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July 13, 2018

BY COURIER & RESS

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

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

We are writing further to our letter of March 15, 2018 at which time we provided advance notice to the Ontario Energy Board ("Board") that Veridian Connections Inc. ("Veridian") and Whitby Hydro Electric Corporation ("Whitby Hydro") were in the midst of productive merger discussions. We are writing today to advise that the shareholders of the parent companies of Veridian and Whitby Hydro recently approved the merger of the two electricity distributors and have executed a Merger Participation Agreement dated July 10, 2018. The necessary MAADs application is currently being drafted and will be filed with the Board in the near future.

The MAADs application will propose a deferral of the rebasing of the merged entity for 10 years with rates being adjusted over the deferral period for the Veridian rate zone by the Price Cap Incentive Regulation ("PCIR") Methodology beginning in 2019.

As a result of this development, Veridian intends to file a PCIR application for 2019 rates. The application will include the elements outlined in Veridian's response to Board staff's 2019 IRM survey, as submitted on May 25th, 2018.

We look forward to receiving direction from the Board on the scheduled timing of Veridian's 2019 PCIR application.

Please do not hesitate to contact us if there are any questions regarding this matter.

Regards,

A handwritten signature in black ink, appearing to read 'G. Armstrong', is written over a horizontal line. The signature is stylized and somewhat cursive.

George Armstrong
V.P., Corporate Services

The power to make your community better.

Veridian Connections is a wholly owned subsidiary of Veridian Corporation