VERIDIAN
CONNECTIONS

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December 15, 2011

Via RESS e-filing – signed original to follow by courier

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
Suite 2700, P.O. Box 2319
Toronto, ON M4P 1E4

Dear Ms. Walli:

Re: Veridian Connections Inc., 2012 IRM3 Electricity Distribution Rate Application
Responses to Interrogatories, Board File No.: EB-2011-0199

Veridian is pleased to provide the enclosed responses to interrogatories received from Board staff on December 1st, and from the Vulnerable Energy Consumers Coalition ("VECC") on December 2nd.

Yours truly,

Original signed by

George Armstrong
Manager of Regulatory Affairs and Key Projects

cc Mr. Michael Buonaguro, VECC
Ms. Laurie McLorg, Veridian Connections Inc.

Revenue to Cost Ratios

1. Ref: 2012 IRM Revenue to Cost Ratio Adjustment Workform

Request

a) Sheet 3 - Re-based Bill determinants and Rates: Please provide the reference for the values in Column D (current tariff service charge).

b) Sheet 6: Please explain why the proposed 2012 revenue to cost ratios for the GS < 50 kW and GS 50 to 4,999 kW rate classes differ from EB-2009-0140.

c) Sheet 8: Please confirm the rate class that receives the Transformer Allowance.

Response:

a) The reference for the values in the Revenue to Cost Ratio model Sheet 3 column D is included in Attachment A. This rate tariff is a revised rate order from the Board issued April 18, 2011.

b) As outlined on Page 7 of the Manager's Summary, the purpose of the revenue-to-cost ratio adjustments within the application are to adjust the ratios for the Residential-Suburban Year Round and Sentinel Lighting classes closer to the lower boundaries of the Board Target Ranges for those classes. In order to make these adjustments, the offsetting revenue adjustments must be applied to other classes. Specifically, within this application, the GS < 50 kW and GS > 50 kW rate classes.

Veridian notes that the proposed 2012 revenue-to-cost ratios for the Residential-Suburban and Sentinel Lighting classes are exactly as proposed within EB-2009-0140 at 77.22% and 56.65% respectively. Within in its 2010 Cost of Service application (EB-2009-0140) Veridian used its RateMaker model to forecast the resulting revenue-to-cost ratios for the offsetting classes.

The Board issued Revenue_Cost_Ratio_Adjustment_Workform model provides a balancing mechanism to apply the offsetting revenue adjustments. When using this mechanism the proposed revenue-to-cost ratios for the offsetting classes of GS < 50 kW and GS > 50 kW do not match with those forecasted by Veridian within EB-2009-0140.

Rate Class	Forecast within EB-2009-0140	Proposed within Application
GS < 50 kW	127.15%	121.17%
GS > 50 kW	172.53%	159.37%

Veridian notes that within its 2011 IRM application (EB-2010-0117), Veridian used the 2011 Board issued model for adjustments to revenue-to-cost ratios and that the resulting offsetting revenue adjustments to the GS < 50 kW and GS > 50 kW rate classes resulted in revenue-to-cost ratios that did not match the 2011 ratios forecasted within its 2010 Cost of Service application for the offsetting classes. Veridian further notes, that The Board, in its decision in EB-2010-0117 stated *"Board Staff and VECC submitted that the revised proposed revenue-to-cost ratios are in accordance with the Board findings in its EB-2009-0140 Decision. The Board agrees that the revised proposed revenue-to-cost ratios are in accordance with the Board's findings referenced above. The Board therefore approves the proposed revenue-to-cost ratios for the Main and Gravenhurst service areas."*

c) Veridian confirms that the rate class that receives the transformer allowance for Gravenhurst is GS>50 kW.

Ontario Energy Board

Commission de l'énergie de l'Ontario

EB-2010-0117

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15 (Schedule B);

AND IN THE MATTER OF an application by Veridian Connections Inc. for an order or orders approving or fixing just and reasonable distribution rates and other charges, to be effective May 1, 2011.

BEFORE: Karen Taylor
Presiding Member

Paul Sommerville
Member

REVISED RATE ORDER

Introduction

Veridian Connections Inc. ("Veridian"), a licensed distributor of electricity, filed an application with the Ontario Energy Board (the "Board") on October 15, 2010, under section 78 of the *Ontario Energy Board Act*, *1998*, S.O. 1998, c. 15, (Schedule B), seeking approval for changes to the rates that Veridian charges for electricity distribution, to be effective May 1, 2011.

In its Decision and Order on the Application issued on April 7, 2011, the Board ordered Veridian to review the draft Tariff of Rates and Charges and to file with the Board a written confirmation assessing the completeness and accuracy of the draft Tariff of Rates and Charges, or provide a detailed explanation of any inaccuracies or missing information, within seven calendar days of the date of the Decision and Order.

On April 11, 2011, Veridian filed a letter noting some typographical errors in the draft Tariff of Rates and Charges.

The Board accepts Veridian's submission and has revised the Tariff of Rates and Charges.

THE BOARD ORDERS THAT:

1. The revised Tariff of Rates and Charges set out in Appendix A of this order will become final effective May 1, 2011, and will apply to electricity consumed or estimated to have been consumed on and after May 1, 2011. Veridian shall notify its customers of the rate changes no later than with the first bill reflecting the new rates.

DATED at Toronto, April 18, 2011

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

Appendix A

To Revised Rate Order

Revised Tariff of Rates and Charges

Board File No: EB-2010-0117

DATED: April 18, 2011

Veridian Connections Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2010-0117

For All Service Areas Except Gravenhurst

RESIDENTIAL SERVICE CLASSIFICATION

All residential customers with kilowatt-hour meters shall be deemed to have a demand of 50kW or less. This customer classification includes Single Family Homes, Street Townhouses, Multiplexes, and Block Townhouses. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Electricity Component

Rate Rider for Global Adjustment Sub-Account Disposition (2010) – effective until April 30, 2012		
Applicable only for Non-RPP Customers[1]	$/kWh	0.0019

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	$	11.08
Smart Meter Funding Adder - effective until April 30, 2012	$	1.00
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	0.18
Distribution Volumetric Rate	$/kWh	0.0156
Low Voltage Service Rate	$/kWh	0.0006
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012	$/kWh	(0.0045)
Rate Rider for Tax Changes – effective until April 30, 2012	$/kWh	(0.0002)
Rate Rider for Z-Factor Recovery – Effective until April 30, 2012	$/kWh	0.0002
Retail Transmission Rate – Network Service Rate	$/kWh	0.0059
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0029

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

1 Excluding Non-RPP customers that ceased to be eligible for and were removed from the RPP on November 1, 2009 as mandated by Ontario Regulation 95/05

Veridian Connections Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2010-0117

For All Service Areas Except Gravenhurst

GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION

This classification applies to a non residential account whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Electricity Component

Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012 Applicable only for Non-RPP Customers[2]	$/kWh	0.0019

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	$	13.69
Smart Meter Funding Adder – effective until April 30, 2012	$	1.00
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	0.52
Distribution Volumetric Rate	$/kWh	0.0169
Low Voltage Service Rate	$/kWh	0.0005
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012	$/kWh	(0.0046)
Rate Rider for Tax Changes – effective until April 30, 2012	$/kWh	(0.0001)
Rate Rider for Z-Factor Recovery – Effective until April 30, 2012	$/kWh	0.0002
Retail Transmission Rate – Network Service Rate	$/kWh	0.0054
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0026

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

2 Excluding Non-RPP customers that ceased to be eligible for and were removed from the RPP on November 1, 2009 as mandated by Ontario Regulation 95/05

Veridian Connections Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2010-0117

For All Service Areas Except Gravenhurst
GENERAL SERVICE 50 to 2,999 kW SERVICE CLASSIFICATION

This classification applies to a non residential account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 3,000 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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MONTHLY RATES AND CHARGES – Electricity Component

Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012 Applicable only for Non-RPP Customers[3]	$/kWh	0.0019

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	$	134.96
Smart Meter Funding Adder – effective until April 30, 2012	$	1.00
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	5.11
Distribution Volumetric Rate	$/kW	3.0226
Low Voltage Service Rate	$/kW	0.2462
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012	$/kW	(1.8069)
Rate Rider for Tax Changes – effective until April 30, 2012	$/kW	(0.0208)
Rate Rider for Z-Factor Recovery – Effective until April 30, 2012	$/kW	0.0180
Retail Transmission Rate – Network Service Rate	$/kW	2.6256
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.2568

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

3 Excluding Non-RPP customers that ceased to be eligible for and were removed from the RPP on November 1, 2009 as mandated by Ontario Regulation 95/05

Veridian Connections Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2010-0117

For All Service Areas Except Gravenhurst

GENERAL SERVICE 3,000 to 4,999 kW SERVICE CLASSIFICATION

This classification applies to a non residential account whose average peak demand used for billing purposes over the past twelve months is equal to or greater than, or forecast to be equal to or greater than, 3,000 kW but less than 5,000 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

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MONTHLY RATES AND CHARGES – Electricity Component

Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012 Applicable only for Non-RPP Customers[4]	$/kWh	0.0019

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	$	5,342.67
Smart Meter Funding Adder – effective until April 30, 2012	$	1.00
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	55.75
Distribution Volumetric Rate	$/kW	1.4136
Low Voltage Service Rate	$/kW	0.2710
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012	$/kW	(1.7658)
Rate Rider for Tax Changes – effective until April 30, 2012	$/kW	(0.0162)
Retail Transmission Rate – Network Service Rate – Interval Metered	$/kW	2.8812
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	$/kW	1.3832

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

4 Excluding Non-RPP customers that ceased to be eligible for and were removed from the RPP on November 1, 2009 as mandated by Ontario Regulation 95/05

Veridian Connections Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2010-0117

For All Service Areas Except Gravenhurst
LARGE USE SERVICE CLASSIFICATION

This classification applies to an account whose average monthly maximum demand used for billing purposes is greater than, or is forecast to be greater than, 5,000 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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MONTHLY RATES AND CHARGES – Electricity Component

Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012 Applicable only for Non-RPP Customers[5]	$/kWh	0.0019

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	$	8,025.79
Smart Meter Funding Adder – effective until April 30, 2012	$	1.00
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	101.76
Distribution Volumetric Rate	$/kW	1.6837
Low Voltage Service Rate	$/kW	0.2710
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012	$/kW	(2.5329)
Rate Rider for Tax Changes – effective until April 30, 2012	$/kW	(0.0181)
Retail Transmission Rate – Network Service Rate – Interval Metered	$/kW	2.8812
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	$/kW	1.3832

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

5 Excluding Non-RPP customers that ceased to be eligible for and were removed from the RPP on November 1, 2009 as mandated by Ontario Regulation 95/05

Veridian Connections Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2011

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EB-2010-0117

For All Service Areas Except Gravenhurst
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

In general, all services will be metered. However, certain types of electrical loads are not practical to meter, or the cost of metering represents an inordinate expense to both the Customer and Veridian. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. These situations can be managed through a controlled connection and a pre-defined basis for estimating consumption. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	$	7.48
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	0.14
Distribution Volumetric Rate	$/kWh	0.0185
Low Voltage Service Rate	$/kWh	0.0005
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012	$/kWh	(0.0045)
Rate Rider for Tax Changes – effective until April 30, 2012	$/kWh	(0.0002)
Rate Rider for Z-Factor Recovery – Effective until April 30, 2012	$/kWh	0.0002
Retail Transmission Rate – Network Service Rate	$/kWh	0.0054
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0026

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Veridian Connections Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2010-0117

For All Service Areas Except Gravenhurst

SENTINEL LIGHTING SERVICE CLASSIFICATION

Sentinel lights (dusk-to-dawn) connected to unmetered wires will have a flat rate monthly energy charge added to the regular customer bill. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	$	3.53
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	0.01
Distribution Volumetric Rate	$/kW	10.9728
Low Voltage Service Rate	$/kW	0.1527
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012	$/kW	(1.6712)
Rate Rider for Tax Changes – effective until April 30, 2012	$/kW	(0.1348)
Rate Rider for Z-Factor Recovery – Effective until April 30, 2012	$/kW	0.3441
Retail Transmission Rate – Network Service Rate	$/kW	1.6264
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	0.7795

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Veridian Connections Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2011

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EB-2010-0117

For All Service Areas Except Gravenhurst
STREET LIGHTING SERVICE CLASSIFICATION

All services supplied to street or roadway lighting equipment owned by or operated for a municipality or the Province of Ontario shall be classified as Street Lighting Service. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	$	0.65
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	0.01
Distribution Volumetric Rate	$/kW	3.6337
Low Voltage Service Rate	$/kW	0.1609
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012	$/kW	(1.6256)
Rate Rider for Tax Changes – effective until April 30, 2012	$/kW	(0.0420)
Rate Rider for Z-Factor Recovery – Effective until April 30, 2012	$/kW	0.1107
Retail Transmission Rate – Network Service Rate	$/kW	1.7173
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	0.8213

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Veridian Connections Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2010-0117

For All Service Areas Except Gravenhurst

microFIT GENERATOR SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Ontario Power Authority's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	$	5.25

Veridian Connections Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2011

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EB-2010-0117

For All Service Areas Except Gravenhurst

ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	$/kW	(0.60)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

SPECIFIC SERVICE CHARGES

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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Customer Administration		
Arrears certificate	$	15.00
Statement of account	$	15.00
Request for other billing information	$	15.00
Easement letter	$	15.00
Account history	$	15.00
Credit reference/credit check (plus credit agency costs)	$	15.00
Returned cheque charge (plus bank charges)	$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	$	30.00
Special meter reads	$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	$	30.00
Disconnect/Reconnect at meter - during regular hours	$	65.00
Disconnect/Reconnect at meter - after regular hours	$	185.00
Non-Payment of Account		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge - no disconnection	$	30.00
Disconnect/Reconnect at meter - during regular hours	$	65.00
Disconnect/Reconnect at meter - after regular hours	$	185.00
Install/Remove load control device - during regular hours	$	65.00
Install/Remove load control device - after regular hours	$	185.00
Temporary service install & remove - overhead - no transformer	$	500.00
Temporary service install & remove - overhead - with transformer	$	1,000.00
Specific Charge for Access to the Power Poles $/pole/year	$	22.35
Customer Substation Isolation - After Hours	$	905.00

Veridian Connections Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2010-0117

For All Service Areas Except Gravenhurst

RETAIL SERVICE CHARGES (if applicable)

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	$	100.00
Monthly Fixed Charge, per retailer	$	20.00
Monthly Variable Charge, per customer, per retailer	$/cust.	0.50
Distributor-consolidated billing charge, per customer, per retailer	$/cust.	0.30
Retailer-consolidated billing credit, per customer, per retailer	$/cust.	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	$	0.25
Processing fee, per request, applied to the requesting party	$	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year		no charge
More than twice a year, per request (plus incremental delivery costs)	$	2.00

LOSS FACTORS

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0442
Total Loss Factor – Secondary Metered Customer > 5,000 kW	1.0146
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0338
Total Loss Factor – Primary Metered Customer > 5,000 kW	1.0045

Veridian Connections Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2010-0117

For Gravenhurst Service Area

RESIDENTIAL SERVICE CLASSIFICATION

Urban Density:
An urban density area is defined as containing 100 or more customers with a line density of at least 15 customers per kilometer of distribution line and includes both Year-Round and Seasonal sub groups.

Suburban Density:
A suburban density area is defined as any area that is not designated as an urban density area.

Residential Year-Round
This classification applies to a customer's main place of abode and may include additional buildings served through the same meter, provided they are not rental income units. To be classified as year-round residential, all of the following criteria must be met:
1. The occupant must state that this is designated as the principal residence for purposes of the Income Tax Act.
2. The occupant must live in this residence for at least 8 months of the year.
3. The address of this residence must appear on the occupant's electric bill, driver's license, credit card invoice, property tax bill, etc
4. Occupants who are eligible to vote in Provincial or Federal elections must be enumerated for this purpose at the address of this residence.

Residential Suburban Seasonal
This classification is comprised of cottages, chalets, and camps, all Farms supplied from single-phase facilities and any residential service not meeting the Residential Year-Round criteria.

Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

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It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

Veridian Connections Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2010-0117

For Gravenhurst Service Area

RESIDENTIAL URBAN YEAR-ROUND

MONTHLY RATES AND CHARGES – Electricity Component

Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012 Applicable only for Non-RPP Customers[6]	$/kWh	0.0003

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	$	9.97
Smart Meter Funding Adder - effective until April 30, 2012	$	1.00
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	0.13
Distribution Volumetric Rate	$/kWh	0.0192
Low Voltage Service Rate	$/kWh	0.0029
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2014	$/kWh	0.0030
Rate Rider for Tax Changes – effective until April 30, 2012	$/kWh	(0.0001)
Rate Rider for Z-Factor Recovery – Effective until April 30, 2012	$/kWh	0.0002
Retail Transmission Rate – Network Service Rate	$/kWh	0.0070
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0016

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

RESIDENTIAL SUBURBAN YEAR-ROUND

MONTHLY RATES AND CHARGES – Electricity Component

Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012 Applicable only for Non-RPP Customers[7]	$/kWh	0.0003

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	$	16.42
Smart Meter Funding Adder - effective until April 30, 2012	$	1.00
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	0.18
Distribution Volumetric Rate	$/kWh	0.0226
Low Voltage Service Rate	$/kWh	0.0029
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2014	$/kWh	0.0030
Rate Rider for Tax Changes – effective until April 30, 2012	$/kWh	(0.0001)
Rate Rider for Z-Factor Recovery – Effective until April 30, 2012	$/kWh	0.0005
Retail Transmission Rate – Network Service Rate	$/kWh	0.0070

6 Excluding Non-RPP customers that ceased to be eligible for and were removed from the RPP on November 1, 2009 as mandated by Ontario Regulation 95/05
7 Excluding Non-RPP customers that ceased to be eligible for and were removed from the RPP on November 1, 2009 as mandated by Ontario Regulation 95/05

Veridian Connections Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

		EB-2010-0117
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0016

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

RESIDENTIAL SUBURBAN SEASONAL

MONTHLY RATES AND CHARGES – Electricity Component

Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012 Applicable only for Non-RPP Customers[8]	$/kWh	0.0003

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	$	26.49
Smart Meter Funding Adder - effective until April 30, 2012	$	1.00
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	0.21
Distribution Volumetric Rate	$/kWh	0.0327
Low Voltage Service Rate	$/kWh	0.0029
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2014	$/kWh	0.0033
Rate Rider for Tax Changes – effective until April 30, 2012	$/kWh	(0.0002)
Rate Rider for Z-Factor Recovery – Effective until April 30, 2012	$/kWh	0.0009
Retail Transmission Rate – Network Service Rate	$/kWh	0.0070
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0016

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

8 Excluding Non-RPP customers that ceased to be eligible for and were removed from the RPP on November 1, 2009 as mandated by Ontario Regulation 95/05

Veridian Connections Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2010-0117

For Gravenhurst Service Area
GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION

The General Service classification is applicable to any service that does not fit the description of the Residential classes. Generally, it is comprised of commercial, industrial, educational, administrative, auxiliary and government services. It also includes combination services where a variety of uses are made of the service by the owner of one property, and all multiple services except residential.

