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January 5, 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: Application for Elimination of Long Term Load Transfer arrangements between Veridian Connections Inc. and Lakeland Power Distribution Ltd.

Please find attached a joint application addressing Long Term Load Transfer (“LTLT”) arrangements between Veridian Connections Inc. (“Veridian”) and Lakeland Power Distribution Ltd (“Lakeland”).

The application proposes the elimination of LTLT arrangements affecting 15 customers located at or near the boundary between the licensed service areas of Veridian and Lakeland. This would be accomplished by the transfer of customers from Veridian to Lakeland, and the amendment of the licensed service areas of the two distributors. No distribution assets would be transferred.

The co-applicants submit that there will be no adverse impacts on existing customers, and therefore ask that the Board dispose of the proceeding without a hearing under Section 21(4)(b) of the *Ontario Energy Board Act, 1998*.

The application has been prepared in accordance with the Board’s *Filing Requirements for Service Area Amendment Applications* dated March 12, 2007. These requirements require the inclusion of certain confidential customer information. Therefore, the application is being filed in accordance with the Board’s *Practice Direction of Confidential Filings*. As such, please find enclosed two copies of a confidential filing, and two copies of a non-confidential public filing.

Should you have any questions on this application, please contact Steve Zebrowski at (905) 427-9870 x3274.

Yours truly,

Original signed by

George Armstrong
Manager of Regulatory Affairs and Key Projects
Veridian Connections Inc.

cc: Mr. Brian Elliot, Lakeland Power Distribution Ltd.

The power to make your community better.

Veridian Connections is a wholly owned subsidiary of Veridian Corporation



Elimination of Long Term Load Transfers

Between

Veridian Connections Inc.

And

Lakeland Power Distribution Ltd.

Combined Service Area Amendment Application

January 5, 2010

Part A: Service Area Amendment and Exemptions

1.1 Basic Facts

This application for a service area amendment addresses the elimination of a total of 15 Long Term Load Transfers (LTLT) customers existing in proximity to service area boundaries between Veridian Connections Inc. (Veridian) and Lakeland Power Distribution Ltd. (Lakeland). This application proposes the transfer of 15 LTLT customers from Veridian to Lakeland.

1.1.1 General

(a) Co-Applicant

Veridian Connections Inc. – ED-2002-0503 (“Veridian”)	
55 Taunton Road East Ajax, Ontario L1T 3V3	Contact Person – George Armstrong &
	Contact Person – Steve Zebrowski
	Telephone Number – 905-427-9870
	Fax Number – 905-619-0210
	E-mail Address – garmstrong@veridian.on.ca
	E-mail Address – szebrowski@veridian.on.ca

(b) Co-Applicant

Lakeland Power Distribution Ltd. – ED-2002-0540 (“Lakeland”)	
200-395 Centre St. N Huntsville , Ontario P1H 2M2	Contact Person – Brian Elliott
	Telephone Number - 705-645-2670 x519
	Fax Number – 705-645-4667
	E-mail Address – belliot@lakelandpower.on.ca

(c) Alternate Distributor and Other Parties to the Transaction – None

(d) List of Affected LTLT Customers

Table 1
Veridian Connections' LTLT Customers (15 accounts)
Served by Lakeland Power Distribution Ltd.
proposed to be Transferred to Lakeland Power Distribution Ltd.

