



February 28, 2011

BY MAIL and RESS

Ms. Kirsten Walli
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Dear Ms. Walli:

Re: Veridian Connections Inc., Late Payment Penalty Recovery Rate Riders for 2011 Electricity Distribution Rates, Board file number EB-2010-0117

In its Decision and Order dated February 22, 2011 in the matter of recovery of costs and damages resulting from the late payment penalty ('LPP') class action (EB-2010-0295), the Board directed all affected electricity distributors having an IRM or cost of service application before the Board to file details regarding the calculation of LPP recovery rate riders. Veridian Connections Inc. ('Veridian') currently has an IRM application before the Board (EB-2010-0117) and is pleased to respond to the Board's direction.

As detailed in its 2011 IRM application, Veridian maintains two distribution rate zones; Veridian-Main and Veridian-Gravenhurst. Accordingly, LPP recovery rate riders have been calculated for each of these rate zones in accordance with the methodology dictated by the Board's decision. Specifically, fixed monthly rate riders have been developed by first allocating the recovery amounts to each rate class by distribution revenue, and then by calculating a specific rate rider for each customer class based on the number of customers and unmetered connections in those classes.

The tables provided in Appendix 'A' show, by rate zone, the LPP recovery amounts and recovery allocators as stipulated by the Board in its decision. Note that it was necessary for Veridian to disaggregate its 2009 distribution revenue and customer/connection data as reported as part of its RRR filings, as the RRR reports are based on consolidated data covering both rate zones.

The recovery amounts and allocators presented in Appendix 'A' are used in the tables shown in Appendix 'B' to calculate fixed monthly LPP recovery rate riders by rate zone and customer class.

Veridian hereby requests that the fixed monthly LPP recovery rate riders shown in Appendix 'B' be included in its May 1st 2011 Tariff of Rates and Charges and that they remain in effect until April 30, 2012.

Yours truly,

Original signed by

George Armstrong
Manager of Regulatory Affairs and Key Projects

Encl.

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APPENDIX 'A'
LPP Recovery Amounts and
Recovery Allocators by Rate Zone

Late Payment Penalty Recovery Amounts by Rate Zone			
Affected Electricity Distributor	Recovery Amount (from Appendix A - Decision & Order, EB-2010-0295)	Assignment to Rate Zone	
		Veridian-Main	Veridian-Gravenhurst
Veridian Connections	\$ 280,780.55	\$ 280,780.55	-
1382154 Ontario Ltd (Brock HEC)	\$ 3,068.81	\$ 3,068.81	-
Belleville Electric corp	\$ 29,382.69	\$ 29,382.69	-
Port Hope HEC	\$ 11,119.02	\$ 11,119.02	-
Gravenhurst Hydro Electric Inc.	\$ 14,065.49	-	\$ 14,065.49
Scugog Hydro Energy Corp	\$ 6,908.95	\$ 6,908.95	-
Total	\$ 345,325.51	\$ 331,260.02	\$ 14,065.49

2009 Distribution Revenues by Rate Zone			
Customer Class	Consolidated Distribution Revenue (reported under RRR)	Veridian-Main Distribution Revenue	Veridian-Gravenhurst Distribution Revenue
Residential	27,976,892	26,097,421	1,879,470
GS < 50 kW	6,464,083	6,103,833	360,251
Unmetered Scattered Load	181,472	181,472	-
GS > 50 kW	8,173,253	7,657,884	348,359
Intermediate	(included in GS>50 kW)	167,011	-
Large Use	762,031	762,031	-
Street Lighting	367,503	362,378	5,125
Sentinel Lighting	13,982	13,893	90
Total	\$ 43,939,216.94	\$ 41,345,922.64	\$ 2,593,294.30

2009 Year End Customer/Connection Counts by Rate Zone			
Customer Class	Consolidated No. of Connections / Customers (reported under RRR)	Veridian-Main Connections / Customers	Veridian-Gravenhurst Connections / Customers
Residential	101,547	96,168	5,379
GS < 50 kW	8,501	7,781	720
Unmetered Scattered Load	893	893	-
GS > 50 kW	1,042	1,001	39
Intermediate	(included in GS>50 kW)	2	-
Large Use	5	5	-
Street Lighting	27,619	24,226	3,393
Sentinel Lighting	704	626	78
Total	140,311	130,702	9,609

APPENDIX 'B'
Calculation of Fixed Monthly
Rate Riders by Rate Zone

<u>Veridian-Main rate zone</u>					
Customer Class	2009 Distribution Revenues	% of Total 2009 Revenues	LPP Allocation (A)	No. of Customers / Connections, 2009 YE (B)	Fixed monthly rate rider (A ÷ B ÷ 12)
Residential	26,097,421	63.12%	\$ 209,090.32	96,168	\$ 0.18
GS < 50 kW	6,103,833	14.76%	\$ 48,903.39	7,781	\$ 0.52
Unmetered Scattered Load	181,472	0.44%	\$ 1,453.94	893	\$ 0.14
GS > 50 kW	7,657,884	18.52%	\$ 61,354.32	1,001	\$ 5.11
Intermediate	167,011	0.40%	\$ 1,338.08	2	\$ 55.75
Large Use	762,031	1.84%	\$ 6,105.33	5	\$ 101.76
Street Lighting	362,378	0.88%	\$ 2,903.34	24,226	\$ 0.01
Sentinel Lighting	13,893	0.03%	\$ 111.31	626	\$ 0.01
Total	41,345,923	100%	\$ 331,260.02	130,702	-
<u>Veridian-Gravenhurst rate zone</u>					
Customer Class	2009 Distribution Revenues	% of Total 2009 Revenues	LPP Allocation (A)	No. of Customers / Connections, 2009 YE (B)	Fixed monthly rate rider (A ÷ B ÷ 12)
Residential-Urban	845,938	32.62%	\$ 4,588.19	3,023	\$ 0.13
Residential-Suburban	291,216	11.23%	\$ 1,579.49	751	\$ 0.18
Residential-Seasonal	742,316	28.62%	\$ 4,026.17	1,605	\$ 0.21
GS < 50 kW	360,251	13.89%	\$ 1,953.92	720	\$ 0.23
GS > 50 kW	348,359	13.43%	\$ 1,889.42	39	\$ 4.04
Street Lighting	5,125	0.20%	\$ 27.80	3,393	\$ 0.00
Sentinel Lighting	90	0.00%	\$ 0.49	78	\$ 0.00
Total	2,593,294	100%	\$ 14,065.49	9,609	-