This classification refers to a non-residential account taking electricity at 750 volts or less whose monthly average peak demand is less than, or is forecast to be less than 50 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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MONTHLY RATES AND CHARGES – Electricity Component

Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012 Applicable only for Non-RPP Customers[9]	$/kWh	0.0003

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	$	10.86
Smart Meter Funding Adder –effective until April 30, 2012	$	1.00
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	0.23
Distribution Volumetric Rate	$/kWh	0.0184
Low Voltage Service Rate	$/kWh	0.0026
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2014	$/kWh	0.0030
Rate Rider for Z-Factor Recovery – Effective until April 30, 2012	$/kWh	0.0001
Retail Transmission Rate – Network Service Rate	$/kWh	0.0064
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0014

9 Excluding Non-RPP customers that ceased to be eligible for and were removed from the RPP on November 1, 2009 as mandated by Ontario Regulation 95/05

Veridian Connections Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2010-0117

For Gravenhurst Service Area

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Veridian Connections Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2010-0117

For Gravenhurst Service Area
GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION

The General Service classification is applicable to any service that does not fit the description of the Residential classes. Generally, it is comprised of commercial, industrial, educational, administrative, auxiliary and government services. It also includes combination services where a variety of uses are made of the service by the owner of one property, and all multiple services except residential.

This classification refers to a non residential account whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 5,000 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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MONTHLY RATES AND CHARGES – Electricity Component

Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012 Applicable only for Non-RPP Customers[10]	$/kWh	0.0003

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	$	105.03
Smart Meter Funding Adder – effective until April 30, 2012	$	1.00
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	4.04
Distribution Volumetric Rate	$/kW	3.8717
Low Voltage Service Rate	$/kW	0.9486
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2014	$/kW	1.2281
Rate Rider for Tax Changes – effective until April 30, 2012	$/kW	(0.0092)
Retail Transmission Rate – Network Service Rate	$/kW	2.5953
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	0.5660

10 Excluding Non-RPP customers that ceased to be eligible for and were removed from the RPP on November 1, 2009 as mandated by Ontario Regulation 95/05

Veridian Connections Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2010-0117

For Gravenhurst Service Area

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Veridian Connections Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2011

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EB-2010-0117

For Gravenhurst Service Area

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to an account that is an unmetered lighting load supplied to a sentinel light, which is assumed to have the same hourly consumption load profile as street lighting. Metered sentinel lighting is captured under the consumption of the principal service. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	$	2.27
Distribution Volumetric Rate	$/kW	4.3143
Low Voltage Service Rate	$/kW	0.7486
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2014	$/kW	0.9363
Rate Rider for Tax Changes – effective until April 30, 2012	$/kW	(0.0301)
Rate Rider for Z-Factor Recovery – Effective until April 30, 2012	$/kW	0.0013
Retail Transmission Rate – Network Service Rate	$/kW	1.9672
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	0.4467

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Veridian Connections Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2011

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EB-2010-0117

For Gravenhurst Service Area

STREET LIGHTING SERVICE CLASSIFICATION

This classification applies to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting, controlled by photo cells. The consumption for these customers will be based on the calculated connected load times the required lighting times established in the approved OEB street lighting load shape template. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	$	0.43
Distribution Volumetric Rate	$/kW	0.4062
Low Voltage Service Rate	$/kW	0.7333
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2014	$/kW	1.0537
Rate Rider for Tax Changes – effective until April 30, 2012	$/kW	(0.0064)
Retail Transmission Rate – Network Service Rate	$/kW	1.9574
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	0.4375

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Veridian Connections Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2010-0117

For Gravenhurst Service Area

microFIT GENERATOR SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Ontario Power Authority's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	$	5.25

Veridian Connections Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2011

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EB-2010-0117

For Gravenhurst Service Area

ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	$/kW	(0.60)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

SPECIFIC SERVICE CHARGES

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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Customer Administration		
Arrears certificate	$	15.00
Statement of account	$	15.00
Request for other billing information	$	15.00
Easement letter	$	15.00
Account history	$	15.00
Credit reference/credit check (plus credit agency costs)	$	15.00
Returned cheque charge (plus bank charges)	$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	$	30.00
Special meter reads	$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	$	30.00
Disconnect/Reconnect at meter - during regular hours	$	65.00
Disconnect/Reconnect at meter - after regular hours	$	185.00
Non-Payment of Account		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge - no disconnection	$	30.00
Disconnect/Reconnect at meter - during regular hours	$	65.00
Disconnect/Reconnect at meter - after regular hours	$	185.00
Install/Remove load control device - during regular hours	$	65.00
Install/Remove load control device - after regular hours	$	185.00
Temporary service install & remove - overhead - no transformer	$	500.00
Temporary service install & remove - overhead - with transformer	$	1,000.00
Specific Charge for Access to the Power Poles $/pole/year	$	22.35

Veridian Connections Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2010-0117

For Gravenhurst Service Area

RETAIL SERVICE CHARGES (if applicable)

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	$	100.00
Monthly Fixed Charge, per retailer	$	20.00
Monthly Variable Charge, per customer, per retailer	$/cust.	0.50
Distributor-consolidated billing charge, per customer, per retailer	$/cust.	0.30
Retailer-consolidated billing credit, per customer, per retailer	$/cust.	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	$	0.25
Processing fee, per request, applied to the requesting party	$	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year		no charge
More than twice a year, per request (plus incremental delivery costs)	$	2.00

LOSS FACTORS

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.1013
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0903

Lost Revenue Adjustment Mechanism (LRAM)

2. Ref: Exhibit 2, Tab 1, schedule 1, Page 22

Veridian is seeking to recover $1,388,731 of lost revenue (including carrying costs) due to energy savings resulting from CDM activity during the years 2007 to 2010.

Request

a) Please confirm that the LRAM amounts Veridian is seeking to recover in this application are new amounts not included in past LRAM claims.

b) Please confirm the recovery period for the LRAM claim.

Response:

a) Confirmed.

b) Veridian confirms that its application seeks recovery of lost revenue to the end of 2010, due to energy savings resulting from CDM activity during the years 2005 to 2010

In its response to Board staff interrogatory 16 Veridian has provided updated LRAM amounts that include forecasted lost revenue to the time of its next scheduled rate rebasing in 2014, due to CDM program activity in the years 2005 to 2010.

Lost Revenue Adjustment Mechanism (LRAM)

3. Ref: Exhibit 2, Tab 1, schedule 1, Page 24

Veridian indicates under the discussion on the methodology for calculating LRAM that it has followed the Board's Decision and Order in the EB-2007-0096 proceeding in which the Board approved Toronto Hydro-Electric System Limited's LRAM/SSM recovery application.

Request

a) Please explain how the details of this decision and influenced Veridian's approach to calculate LRAM.

Response:

a) In the September 11, 2007, Board Decision and Order for EB-2007-0096, the Board found that Toronto Hydro-Electric System Limited was entitled to carrying charges on its LRAM balances. In accordance with this decision, Veridian has included carrying charges on the LRAM balances being claimed in its 2012 distribution rate application.

Lost Revenue Adjustment Mechanism (LRAM)

4. Ref: Exhibit 2, Tab 1, schedule 1, Attachments 2C to 2F

Request

a) Please provide the following details by year for the OPA Every Kilowatt Counts and Every Kilowatt Counts Power Savings Event that adds to the data shown in the attachments: # units, unit and total kWh savings, operating hours, lifetime, and free ridership rate. Reconcile to the lost revenues shown in the attachments.

b) List and confirm OPA's input assumptions for Every Kilowatt Counts (EKC) 2006 to 2010 including the measure life, unit kWh savings and free ridership for Compact Fluorescent Lights (CFLs) and Seasonal Light Emitting Diodes (LED). Confirm some of these assumptions were changed in 2007 and again in 2009 and compare the values.

c) Adjust the LRAM claim as necessary to reflect the measure lives and unit savings for any/all measures that have expired starting in 2010.

Response:

a) The annual OPA Every Kilowatt Counts and Every Kilowatt Counts Power Savings Event CDM program/measure level details (i.e. number of units, measure life, free ridership, annual savings (kWh/a) and annual peak demand savings (kW/a)) may be found in the worksheet tab labeled "Measures – LDC" located in the Final OPA CDM Results released November 23rd, 2011. A digital copy of this report in Microsoft Excel format has been included with this response and identified as "2006-2010 Final OPA CDM Results. Veridian Connections Inc.".

Veridian has not completed a reconciliation from the OPA data at the measure level to the annual lost revenues included in its application. Veridian has relied upon the annual CDM program Initiative level savings provided by the OPA as presented in the worksheet tab labeled "Initiative Level – LDC" for the purpose of calculating lost revenues. Veridian does not believe that a reconciliation is required as Section 3.4.1 of the Chapter 3 Filing Requirements for Transmission and Distribution Applications states "The Board has also accepted finalized program evaluations delivered to distributors from the OPA in relation to OPA programs that the distributor has implemented as long as the distributor has included relevant documentation from the OPA in its application."

b) Veridian provided the updated input assumptions for the Every Kilowatt Counts (EKC) 2006 at pages 8 and 9 of the SeeLine Group Ltd's Independent Third Party Review. The input assumptions included in the Independent Third Party Review are based on the most current OPA prescriptive measure assumptions, which have identified in Appendix B of the Third Party Review document.

Veridian confirms that the input assumptions for the OPA EKC programs were changed for 2007 and again in 2009. These assumptions can be found in Attachment B and also in the worksheet tab labeled "Measures – LDC" located in the Final OPA CDM Results released January 2011 and filed with these responses.

c) Veridian submits that the revised OPA prescriptive measure lives, assumptions and the unit savings were used to calculate the LRAM claim and that no adjustments are required.

Attachment B

#	Initiative Name	Program Year	Results Status	#	Measure Name	Unit Savings Assumptions							
						Gross Summer Peak Demand Savings (kW)	Gross Annual Energy Savings (kWh)	Gross Lifetime Energy Savings (kWh)	Net Summer Peak Demand Savings (kW)	Net Annual Energy Savings (kWh)	Net Lifetime Energy Savings (kWh)	Aggregate Net-to-Gross Adjustment (%)	Effective Useful Life (EUL)
9	Every Kilowatt Counts	2006	Final	1	Energy Star® Compact Fluorescent Light Bulb - Spring Campaign	0.00	104.40	417.60	0.00	93.96	375.84	90.00	4.00
13	Every Kilowatt Counts	2006	Final	5	Energy Star® Compact Fluorescent Light Bulb - Autumn Campaign	0.00	104.40	417.60	0.00	93.96	375.84	90.00	4.00
14	Every Kilowatt Counts	2006	Final	6	Seasonal Light Emitting Diode Light String - Autumn Campaign	0.00	30.75	922.50	0.00	27.68	830.25	90.00	30.00
40	Every Kilowatt Counts	2007	Final	1	15 W CFL	0.00	43.00	344.00	0.00	33.54	268.32	78.00	8.00
41	Every Kilowatt Counts	2007	Final	2	20+ W CFL	0.00	62.10	496.80	0.00	48.44	387.50	78.00	8.00
44	Every Kilowatt Counts	2007	Final	5	Seasonal LED Light String	0.00	13.70	68.50	0.00	6.71	33.57	49.00	5.00
45	Every Kilowatt Counts	2007	Final	6	Project Porchlight CFL	0.00	43.00	344.00	0.00	32.68	261.44	76.00	8.00
132	Every Kilowatt Counts Power S	2008	Final	1	Energy Star® Qualified Compact Fluorescent Light Bulbs	0.00	52.96	423.68	0.00	27.67	221.40	52.26	8.00
133	Every Kilowatt Counts Power S	2008	Final	2	Energy Star® Qualified Dimmable CFLs	0.00	97.00	586.77	0.00	36.04	221.04	37.67	6.00
134	Every Kilowatt Counts Power S	2008	Final	3	Energy Star® Qualified Decorative CFLs	0.00	30.38	121.51	0.00	11.72	46.86	38.57	4.00
135	Every Kilowatt Counts Power S	2008	Final	4	Energy Star® Qualified Compact Fluorescent Floods (Indoor & Outdoor)	0.00	87.62	613.33	0.00	32.03	229.00	37.47	7.00
597	Every Kilowatt Counts Power S	2009	Final	1	Energy Star Qualified Compact Fluorescent - Spring Campaign - Participant Rebated	0.00	23.17	185.33	0.00	15.92	127.38	68.73	8.00
598	Every Kilowatt Counts Power S	2009	Final	2	ENERGY STAR Decorative CFLs - Spring Campaign - Participant Rebated	0.00	25.84	155.04	0.00	19.91	119.45	77.04	6.00
613	Every Kilowatt Counts Power S	2009	Final	17	Installed CFLs - Spring Campaign - Participant Spillover	0.00	101.42	811.39	0.00	13.30	106.41	13.11	8.00
622	Every Kilowatt Counts Power S	2009	Final	26	Energy Star Qualified Compact Fluorescent - Spring Campaign - Non-Participant Rebated	0.00	22.41	179.28	0.00	7.79	62.33	34.77	8.00
623	Every Kilowatt Counts Power S	2009	Final	27	ENERGY STAR Decorative CFLs - Spring Campaign - Non-Participant Rebated	0.00	26.18	157.08	0.00	10.42	62.54	39.81	6.00
637	Every Kilowatt Counts Power S	2009	Final	41	Energy Star Qualified Compact Fluorescent - Autumn Campaign - Participant Rebated	0.00	25.50	203.98	0.00	17.69	141.55	69.39	8.00
638	Every Kilowatt Counts Power S	2009	Final	42	ENERGY STAR Specialty CFLs - Autumn Campaign - Participant Rebated	0.00	20.81	124.85	0.00	14.87	89.24	71.48	6.00
660	Every Kilowatt Counts Power S	2009	Final	64	ENERGY STAR Specialty CFLs - Autumn Campaign - Non-Participant Rebated	0.00	29.97	179.81	0.00	4.51	27.09	15.06	6.00
668	Every Kilowatt Counts Power S	2009	Final	72	Energy Star Qualified Holiday LED Lights - Autumn Campaign - Non-Participant Promoted	0.00	13.70	68.50	0.00	4.79	23.95	34.97	5.00
682	Every Kilowatt Counts Power S	2009	Final	86	Installed Energy Star® CFL Bulbs - Rewards for Recycling Campaign - Spillover	0.00	44.57	356.57	0.00	8.22	65.77	18.44	8.00
1634	Every Kilowatt Counts Power S	2010	Final	1	ENERGY STAR Specialty CFLs-Spring Campaign (Rebated)	0.00	18.22	109.31	0.00	7.67	46.03	0.42	6.00
1655	Every Kilowatt Counts Power S	2010	Final	22	Energy Star Specialty CFLs Fall Campaign (Rebated)	0.00	21.33	127.97	0.00	13.02	78.15	0.61	6.00

Lost Revenue Adjustment Mechanism (LRAM)

5. Ref: Attachment 6, Third Party Review, SeeLine Group Ltd.

Request

a) Identify all Mass Market measures (CFLs etc) installed in 2005 and 2006 with measure lives of 4 years or less for which savings have been claimed in any prior LRAM claim.

b) Adjust the current Third Tranche LRAM claim as necessary to reflect the measure lives (and unit savings) for any/all measures that have expired starting in 2009.

c) Page 3 of the SeeLine Report indicates that SeeLine relied on the OPA Measures and Assumptions List – Release 1 January 2010 to form the basis of the recommended savings estimates for Veridian's LRAM claim. Appendices A, B & C of SeeLine's Report indicate that an updated OPA Measures List (as of April 06, 2011) was used as the source of the input assumptions. Please confirm the version used.

Response:

a) The input assumptions included in the Independent Third Party Review are based on the most current OPA prescriptive measure assumptions, which have been identified in appendices of the Third Party Review document. Veridian submits that there are no Mass Market measures installed in 2005 and 2006 with a measure life of 4 years or less.

b) Veridian submits that at page 4 of SeeLine Group Ltd.'s Independent Third Party Review the net savings shown in Tables 1 to 3 reflect annual fully effective savings. The persistence of third tranche LRAM savings were considered by Veridian in the calculation of its LRAM revenues shown in Exhibit 2, Tab 1, schedule 1, Attachments 2C to 2F.

c) SeeLine has confirmed that the reference to OPA Measures and Assumptions List – Release 1 January 2010 on page 3 of the SeeLine Report was made in error. The source of input assumptions for the recommended savings estimates identified by SeeLine is the updated OPA Measures List (as of April 06, 2011).

Gravenhurst Service Area Models

2012 Shared Tax Savings Workform

1. Ref: A portion of sheet "3. Re-Based Bill Det & Rates" of the workform is reproduced below.

Last COS Re-based Year was in 2010

Rate Group	Rate Class	Fixed Metric	Vol Metric	Re-based Billed Customers or Connections A	Re-based Billed kWh B	Re-based Billed kW C	Rate ReBal Base Service Charge D	Rate ReBal Base Distribution Volumetric Rate kWh E	Rate ReBal Base Distribution Volumetric Rate kW F
RES	Residential Urban Year-Round	Customer	kWh	2,985	27,397,075		9.97	0.0192	
RES	Residential Suburban Year Round	Customer	kWh	757	9,458,013		16.42	0.0226	
RES	Residential Suburban Seasonal	Customer	kWh	1,592	9,730,721		26.49	0.0327	
GSLT50	General Service Less Than 50 kW	Customer	kWh	727	14,769,007		10.86	0.0164	
GSGT50	General Service 50 to 4,999 kW	Customer	kW	50	29,668,436	68,687	105.03		3.8717
Sen	Sentinel Lighting	Connection	kW	53	43,727	127	2.27		4.3143
SL	Street Lighting	Connection	kW	947	598,709	1,664	0.43		0.4062

Request

a) Board staff has been unable to verify the input amount for the distribution volumetric rate for the General Service Less Than 50 kW rate class. If the reported amount was input in error, Board staff will make the necessary correction to the model.