Customer No.	Customer Name	Mailing Address
1	[REDACTED]	9 Morrow Drive, Gravenhurst, Ontario, P1L 1X1
2	[REDACTED]	15 Morrow Drive, Gravenhurst, Ontario, P1L 0A1
3	[REDACTED]	1030 Campbell's Road, Gravenhurst, Ontario, P1L 0A1
4	[REDACTED]	1088 Campbell's Road, Gravenhurst, Ontario, P1L 1X1
5	[REDACTED]	1100 Campbell's Road, Gravenhurst, Ontario, P1L 0A1
6	[REDACTED]	1110 Campbell's Road, Gravenhurst, Ontario, N0B 1T0
7	[REDACTED]	1120 Campbell's Road, Gravenhurst, Ontario, P1P 1X1
8	[REDACTED]	1122 Campbell's Road, Gravenhurst, Ontario, P1L 1X1
9	[REDACTED]	1126 Campbell's Road, Gravenhurst, Ontario, P1L 1X1
10	[REDACTED]	1130 Campbell's Road, Gravenhurst, Ontario, K9V 1W1
11	[REDACTED]	1150 Campbell's Road, Gravenhurst, Ontario, P1L 0A1
12	[REDACTED]	1180 Campbell's Road, Gravenhurst, Ontario, P1L 1X1
13	[REDACTED]	1188 Campbell's Road, Gravenhurst, Ontario, P1L 0A1
14	[REDACTED]	1188 Campbell's Road, Gravenhurst, Ontario, P1L 0A1
15	[REDACTED]	1190 Campbell's Road, Gravenhurst, Ontario, P1L 1X1

1.1.2 Service Area Amendment

Indicate the reasons why this amendment should occur and identify any load transfers eliminated by the proposed SAA:

This application addresses the elimination of a total of 15 Long Term Load Transfers ("LTLT") customers existing in proximity to service area boundaries between Veridian Connections Inc. ("Veridian") and Lakeland Power Distribution Ltd. ("Lakeland") This application proposes the transfer of 15 LTLT customers from Veridian Connections to Lakeland Power Distribution Ltd.

1.1.3 Description of Proposed Service Area

Provide a detailed description of the lands that are the subject of the SAA application. For SAA applications dealing with individual customers, the description of the lands should include the lot number, the concession number, and the municipal address of the lands. The address should include the street number, municipality and/or county, and postal code of the lands. For SAA applications dealing with general expansion areas, the description of the lands should include the lot number and the concession number of the lands, if available, as well as a clear description of the boundaries of the area (including relevant geographical and geophysical features).

- Individual customer addresses found in Section 1.1.1(d)
- Detailed information of all LTLTs are found in Section 1.1.4

Veridian's LTLTs to be transferred to Lakeland:

Customer No.	Customer Name	Address	Legal Description ARN
1		9 Morrow Drive	4402-020-003-05302
2		15 Morrow Drive	4402-020-003-05400
3		1030 Campbell's Road	4402-020-003-05300
4		1088 Campbell's Road	4402-020-003-04403
5		1100 Campbell's Road	4402-020-003-04401
6		1110 Campbell's Road	4402-020-003-04400
7		1120 Campbell's Road	4402-020-003-04503
8		1122 Campbell's Road	4402-020-003-04501
9		1126 Campbell's Road	4402-020-003-04504
10		1130 Campbell's Road	4402-020-003-04600
11		1150 Campbell's Road	4402-020-003-04502
12		1180 Campbell's Road	4402-020-003-04500
13		1188 Campbell's Road	4402-020-003-03800
14		1188 Campbell's Road	4402-020-003-03800
15		1190 Campbell's Road	4402-020-003-03700

1.1.4 Provide maps/diagrams of the area that is the subject of the SAA application

(a)	Borders of the applicant's service area	See Attached Maps
(b)	Borders of the incumbent distributor's service area	
(c)	Borders of any alternate distributor's service area	
(d)	Territory surrounding the area for which the applicant is making SAA application	
(e)	Geographical and geophysical features of the area including, rivers and lakes, property borders, roads, and major public facilities	
(f)	Existing facilities supplying the area that is the subject of the SAA application, if applicable, as well as the proposed facilities which will be utilized by the applicant to supply the area that is the subject of the SAA application (Note: if the proposed facilities will be utilized to also provide for expansion of load in the area that is the subject of the SAA application, identify that as well).	

1.1.5 Distribution Infrastructure In and Around the Proposed Amendment Area

Provide a description of the proposed type of physical connection (i.e., individual customer; residential subdivision, commercial or industrial development, or general service area expansion).

