



September 15, 2011

BY MAIL 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: Filing Date, Veridian Connections Inc. 2012 IRM Distribution Rate Application,
File No. EB-2011-0199**

On August 2nd 2011, the Ontario Energy Board (the “Board”) issued a letter to all licensed electricity distributors detailing the process for 2012 Incentive Regulatory Mechanism (“IRM”) distribution rate applications. The letter established an application filing deadline of September 30th 2011 for Veridian Connections Inc. (“Veridian”). While Veridian has undertaken its best efforts to meet this deadline, it now anticipates that its application will not be fully complete and filed until October 14th 2011.

Veridian’s efforts at meeting the Board’s deadline have been hampered by longer than expected lead times for data acquisition and allocation between its two geographic rate zones, as necessary to support the application. Delays are also attributable to the timing of the releases of the Board’s 2012 IRM Rate Generator Model (initially released on August 19th, with updated versions released on August 29th, September 6th and September 13th).

In its response to the Board’s June 22nd 2011 survey on the elements expected to be contained in a distributor’s 2012 rate application, Veridian identified that it would be including a Lost Revenue Adjustment Mechanism (“LRAM”) application. This continues to be Veridian’s intention. However, it has not yet received the Ontario Power Authority’s 2010 conservation program savings report, which will serve as a partial basis for its LRAM claim. The Ontario Power Authority has advised that this report is scheduled for release at the end of September. If this schedule is met, Veridian expects that an October 14th IRM application filing date may very well accommodate the inclusion of verified conservation program savings data for 2010, thus avoiding the need for estimated data that would require an update to the application later in the proceeding.

Veridian also wishes to take this opportunity to advise the Board that its application will not include an element related to disposition of account 1562 (Deferred PILs). Veridian understands that this is consistent with direction provided in the September 13th 2011 letter from the Board’s Managing Director, Applications & Regulatory Audit. The letter references the Board’s June 24th 2011 Decision and Order in the EB-2008-

55 Taunton Road East

Ajax, ON L1T 3V3

TEL (905) 427-9870

TEL 1-888-445-2881

FAX (905) 619-0210

www.veridian.on.ca

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0381 Combined Proceeding, and confirms that “...distributors filing applications that differ in fact and or depart from the established methodology, or that include issues not considered as part of the Combined Proceeding, should not file as part of an incentive regulation (“IRM”) application.” Veridian’s circumstances relating to account 1562 deviate from those addressed in the Combined Proceeding due to the impacts of a corporate merger and a number of acquisitions that will affect the account balances.

Please contact me at your convenience should you have any questions on these matters.

Yours truly,

Original signed by

George Armstrong
Manager of Regulatory Affairs and Key Projects

cc Laurie McLorg
Lynne Anderson, Ontario Energy Board

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