Response:

a) The reported amount on the Gravenhurst 2012 Shared Tax Savings Workform sheet 3.Re-Based Bill Det & Rates for the distribution volumetric rate for the GS less than 50kW was input in error. The correct rate should be 0.0184. Veridian understands that Board Staff will make the necessary changes to the model.

Gravenhurst Service Area Models

2012 Shared Tax Savings Workform

2. Ref: A portion of sheet "5. Z-Factor Tax Changes" of the workform is reproduced below.

Summary - Sharing of Tax Change Forecast Amounts		
For the 2010 year, enter any Tax Credits from the Cost of Service Tax Calculation (Positive #)	$ 6,556	
1. Tax Related Amounts Forecast from Capital Tax Rate Changes	**2010**	**2012**
Taxable Capital	$ 11,121,060	$ 11,121,060
Deduction from taxable capital up to $15,000,000	$ 894,000	$ 894,000
Net Taxable Capital	$ 10,227,060	$ 10,227,060
Rate	0.150%	0.000%
Ontario Capital Tax (Deductible, not grossed-up)	**$ 7,607**	**$ -**
2. Tax Related Amounts Forecast from Income Tax Rate Changes	**2010**	**2012**
Regulatory Taxable Income	$ 431,377	$ 431,377
Corporate Tax Rate	16.00%	15.50%
Tax Impact	$ 69,020	$ 60,307
Grossed-up Tax Amount	**$ 82,167**	**$ 71,370**
Tax Related Amounts Forecast from Capital Tax Rate Changes	$ 7,607	$ -
Tax Related Amounts Forecast from Income Tax Rate Changes	$ 82,167	$ 71,370
Total Tax Related Amounts	**$ 89,774**	**$ 71,370**
Incremental Tax Savings		**-$ 18,404**
Sharing of Tax Savings (50%)		**-$ 9,202**

Request

a) Board staff notes that Veridian has indicated a 2010 approved regulatory taxable income of $7,240,920 in its Manager's Summary (page 5) for both service areas. Board staff believes the correct amount should be $7,237,869, which can be found in Appendix "I" in Veridian's Responses to Comments and Revised Draft Rate Order Submission dated April 30, 2012, and was filed as part of Veridian's 2010 cost of service application (EB-2009-0140).

i. Please confirm the total regulatory taxable income for both service areas.

ii. If the reported regulatory taxable income on page 5 of the Manager's Summary is incorrect, please update the allocated regulatory taxable income for the Gravenhurst and Main service areas and Board staff will make the necessary corrections to the models

b) Board staff notes that Veridian has input regulatory taxable income as $431,377 into the worksheet mentioned above. However, in its Manager's Summary on page 5, Veridian has noted $431,559 as the regulatory taxable income for the Gravenhurst service area. Please confirm the correct amount and Board staff will make the necessary correction.

c) Board staff is unable to verify the corporate tax rate with the approved corporate tax rate from Veridian's last of service proceeding (EB-2009-0140). Please provide evidence supporting the corporate tax rate of 16%. If the reported amount was input in error, Board staff will make the necessary correction to the model.

d) Board staff is unable to reconcile the Gravenhurst service area grossed-up tax amount of $82,167 with Veridian's (both Gravenhurst and Main service areas) approved PILs/tax allowance of $3,193,899 calculated in the Revenue Requirement Work Form as part of the 2010 cost of service proceeding. Please also refer to Board staff interrogatory #7 to reconcile the Gravenhurst service area grossed-up tax amount.

Response:

a)

i. Veridian confirms that $7,237,869 is the correct amount of Veridian's 2010 approved regulatory taxable income for both service areas. The Board Staff reference of Appendix "I" in Veridian's Revised Draft Rate Order Submission dated April 30, 2010, filed as part of Veridian's 2010 cost of service application (EB-2009-140) is correct.

ii. The table below provides the updated allocation of regulated taxable income for the Gravenhurst and Main service areas. The basis for this calculation is the proportions used in the Board-approved apportionment of the 2010 Revenue Requirement (see Table 1, Page 5 of the Manager's Summary).

Regulatory Taxable Income		**Allocation to Tariff Zones based on 2010 Revenue Requirement Apportionment**	
	2010 Approved	**Veridian_Main**	**Veridian_Gravenhurst**
Regualtory Taxable Income (Appendix I-Draft Rate Order - Revenue Requirement Workform)	7,237,869	6,806,492	431,377

Veridian understands that Board Staff will make the necessary corrections to the models.

b) The amount of $431,559 noted in the Manager's Summary is incorrect. As noted in the table above, $431,377, which was entered into the worksheet, is the correct amount.

c) Veridian does not propose that the corporate tax rate of 16% was the approved corporate tax rate from Veridian's 2010 cost of service proceeding (EB-2009-0140). As explained in the Manager's Summary, within its 2010 cost of service rate application, Veridian calculated a single Distribution Revenue Requirement which included a single PILs amount and then apportioned the Revenue Requirement to each of Veridian Main and Veridian Gravenhurst. The corporate tax rate used for this single PILs amount was 31%.

Veridian notes that the Board issued 2012_IRM3_Shared Tax Savings model populates the 2012 Corporate Tax Rate on Sheet 5. Z-Factor Tax Changes as 15.5%, presumably based on the value of the Regulatory Taxable Income entered on line 36. Veridian was unable to change this value as it is a calculated and input-protected cell in the Board issued model.

Veridian proposes that to use 31% as the value of the 2010 Corporate Tax Rate would grossly overstate the Tax Related Amounts Forecast from Income Tax Rate Changes as calculated on Row 47 of the model.

Veridian proposes that 16% is the appropriate and corresponding Corporate Tax Rate for 2010 to be used in the model when the 2012 value is assigned at 15.5%. Veridian notes that these rates were used in and approved by the Board in Veridian's 2011 IRM rate application (EB-2010-0117). In that proceeding, the Board issued 2011_IRM3_Shared Tax Savings model automatically determined these rates through calculated and input-protected cells and Veridian was unable to modify these rates.

d) The Grossed-up Tax Amount of $82,167 for 2010 was calculated using the same formula as used in the Board issued model for the calculation of the 2012 Grossed-up Tax Amount of $71,370. The calculation is derived using the Tax Impact value $69,020 as determined after applying a 16% Corporate Tax Rate as explained in part c) above.

Gravenhurst Service Area Models

2012 IRM3 Rate Generator

3. Ref: A portion of Sheet "4. Current MFC" of the rate generator is reproduced below.

Rate Description	Unit	Amount	Effective Until Date
Residential Urban Year-Round			
Service Charge	$	9.97	April 30, 2012
Smart Meter Funding Adder	$	1.00	April 30, 2012
Rate Rider for Recovery of Late Payment Penalty Litigation Costs	$	0.13	April 30, 2012
Residential Suburban Seasonal			
Service Charge	$	26.49	April 30, 2012
Smart Meter Funding Adder	$	1.00	April 30, 2012
Rate Rider for Recovery of Late Payment Penalty Litigation Costs	$	0.21	April 30, 2012
Residential Suburban Year Round			
Service Charge	$	16.42	April 30, 2012
Smart Meter Funding Adder	$	1.00	April 30, 2012
Rate Rider for Recovery of Late Payment Penalty Litigation Costs	$	0.18	April 30, 2012
General Service Less Than 50 kW			
Service Charge	$	10.86	April 30, 2012
Smart Meter Funding Adder	$	1.00	April 30, 2012
Rate Rider for Recovery of Late Payment Penalty Litigation Costs	$	0.23	April 30, 2012

Request

a) Veridian has input sunset dates for the monthly fixed service charge for all customer classes. Please provide evidence that supports the sunset date of the monthly fixed service charge for all customer classes. If the reported sunset dates were input in error, Board staff will make the necessary correction to the model.

Response:

a) The sunset dates for the monthly fixed service charge for all customer classes were input in error. Veridian understands that Board Staff will make the necessary changes to the model.

Gravenhurst Service Area Models

2012 IRM3 Rate Generator

4. Ref: A portion of Sheet "5. Current DVR" of the rate generator is reproduced below.

Rate Description	Unit	Amount
Residential Urban Year-Round	$/kWh	0.01920
Residential Suburban Seasonal	$/kWh	0.03270
Residential Suburban Year Round	$/kWh	0.02260
General Service Less Than 50 kW	$/kW	0.01840
General Service 50 to 4,999 kW	$/kW	3.87170
Sentinel Lighting	$/kW	4.31430
Street Lighting	$/kW	0.40620

Request

a) Please confirm that the unit for the General Service Less Than 50 kW rate class should be on a $/kWh basis and not a $/kW basis. If the reported unit was input in error, Board staff will make the necessary correction to the model.

Response:

a) On sheet 5. Current DVR of the rate generator model for Gravenhurst, the unit for GS less than 50kW rate class was input in error. The correct unit should be $/kWh. Veridian understands that Board Staff will make the necessary changes to the model.

Gravenhurst Service Area Models

2012 IRM3 Rate Generator

5. Ref: A portion of Sheet "6. Current Rate_Riders" of the rate generator is reproduced below.

Rate Description	Unit	Amount	Effective Until Date
Residential Urban Year-Round			
Rate Rider for Global Adjustment Sub-Account (2010) – Applicable only for Non-RPP Customers	$/kWh	0.00030	April 30, 2012
Low Voltage Service Rate	$/kWh	0.00290	April 30, 2012
Rate Rider for Deferral/Variance Account Disposition (2010)	$/kWh	0.00300	April 30, 2014
Rate Rider for Tax Change	$/kWh	(0.00010)	April 30, 2012
Rate Rider for Z-Factor Recovery	$/kWh	0.00020	April 30, 2012
Residential Suburban Seasonal			
Rate Rider for Global Adjustment Sub-Account (2010) – Applicable only for Non-RPP Customers	$/kWh	0.00030	April 30, 2012
Low Voltage Service Rate	$/kWh	0.00290	April 30, 2012
Rate Rider for Deferral/Variance Account Disposition (2010)	$/kWh	0.00330	April 30, 2014
Rate Rider for Tax Change	$/kWh	(0.00020)	April 30, 2012
Rate Rider for Z-Factor Recovery	$/kWh	0.00090	April 30, 2012
Residential Suburban Year Round			
Rate Rider for Global Adjustment Sub-Account (2010) – Applicable only for Non-RPP Customers	$/kWh	0.00030	April 30, 2012
Low Voltage Service Rate	$/kWh	0.00290	April 30, 2012
Rate Rider for Deferral/Variance Account Disposition (2010)	$/kWh	0.00300	April 30, 2014
Rate Rider for Tax Change	$/kWh	(0.00010)	April 30, 2012
Rate Rider for Z-Factor Recovery	$/kWh	0.00050	April 30, 2012
General Service Less Than 50 kW			
Rate Rider for Global Adjustment Sub-Account (2010) – Applicable only for Non-RPP Customers	$/kWh	0.00030	April 30, 2012
Low Voltage Service Rate	$/kWh	0.00260	April 30, 2012
Rate Rider for Deferral/Variance Account Disposition (2010)	$/kWh	0.00300	April 30, 2014
Rate Rider for Z-Factor Recovery	$/kWh	0.00010	April 30, 2012

Request

a) Veridian has input sunset dates for the low voltage service rates for all customer classes. Please provide evidence that supports the sunset date on the low voltage service rates for all customer classes. If the reported sunset dates were input in error, Board staff will make the necessary correction to the model.

Response:

a) On sheet 6. Current Rate_Riders of the rate generator model for Gravenhurst, the sunset dates for the low voltage service rates for all customer classes was input in error. Veridian understands that Board Staff will make the necessary changes to the model.

Gravenhurst Service Area Models

2012 IRM3 Rate Generator

6. Ref: A portion of Sheet "14. Proposed Rate_Riders" of the rate generator is reproduced below.

Rate Description	Unit	Amount	Effective Until Date	Proposed Amount	Effective Until Date
Residential Urban Year-Round					
Rate Rider for Deferral/Variance Account Disposition (2010)	$/kWh	0.00300	April 30, 2014		
Tax Change Rate Rider	$/kWh			-0.00010	April 30, 2013
Low Voltage Service Rate	$/kWh			0.00290	April 30, 2013
LRAM Rate Rider	$/kWh			0.00100	April 30, 2013
Residential Suburban Seasonal					
Rate Rider for Deferral/Variance Account Disposition (2010)	$/kWh	0.00330	April 30, 2014		
Tax Change Rate Rider	$/kWh			-0.00010	April 30, 2013
Low Voltage Service Rate	$/kWh			0.00290	April 30, 2013
LRAM Rate Rider	$/kWh			0.00100	April 30, 2013
Residential Suburban Year Round					
Rate Rider for Deferral/Variance Account Disposition (2010)	$/kWh	0.00300	April 30, 2014		
Tax Change Rate Rider	$/kWh			-0.00030	April 30, 2013
Low Voltage Service Rate	$/kWh			0.00290	April 30, 2013
LRAM Rate Rider	$/kWh			0.00100	April 30, 2013

Request

a) According to the 2012 Shared Tax Savings Workform for the Gravenhurst service area, the rate rider associated with the tax changes for the Residential Suburban Seasonal rate class is -$0.0003 and the rate rider associated with the tax changes for the Residential Suburban Year Round is -$0.0001. Please confirm the correct rate riders for these rate classes with the 2012 Shared Tax Savings Workform and Board staff will update the model.

Response:

a) On sheet 14. Proposed Rate_Riders of the rate generator model for Gravenhurst, the proposed rates for classes Residential Suburban Seasonal and Residential Suburban Year Round and were input in error. The correct rates are as follows:

Residential Suburban Seasonal	-0.0003
Residential Suburban Year Round	-0.0001

Veridian understands that Board Staff will make the necessary changes to the model.

Main Service Area Models

2012 Shared Tax Savings Workform

7. Ref: A portion of the Sheet "5. Z-Factor Tax Changes" of the workform is reproduced below.

Summary - Sharing of Tax Change Forecast Amounts		
For the 2010 year, enter any Tax Credits from the Cost of Service Tax Calculation (Positive #)	$ 103,444	
1. Tax Related Amounts Forecast from Capital Tax Rate Changes	**2010**	**2012**
Taxable Capital	$ 175,473,899	$ 175,473,899
Deduction from taxable capital up to $15,000,000	$ 14,106,000	$ 14,106,000
Net Taxable Capital	$ 161,367,899	$ 161,367,899
Rate	0.150%	0.000%
Ontario Capital Tax (Deductible, not grossed-up)	**$ 120,031**	**$ -**
2. Tax Related Amounts Forecast from Income Tax Rate Changes	**2010**	**2012**
Regulatory Taxable Income	$ 6,809,361	$ 6,809,361
Corporate Tax Rate	30.99%	25.75%
Tax Impact	$ 2,109,468	$ 1,650,195
Grossed-up Tax Amount	**$ 3,056,757**	**$ 2,222,586**
Tax Related Amounts Forecast from Capital Tax Rate Changes	$ 120,031	$ -
Tax Related Amounts Forecast from Income Tax Rate Changes	$ 3,056,757	$ 2,222,586
Total Tax Related Amounts	**$ 3,176,788**	**$ 2,222,586**
Incremental Tax Savings		**-$ 954,203**
Sharing of Tax Savings (50%)		**-$ 477,101**

Request

a) Board staff is unable to reconcile the Main service area grossed-up tax amount of $3,056,757 with Veridian's (both Gravenhurst and Main service areas) approved PILs/tax allowance of $3,193,899 calculated in the Revenue Requirement Work Form as part of the 2010 cost of service proceeding. Please also refer to Board staff interrogatory #2d to reconcile the Main service area grossed-up tax amount.

Response:

As stated in the response to Board Staff Interrogatory #2, Veridian confirms that $7,237,869 is the correct amount of Veridian's 2010 approved regulatory taxable income for both service areas. The Board Staff reference of Appendix "I" in Veridian's Revised Draft Rate Order Submission dated April 30, 2010, filed as part of Veridian's 2010 cost of service application (EB-2009-140) is correct.

The table below provides the updated allocation of regulated taxable income for the Gravenhurst and Main service areas. The basis for this calculation is the proportions used in the Board-approved apportionment of the 2010 Revenue Requirement (see Table 1, Page 5 of the Manager's Summary.

Regulatory Taxable Income		**Allocation to Tariff Zones based on 2010 Revenue Requirement Apportionment**	
	2010 Approved	**Veridian_Main**	**Veridian_Gravenhurst**
Regualtory Taxable Income (Appendix I-Draft Rate Order - Revenue Requirement Workform)	7,237,869	6,806,492	431,377

Veridian understands that Board Staff will make any necessary corrections to the models.

Upon reviewing the above noted Appendix "I", Veridian notes that total Gross-up of Income Taxes for both the Veridian Main and Veridian Gravenhurst tariff zones included within Veridian's 2010 Revenue Requirement was $3,065,203.

Veridian notes that the amount referenced by Board Staff of $3,193,899 was the total amount Veridian's Grossed-up Income Taxes and Capital Taxes within its 2010 cost of service proceeding.

When Board Staff updates the model with the corrected amount and the formula for Grossed-up Tax Amount applied, the corrected Grossed-up Tax amount will be $3,056,560.

Main Service Area Models

2012 IRM3 Rate Generator

8. Ref: A portion of Sheet "4. Current MFC" of the rate generator is reproduced below.

Rate Description	Unit	Amount	Effective Until Date
Residential			
Service Charge	$	11.08	April 30, 2012
Smart Meter Funding Adder	$	1.00	April 30, 2012
Rate Rider for Recovery of Late Payment Penalty Litigation Costs	$	0.18	April 30, 2012
General Service Less Than 50 kW			
Service Charge	$	13.69	April 30, 2012
Smart Meter Funding Adder	$	1.00	April 30, 2012
Rate Rider for Recovery of Late Payment Penalty Litigation Costs	$	0.52	April 30, 2012
General Service 50 to 2,999 kW			
Service Charge	$	134.96	April 30, 2012
Smart Meter Funding Adder	$	1.00	April 30, 2012
Rate Rider for Recovery of Late Payment Penalty Litigation Costs	$	5.11	April 30, 2012

Request

a) Veridian has input sunset dates for the monthly fixed service charge for all customer classes. Please provide evidence that supports the sunset date on the monthly fixed service charge for all customer classes. If the reported sunset dates were input in error, Board staff will make the necessary correction to the model.

Response:

a) The sunset dates for the monthly fixed service charge for the Veridian service area for all customer classes were input in error. Veridian understands that Board Staff will make the necessary correction to the model.