- 15 residential connections

1.2 Efficient Rationalization of the Distribution System

The proposed SAA will be evaluated in terms of rational and efficient service area realignment. This evaluation will be undertaken from the perspective of economic (cost) efficiency as well as engineering (technical) efficiency. Applicants must demonstrate how the proposed SAA optimizes the use of existing infrastructure. In addition, applicants must indicate the long term impacts of the proposed SAA on reliability in the area to be served and on the ability of the system to meet growth potential in the area. Even if the proposed SAA does not represent the lowest cost to any particular party, the proposed SAA may promote economic efficiency if it represents the most effective use of existing resources and reflects the lowest long run economic cost of service to all parties.

- It would not be economical for Veridian to extend service to these customers. Veridian estimates that approximately 850 meters of underground, and 1000 meter of overhead single phase line would be needed to retain these customers. This would cost approximately \$176,000.

1.2.1	In light of the above, provide a comparison of the economic and engineering efficiency for the applicant and the incumbent distributor to serve the area that is the subject of the SAA application. The comparison must include the following:
(a)	Location of the point of delivery and the point of connection. <ul style="list-style-type: none"> • Not Applicable
(b)	Proximity of the proposed connection to an existing distribution system. <ul style="list-style-type: none"> • Not Applicable
(c)	The fully allocated connection costs for supplying the customer, unless the applicant and the incumbent distributor provide a reason why providing the fully allocated connection costs is unnecessary for the proposed SAA (Note: the Board will determine if the reason provided is acceptable). <ul style="list-style-type: none"> • Not Applicable
(d)	The amount of any capital contribution required from the customer. <ul style="list-style-type: none"> • Not Applicable
(e)	Costs for stranded equipment that would need to be de-energized or removed. <ul style="list-style-type: none"> • Not Applicable
(f)	Information on whether the proposed SAA enhances, or at a minimum does not decrease, the reliability of the infrastructure in the area that is the subject of the SAA application and in regions adjacent to the area that is the subject of the SAA application over the long term. <ul style="list-style-type: none"> • Not Applicable

(g)	Information on whether the proposed infrastructure will provide for cost-efficient expansion if there is growth potential in the area that is the subject of the SAA application and in regions adjacent to the area that is the subject of the SAA application. <ul style="list-style-type: none"> Not Applicable
(h)	Information on whether the proposed infrastructure will provide for cost-efficient improvements and upgrades in the area that is the subject of the SAA application and in regions adjacent to the area that is the subject of the SAA application. <ul style="list-style-type: none"> Not Applicable

1.3 Impacts Arising from the Proposed Amendment

Description of Impacts

1.3.1	Identify any affected customers or landowners. <ul style="list-style-type: none"> See listing in Section 1.1.1(d)
1.3.2	Provide a description of any impacts on costs, rates, service quality, and reliability for customers <i>in</i> the area. If an assessment of service quality and reliability impacts cannot be provided, explain why. <ul style="list-style-type: none"> For all customers moving to Lakeland, the distribution rates will be lower than the equivalent current Veridian distribution rates. Approx. bill impact for an 800kWh consumer would be a decrease from \$123.20/month to \$117.44/month There will be no change to distribution assets serving the customers, and will therefore be no impacts on service quality and reliability.
1.3.3	Provide a description of any impacts on costs, rates, service quality, and reliability of any distributor <i>outside</i> the area. If an assessment of service quality and reliability impacts cannot be provided, explain why. <ul style="list-style-type: none"> Not Applicable
1.3.4	Provide a description of the impacts on each distributor involved in the proposed SAA. If these impacts have already been described elsewhere in the application, providing cross-references is acceptable. <ul style="list-style-type: none"> See detailed description of the service area amendment in Section 1.1.3 See attached map in Section 1.1.4 for description details.
1.3.5	Provide a description of any assets which may be stranded or become redundant if the proposed SAA is granted. <ul style="list-style-type: none"> Not Applicable
1.3.6	Identify any assets that are proposed to be transferred to or from the applicant. If an asset transfer is required, has the relevant application been filed in accordance with section 86 of the Act? If not, indicate when the applicant will be filing the relevant section 86 application.

Elimination of Long Term Load Transfers –Veridian Connections Inc. – Lakeland Power Distribution Ltd.

