017
Group 1 Accounts			
RSVA - Power (excluding Global Adjustment)	1588	(491,404)	(484,301)
RSVA - Global Adjustment	1589	966,479	952,509

The adjustments were made due to an incorrect report from E.L.K.'s customer information system being produced. It is important to note that none of the balances that have been revised have yet been disposed of. RSVA Power 1588 was (\$9,214,405) and changed to (\$484,300.95) and 1589 RSVA GA was \$9,682,613 and changed to \$952,509.92. This is more in line for a service area the size of E.L.K. There was no effect on net income or gross margin. KPMG reviewed E.L.K.'s documentation with respect to the re-class entries for 2014 for accounts 1588 and 1589 and can confirm the account balances have changed and that the support shown and calculations performed is reasonable.