Main Service Area Models

2012 IRM3 Rate Generator

9. Ref: A portion of Sheet "7. Current RTSR-Network" of the rate generator is reproduced below.

Rate Description	Unit	Amount
Residential		
Retail Transmission Rate – Network Service Rate	$/kWh	0.00590
General Service Less Than 50 kW		
Retail Transmission Rate – Network Service Rate	$/kWh	0.00540
General Service 50 to 2,999 kW		
Retail Transmission Rate – Network Service Rate	$/kWh	2.62560
General Service 3,000 to 4,999 kW - Intermediate Use		
Retail Transmission Rate – Network Service Rate – Interval Metered	$/kW	2.88120

Request

a) Please confirm that the unit for the General Service 50 to 2,999 kW rate class should be on a $/kW basis and not a $/kWh basis. If the reported unit was input in error, Board staff will make the necessary correction to the model.

Response:

a) On sheet 7. Current RTSR-Network of the rate generator model for Veridian service area, the unit for the General Service 50 to 2,999kW rate class should be $/kW. Veridian understands that Board Staff will make the necessary correction to the model.

Interrogatories Pertaining to Both Gravenhurst and Main Service Areas

Account 1521 – Special Purpose Charge

10. Ref: Manager's Summary, Page 20

Veridian indicated due to a system oversight, the recovery period was extended for three months past the specified one-year period. As a result, over recovery from some customers occurred. Veridian identified the specific customers for which overpayment occurred and has refunded the amounts to those customers. Veridian also indicated that the June 30, 2011 2.1.1 SPC balance noted a $9,999 due to the over recovery. Subsequent to the correction of the over recovery, Veridian indicated that the unrecovered principal balance in Account 1521 is $56,013.

Veridian indicated that they had used the 2008 wholesale kWhs as the basis for allocation as this was used as the basis of the initial assessment for the SPC charge to be recovered.

Veridian also indicated that the SPC principal and interest to April 30, 2012 for disposition is a debit balance of $59,791 for the Main service area and $2,402 for the Gravenhurst service area.

Request

a) Please confirm Veridian's SPC assessment amount and provide a copy of the original SPC invoice. Please provide the breakdown between the Gravenhurst and Main service areas.

b) Please confirm the start date of when Veridian began charging the SPC to its customers and the end date of when Veridian stopped charging the SPC. Please provide the breakdown between the Gravenhurst and Main service areas.

c) Please complete the following table related to the SPC for both Gravenhurst and Main service areas. Please also include the amount refunded to customers due to the extended recovery period.

SPC Assessment (Principal balance)	Amount recovered from customers in 2010	Carrying Charges for 2010	December 31, 2010 Year End Principal Balance	December 31, 2010 Year End Carrying Charges Balance	Amount recovered from customers in 2011	Forecasted December 31, 2011 Year End Principal Balance	Forecasted April 30, 2012 Carrying Charges Balance	Total for Disposition (Principal & Carrying Charges)

Response:

a) Veridian's SPC assessment amount is $977,264. A copy of the original invoice has been included as Attachment C. As stated in the Manager's Summary Page 20, the invoice did not provide an allocation between Gravenhurst and Main service areas. Calculation of the breakdown between service areas is provided below using the 2008 wholesale kWhs.

Allocation of SPC 1521 Balance to Veridian Main and Gravenhurst

SPC Assessment Amount
$977,264

Volume (2008 Wholesale)	**kWh**	**% Allocation**
Veridian Main	2,522,511,100	96.14%
Gravenhurst	101,329,682	3.86%
Total volume	2,623,840,782	100.00%

Allocation of SPC Assessment	
Veridian Main	$ 939,542
Gravenhurst	$ 37,722
	$ 977,264

b) Veridian began charging the SPC to its customers using a planned effective date of June 1st, 2010. Veridian determined that the effective end date of May 31st, 2011 had not been applied in its customer billing system and stopped charging the SPC to its customers on August 16th, 2011.

When setting up the SPC charge in its billing system, Veridian did not provide for reporting on amounts collected by each of its Gravenhurst and Main service areas. Therefore, this information is not readily available. As described on Page 20 of the Manager's Summary, the remaining balance has been allocated to the Gravenhurst and Main service areas on the basis of the 2008 wholesale kWh for the two tariff zones.

c. Veridian has completed the table requested by Board Staff related to SPC on a consolidated basis for both service areas. As described in b)

SPC Assessment (Principal balance)	Amount recovered from customers in 2010	Carrying Charges for 2010	December 31, 2010 Year End Principal Balance	December 31, 2010 Year End Carrying Charges Balance	Amount recovered from customers in 2011*(incl. refunded amt of $185,318)*	Forecasted December 31, 2011 Year End Principal Balance	Forecasted April 30, 2012 Carrying Charges Balance	Total for Disposition (Principal & Carrying Charges)
$977,264	$461,827	$3,324	$515,437	$3,324	$459,424	$56,013	$6,179	$62,192

The amount refunded to customers due to the extended recovery period was $185,318.

MINF33
50070
① M Arsenaes
② AP. 4/16/2010

Revised Invoice

Ministry of Energy and Infrastructure
Conservation and Renewable Energy Program Costs

Received
Apr. 16/10

Customer No /No du client 3934	
Customer Site No / N° d'emplacement du client 1061067	
Invoice Date/Date de la facture April 16, 2010	
Invoice No / N° de la facture 50070	
~~Due Date/ Date d'échéance~~ July 30, 2010	
Payment Amount/ Montant remis	
CAD $ 977,264 *	

To: Veridian Connections Inc
55 Taunton Road East
Ajax, ON L1T 3V3
Attn G. Armstrong, Manager, Reg. Affairs

VENDOR ID#	MINF33
INV REC'D DATE	
GOODS REC'D	
PRICING OK	
PO.NUMBER	
G/L - WO. #	30.000.5681.001.00
APPROVAL	
RCT #	
VOUCHER #	0128404

Item Description:

Assessment for Ministry of Ener... and Infrastructure Conservation and Renewable Energy Program... Quote ...mme de conservation et d'énergie renouvelable du min... ...astructure

Post date
Chq.
July 30 ?
OR print July 22.

...hould be directed to the Non-Tax Revenue Management Branch Contact Centre at ...77 Les questions concernant la remise doivent etre posees à l'InfoCentre de la ...stion des revenus non fiscaux au 1 877 535-0554 ou par télecopieur au 416 326-5177

This assessment was calculated by the Ontario Energy Board, 2300 Yonge St 27th Floor, P O Box 2319 Toronto, ON M4P 1E4 Questions related to the invoice should be directed to the Market Operations Hotline 416-440-7604 La présente quote-part a ete fixée par la Commission de l'énergie de l'Ontario, 2300, rue Yonge, 27e étage, case postale 2319, Toronto (Ontario) M4P 1E4 Les questions relatives a la facture doivent être posées au service de téléassistance du service Activites du marche 416 440-7604

*DO NOT PAY UNTIL DUE DATE.

Payments are to be made to the Minister of Finance not the Ontario Energy Board.
Les paiements doivent être faits au ministre des Finances et non à la Commission de l'énergie de l'Ontario.

New GL issued 4/28/10
30.000.5681.001.00
Account ~~[illegible]~~ (Special Purpose Charge)

Attachment C

OEB Stated	Q= 0 0003725	Assessment=	$ 977,264

Check			
	Q= A/(C+D)	Assessment=	Q*B
	Q= 0 000372455	Assessment=	$ 977,263 60
	A= 53,695,310 $		
	B= 2,623,840,782 – wholesale kwh.		
	C= 15,266,223,271		
	D= 128,899,530,868 kWh		

Maun 2522511,100 96.1
GH 101,329,682 3.8
2 623, 840,782
↓
PBR
+ 2008 Yearbook

A = Total amount assessed of $53,695,310
B= Net volume for Veridian in 2008
C= Total amount of electricity withdrawn from IESO controlled grid by all person except distributors in 2008
D= sum of net LDC volumes of all LDCs in 2008

MINIE33
500??0
4/16/2010

Interrogatories Pertaining to Both Gravenhurst and Main Service Areas

Revenue-to-Cost Adjustments

11. Ref: Manager's Summary, Page 7

Veridian indicated that no adjustments are required in 2012 for the Main service area. However, Veridian proposes to adjust the revenue-to-cost ratio for the Residential-Suburban Year Round and Sentinel Lighting rate classes to move each class closer to the lower or upper boundaries of the Board target ranges. Veridian indicated that the offsetting revenue adjustments would be applied to the General Service Less Than 50 kW and General Service Greater Than 50 kW classes.

Veridian noted that in its 2010 cost of service application, Veridian proposed adjustments to the revenue-to-cost ratios for various classes in the Gravenhurst service area. In that proceeding, a full settlement agreement was reached by all parties. Veridian also noted that the settlement agreement was silent to the proposed changes to 2011 and beyond.

According to *Chapter 3 of the Filing Requirements for Transmission and Distribution Applications*, dated June 22, 2011, changes to revenue-to-cost ratios, other than pursuant to a prior Board decision, is to be excluded from the IRM process and are to be addressed in the distributor's next cost of service application.

Request

a) Please explain why Veridian is applying to make further revenue-to-cost ratio adjustments in an IRM application and discuss the implications of deferring this matter to its next cost of service application.

Response:

a) In its 2011 IRM rate application (EB-2010-0117) Veridian proposed changes to revenue to cost ratios within both its Main and Gravenhurst tariff zones. The Board approved these changes in its Decision and Order dated April 7, 2011. On page 6 of that Decision and Order, the Board states *"The Board's Decision (EB-2009-0140) for Veridian's 2010 cost of service rate application prescribed a phase-in period to adjust the revenue-to-cost ratios in both Veridian-Main and Veridian-Gravenhurst service areas."*

Based on the statement above and the Board's approval of Veridian's proposed 2011 changes to revenue-to-cost ratios, Veridian understands that 2011-2013

adjustments to Veridian's revenue-to-cost ratios were prescribed by a prior Board decision.

Within its 2010 cost of service, Veridian proposed the multi-year phase in of adjustments to the revenue-to-cost ratios to bring ratios within the Board established target ratios on the basis that phase in was required for bill mitigation purposes. The table below outlines the multi-year proposal for the Gravenhurst tariff zone included in Veridian's 2010 cost of service application.

Class	Proposed for 2010	Proposed for 2011	Proposed for 2012	Proposed for 2013	Board Target Range
Res-Suburban	61.68%	69.45%	77.22%	85.00%	85-115
GS < 50 kW	141.50%	134.30%	127.15%	120.00%	80-120
Sentinel Lighting	30.02%	43.32%	56.62%	70.00%	70-120

If changes to revenue to cost ratios were deferred until Veridian's 2014 Cost of Service application, large single year adjustments would be required to bring the ratios within the Board Target Range. Residential -Suburban would require a 15.55% increase, GS < 50 kW would require a 14.3% decrease and Sentinel Lighting would require a 26.68% increase. Veridian submits that the resulting bill impacts would not be within the Board's guidelines and would require mitigation using a multi-year phase in approach.

The deferral of adjustments to 2014 may therefore make it necessary to take until 2016 to complete a multi-year phase in and have all of the revenue-to-cost ratios for the Veridian Gravenhurst tariff zone be within the Board Target Ranges.

Interrogatories Pertaining to Both Gravenhurst and Main Service Areas

Review and Disposition of Group 1 Deferral and Variance Accounts

12. Ref: Manager's Summary, Page 16

Veridian requested disposition of Group 1 account balances as of December 31, 2010 and applicable carrying charges to April 30, 2012 for both Gravenhurst and Main service areas. Veridian proposed a recovery over a 2-year period.

The Main service area's Group 1 account balance, excluding the global adjustment sub-account ("GA sub-account") balance, and interest is a credit of $16,453,844. The GA sub-account balance for the Main service area is a debit of $7,390,558. The Gravenhurst service area's Group 1 account balance, excluding the GA sub-account balance, and interest is a credit of $704,418. The GA sub-account balance for the Gravenhurst service area is a debit of $135,406.

Veridian calculated class specific rate riders for the Group 1 account balances by service area.

Veridian also calculated service area specific rate riders for the disposition of the GA sub-account balance through the electricity (commodity) component applicable only for non-RPP customers. The Main service area's rate rider is $0.00269 per kWh and the Gravenhurst service area's rate rider is $0.00160 per kWh.

Request

a) Board staff notes, in the Board's decision and order in Innisfil Hydro Distribution Systems Limited's 2011 IRM application (EB-2010-0093), the Board agreed with Board staff that "the prevalent practice amongst distributors is to dispose of the GA sub-account by means of a separate rate rider applicable to non-RPP customers that is included in the delivery component of the bill". The Board directed Innisfil Hydro to continue to dispose of the GA sub-account balance by means of a rate rider included in the delivery component of the bill that will apply prospectively to non-RPP customers. Please provide an explanation as to why Veridian intends to continue to include the rate rider for the disposition of the GA sub-account balance as part of the electricity component of the bill.

b) Please confirm whether or not Veridian has the billing capability to facilitate the inclusion of the GA sub-account rate rider in the delivery line of the bill.

c) Please provide justification for Veridian's proposal to recover (refund) the amounts over a two-year period instead of the default disposition period of

one year (as per the Report of the Board on *Electricity Distributors' Deferral and Variance Account Review Initiative*, dated July 31, 2009). Please also provide bill impacts for the Residential and General Service Less Than 50 kW rate classes utilizing a one-year disposition period for the disposition of Group 1 account balances and disposition of GA sub-account balance rate riders.

Response:

a) Veridian's current 2011 Tariff of Rates and Charges for both its Main and Gravenhurst tariff zones includes a separate rate rider for the disposition of the GA sub-account balance as part of the electricity component of the bill. These rate riders were established within Veridian's 2010 cost of service proceeding (EB-2009-0140) and accepted as part of a full settlement agreement which the Board approved in its Decision and Order dated March 31, 2010.

   In its 2011 IRM rate application (EB-2010-0117) Veridian proposed disposition of the GA sub-account balance by means of a separate rate rider within the electricity component of the bill. No interrogatories questioning the appropriateness of this treatment were posed by Board Staff or other intervenors. Further, Veridian notes that no comments or statements on this treatment were made by the Board in its Decision and Order in this proceeding, dated April 7th, 2011.

   Board Staff reference the Board's decision and order in Innisfil Hydro's 2011 IRM application (EB-2010-0093). Veridian notes that the proposal by Innisfil Hydro to recover the GA sub-account by means of a rate rider included in the electricity component of the bill was a change in its previous practice where the GA sub-account had been recovered through a rate rider included in the delivery component of the bill.

   Veridian submits that continuing the disposition of the GA sub-account balance in a rate rider within the electricity component of the bill is a continuation of a practice previously approved by the Board and provides consistency of disposition to Veridian's non-RPP ratepayers. As well, this methodology provides consistency across classes of Veridian's non-RPP ratepayers as it provides a single billing determinant for disposition, being kWh, rather than kWh for some classes and kW for others.

b) Veridian confirms that it is does have the billing capacity to facilitate the inclusion of the GA sub-account rate rider in the delivery line of the bill.

c) Veridian proposes that for bill impact mitigation purposes, the two-year period is appropriate.

Bill impacts for the Residential and General Service Less Than 50kW rate classes for a one year disposition period are included in Attachment D.

Veridian Main

Rate Class	kWh		Bill Impact $ Def/Var Rate Rider	Bill Impact $ GA Rate Rider	Bill Impact $ Def/Var Rate Rider 2 Yr	Bill Impact $ GA Rate Rider 2 Yr	Bill Impact $ Def/Var Rate Rider 1 Yr	Bill Impact $ GA Rate Rider 1 Yr	Total Bill	% of Total Bill % of Total Bill Def/Var 2 Yr	% of Total Bill % of Total Bill GA 2 Yr	% of Total Bill % of Total Bill Def/Var 1 Yr	% of Total Bill % of Total Bill GA 1 Yr
Residential	800		($3.60)	$1.52	($2.76)	$2.15	($5.52)	$4.30	$113.93	-2.42%	1.89%	-4.85%	3.78%
GS < 50 kW	2,000		($9.00)	$3.80	($6.90)	$5.38	($13.80)	$10.76	$280.55	-2.46%	1.92%	-4.92%	3.84%

Gravenhurst

Rate Class	kWh		Bill Impact $ Def/Var Rate Rider	Bill Impact $ GA Rate Rider	Bill Impact $ Def/Var Rate Rider 2 Yr	Bill Impact $ GA Rate Rider 2 Yr	Bill Impact $ Def/Var Rate Rider 1 Yr	Bill Impact $ GA Rate Rider 1 Yr	Total Bill	% of Total Bill Def/Var 2 Yr	% of Total Bill GA 2 Yr	% of Total Bill Def/Var 1 Yr	% of Total Bill GA 1 Yr
Res Urban Yr Rd	800		$2.40	$0.24	($3.10)	$1.28	($6.19)	$2.57	$126.85	-2.44%	1.01%	-4.88%	2.02%
Res Seasonal	800		$2.64	$0.24	($3.10)	$1.28	($6.19)	$2.57	$162.39	-1.91%	0.79%	-3.81%	1.58%
Res Sub Yr Rd	800		$2.40	$0.24	($3.10)	$0.00	($6.19)	$0.00	$137.05	-2.26%	0.00%	-4.52%	0.00%
GS < 50 kW	2,000		($9.00)	$0.60	($7.74)	$3.20	($15.48)	$6.42	$301.50	-2.57%	1.06%	-5.13%	2.13%

Interrogatories Pertaining to Both Gravenhurst and Main Service Areas

Review and Disposition of Group 1 Deferral and Variance Accounts

13. Ref: The Board's decision in Veridian's 2011 IRM proceeding (EB-2010-0117), Page 9

In Veridian's 2011 IRM application, Veridian withdrew its request to dispose of its Group 1 account balances as Veridian will be having a RPP Electricity Refunds Claims Audit (conducted by the Ministry of Finance) in March 2011[1]. Veridian noted that some adjustments may be required, as a result of the audit, to various Group 1 account balances for the period up to December 31, 2009. The Board granted Veridian's request to withdraw its request to dispose of its December 31, 2009 Group 1 account balances. The Board directed Veridian to make an application for the review and disposition of its Group 1 account balances no later than its 2012 rate application.

Request

a) Please indicate whether the results of the audit, if any, were taken into consideration in the Group 1 account balances applied for disposition.

Response:

a) As Board Staff observes, during the interrogatory process of its 2011 IRM rate application, Veridian was preparing for a RPP (Form 1598) Electricity Refunds Claim Audit with the Ministry of Finance and identified that some adjustments to various Group 1 Deferral and Variance account balances for the period up to December 31, 2009 were likely to be required.