	<ul style="list-style-type: none">• Not Applicable
1.3.7	Identify any customers that are proposed to be transferred to or from the applicant. <ul style="list-style-type: none">• See Section 1.1.1 (d)
1.3.9	Identify any new load transfers or retail points of supply that will be created as a result of the proposed SAA. If a new load transfer will be created, has the applicant requested leave of the Board in accordance with section 6.5.5 of the Distribution System Code (“DSC”)? If not, indicate when the applicant will be filing its request for leave under section 6.5.5 of the DSC with the Board. If a new retail point of supply will be created, does the host distributor (i.e., the distributor who provides electricity to an embedded distributor) have an applicable Board approved rate? If not, indicate when the host distributor will be filing an application for the applicable rate. <ul style="list-style-type: none">• There are no new Load Transfers being created as a result of the proposed SAA.

Evidence of Consideration and Mitigation of Impacts

1.3.10	<p>Provide written confirmation by the applicant that all affected persons have been provided with specific and factual information about the proposed SAA. As part of the written confirmation, the applicant must include details of any communications or consultations that may have occurred between distributors regarding the proposed SAA.</p> <ul style="list-style-type: none">• Customers will be notified per direction contained in the OEB's Letter of Direction once issued for this application.
1.3.11	<p>Provide a letter from the incumbent distributor in which the incumbent distributor indicates that it consents to the application.</p> <ul style="list-style-type: none">• This is a joint application by both distributors.
1.3.12	<p>Provide a written response from all affected customers, developers, and landowners consenting to the application, if applicable.</p> <ul style="list-style-type: none">• Not Applicable
1.3.13	<p>Provide evidence of attempts to mitigate impacts where customer and/or asset transfers are involved.</p> <ul style="list-style-type: none">• Not Applicable – there are no adverse affects expected

1.4 Customer Preference

The Board, in the RP-2003-0044 decision, stated that customer preference is an important, but not overriding consideration when assessing the merits of an SAA.

1.4.1	<p>An applicant who brings forward an application where customer choice may be a factor must provide a written statement signed by the customer indicating the customer's preference.</p> <ul style="list-style-type: none">• Not Applicable
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3.0 DESCRIPTION OF THE PROPOSED TRANSACTION

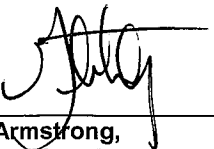
3.1	Please indicate if the proposed transaction will be a sale, lease or other (please specify). <ul style="list-style-type: none">• No Assets will be Transferred	
3.2	Please attach the details of the consideration (e.g. cash, assets, shares) to be given and received by each of the parties to the proposed transaction. <ul style="list-style-type: none">• Not Applicable	
3.3	Would the proposed transfer impact any other parties (e.g. joint users of poles) including any agreements with third parties? If yes, please specify how. <ul style="list-style-type: none">• No	
3.4	Would the proposed transfer impact distribution or transmission rates of the applicant? If yes, please specify how. <ul style="list-style-type: none">• No	
3.5	Will the transaction adversely affect the safety, reliability, quality of service, operational flexibility or economic efficiency of the applicant or the proposed recipient? If yes, please specify how. <ul style="list-style-type: none">• No	

4.0: OTHER INFORMATION

It is the sole responsibility of the Applicant to provide all information that is relevant and that would assist the Board in making a determination in this matter. Failure to provide key information may result in a delay in the processing of the application or in the denial of the application.

5.0: WRITTEN CONSENT/JOINT AGREEMENT

Both parties Veridian Inc. and Lakeland Power Distribution Ltd. agree to all the statements made in this application.



George Armstrong,
Manager of Regulatory Affairs and Key Projects
Veridian Connections Inc.



Brian Elliott
Manager of Operations
Lakeland Power Distribution Ltd.

Dated: Jan. 4, 2011

Dec 16/10

6.0: REQUEST FOR NO HEARING

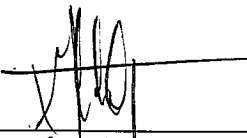
Does the applicant request that the application be determined by the Board without a hearing? If yes, please provide -

- (a) an explanation as to how no person, other than the applicant and the proposed recipient, will be adversely affected in a material way by the outcome of the proceeding AND
- (b) The proposed recipient's written consent to the disposal of the application without a hearing.

