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March 15, 2018

**BY COURIER & RESS**

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street, 26<sup>th</sup> Floor, P.O. Box 2319  
Toronto, ON M4P 1E4

**Re: Application for 2019 Rates  
Veridian Connections Inc., Board file no. EB-2018-0072**

As set out in your letter of December 7<sup>th</sup> 2017, Veridian Connections Inc. ("Veridian") is scheduled to file a cost of service rate application for the 2019 rate year by no later than August 31<sup>st</sup> 2018. I am pleased to provide an update on Veridian's current filing intentions.

Veridian's parent company, Veridian Corporation, has been working with Whitby Hydro Energy Corporation for several months to assess a potential corporate merger. The merger would see the combination of Veridian and Whitby Hydro Electric Corporation ("Whitby Hydro"). Whitby Hydro is a subsidiary of Whitby Hydro Energy Corporation and is a licensed electricity distributor with service territory directly adjacent to a large section of Veridian's licensed service territory.

These merger discussions are now well advanced and the corporate boards of the two business entities have announced that they will be recommending that shareholders approve a merger. Plans are underway to present the merger recommendation to municipal shareholders during the months of April and May, 2018.

In the event that all five municipal shareholders approve the merger, Veridian and Whitby Hydro will seek Ontario Energy Board approval for the transaction. An application would be filed in accordance with the requirements of the OEB's 'Handbook to Electricity and Transmitter Consolidations'. This application would supersede a 2019 cost of service rate application by Veridian.

If the required shareholder approvals for a merger are not secured, Veridian's current plan is to proceed with the filing of a cost of service application for 2019 rates. However, due to internal resource constraints associated with the current focus on a merger, the filing of this application would be delayed to a date beyond August 31<sup>st</sup> 2018.

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Veridian Connections is a wholly owned subsidiary of Veridian Corporation

We appreciate the Board's understanding in this matter. Please do not hesitate to contact us if there are any questions regarding this notice.

Regards,

A handwritten signature in black ink, appearing to be 'G. Armstrong', written over a horizontal line.

George Armstrong  
V.P., Corporate Services