During that audit amounts related to 2009 balances were identified and recorded within the appropriate accounts to be included within the 2010 year end balances and included in Veridian's 2010 YE RRR Filings. On that basis, those adjustments pertaining to 2009 were taken into consideration in the Group 1 account balances applied for disposition within this application.

Subsequent to the time when Veridian's filed its 2010 YE RRR Filings, adjustments to various Group 1 Deferral and Variance account balances related to 2010 activity were identified. Those adjustments were not reflected in Veridian's final 2010 RRR balances and have not been taken into consideration in the Group 1 account balances applied for disposition within this application.

[1] Decision and Order EB-2010-0117, pg. 9

Details of the 2010 adjustments recorded in 2011 are provided in the tables below.

Veridian Main Tariff Zone

Account	Adjustment Amount	Principal Balance as Filed	Principal Balance after Adjustment
1588-RSVA-Power (excluding Global Adjustment)	$6,127,096	($15,130,723)	($9,178,394)
1588-RSVA-Power-Sub Account-Global Adjustment	($1,910,724)	$7,250,548	$5,442,384

Veridian Gravenhurst Tariff Zone

Account	Adjustment Amount	Principal Balance as Filed	Principal Balance after Adjustment
1588-RSVA-Power (excluding Global Adjustment)	$194,969	($550,705)	($362,720)
1588-RSVA-Power-Sub Account-Global Adjustment	($59,801)	$132,856	$74,433

Veridian notes these 2010 adjustments have not been included within the balances proposed for disposition as it understands that the value of balances of the Group 1 Accounts to be reviewed for disposition must be that of the December 31, 2010 RRR filings on record.

Interrogatories Pertaining to Both Gravenhurst and Main Service Areas

LRAM

14. Ref: Manager's Summary, pg. 22-29

Veridian has requested recovery of $1,388,731, which includes $52,442 in carrying charges, related to new lost revenues from CDM programs delivered from 2007-2010 and persisting lost revenues relating to programs delivered from 2005-2007.

Veridian noted that its electricity distribution rates were established on a cost of service basis for 2010 and that the approved distribution rates were based on a load forecast that excluded the impacts of CDM programs. The CDM provision of the load forecast formed part of a settlement agreement that was accepted by the Board.

Request

a) Please provide the rationale for why Veridian's last load forecast excluded the impacts of CDM programs.

Response:

a) When preparing its 2010 cost of service rate application and accompanying test year load forecast, Veridian was guided by the Board's May 27, 2009 Chapter 2 Filing Requirements for Transmission and Distribution Applications. These were the filing guidelines in force at that time, and they did not stipulate that a distributor must include the effects of CDM within its load forecast.

   The exclusion of CDM impacts from the load forecast was acknowledged and accepted by all parties to the settlement agreement reached in Veridian's 2010 rate proceeding (EB-2009-0140). This settlement agreement was accepted by the Board in its Decision dated March 31, 2010. Following is the relevant excerpt from the agreement:

> ***3 b.*** *Is the impact of CDM initiatives suitably reflected in the load forecast?*
>
> ***Complete Settlement****: Veridian has not included any CDM program impacts in the 2010 load forecast as details regarding Ontario Power Authority programs in the test year were not available at the time that the load forecast was prepared. For the purpose of obtaining complete settlement of all issues, the Parties agree that this treatment is appropriate.*
> ***Evidence****: N/A*

***Supporting parties**: VCI, SEC, EP, CCC, and VECC*
***Parties taking no position**: None.*
***Opposing parties**: None*

Veridian clearly did not explicitly include in its 2010 load forecast, projected CDM savings related to forecast CDM program activity in its 2010 test year. However, in preparing this interrogatory response it has concluded that its load forecast did include some CDM impacts related to programs delivered in prior years. Veridian`s load forecast was prepared using a regression model that projected 2010 sales volumes based on an historic dataset of wholesale power deliveries from May 2002 to December 2008. Since Veridian did deliver CDM programs during the period of time covered by this dataset, some historical savings would have been captured and projected into the test year.

However, Veridian submits that these implicit savings in its 2010 load forecast were significantly less than the actual 2010 impact of its 2005 to 2010 CDM programs. This view is based on the fact that only about the latter half of the historic dataset used for the load forecast covered periods of CDM program activity, and that the CDM impacts during this time were not significant since CDM programs were in the process of being re-established in the province following a long period of dormancy.

To confirm and exhibit this view, Veridian has carried out the following analysis:

1. The 2002 – 2008 dataset used for the 2010 load forecast has been adjusted by adding the wholesale impacts of CDM program savings recorded during these years.

2. The regression model used for Veridian`s 2010 load forecast has been re-run using this revised dataset.

3. The adjusted 2010 forecast based on the use of the revised dataset has been compared to the approved 2010 forecast. The difference between the two forecasts identifies the CDM impacts implicit in Veridian`s approved 2010 forecast.

4. The retail impact of the CDM savings found to have been implicitly included in Veridian`s 2010 load forecast are compared to the 2010 impacts of Veridian`s 2005 to 2010 CDM programs.

This analysis shows that Veridian`s approved 2010 load forecast included approximately 22% of the 2010 impacts of Veridian`s 2005 to 2010 CDM programs. Details supporting this determination are provided in Attachment E.

Attachment E:

2010 Load Forecasting Methodology

For its 2010 Cost of Service Application (EB-2009-0140) Veridian retained Elenchus Research Associates (ERA) to prepare 2010 weather normalized load forecasts. The load forecast methodology was based on monthly wholesale deliveries to the distribution system from May 2002 to December 2008. Monthly wholesale forecasts were developed for each of Veridian's tariff zones – Main and Gravenhurst. Allocations of the monthly wholesale energy forecast were then allocated to individual classes.

Veridian's load forecasting methodology and resulting load forecast for 2010 were agreed upon within the Settlement Agreement and accepted by the Board.

A copy of the ERA Load Forecasting Report as filed within EB-2009-0140 has been included as Attachment F and can be referred to for detailed information such as the historic data sets used, the equations resulting from the multiple regression analysis, weather normalization etc.

Adjustments to the Historic Wholesale Data Sets

The table below outlines the annual kWh savings identified by Veridian in its 2009 IRM Application (EB-2008-0150) and in its current application (EB-2011-0199) in LRAM Attachments 2 and 7 for the period 2005 to 2008.

Table 1: Annual kWh savings

Type of Program	2005	2006	2007	2008
Third-Tranche Funded (claimed in EB-2008-0150)- included persistence to 2007	1,817,235	13,349,533	614,033	N/A
Third-Tranche Persistence-for 2005 - 2007 in 2008 (Attachment 2-EB-2011-0199)				283,758 6,023,970 639,726
OPA Funded Programs	N/A		5,624,124	5,527,154
OPA Persistence of 2007 in 2008 (Attachment 2-EB-2011-0199)				5,586,710
Totals by Year	**1,817,235**	**13,349,533**	**6,238,157**	**18,061,318**

Veridian acknowledges that the kWh savings above would necessarily not be included within the actual wholesale energy deliveries used to determine Veridian's 2010 wholesale load forecast.

In order to quantify the impact of these kWh savings, Veridian has produced an adjusted wholesale 2010 load forecast using the exact same methodology as used in EB-2009-0140 and adjusting the historic data set of actual wholesale energy deliveries by adding the kWh savings for each year as identified in Table 1 above.

The annual kWh savings are not identified separately between the Main and Gravenhurst tariff zones and so must be apportioned. The kWh savings were apportioned on the basis of the proportion of the actual annual wholesale deliveries between the two tariff zones. Then, the annual amounts were allocated to the months based on the proportions of the actual kWh deliveries within that calendar year. The monthly volumes allocated are retail kWh and in order to add these amounts to wholesale volumes, they were uplifted by the Total Loss Factor applicable to each tariff zone in each month of the period January 2005 – December 2008.

The regression analysis was then re-run using the adjusted actual data set for the dependent variable of wholesale energy deliveries (actuals plus annual kWh savings). The values of the explanatory variables such as Heating and Cooling Degree Days, Full-Time Employment measures in Ontario and Peak Days were left unchanged.
The resulting adjusted equations for each tariff zone are displayed below:

Main

R Square – 0.894846567
Adjusted R Square – 0.889238384

	Coefficients
Constant	-86,508,456.705
HDD	81,883.464
CDD	312,432.023
Peakdays	1,825,063.898
FTE_Ont	42,027.609

Attachment E

Gravenhurst

R Square – 0.938693156

Adjusted R Square – 0.935423458

	Coefficients
Constant	-5,904,179.27
HDD	5,749.66
CDD	32,442.89
Month Days	247,905.31
FTE_Ont	746.89

When compared with the equations within the ERA report for the approved 2010 load forecast (pages 5 and 17), it can be seen that the R square and adjusted R square values, as well as the values of the coefficients of the explanatory variables do not vary significantly.

The adjusted equations were then used to forecast the 2010 wholesale energy deliveries using the same methodology and explanatory variable data as was used in the Board approved methodology as outlined in the ERA report.

The table below shows the approved and adjusted 2010 wholesale energy deliveries by tariff zone.

Table 2: 2010 Wholesale Load Forecast – Approved and Adjusted

	Approved 2010 Load Forecast - wholesale	**Adjusted 2010 Load Forecast - wholesale**	**%age Increase**	**kWh Increase - Wholesale**	**TLF**	**kWh Increase - Retail**
Main	2,516,710,137	2,525,097,545	0.33 %	8,387,408	1.0442	8,032,377
Gravenhurst	99,133,900	99,471,338	0.34 %	337,438	1.1013	306,400
		Increase in kWh		8,724,846		8,338,777

As stated previously, the annual kWh savings identified are retail kWh. In order to measure the above calculated increase in wholesale kWh as a percentage of the retail kWh annual savings, the wholesale values must be adjusted to retail by dividing by the Total Loss Factor applicable for each tariff zone in 2010.

Attachment E

The table below shows the total 2010 kWh savings included within Veridian's current LRAM claim

Table 3: Total 2010 kWh Savings Claimed

2005	3rd Tranche	283,758
2006	3rd Tranche	6,023,970
2007	3rd Tranche	639,726
	OPA	4,060,683
2008	OPA	5,164,832
2009	OPA	16,057,470
2010	OPA	5,677,883
Total		**37,908,320**

The retail impact of the CDM savings implicitly included within Veridian's 2010 load forecast is 8,338,777 kWh or 22.0% of the 2010 impacts of Veridian's 2005 to 2010 CDM programs.

Weather Normalized Distribution System Load Forecast – 2010 Test Year

Prepared for

Veridian Connections Inc.

May 25, 2009

1 INTRODUCTION

This document outlines the results and methodology used to derive the weather normal load forecast prepared for use in Veridian Connection Inc.'s (VCI) rebasing rate application for 2010 rates. A weather normal load forecast is developed for the bridge year (2009) and test year (2010) and weather normalized historical consumption is also derived.

VCI currently has two separate rate schedules. The Veridian Main system (consisting of service areas including Ajax, Belleville, Brock, Clarington, Pickering, Port Hope, Scugog and Uxbridge) and the Gravenhurst system. Therefore, a weather normalized load forecast for each of these service areas needs to be developed.

There are several constraints with respect to data availability that had to be considered when developing the load forecast methodology and process for VCI. One issue is that most customers in the Veridian Main system are billed on a quarterly basis. As a result, it is not possible to accurately estimate monthly class specific consumption. Therefore, the load forecast for VCI's main system is based on monthly wholesale deliveries to the Distribution System from May 2002 to December 2008 as measured at the wholesale point of delivery. While it may be desirable to isolate demand determinants related to individual rate classes, this is simply not possible with the data available for VCI at this time.

The Gravenhurst service area has an additional complication. Most Gravenhurst customers are billed on a bi-monthly basis and monthly class specific consumption is not available. Additionial complications arise as Gravenhurst has three separate Residential rate classes: Residential – Urban, Residential – Sub-Urban, and Residential – Seasonal. While monthly wholesale deliveries are available for the Gravenhurst service area, it would be unrealistic to assign a similar weather corrected consumption pattern to a seasonal customer rate class and a non-seasonal customer class. Therefore, a decision was made to use the weather normalized class throughput for 2004 derived for Gravenhurst by Hydro One Networks for the OEB's Cost Allocation

Informational Filing to forecast the seasonal rate class. From the 2004 weather normalized class throughput, class specific normalized average use per customer (NAC) is derived and used to project weather normal consumption for the bridge year and test year. For other weather sensitive classes, we have used the same methodology as used for VCI – Main.

We note that the OEB has approved both these methodologies previously (i.e., normalizing wholesale purchases and allocating to individual classes based on historical shares and the NAC approach based on previous work done for the Cost Allocation Informational Filing). Therefore, the approaches being adopted here are neither new nor novel, and have been tested and approved in other rate rebasing proceedings.

2 VERIDIAN MAIN

This section outlines the load forecast for the Veridian Main system

2.1 ENERGY FORECAST USING WHOLESALE KWH DELIVERIES

The following table outlines monthly wholesale deliveries from May 2002 to December 2008.

Table 1: Monthly Actual Energy (kWh), Veridian Main

	2002	2003	2004	2005	2006	2007	2008
January		228,072,459	235,490,156	233,068,202	229,069,544	235,099,724	230,260,337
February		205,071,925	208,369,155	202,953,097	212,537,640	224,098,670	218,733,112
March		207,225,786	209,294,667	213,421,625	222,589,060	223,513,915	219,617,553
April		187,449,570	187,804,230	185,422,180	188,638,340	199,529,738	192,173,797
May	183,254,394	179,550,481	183,209,950	186,613,649	197,584,849	194,458,410	188,679,252
June	188,410,816	184,906,238	183,040,381	218,021,442	213,143,790	214,003,885	205,832,488
July	219,729,916	200,272,254	196,881,824	234,687,559	239,085,239	217,236,567	224,258,704
August	215,808,113	201,291,286	197,035,444	226,837,472	228,000,091	227,134,590	213,496,237
September	195,012,178	184,407,204	188,313,943	201,266,331	194,232,463	195,954,927	200,053,204
October	187,794,758	188,281,237	184,707,661	197,040,911	204,360,356	196,760,257	199,159,166
November	193,230,765	194,302,491	195,753,579	206,898,914	207,947,135	206,385,785	206,086,069
December	211,583,287	212,485,534	223,114,091	232,485,746	221,161,912	228,329,482	228,433,560
Annual		**2,373,316,465**	**2,393,015,080**	**2,538,717,128**	**2,558,350,419**	**2,562,505,950**	**2,526,783,479**
% change			***0.8%***	***6.1%***	***0.8%***	***0.2%***	***-1.4%***

In order to determine the relationship between observed weather and energy consumption, monthly weather observations describing the extent of heating or cooling required within the month are necessary. Environment Canada publishes monthly observations on heating degree days (HDD) and cooling degree days (CDD) for selected weather stations across Canada. Heating degree-days for a given day are the number of Celsius degrees that the mean temperature is below 18°C. Cooling degree-days for a given day are the number of Celsius degrees that the mean temperature is above 18°C. For VCI Main, we have used monthly HDD and CDD as reported at Pearson International Airport near Toronto.

In order to measure the change in economic activity, a data series must be chosen which represents, as much as possible, regional economic activity. We have used the monthly full-time employment levels for Ontario, as reported in Statistics Canada's Monthly Labour Force Survey (CANSIM series v2054816). Ontario was chosen, as the VCI Main service territory spans several regional areas (Durham Region, within Toronto CMA, Oshawa CMA, and outside any CMA; Port Hope [Northumberland County]; Belleville [Hastings County]).

The number of peak days (non-holiday week days) is also included as an explanatory variable. For holidays, we have included New Year's Day, Good Friday, Easter Monday, Victoria Day, Canada Day, August Civic Holiday (Simcoe Day), Labour Day, Thanksgiving Day, Christmas and Boxing Day. From 2008, we have included the Ontario Family Day holiday in February, but we have not included Remembrance Day in November.

The historical data for peak days and monthly full-time employment are displayed in *Table 2* below.

Table 2
Peak Days

	2002	2003	2004	2005	2006	2007	2008
January	22	21	21	20	21	22	22
February	20	20	20	20	20	20	20
March	20	21	23	21	23	22	21
April	21	20	20	21	18	19	20
May	22	21	20	21	22	22	21
June	20	21	22	22	22	21	21
July	22	22	21	20	20	22	22

August	21	20	21	22	22	22	20
September	20	21	21	21	20	19	21
October	22	22	20	20	21	22	22
November	21	20	22	22	22	22	20
December	20	21	21	20	19	19	21
	Ontario Full-time Employment ('000s) – CANSIM v2054816						
January	4764.5	4929.6	5048.8	5071.8	5219.1	5259.7	5356.9
February	4733.3	4911.6	5035.5	5043.8	5181.8	5224.7	5335.7
March	4728.5	4911.1	5022.8	5012.8	5153	5205.9	5310.9
April	4766.7	4940.2	5053.9	5065.6	5184.7	5233.8	5341.6
May	4844.3	4995.5	5113.7	5147.2	5290.7	5315.8	5399.9
June	4925.4	5068.9	5218.7	5264.7	5401.1	5426.4	5485.7
July	5038.7	5158.7	5307.2	5369.3	5511	5548.7	5559.3
August	5125	5227	5366.9	5443.4	5550.7	5615.9	5616.2
September	5114.2	5196.7	5319.8	5425.9	5500.2	5579	5580.3
October	5049.3	5147.7	5244	5370.8	5421.1	5515.2	5537.1
November	4964.8	5078.7	5156.2	5287.8	5326.2	5432.8	5433.4
December	4953.4	5076.7	5125.6	5267.3	5309.4	5409.3	5393.6
Annual Avg	***4917.3***	***5053.5***	***5167.8***	***5230.9***	***5337.4***	***5397.3***	***5445.9***
Ann % chg	***1.0%***	***2.8%***	***2.3%***	***1.2%***	***2.0%***	***1.1%***	***0.9%***

Using these data, a multiple regression analysis was used to develop an equation describing the relationship between monthly actual energy deliveries and the explanatory variables.

