

Ontario Energy Board
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto ON M4P 1E4
Telephone: 416- 481-1967
Facsimile: 416- 440-7656
Toll free: 1-888-632-6273

Commission de l'énergie de l'Ontario
C.P. 2319
27e étage
2300, rue Yonge
Toronto ON M4P 1E4
Téléphone: 416- 481-1967
Télécopieur: 416- 440-7656
Numéro sans frais: 1-888-632-6273



August 6, 2015

Phil Marley
President & CEO
Midland Power Utility Corporation
16984 Highway #12
P.O. Box 820
Midland, ON L4R 4P4

Dear Ms. Marley:

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

In 2014, the Ontario Energy Board (OEB) authorized an audit of Midland Power Utility Corporation (Midland PUC) 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 October 24, 2014 by the OEB's Audit and Performance Assessment (Audit).

Audit concluded its initial audit in late 2014 and shared the results of the audit with Midland PUC. In Midland PUC's December 11, 2014 letter to Audit, Midland PUC provided its management responses and action plans to address Audit's findings and observations. An audit report was issued by Audit to Midland PUC on March 31, 2015, outlining a number of findings and observations with respect to the original audit, including management responses and action plans from Midland PUC to address the findings and observations. In its closing letter for the original audit, Audit indicated that it would perform a follow-up audit at a later date.

As part of the follow-up audit, Audit sent the follow-up audit engagement letter on May 21, 2015. Audit conducted a site visit at Midland PUC's offices on June 17, 2015 to examine the status of Midland PUC'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.

On July 24, 2015, in a letter to the OEB, Midland PUC summarized the status of its action plans with respect to the findings and observations 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 concludes that nothing has come to its attention that causes Audit to believe that Midland PUC 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 Midland PUC 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 Midland PUC 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 Midland PUC. Audit notes that, in its July 24 letter Midland PUC also committed to voluntarily publishing audit findings, action plans and audit follow-up documentation on or around September 30, 2015 after its website re-design project is completed. It would be appreciated if Midland PUC could notify Audit when it publishes the audit results on its website.

Audit thanks the staff of Midland PUC for the assistance and support provided to Audit during the follow-up audit.

Yours truly,



Daria Babaie, *P. Eng., CPA, CMA*
Manager, Audit and Performance Assessment
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 24th Floor
Toronto, ON, M4P 1E4
Phone: (416) 440-7614
Fax: (416) 440-7656
Daria.Babaie@ontarioenergyboard.ca

cc: Rob Holsgrove, Chair, Midland Power Utility Corporation
Christine Bell, Chief Financial Officer, Midland Power Utility Corporation