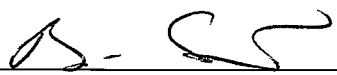
- (a) Both parties to this application request that it be considered without a hearing.

There will be no adverse impacts on the affected customers with regard to safety and reliability, as there will be no change in the distribution assets serving their respective accounts. Moreover, based on the current approved distribution rates of Veridian and Lakeland, the affected customers would see a slight reduction in total bill amounts.

- (b) The signature on this application acknowledges agreement to dispose of this application without a hearing.



George Armstrong,
Manager of Regulatory Affairs and Key Projects
Veridian Connections Inc.



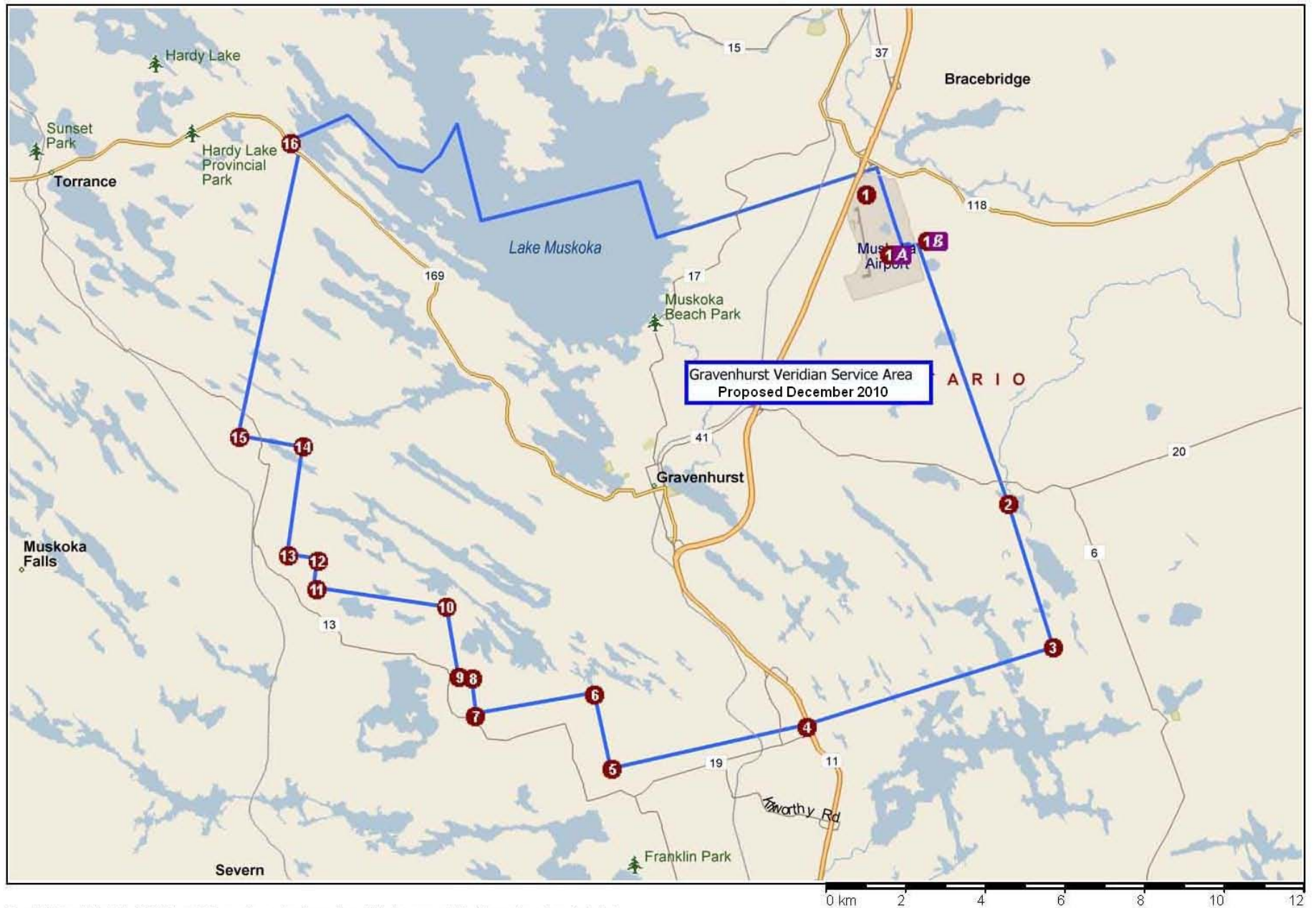
Brian Elliott
Manager of Operations
Lakeland Power Distribution Ltd.