The resulting equation, estimated using the 80 observations from 2002:05-2008:12 is displayed below:

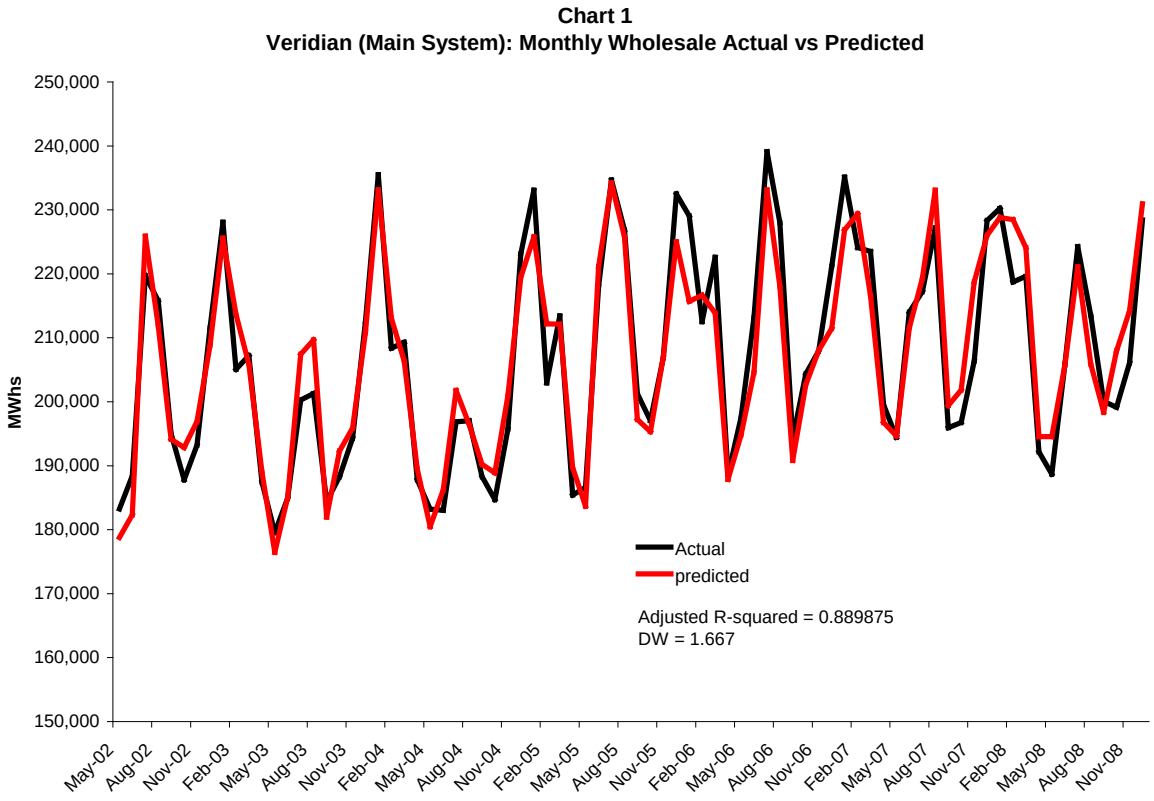
Table 3

OLS estimates using the 80 observations 2002:05-2008:12
Dependent variable: WholesalekWh

Unadjusted R^2 = 0.895451
Adjusted R^2 = 0.889875
F-statistic (4, 75) = 160.5914 (p-value = 5.80e-36)
Durbin-Watson statistic = 1.667623

Variable	*Coefficient*	*t-statistic*	*p-value*
const	-74,198,156.787	-3.345	0.0013
HDD	81,222.550	23.87	<0.00001
CDD	313,634.374	19.27	<0.00001
Peak Days	1,819,826.921	2.992	0.0037
FTE Ontario	39,636.311	11.68	<0.00001

Fitted vs. actual observations are plotted in the chart (Chart 1) below:



Annual estimates using actual weather are compared to actual values in the table below. Mean absolute percentage error (MAPE) for annual estimates for the period is 1.0% with the largest absolute error on an annual estimate at 2.4%.

Table 4 – Actual Deliveries vs. Estimates, VCI Main

Year	*Actual wholesale kWh*	*Predicted kWh*	*Absolute % Error*
2003	2,373,316,465	2,393,726,810	0.9%
2004	2,393,015,080	2,406,455,051	0.6%
2005	2,538,717,128	2,529,122,474	0.4%
2006	2,558,350,419	2,497,620,465	2.4%
2007	2,562,505,950	2,574,195,124	0.5%
2008	2,526,783,479	2,554,694,080	1.1%
	Mean Absolute Percentage Error		***1.0%***

2.2 WEATHER NORMALIZATION AND FORECASTED KWH

It is not possible to accurately forecast weather for months or years in advance. Therefore, one can only base future weather expectations on what has happened in the past. Individual years may experience unusual spells of weather (unusually cold winter, unusually warm summer, etc.). However, over time, these unusual spells "average" out. While there may be trends over several years (e.g., warmer winters for example), using several years of data rather than one particular year filters out the extremes of any particular year. The OEB has considered and approved several different approaches to what constitutes "weather normal" over the past several years. For gas utilities, the Board has approved a five-year moving average for NRG (RP-2004-0167), a weighted average of 20 year and 30 year for Union Gas (RP-2003-0063), and a combination of methods including a 20 year trend, weighted average 20 year and 30 year, and variations of the so-called "de Bever" method depending upon location for Enbridge Gas Distribution (EB-2006-0034). For electric LDCs, Hydro One Networks Inc. (HONI) has used a 31 year average for their definition of weather normal (EB-2005-0378 and EB-2007-0681). On the other hand, Toronto Hydro Electric System Limited (THESL) has used the most recent 10 year average as a definition of weather normal (EB-2005-0421 and EB-2007-0680) as have many of the LDCs that filed for cost-of-service rebasing for 2009 rates. We have adopted the 10 year average from 1999 to 2008 as the definition of weather normal for VCI Main's weather correction analysis. Our view is that a ten-year average based on the most recent ten calendar years available is a reasonable compromise that likely reflects the "average" weather experienced in recent years. Many other LDCs have also adopted this definition for the purposes of cost-of-service rebasing.

Presented below is a table outlining the 10-year monthly HDD and CDD for Pearson International Airport, the weather station selected for VCI Main.

Table 5 –10-yr average (1999-2008) HDD and CDD, Pearson Int'l Airport

Heating Degree Days

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
1999	749.8	548.1	550.6	296.7	97.1	25.0	0.0	8.4	49.3	267.6	367.5	579.3	3539.4
2000	738.9	612.7	418.6	339.2	139.6	34.5	6.6	11.5	99.5	212.7	432.0	780.3	3,826.1
2001	684.9	587.6	566.6	293.8	111.5	29.8	9.3	0.0	73.6	232.5	325.8	505.0	3,420.4
2002	572.2	540.2	545.6	329.5	227.5	36.2	0.0	0.2	21.8	292.2	445.0	619.4	3,629.8
2003	814.5	699.0	581.1	372.5	177.9	43.4	0.2	2.0	54.9	276.0	398.5	561.5	3,981.5
2004	849.1	631.7	487.3	331.5	158.9	44.2	3.6	12.8	30.0	226.3	379.1	643.4	3,797.9
2005	770.0	616.4	608.6	306.8	189.4	8.9	0.0	0.2	22.6	220.2	388.4	665.3	3,796.8
2006	551.8	604.3	516.6	293.3	136.9	19.5	0.0	4.2	80.9	288.3	382.2	500.5	3,378.5
2007	647.1	740.1	546.7	356.4	136.4	16.5	3.2	5.2	36.9	137.7	462.5	630.7	3,719.4
2008	623.5	674.7	610.2	253.9	193.5	22.7	1.0	12.7	59.0	278.6	451.6	654.6	3,836.0
10-yr avg	***700.2***	***625.5***	***543.2***	***317.4***	***156.9***	***28.1***	***2.4***	***5.7***	***52.9***	***243.2***	***403.3***	***614.0***	***3692.6***

Cooling Degree Days

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
1999	0.0	0.0	0.0	0.0	19.4	96.0	196.5	79.1	48.9	0.0	0.0	0.0	439.9
2000	0.0	0.0	0.0	0.0	23.7	41.1	71.8	92.5	35.2	1.2	0.0	0.0	265.5
2001	0.0	0.0	0.0	1.4	12.2	79.7	100.9	160.0	35.7	2.0	0.0	0.0	391.9
2002	0.0	0.0	0.0	8.3	7.8	70.0	192.4	142.7	87.6	10.0	0.0	0.0	518.8
2003	0.0	0.0	0.0	2.4	0.0	52.9	118.3	128.0	24.0	0.0	0.0	0.0	325.6
2004	0.0	0.0	0.0	0.0	8.6	31.6	86.4	59.6	41.2	1.5	0.0	0.0	228.9
2005	0.0	0.0	0.0	0.0	0.8	146.3	188.7	140.7	52.1	7.6	0.0	0.0	536.2
2006	0.0	0.0	0.0	0.0	26.0	73.6	167.3	101.6	12.9	1.1	0.0	0.0	382.5
2007	0.0	0.0	0.0	0.0	22.4	99.2	106.1	141.0	47.5	19.8	0.0	0.0	436
2008	0.0	0.0	0.0	0.0	2.5	71.5	111.0	64.0	26.7	0.0	0.0	0.0	275.7
10-yr avg	***0.0***	***0.0***	***0.0***	***1.2***	***12.3***	***76.2***	***133.9***	***110.9***	***41.2***	***4.3***	***0.0***	***0.0***	***380.1***

Forecasts for Ontario's employment outlook for 2008 and 2009 are available from four Canadian Chartered Banks at time of writing. Their forecasts are summarized below.

Table 6 - Employment Forecast – Ontario
(figures in annual percentage change)

	BMO *(March 20,2009)*	RBC *(Mar 2009)*	Scotia *(Mar. 17, 2009)*	TD *(Mar 17,2009)*	Avg
2009	-3.1	-1.9	-2.6	-2.6	-2.6
2010	0.6	1.3	0.2	-0.6	0.4

Incorporating the forecast economic variables, peak days, and 10-yr weather normal heating and cooling degree days, the following weather corrected consumption and forecast values are calculated:

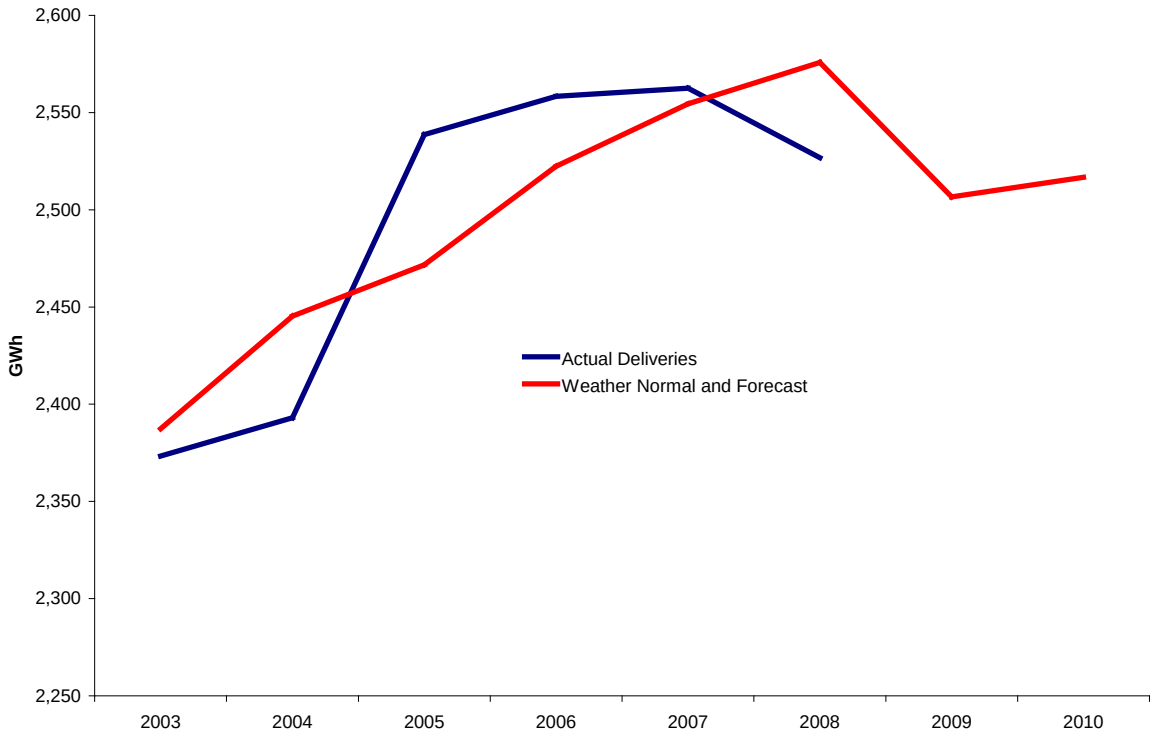
Table 7 - Weather Corrected Wholesale kWh, VCI Main

			10-yr (1999-2008)	
Year	Actual wholesale kWh	%chg	Weather Normal	%chg
2003	2,373,316,465		2,387,353,064	
2004	2,393,015,080	*0.8%*	2,445,322,210	*2.4%*
2005	2,538,717,128	*6.1%*	2,471,699,134	*1.1%*
2006	2,558,350,419	*0.8%*	2,522,378,121	*2.1%*
2007	2,562,505,950	*0.2%*	2,554,484,574	*1.3%*
2008	2,526,783,479	*-1.4%*	2,575,788,571	*0.8%*

2009F			2,506,626,643	*-2.7%*
2010F			2,516,710,137	*0.4%*

Chart 2 below displays actual wholesale deliveries (GWh) and weather normalized historic and forecast.

Chart 2
Annual Delivered GWh - Weather Actual vs Weather Normal - VCI Main



2.3 ALLOCATION TO SPECIFIC CLASSES

The following table (Table 8) presents class specific weather normal historic and forecast values for those classes that have weather sensitive load. Historic class specific kWh consumption is allocated based on each class' share in wholesale kWh, exclusive of distribution losses. Forecast class values are allocated based on the class share for 2008.

Table 8 Weather Corrected Class Specific Consumption, VCI Main			
			10-yr (1999-2008)
Year	Actual residential kWh	*Share%*[1]	Weather Normal
2003	827,059,131	34.8%	831,950,639
2004	831,017,028	34.7%	849,181,609
2005	906,779,281	35.7%	882,841,786
2006	883,724,953	34.5%	871,299,127
2007	915,566,674	35.7%	912,700,688
2008	931,097,742	36.8%	949,155,692
2009F			923,670,123
2010F			927,385,803
Year	Actual GS<50 kWh	*Share%*	Weather Normal
2003	276,521,722	11.7%	278,157,165
2004	281,226,049	11.8%	287,373,159
2005	283,135,116	11.2%	275,660,811
2006	294,123,554	11.5%	289,987,960
2007	291,605,781	11.4%	290,692,972
2008	296,146,633	11.7%	301,890,178
2009F			293,784,191
2010F			294,966,007
Year	Actual GS>50 kWh	*Share%*	Weather Normal
2003	964,152,305	40.6%	969,854,629
2004	942,013,909	39.4%	962,604,688
2005	1,005,862,450	39.6%	979,309,321
2006	983,029,977	38.4%	969,207,849
2007	966,922,043	37.7%	963,895,300
2008	931,775,076	36.9%	949,846,163
2009F			924,342,054
2010F			928,060,437

Actual, normalized and forecast kW for the weather sensitive GS>50 class are summarized in Table 9 below. Historical normalized values are calculated based on the annual ratio of class kW to class kWh. Forecast kW is based on the average of the class kW to class kWh ratio in 2008.

[1] Share % represents the share of actual metered (non loss adjusted) annual class consumption in actual annual wholesale deliveries measured at the wholesale point of delivery.

Table 9 – GS>50 Class kW (Actual, Normalized, and Forecast), VCI Main

Year	**Actual kW**	**Class kW/kWh ratio**	**Normalized kW**
2003	2,373,086	0.00246	2,387,121
2004	2,316,944	0.00246	2,367,588
2005	2,500,118	0.00249	2,434,119
2006	2,332,139	0.00237	2,299,347
2007	2,331,031	0.00241	2,323,735
2008	2,417,886	0.00259	2,464,779
2009F			2,398,598
2010F			2,408,247

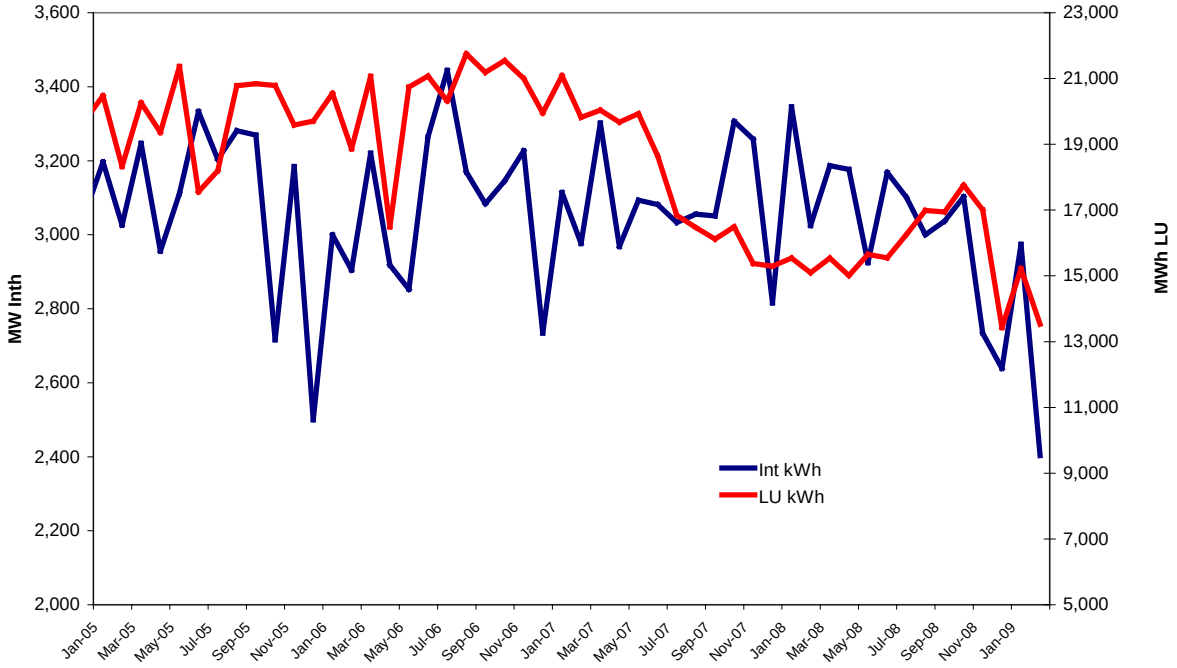
NON-WEATHER SENSITIVE CLASSES AND CUSTOMER CONNECTION FORECAST

Table 11 below presents actual and forecast kWh and kW (where applicable) for the non-weather sensitive classes. These include Intermediate, Large Use, Street Lighting, Sentinel Lighting and Unmetered Scattered Load (USL).

