



Hearst Power Distribution Company Limited
925 Alexandra St.
Hearst, ON
P0L 1N0

April 15, 2014

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

Dear Ms. Walli:

Hearst Power acknowledges receipt of the letter of the Audit Performance Assessment Group of the Ontario Energy Board dated April 8, 2014, regarding the audited balances of Group 1 Deferral and Variance Account at December 31, 2011. These balances refers to the rate rider which was in effect from May 1, 2013 to April 30, 2014.

As indicated in the Audit's letter, Hearst Power has made all necessary adjustments based on the Audit group's findings.

Hearst Power has reviewed the revised Group 1 balances and concurs with the audited credit balance of -\$110,351 after net credit adjustment of -\$20,547 as showed in the Audit's letter.

Given that the net adjustment is not a material amount, Hearst Power is requesting the Board's approval to allow the utility to include the -\$20,547 and its associated carrying charges in its next rate application for final disposition. The rate application in question will disclose all audit findings.

If you have any questions or concerns, please contact Nicole C. Leduc at the information provided below.

A handwritten signature in cursive script that reads 'Nicole C. Leduc'.

Nicole C. Leduc
Interim General Manager
Tel: 705-372-2815
nleduc@hearstpower.com

cc: Daria Babaie, P.Eng., CPA, CMA
Manager, Audit & Performance Assessment