Dated: Jan. 4, 2011

Dec 16/10

Attachment 1 – Amended Veridian Licence Map – Gravenhurst

Gravenhurst Veridian Service Area



Attachment 2 - Amended Veridian Licence Description – Gravenhurst

This Schedule specifies the area in which the Licensee is authorized to distribute and sell electricity in accordance with condition 8.1 of this Licence.

GRAVENHURST SERVICE AREA

The alpha-numeric point numbers below refer to the reference map provided on page 31 of this document.

Beginning at the most northeast corner of the Town of Gravenhurst (the northeast corner of Muskoka County Conc. IX Lot 1), in a clockwise direction, the franchise area limits are an irregular polygon the bounds of which are described as a line:

EASTERN BOUNDARY

The meets and bounds generally begin at the north-east corner of the Town of Gravenhurst but exclude Lot 1, Conc. IX and Lot 1, Conc VIII Muskoka.

1. Beginning at the intersection of the boundary between Lots 1 and 2, Conc. IX Muskoka and the north Muskoka County line, proceeding southerly along the boundary between Lots 1 & 2 (generally parallel to the eastern limit of the Town of Gravenhurst, or the Town of Bracebridge Town Line, being the Muskoka/Draper County Line) to point # 1A at the southeast corner of Lot 1, Conc. VIII, Muskoka;

At Point #1A turning easterly along the Conc. VIII/Conc. VII boundary and then following an irregular line along the west and south edges of Registered properties known as 1181 and 1188 Campbell's Road, Gravenhurst to Point # 1B at the intersection with the easterly limit of the Town of Gravenhurst;

At Point #1B turning southerly along the easterly limit of the Town of Gravenhurst to the point where the Town Line turns sharply east (southeast corner of Lot 1, Conc. I, Muskoka County 1 Lot 1);

2. continuing straight through the preceding point (and not following the Town line) in a straight line southerly along the boundary between the Counties of Ryde and Morrison to the north/south midpoint of Lot 1, Conc. X, Morrison;

SOUTHERN BOUNDARY

3. turning sharply west and continuing in a straight line bisecting Conc. X, Morrison, into north/south halves through Lots 1-13 and into Range East, Morrison, to a point on the boundary between Range West and Range East, Morrison;
4. there making a slight bend northerly and continuing westerly along a line again bisecting Conc. X through Lots 18-25, Conc. X, Morrison to a point immediately west of the boundary between Lots 25 and 26, Conc. X, Morrison;
5. turning sharply northerly along a line just west of the boundary between Lots 25 and 26, through Conc. X to a point midway (north/south) in Conc. XII, Morrison;

WESTERN BOUNDARY

6. there turning westerly and proceeding along a line approximately bisecting Conc. XII, Morrison, to a point on the boundary between Lots 34 and 35, Morrison;