The Intermediate Class consists of two customers and the Large Use Class consists of five customers.[2] Since these customers are interval metered, we have access to monthly consumption levels for these classes. Both these classes have had declining consumption over the past few years. In the case of Large Use, this decline started in 2007 and continued into 2008. In the case of the Intermediate Class, consumption has been flat since 2004 and began to decline in 2008.

[2] In 2006 two (2) customers that were previously classified as GS>50 were reallocated; one (1) to Intermediate and one (1) to Large Use. For the purposes of load forecasting, customer classes have been defined as they exist currently and these customers and their consumption have been allocated to their current rate class for the entire time series.

Chart 3
Monthly Intermediate and Large Use Consumption - VCI Main Jan'07 - Feb'09



Several of these customers are in industrial sectors that are currently facing challenges, so we are forecasting a decline in consumption (based on the most recent 4 months compared to the previous 4 months). In 2010, the forecast for Intermediate and LU kWh and kW is in line with the overall forecast for wholesale purchases (0.4%).

Table 10
Intermediate and Large User kWh and kW

	Int kWh	*% chg*	Int kW	*% chg*	LU kWh	*% chg*	LU kW	*% chg*
Jul'08-Oct'08	12,241,842		30,421		67,943,391		118,175	
Nov'08-Feb'09	10,749,920	-12.2%	28,832	-5.2%	59,188,981	-12.9%	110,172	-6.8%

Forecast throughput for Street Lighting, Sentinel Lighting and USL is based on the most recent actual use per customer (2008) and the forecast change in customers for these classes. We do not anticipate an increase in the rate of growth of street light attachments in 2009 and 2010 as the increase in street lighting is directly tied to growth in new subdivisions. Based on preliminary data from CMHC, new housing development is forecast to decline significantly in 2009 and 2010. Therefore, we are forecasting the

number of streetlamp additions to grow at the level seen in 2008 (at 1.9% per year). Initial data for 2009 indicate that housing starts have slowed significantly. First Quarter 2009 Housing Starts for Durham Region (excluding Whitby and Oshawa) are almost 40 per cent lower than the same period last year (194 versus 311).[3] Completions (Durham Region excluding Oshawa and Whitby) are also down by over 8 per cent (439 versus 478), reflecting the downwards trend in starts in 2008. As the reduction in starts in 2009 percolates into the completions, it is expected that residential attachments will slow. In 2008, there were about 1,500 attachments (December 2008 versus 2007) and about 1,600 comparing 2008 average to 2007 average. In 2009, we are anticipating 1,080 residential attachments based on first quarter completions and starts, slowing to about 800 in 2010, or about half the level in 2008.

The number of Sentinel lights has remained constant for several years and we are not anticipating any additional connections. Since 2006, USL use per customer has declined substantially each year. Class USL consumption has also declined each year since 2006. We have forecast USL class consumption to decrease in 2009 and 2010 similar to 2008. No new USL attachments are forecast.

The forecast class kW for Street and Sentinel Lighting is based on the 2008 ratio of annual kW to annual kWh.

Table 11 below summarizes the lighting and USL consumption forecast. Table 12 summarizes the customer connection forecast (average annual).

Table 11

Non-Weather Sensitive Historic and Forecast Consumption – VCI Main

	Intermediate					*Large user*		
Year	kWh	%	kW	%	kWh	%	kW	%
2003	34,078,609		94,444		233,123,423		409,790	
2004	37,212,454	*9.2%*	94,712	*0.3%*	220,209,114	*-5.5%*	368,851	*-10.0%*
2005	37,025,068	*-0.5%*	97,817	*3.3%*	237,241,914	*7.7%*	412,936	*12.0%*
2006	36,964,611	*-0.2%*	93,531	*-4.4%*	244,544,213	*3.1%*	422,374	*2.3%*
2007	37,056,537	*0.2%*	93,248	*-0.3%*	215,781,718	*-11.8%*	382,076	*-9.5%*
2008	36,441,211	*-1.7%*	90,282	*-3.2%*	190,773,043	*-11.6%*	333,810	*-12.6%*
2009F	32,068,266	*-12.0%*	85,768	*-5.0%*	165,972,547	*-13.0%*	310,443	*-7.0%*

[3] Housing Now – Greater Toronto Area, April 2009.

2010F	32,196,539	*0.4%*	86,111	*0.4%*	166,636,438	*0.4%*	311,685	*0.4%*
	Street Lighting					*Sentinel Lighting*		
Year	kWh	%	kW	%	kWh	%	kW	%
2003								
2004								
2005	19,530,434		46,500		972,712		2,702	
2006	18,461,322	*-5.5%*	51,125	*9.9%*	802,732	*-17.5%*	2,230	*-17.5%*
2007	18,376,945	*-0.5%*	51,647	*1.0%*	928,755	*15.7%*	2,530	*13.4%*
2008	18,811,565	*2.4%*	52,584	*1.8%*	846,470	*-8.9%*	2,353	*-7.0%*
2009F	19,168,984	*1.9%*	53,583	*1.9%*	846,470	*0.0%*	2,353	*0.0%*
2010F	19,533,195	*1.9%*	54,601	*1.9%*	846,470	*0.0%*	2,353	*0.0%*

USL (Unmetered Scattered Load)

Year	kWh	%
2003		
2004		
2005	6,814,866	
2006	6,557,788	*-3.8%*
2007	5,907,835	*-9.9%*
2008	5,738,246	*-2.9%*
2009F	5,573,526	*-2.9%*
2010F	5,413,534	*-2.9%*

Table 12 – Average Annual Customer Connections – VCI Main

	2003	2004	2005	2006	2007	2008	2009F	2010F
Residential	82,572	83,188	86,769	90,518	92,815	94,490	95,570	96,370
% chg		*0.7%*	*4.3%*	*4.3%*	*2.5%*	*1.8%*	*1.1%*	*0.8%*
GS<50 kW	7,262	7,160	7,450	7,565	7,604	7,655	7,706	7,758
% chg		*-1.4%*	*4.0%*	*1.5%*	*0.5%*	*0.7%*	*0.7%*	*0.7%*
GS> 50 kW	962	973	996	1,012	1,020	1,038	1,038	1,038
% chg		*1.2%*	*2.4%*	*1.6%*	*0.8%*	*1.8%*	*0.0%*	*0.0%*
Intermediate	2	2	2	2	2	2	2	2
Large Use	5	5	5	5	5	5	5	5
Street Light	22,076	22,599	23,711	24,584	25,568	26,046	26,541	27,045
% chg		*2.4%*	*4.9%*	*3.7%*	*4.0%*	*1.9%*	*1.9%*	*1.9%*
Sentinel Light	800	784	655	655	730	730	730	730
USL	734	747	756	759	868	875	875	875
% chg		*1.8%*	*1.2%*	*0.3%*	*14.4%*	*0.7%*	*0.0%*	*0.0%*

Table 13 below presents the results for class specific historic actual and historic normalized (2008) kWh and kW (where applicable), and normalized forecast values for bridge year (2009) and test year (2010).

Table 13 – VCI Main Load Forecast (Historical, Bridge and Test Years).

	2008 Actual	2008 Normalized	2009f Normalized	2010f Normalized
Residential (kWh)	931,097,742	949,155,692	923,670,123	927,385,803
GS<50 (kWh)	296,146,633	301,890,178	293,784,191	294,966,007
GS>50 (kWh)	931,775,076	949,846,163	924,342,054	928,060,437
(kW)	2,417,886	2,464,779	2,398,598	2,408,247
Intermediate (kWh)	36,441,211	36,441,211	32,068,266	32,196,539
(kW)	90,282	90,282	85,768	86,111
Large Use (kWh)	190,773,043	190,773,043	165,972,547	166,636,438
(kW)	333,810	333,810	310,443	311,685
Street Lights (kWh)	18,811,565	18,811,565	19,168,984	19,533,195
(kW)	52,584	52,584	53,583	54,601
Sentinel Lights (kWh)	846,470	846,470	846,470	846,470
(kW)	2,353	2,353	2,353	2,353
USL (kWh)	5,738,246	5,738,246	5,573,526	5,413,534
Total Retail kWh	2,411,629,986	2,453,502,567	2,365,426,162	2,375,038,423

2.4 AVERAGE USE

Displayed below (Table 14) are the observed actual average use per customer, by customer class, as well as historical weather normalized and weather normal forecast average use per customer generated using our load forecast.

Table 14 - Weather Actual Use Per Customer – VCI Main

Year	Residential	GS<50	GS>50	Intermed.	Large Use	Street	Sentinel	USL
2003	10,016	38,080	1,002,672	17,039,304	46,624,685	730	1,158	6,064
2004	9,990	39,275	968,237	18,606,227	44,041,823	603	1,052	6,542
2005	10,451	38,005	1,009,902	18,512,534	47,448,383	824	1,485	9,011
2006	9,763	38,882	971,854	18,482,305	48,908,843	751	1,226	8,642
2007	9,864	38,349	947,885	18,528,268	43,156,344	719	1,272	6,804
2008	9,854	38,687	897,520	18,220,606	38,154,609	722	1,160	6,560

Weather Normal Use Per Customer – VCI Main

Year	Residential	GS<50	GS>50	Intermed.	Large Use	Street	Sentinel	USL
2003	10,075	38,305	1,008,602	17,039,304	46,624,685	730	1,158	6,064
2004	10,208	40,134	989,401	18,606,227	44,041,823	603	1,052	6,542
2005	10,175	37,001	983,242	18,512,534	47,448,383	824	1,485	9,011
2006	9,626	38,335	958,189	18,482,305	48,908,843	751	1,226	8,642
2007	9,834	38,229	944,918	18,528,268	43,156,344	719	1,272	6,804
2008	10,045	39,437	914,926	18,220,606	38,154,609	722	1,160	6,560
2009	9,665	38,124	890,360	16,034,133	33,194,509	722	1,160	6,370
2010	9,623	38,023	893,942	16,098,269	33,327,288	722	1,160	6,187

3 GRAVENHURST

This section outlines the load forecast for the Gravenhurst system.

As outlined in the Introduction, most customers are billed on a bi-monthly basis and monthly class-specific consumption is not readily available. Therefore, a similar approach to VCI Main (i.e., using monthly wholesale deliveries) is adopted. However, due to the existence of a seasonal rate class, a normalized average use per customer (NAC) approach using previous work on weather normalized throughput for the Cost Allocation Informational Filing (CAIF) will also be utilized.

3.1 ENERGY FORECAST USING WHOLESALE KWH DELIVERIES

The following table outlines monthly wholesale deliveries from May 2002 to December 2008.

Table 15: Monthly Actual Energy (kWh), Gravenhurst

	2002	2003	2004	2005	2006	2007	2008
January		11,257,844	12,348,584	11,358,285	9,584,722	10,152,392	10,132,680
February		10,148,070	9,948,240	9,218,958	9,052,892	10,027,994	9,954,857
March		9,527,745	9,072,155	9,421,380	9,095,693	9,266,494	9,754,864
April		7,685,674	7,329,988	7,080,256	6,984,473	7,534,660	7,339,615
May	7,358,898	6,744,262	6,872,231	7,187,520	6,945,761	6,894,173	7,245,582
June	6,826,855	6,699,584	6,477,351	7,298,328	7,054,581	7,206,369	7,100,596
July	8,137,971	7,614,529	7,597,375	8,258,785	8,432,462	7,928,780	8,054,716
August	7,809,094	7,286,578	7,507,039	7,920,991	7,527,204	8,119,385	7,949,031
September	6,696,496	6,464,375	6,706,564	6,706,528	6,773,819	6,793,394	6,875,941
October	7,752,413	7,793,177	7,265,439	7,232,967	7,729,186	7,124,909	7,796,074
November	8,234,050	8,177,397	7,746,269	7,948,692	7,792,725	8,212,919	8,376,163
December	9,823,993	9,897,753	10,212,758	10,109,868	9,154,135	10,196,499	10,406,058
Annual		**99,296,988**	**99,083,993**	**99,742,558**	**96,127,653**	**99,457,968**	**100,986,177**
% change			***-0.2%***	***0.7%***	***-3.6%***	***3.5%***	***1.5%***

For the Gravenhurst system, we have used monthly HDD and CDD as reported at Muskoka Airport, on Hwy 11 between Gravenhurst and Bracebridge. We have used the monthly full-time employment levels for Ontario (CANSIM series v2054816) as the economic indicator, identical to the series used for VCI Main. Peak days did not appear

to be statistically significant, however, the number of days in the month did so this was adopted as the calendar variable for Gravenhurst.

Using these data, a multiple regression analysis was used to develop an equation describing the relationship between monthly actual energy deliveries and the explanatory variables.

The resulting equation, estimated using the 80 observations from 2002:05-2008:12 is displayed below:

Table 16

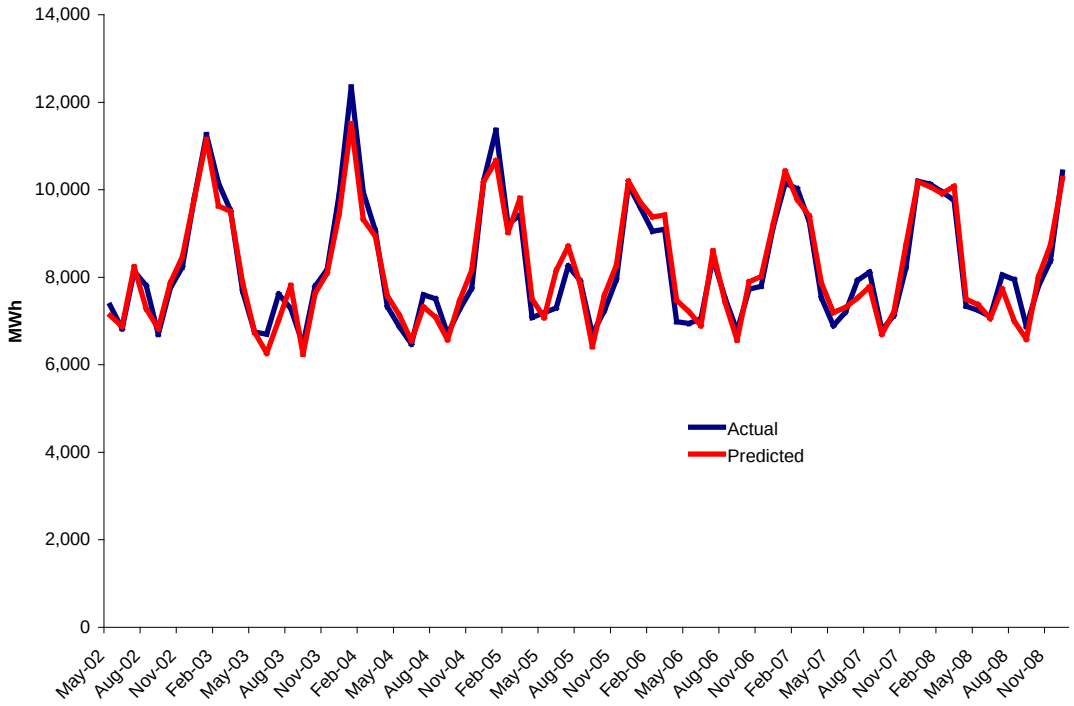
OLS estimates using the 80 observations 2002:05-2008:12
Dependent variable: WholesalekWh

Unadjusted R^2 = 0.937665
Adjusted R^2 = 0.934341
F-statistic (4, 75) = 282.0455 (p-value = 2.29e-44)
Durbin-Watson statistic = 1.333066

Variable	*Coefficient*	*t-statistic*	*p-value*
const	-5,439,665.71	-2.9178	0.00465
HDD	5,717.54	31.3423	<0.00001
CDD	32,484.82	14.1752	<0.00001
Month Days	248,921.60	4.9163	<0.00001
FTE Ontario	650.83	3.0129	0.00353

Fitted vs. actual observations are plotted in the chart (Chart 4) below:

Chart 4
Veridian (Gravenhurst): Monthly Wholesale Actual vs. Predicted



Annual estimates using actual weather are compared to actual values in the table below. Mean absolute percentage error (MAPE) for annual estimates for the period is 1.3% with the largest absolute error on an annual estimate at 1.9%.

Table 17 – Actual Deliveries vs. Estimates, Gravenhurst

Year	*Actual wholesale kWh*	*Predicted kWh*	*Absolute % Error*
2003	99,296,988	97,427,986	1.9%
2004	99,083,993	97,848,580	1.2%
2005	99,742,558	101,263,506	1.5%
2006	96,127,653	97,841,903	1.8%
2007	99,457,968	100,123,046	0.7%
2008	100,986,177	100,330,670	0.6%
	Mean Absolute Percentage Error		***1.3%***

3.2 WEATHER NORMALIZATION AND FORECASTED KWH

Presented below is a table outlining the 10-year monthly HDD and CDD for Muskoka Airport, the weather station selected for Gravenhurst.

