



May 4, 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 a Partial Exemption from the Mandated Time-of-Use Pricing Date for Regulated Price Plan Customers

On August 4, 2010 the Ontario Energy Board issued a determination under Section 1.2.1 of the Standard Supply Service Code to require the implementation of time-of-use ("TOU") pricing for Regulated Price Plan ("RPP") customers. The determination established mandatory TOU implementation dates for each electricity distributor. The mandatory date for Veridian Connections Inc. ("Veridian") is June 2011. While Veridian has made significant progress in meeting this mandatory date, difficulties experienced in installing smart meters for certain 'hard-to-reach' accounts have led to delays in the company's TOU implementation schedule. Therefore, Veridian hereby seeks a partial exemption from its mandated TOU end date for RPP eligible customers.

Veridian currently serves approximately 111,700 RPP-eligible residential and small business accounts. Initial deployment of smart meters for RPP-eligible accounts commenced in 2007 and was executed by billing cycle. This initial mass deployment of smart meters was completed in 2010. By this time first attempts at installing smart meters had been conducted for all eligible customers across all billing cycles, and Veridian's smart meter deployment project was approximately 94% complete. Smart meters could not be installed on the remaining accounts as part of the mass deployment for a variety of reasons, including 1) restricted access to the meter base; 2) physical barriers in front of meter bases, and; 3) difficulties in scheduling power interruptions with affected customers.

Following this initial phase of its smart meter project, Veridian continued smart meter installation work to address the hard-to-reach accounts experienced during the mass deployment. This work continues to this day. Veridian currently has about 900 accounts for which a smart meter installation is outstanding. This represents a deployment completion rate of over 99%.

Veridian began implementation of TOU rates in the spring of 2010. The transition of customers to the new rates was completed by billing cycle, and this was coordinated with a change in billing frequency from quarterly to bi-monthly. The hard-to-reach accounts for which smart meters had not yet been deployed were

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retained within the legacy quarterly billing cycles for future transition to the new permanent bi-monthly cycles. This process was completed for all billing cycles by spring 2011, at which time all of Veridian's RPP customers that were equipped with smart meters during the initial mass deployment were being billed on TOU rates.

Veridian currently has approximately 6,200 smart-metered RPP customers that are yet to be transferred to TOU rates. These are the initial hard-to-reach customers that were not equipped with smart meters at the time that their billing cycle was scheduled for transition to bi-monthly billing and TOU rates. These accounts are being moved to TOU rates as quickly as possible, but the schedule for this work is constrained by the timing of the legacy and new billing cycles. To avoid customer confusion and inconvenience, the transition of these accounts to TOU rates is taking place when the start dates of the legacy and new billing cycles coincide. Through this transition plan, all of these 6,200 customers will be on TOU rates by September 30th 2011.

Veridian also continues to make best efforts to complete the installation of smart meters on its remaining 900 (approx.) hard-to-reach accounts. It is projected that the vast majority of these customers will be equipped with smart meters by September 30th 2011. Once a meter has been installed, transition to TOU rates will occur at the commencement of the customer's subsequent billing cycle. Therefore, virtually all of Veridian's RRP-eligible customers will be on TOU rates by the end of December, 2011.

For these reasons, Veridian requests that the Board grant approval for a revised mandatory TOU implementation end-date of December 31st 2011. Approximately 7,100 customers would be affected by this partial exemption.

Approval of this application will have no material impact on the costs of Veridian's smart meter and TOU implementation plan.

Please do not hesitate to contact me if you have any questions.

Yours truly,

Original signed by

George Armstrong
Manager of Regulatory Affairs and Key Projects

cc Rob Scarffe
 Michael Angemeer

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