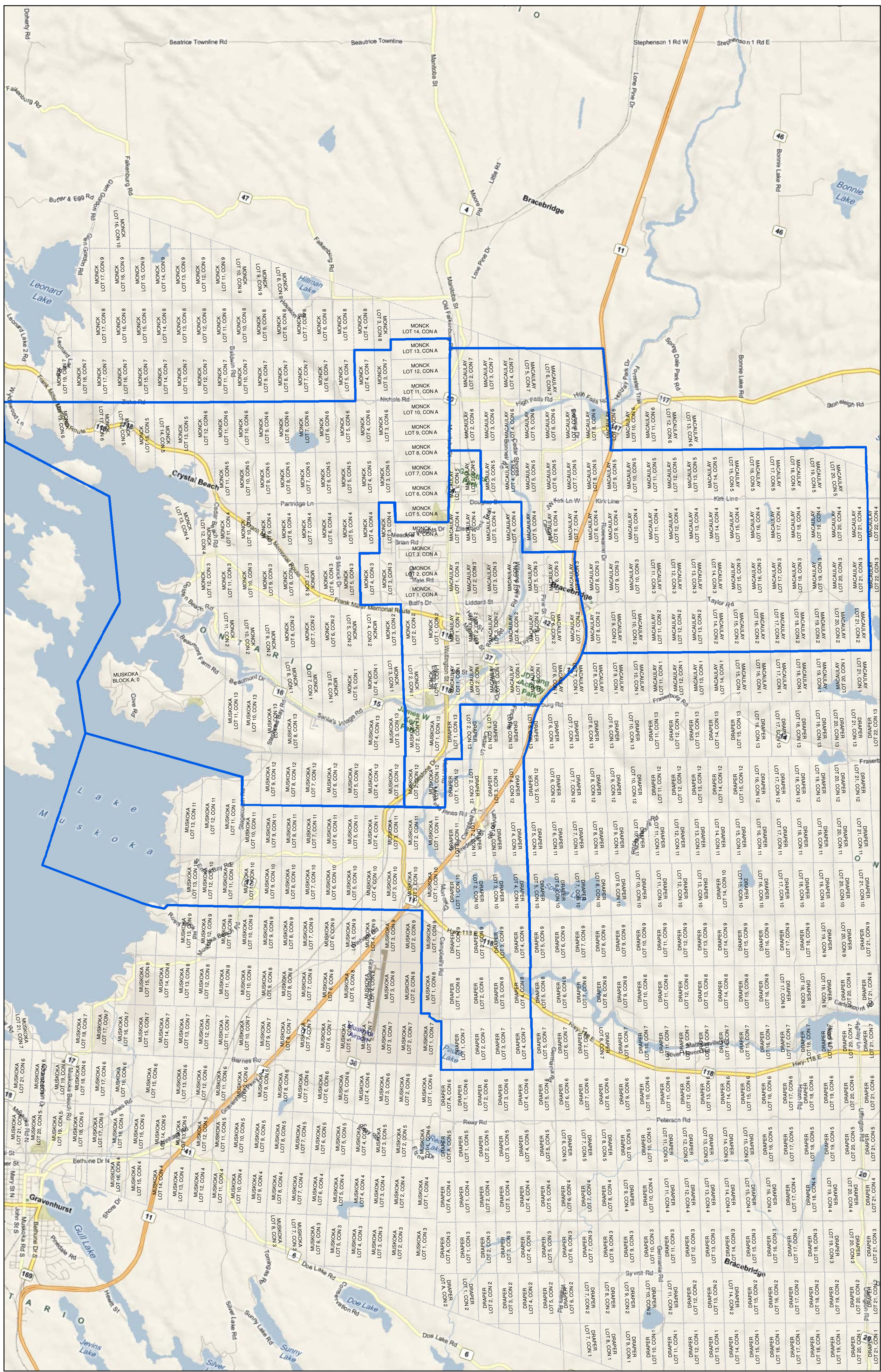
This Schedule specifies the area in which the Licensee is authorized to distribute and sell electricity in accordance with condition 8.1 of this Licence.

