



November 23, 2007

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
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Dear Ms. Walli:

**Re: Veridian Connections Inc. – 2008 Incentive Regulation Mechanism (2008 IRM) Application Board
File Number EB-2007-0879. Addendum 1 – Retail Transmission Rate Adjustment**

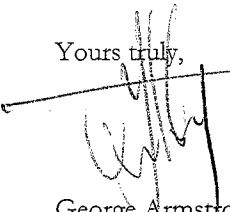
Veridian Connections Inc. ("Veridian") filed two separate 2008 IRM applications with the Ontario Energy Board on November 1st, 2007; one related to its licensed service territory in the Town of Gravenhurst and the other pertaining to the balance of its service areas. On November 15th the Board issued its Letter of Direction and Notice of Application and Hearing related to these applications. It is our understanding that these documents provide for a process that will consider the two applications through a common hearing.

In the cover letters filed with the November 1st applications, Veridian reported that it would file addendums to its applications to address required updates to retail transmission rates and disposition of associated variance accounts. We are pleased to provide the enclosed addendum that addresses these matters.

Please note that the addendum does not provide for changes to retail transmission rates or disposition of associated variance account balances for Veridian's service territory in Gravenhurst. Veridian's distribution network in the Town of Gravenhurst is entirely embedded in the distribution network of Hydro One Networks Inc ("HONI"). HONI has not yet obtained Board approval for updates to the retail transmission rates used to assess costs to embedded distributors. Accordingly, it is premature to consider updates to retail transmission rates for Veridian's service territory in Gravenhurst at this time.

If you have any questions regarding this addendum, please do not hesitate to contact me.

Yours truly,


George Armstrong
Manager of Regulatory Affairs and Key Projects

cc: Rob Scarffe
Dave Clark
Axel Starck
Michael Angemeer

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