

AIRD BERLIS

Scott Stoll
Direct: 416.865.4703
E-mail: ssoll@airdberlis.com

April 13, 2018

VIA COURIER, EMAIL AND RESS

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

Dear Ms. Walli:

**Re: EB-2017-0039
Essex Powerlines Corporation ("EPLC")
Request for Confidential Treatment of Information – Audit Report**

We are counsel to EPLC.

Pursuant to the Board's Practice Direction on Confidential Filings (the "**Practice Direction**") we have enclosed certain documents in a sealed envelope. The documents filed confidentially include: (a) Audit of Essex Powerlines Corporation Regulatory Accounting Procedures, Controls, and Oversight over Deferral and Variance Accounts: Audit and Performance Assessment (April 2016) ("**Process and Controls Audit**"); and (b) Audit of Group 1 and Group 2 Deferral and Variance Accounts – Essex Powerlines Corporation (March 2017) (the "**Group 1&2 Audit**").

In addition, the following related materials have been filed publicly on RESS:

- Cover letter to (a) dated April 22, 2016, Re: Audit of Deferral and Variance Accounts and the Associated Regulatory Accounting Procedures, Controls, and Oversight;
- Cover letter to (b) dated March 21, 2017, Re: Audit of Deferral and Variance Accounts and the Associated Regulatory Accounting Procedures, Controls, and Oversight;
- Letter by Board Staff dated November 14, 2017, Re: Follow-up Audit of Regulatory Accounting Procedures, Controls, and Oversight of Deferral and Variance Accounts; and
- Summary of Findings and Response to the Group 1&2 Audit.

The Process and Controls Audit and the Group 1&2 Audit were requested to be filed by the Schools Energy Coalition as part of the interrogatory process in this proceeding.

Basis for Claim:

EPLC claims confidentiality for both the Process and Controls Audit and the Group 1&2 Audit based upon the following:

- 1) Paragraphs 4.1 of the Practice Direction provides that Board templates and guidelines that identify elements as confidential will be treated as confidential. EPLC would note that each of the Process and Controls Audit and the Group 1&2 Audit are entirely marked "Confidential" by Board audit staff.
- 2) Paragraph 4.3.1 of the Practice direction provides protection for personal information that would be protected by the *Municipal Freedom of Information and Protection of Privacy Act*. Paragraph 4.3.1 requires that such information is held in confidence and not place upon the public record. EPLC notes that both the Process and Controls Audit and the Group 1&2 Audit contain information regarding individuals that are identifiable and provides commentary upon their performance. Such personal information is extremely sensitive and should not be disclosed. EPLC would note that neither individual is a party to this proceeding or within the employ of EPLC.
- 3) In accordance with Paragraph 5.1.4(c)(ii), EPLC has filed additional materials that provide a summary of the confidential information.
- 4) EPLC would note that as part of its Settlement Proposal filed April 13, 2018 it committed to filing updates on its progress with follow up items resulting from the audit so parties will have an understanding of the progress that will continue to be made as a result of the audit process.

In accordance with Paragraph 5.1.5 of the Practice Direction, this letter, along with the Public documents listed above are served on each of the parties to the proceeding via email. In addition to the above documentation, EPLC has provided as part of the evidence in this proceeding an excerpt from the Group 1&2 Audit regarding the only outstanding issue where EPLC and the Board staff audit were in disagreement regarding the appropriate resolution.

EPLC does not object to providing any party that has signed an undertaking with access to the Process and Controls Audit and the Group 1&2 Audit filed confidentially.

On April 13, 2018, EPLC submitted a Settlement Proposal in this Proceeding. The proposal includes a resolution of all but a single issue – the issue from the Group 1&2 Audit that has already been placed upon the public record. As such, maintaining the confidentiality requested herein does not deprive the Board or parties with any ability to address the only, currently outstanding, issue.

If there are any questions or comments, please contact the undersigned at your earliest opportunity.

Yours truly,

Original Signed by Scott Stoll

Scott Stoll

SAS/ar
Encl.

32317246.1

AIRD BERLIS