7. turning sharply northerly along the boundary between Lots 34 and 35, Morrison to a point on the Morrison County boundary with Muskoka County;
8. turning sharply westerly and continuing on the south side of the boundary to the intersection of Morrison, Wood, and Muskoka Counties;
9. there turning northerly and following a line along the east side of the boundary between Wood and Muskoka Counties to a point midway in Conc. XVI, Wood;
10. there turning westerly and following a line bisecting Conc. XVI, Wood through Lots H to A to the boundary between Lot A and Lot 1, Conc. XVI, Wood;
11. there turning sharply northerly along a line following the west side of that boundary to the intersection with the allowance between Conc. XV and XVI, Wood;
12. turning sharply westerly along the center of that allowance to a point at the boundary between Lots 3 & 4, Wood;
13. turning sharply northerly along the boundary between Lots 3 & 4, Wood to the boundary between Conc. XII and XIII;
14. there turning sharply westerly and following the boundary between Conc. XII and XIII, Wood to the westerly limit of Lot 8, Wood County, also known as the westerly limit of the Town of Gravenhurst;
15. there turning sharply northerly and following the westerly limit of Lot 8, Wood (westerly limit of The Town of Gravenhurst) and then continuing to follow the limits of the Town of Gravenhurst northerly to the north most point of Wood County, there taking a slight turn westerly for some 300 meters to the northwest limit of the Town of Gravenhurst;

NORTHERN BOUNDARY

16. then turning sharply east to strike out across Lake Muskoka following the Gravenhurst/Bracebridge Town Line being an irregular open water route meeting the eastern shore at the northwest corner of Muskoka County Conc. IX Lot 14, and then a straight line easterly along the line between Conc. IX and X, Muskoka County, returning to the northeast corner of the Town of Muskoka.

Attachment 3 - Amended Lakeland Licence Map



Attachment 4 - Amended Lakeland Licence Description

Bracebridge Service Territory

Start:

South West corner of Muskoka Concession 10 Lot 14 and goes East along Concession 10 to the South East corner of Muskoka Concession 10 Lot 2.

It then goes south along the border of Muskoka Lot 2, Concession 9 and Muskoka Lot 1, Concession 9 to the southwest corner of Muskoka Lot 1, Concession 8. It then turns easterly along the border of Muskoka Lot 1, Concession 7 and Muskoka Lot 1, Concession 8. It then follows an irregular line along the west and south edges of the registered properties known as 1181 and 1188 Campbell's Road, Gravenhurst to the border of Muskoka Lot 1, Concession 7 and Draper Lot A Concession 7 approximately 125m south of the Draper Lot 1, Concession 8 and Draper Lot A, Concession 7 border.

It then goes south along the Muskoka and Draper Concession Border to the South West Corner of Draper Concession 7 Lot A. It then continues East North East along Draper Concession 6 and Draper Concession 7 border to the corner of Draper Concession 7 Lot 4.

It then goes North North West to the North West corner of Draper Concession 12 Lot 5. It then follows the West side of Hwy 11 until 100m West of the corner of Macaulay Concession 2 Lot 7.

It then Continues East North East between Macaulay Concession 1 and Macaulay Concession 2 to the South West corner of Macaulay Concession 2 Lot 21.

Then it goes North North West to the North East corner of Macaulay Concession 5 Lot 21. It then goes West South West along the border of Macaulay Concession 6 and Macaulay Concession 5 to the East side of Hwy 11 and heads North North West along Hwy. 11 to 50m East of the corner of Macaulay Concession 7 Lot 8.

It then goes West South West along the border of Macaulay Concession 7 and Macaulay Concession 8 to the North West corner of Macaulay Concession 7 Lot 1.

It then goes North North West to the corner of Monck Concession A Lot 13 and heads West South West to the North West corner of Monck Concession A Lot 13. It then goes South South West to the North East corner of Monck Concession 7 Lot 3.

It continues West South West to the North West corner of Monck Concession 7 Lot 4. It continues South South East to the North West corner of Monck Concession 6 Lot 4.

It continues West South West along the border of Monck Concession 7 and Monck Concession 6/5 to the North West Corner of Monck Concession 6 Lot 21.

It then heads South South East 800m into Lake Muskoka, then 2350m East South East in Lake Muskoka.

It then continues 2130m South East in Lake Muskoka and then goes South South West 1790m in Lake Muskoka, then goes South East 1090m in Lake Muskoka and then heads South 2800m in Lake Muskoka.

It then heads East to the Shore of Muskoka Concession 9 Lot 14 then heads North North East to the South West Corner of Concession 10 Lot 14.