Table 18 –10-yr average (1999-2008) HDD and CDD, Gravenhurst Airport

Heating Degree Days

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
1999	892.2	668.8	646	350.3	142.9	48.9	14.1	44.4	110.9	355.3	448.9	721	4,443.7
2000	879.5	731.4	510	408.7	199.7	94	44.8	51.2	178	320.7	522.5	919.1	4,859.6
2001	824.3	740.7	666.8	364.7	160.6	68.1	46.1	14.3	151.2	312.2	410.8	605.8	4,365.6
2002	695.8	664.9	674.7	399.4	285.9	65	19.1	25.4	78	391.4	561.6	753.7	4,614.9
2003	990.4	857.5	705	460.9	212.7	74.8	21.9	27.4	113.7	349.8	483.2	676.7	4,974.0
2004	1041.1	746.8	592.8	395.9	236	110.4	21.5	69.8	88.4	310.8	485.2	801	4,899.7
2005	889.9	737.4	746.4	381.2	252.2	35.4	14.8	13.2	78	279.7	491.1	785.6	4,704.9
2006	706.5	783.8	663.4	362.7	181.7	58.5	4.9	43.7	163.5	366.1	441.1	610	4,385.9
2007	826.1	847.5	653.1	426.6	203.5	62.6	39.5	26.7	100.1	226.7	555.2	766.2	4,733.8
2008	753.1	815.6	760.5	348.6	277.3	48.4	13.9	39.4	132.7	372.5	555.9	782.6	4,900.5
10 -yr avg	**849.9**	**759.4**	**661.9**	**389.9**	**215.3**	**66.6**	**24.1**	**35.6**	**119.5**	**328.5**	**495.6**	**742.2**	**4,688.3**

Cooling Degree Days

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
1999	0	0	0	0	8.8	58.2	86	20.1	23.7	0	0	0	196.8
2000	0	0	0	0	4.9	11.4	28.2	29.3	12.1	0	0	0	85.9
2001	0	0	0	0.1	2.2	36.7	51.7	60.7	15.4	0	0	0	166.8
2002	0	0	0	4.5	1.8	39.3	79.2	46.8	31.5	2.2	0	0	205.3
2003	0	0	0	0	0	15.8	39	60.9	5.6	0	0	0	121.3
2004	0	0	0	0	5.5	15.2	45.2	28.4	17.9	0	0	0	112.2
2005	0	0	0	0	0.4	76.8	87.8	59.8	12.6	6.7	0	0	244.1
2006	0	0	0	0	14	31.3	83.4	39.9	0.7	0	0	0	169.3
2007	0	0	0	0	9.1	43	43.6	52.3	14.4	1.5	0	0	163.9
2008	0	0	0	0	0	36.4	54.1	26	5.1	0	0	0	121.6
10-yr avg	**0.0**	**0.0**	**0.0**	**0.5**	**4.7**	**36.4**	**59.8**	**42.4**	**13.9**	**1.0**	**0.0**	**0.0**	**158.72**

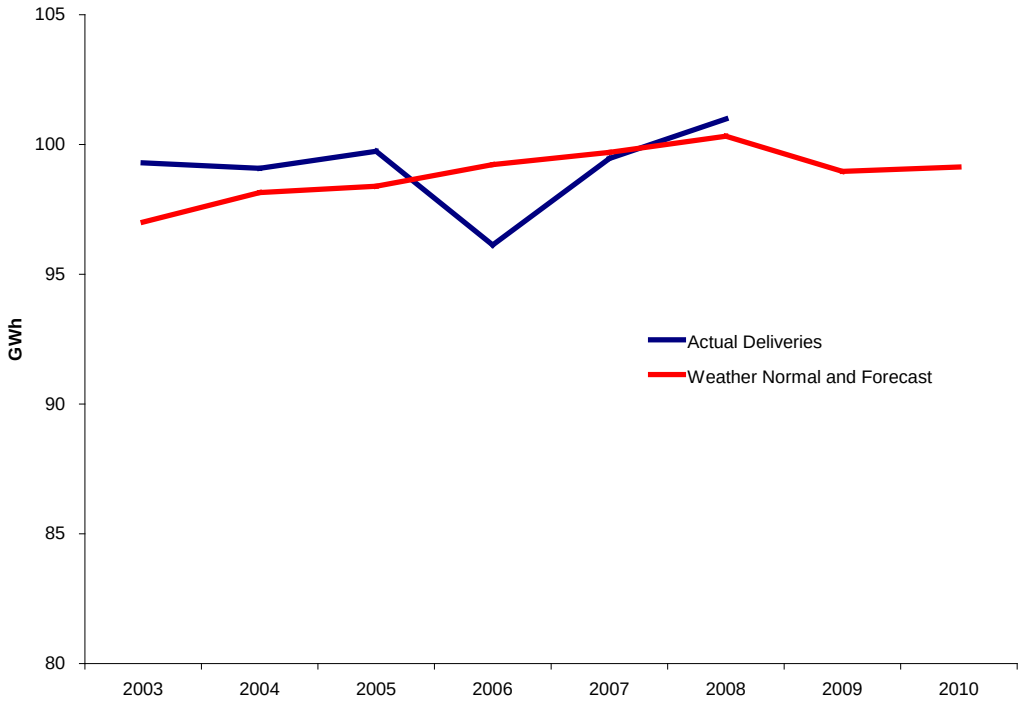
Incorporating the forecast economic variables, peak days, and 10-yr weather normal heating and cooling degree days, the following weather corrected consumption and forecast values are calculated:

Table 19 - Weather Corrected Wholesale kWh, Gravenhurst

			10-yr (1999-2008)	
Year	Actual wholesale kWh	%chg	Weather Normal	%chg
2003	99,296,988		97,009,838	
2004	99,083,993	*-0.2%*	98,150,857	*1.2%*
2005	99,742,558	*0.7%*	98,394,812	*0.2%*
2006	96,127,653	*-3.6%*	99,226,969	*0.8%*
2007	99,457,968	*3.5%*	99,694,398	*0.5%*
2008	100,986,177	*1.5%*	100,323,016	*0.6%*
2009F			98,968,327	*-1.4%*
2010F			99,133,900	*0.2%*

Chart 5 below displays actual wholesale deliveries (GWh) and weather normalized historic and forecast.

Chart 5
Annual Delivered GWh - Weather Actual vs Weather Normal - Gravenhurst



3.3 ALLOCATION TO SPECIFIC CLASSES

Table 21 presents class specific weather normal historic and forecast values for those classes that have weather sensitive load. Other than Residential – Seasonal, historic class specific kWh consumption is allocated based on each class' share in wholesale kWh, exclusive of distribution losses. Forecast class values are allocated based on the class share for 2008. For residential seasonal, we have used the normalized average use per customer (NAC) as determined from weather normalized throughput calculated for Gravenhurst by Hydro One Networks Inc (HON) for the OEB's CAIF. Our understanding is that the class throughput calculated for this process is on a "purchased" or wholesale basis, rather than a retail or metered basis. Therefore, we have calculated the "retail" NAC by first determining an implied loss rate. This is determined by dividing the HON determined weather actual class throughput by our retail metered kWh class throughput for 2004. We then calculated the weather normal

retail class throughput by dividing the HON determined value by the implied loss factor. The NAC was then determined by dividing the weather normal retail class throughput by the number of customers[4] in 2004. A summary of these calculations is presented in Table 20. Only the NAC for Residential – Seasonal is used for our forecasting process.

Table 20 – Retail NAC, Gravenhurst (2004)

Monthly kWh by class (with actual weather)	TOTAL	2004 Retail	Implied Loss
1 Residential class - Urban	31,571,142	28,756,656	1.10
2 Residential class - Sub Urban	10,343,143	9,429,687	1.10
3 Residential class - Seasonal	10,467,601	9,746,152	1.07
4 Streetlights	601,985	562,253	1.07
5 Sentinellights	58,922	50,909	1.16
6 General service <50kW	15,067,578	14,005,270	1.08
7 General service >50kW	32,449,823	29,303,869	1.11

Monthly kWh by class (with normalized weather)	TOTAL	Retail	2004 Cust (YE)	Retail NAC
1 Residential class - Urban	31,888,690	29,045,895	2,896	10,030
2 Residential class - Sub Urban	10,452,464	9,529,353	677	14,076
3 Residential class - Seasonal	10,608,581	9,877,415	1,616	6,112
4 Streetlights	601,985		911	
5 Sentinellights	58,922		78	
6 General service <50kW	15,230,959	14,157,132	646	21,915
7 General service >50kW	32,784,906	29,606,466	56	528,687

Table 21
Weather Corrected Class Specific Consumption, Gravenhurst

			10-yr (1999-2008)
Year	Actual Res-Urban kWh	*Share%*	Weather Normal
2003	29,006,946	*29.2%*	28,338,817
2004	28,756,656	*29.0%*	28,485,837
2005	27,802,515	*27.9%*	27,426,840
2006	27,755,227	*28.9%*	28,650,101
2007	27,805,722	*28.0%*	27,871,821
2008	27,908,978	*27.6%*	27,725,704
2009F			27,351,317
2010F			27,397,075
Year	Actual Res-SubUrban kWh	*Share%*	Weather Normal
2003	9,528,483	*9.6%*	9,309,009
2004	9,429,687	*9.5%*	9,340,882
2005	9,347,873	*9.4%*	9,221,562
2006	9,209,258	*9.6%*	9,506,180
2007	8,691,488	*8.7%*	8,712,150
2008	9,634,733	*9.5%*	9,571,463
2009F			9,442,217
2010F			9,458,013

[4] Gravenhurst only has year-end customer counts from 2002 to 2005. Starting in 2006, monthly customer counts are available.

Year	Actual Res-Seasonal kWh	*Share%*	Weather Normal
2003	10,256,598		9,822,405
2004	9,746,152		9,877,415
2005	9,388,779		9,852,966
2006	8,778,367		9,860,606
2007	9,147,921		9,822,914
2008	9,610,542		9,794,390
2009F			9,773,507
2010F			9,755,170
Year	Actual GS<50 kWh	*Share%*	Weather Normal
2003	14,513,844	*14.6%*	14,179,540
2004	14,005,270	*14.1%*	13,873,373
2005	15,040,125	*15.1%*	14,836,899
2006	14,147,239	*14.7%*	14,603,370
2007	15,156,079	*15.2%*	15,192,108
2008	15,044,960	*14.9%*	14,946,162
2009F			14,744,340
2010F			14,769,007
Year	Actual GS>50 kWh	*Share%*	Weather Normal
2003	29,139,113	*29.3%*	28,467,939
2004	29,303,869	*29.6%*	29,027,896
2005	31,290,254	*31.4%*	30,867,452
2006	27,537,777	*28.6%*	28,425,641
2007	28,197,792	*28.4%*	28,264,823
2008	29,204,094	*28.9%*	29,012,315
2009F			28,620,554
2010F			28,668,436

Actual, normalized and forecast kW for the weather sensitive GS>50 class are summarized in Table 22 below. Historical normalized values are calculated based on the annual ratio of class kW to class kWh. Forecast kW is based on the average of the class kW to class kWh ratio in 2008.

Table 22 – GS>50 Class kW (Actual, Normalized, and Forecast), Gravenhurst

Year	**Actual kW**	**Class kW/kWh ratio**	**Normalized kW**
2003	83,097	0.002852	81,183
2004	82,326	0.002809	81,551
2005	73,065	0.002335	72,078
2006	74,129	0.002692	76,519
2007	67,173	0.002382	67,333
2008	69,971	0.002396	69,511
2009F			68,573

2010F		68,687

NON-WEATHER SENSITIVE STREET AND SENTINEL LIGHTS

Table 23 below presents actual and forecast kWh and kW Street Lighting and Sentinel Lighting. No new lighting attachments are expected in the current climate and use is expected to remain at 2008 levels.

Table 23: Gravenhurst Street Lights and Sentinel Lights Consumption

	Street Lighting				*Sentinel Lighting*			
Year	kWh	%	kW	%	kWh	%	kW	%
2003	621,393		1,716		51,040			
2004	562,253	*-9.5%*	1,572	*-8.4%*	50,909	*-0.3%*	141	
2005	558,781	*-0.6%*	1,493	*-5.0%*	46,937	*-7.8%*	120	*-15.4%*
2006	562,239	*0.6%*	1,567	*5.0%*	51,463	*9.6%*	152	*26.9%*
2007	573,742	*2.0%*	1,612	*2.8%*	46,220	*-10.2%*	122	*-19.6%*
2008	598,709	*4.4%*	1,664	*3.2%*	43,727	*-5.4%*	127	*3.6%*
2009F	598,709	*0.0%*	1,664	*0.0%*	43,727	*0.0%*	127	
2010F	598,709	*0.0%*	1,664	*0.0%*	43,727	*0.0%*	127	

Table 24 below presents the results for class specific historic actual and historic normalized (2008) kWh and kW (where applicable), and normalized forecast values for bridge year (2009) and test year (2010).

Table 24 – Gravenhurst Load Forecast (Historical, Bridge and Test Years).

	2008 Actual	2008 Normalized	2009f Normalized	2010f Normalized
Residential - Urban (kWh)	27,908,978	27,725,704	27,351,317	27,397,075
Residential - SubUrban (kWh)	9,634,733	9,571,463	9,442,217	9,458,013
Residential - Seasonal (kWh)	9,610,542	9,794,390	9,761,282	9,730,721
GS<50 (kWh)	15,044,960	14,946,162	14,744,340	14,769,007
GS>50 (kWh)	29,204,094	29,012,315	28,620,554	28,668,436
(kW)	69,971	69,511	68,573	68,687
Street Lights (kWh)	598,709	598,709	598,709	598,709
(kW)	1,664	1,664	1,664	1,664
Sentinel Lights (kWh)	43,727	43,727	43,727	43,727
(kW)	127	127	127	127
Total Retail kWh	92,045,742	91,692,470	90,562,145	90,665,687

3.4 CUSTOMER CONNECTIONS

Until 2006, Gravenhurst only has year-end customer counts. From 2006 onwards, monthly customer counts are available and the customer counts from 2006 onwards in the table below (Table 25) reflect annual average number of customer connections. No new customer connections are anticipated for GS>50, Street lights or Sentinel lights over the forecast period. For the remaining customer classes, the annual average growth in connections over the 2006 – 2008 period is used to project customer connections.

Table 25 – Annual Customer Connections – Gravenhurst

	2003	2004	2005	2006	2007	2008	2009F	2010F
Res - Urban	2,868	2,896	2,900	2,906	2,930	2,945	2,965	2,985
% chg	*1.2%*	*1.0%*	*0.1%*	*0.2%*	*0.8%*	*0.5%*	*0.7%*	*0.7%*
Res - SubUrban	664	677	689	700	719	728	742	757
% chg	*1.4%*	*2.0%*	*1.8%*	*1.6%*	*2.7%*	*1.2%*	*2.0%*	*2.0%*
Res - Seasonal	1,607	1,616	1,612	1,613	1,607	1,602	1,597	1,592
% chg	*-0.1%*	*0.6%*	*-0.2%*	*0.1%*	*-0.4%*	*-0.3%*	*-0.3%*	*-0.3%*
GS < 50 kW	641	646	657	677	694	702	714	727
% chg	*1.1%*	*0.8%*	*1.7%*	*3.0%*	*2.5%*	*1.1%*	*1.8%*	*1.8%*
GS > 50 kW	57	56	58	54	50	50	50	50
% chg	*1.8%*	*-1.8%*	*3.6%*	*-6.8%*	*-7.2%*	*0.0%*	*0.0%*	*0.0%*
Street Light	911	911	906	906	921	947	947	947
% chg	*0.0%*	*0.0%*	*-0.5%*	*0.0%*	*1.7%*	*2.8%*	*0.0%*	*0.0%*
Sentinel Light	78	78	53	53	53	53	53	53

3.5 AVERAGE USE

Table 26 – Average Use – Gravenhurst

Actual Use Per Customer	2003	2004	2005	2006	2007	2008		
Res - Urban	10,114	9,930	9,587	9,550	9,491	9,475		
Res - Suburban	14,350	13,929	13,567	13,158	12,087	13,241		
Res - Seasonal	6,382	6,031	5,824	5,441	5,692	5,998		
GS < 50	22,643	21,680	22,892	20,907	21,841	21,444		
GS > 50	511,213	523,283	539,487	509,173	562,082	582,141		
Sentinel Lighting	654	653	886	971	872	825		
Street Lighting	682	617	617	621	623	632		
Normalized Use Per Customer	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Res - Urban	9,881	9,836	9,458	9,858	9,514	9,413	9,225	9,178
Res - Suburban	14,020	13,797	13,384	13,582	12,116	13,154	12,725	12,494
Res - Seasonal	6,112	6,112	6,112	6,112	6,112	6,112	6,112	6,112
GS < 50	22,121	21,476	22,583	21,581	21,893	21,303	20,650	20,315
GS > 50	499,438	518,355	532,197	525,590	563,418	578,319	572,411	573,369
Sentinel Lighting	654	653	886	971	872	825	825	825
Street Lighting	682	617	617	621	623	632	632	632

Interrogatories Pertaining to Both Gravenhurst and Main Service Areas

LRAM

15. Ref: CDM Guidelines, March 28, 2008, Section 5.2

Section 5.2 of the CDM Guidelines state:

> Lost revenues are only accruable until new rates (based on a new revenue requirement and load forecast) are set by the Board, as the savings would be assumed to be incorporated in the load forecast at that time.

Request

a) Please reconcile your response to 1(a) with the excerpt from section 5.2 of the CDM Guidelines noted above.

Response:

a) Veridian understands that Board staff is asking for a reconciliation of its response to Interrogatory 14(a) with the referenced excerpt from the CDM Guidelines.

Veridian submits that the clear intent of the LRAM provisions of the CDM Guidelines is to provide for revenue neutrality related to CDM program activity by distributors, so that distributors are not faced with a disincentive to delivery of these programs. This is articulated in section 5.0 of the Guidelines.

The Guidelines do state that CDM savings would be "assumed to be incorporated in the load forecast", but does not say that including them is mandatory. And, as explained in the response to 14(a), such a requirement was not included in the filing requirements for distribution rate applications that were in effect at that time. Further, all parties to Veridian`s 2010 rate proceeding explicitly accepted that CDM program impacts were not included in Veridian`s load forecast.

In its response to Board staff interrogatory 14 a), Veridian has provided an analysis that confirms and exhibits that its load forecast did not implicitly capture the total magnitude of the CDM impacts in the test year of its most recent cost of service rates proceeding. Therefore, it is Veridian`s view that the assumption referred to in the excerpt from the Guidelines is false in

Veridian`s case, and that it would be unreasonable and prejudicial to deny Veridian recovery of lost revenues on the basis of an erroneous assumption.

Interrogatories Pertaining to Both Gravenhurst and Main Service Areas

LRAM

16. Ref: Ontario Energy Board, Chapter 2 of the Filing Requirements for Transmission and Distribution Applications, June 22, 2011, Section 2.7.10, Conservation and Demand Management

Section 2.7.10 states:

> "Distributors intending to file an LRAM or SSM application for CDM Programs funded through distribution rates, or an LRAM application for CDM Programs funded by the OPA between 2005 and 2010, shall do so as part of their 2012 rate application filings, either cost-of-service or IRM. If a distributor does not file for the recovery of LRAM or SSM amounts in its 2012 rate application, it will forego the opportunity to recover LRAM or SSM for this legacy period of CDM activity."

Request

a) Please discuss why Veridian has not included any CDM impacts that persist past 2010 in this application.

b) Please provide an updated LRAM amount that includes all CDM savings that persist until Veridian's next cost of service application.

Response:

a) Veridian understood this section of the filing requirements to mean that distributors were to include in 2012 rate applications, claims for recovery of LRAM amounts for lost revenues to the end of 2010, relating to CDM programs delivered from 2005 to 2010.

This understanding is consistent with section 5.0 of the Board's Guidelines for Electricity Conservation and Demand Management (EB-2008-0037) which states: "LRAM is a retrospective adjustment, which is designed to recover revenues lost from distributor supported CDM activities in a prior year". Veridian's 2012 IRM application was filed in October 2011, so the reference to a retrospective adjustment related to a prior year would appear to refer to 2010.

While Veridian believes that its LRAM application has been prepared in a manner consistent with Board policy, if the Board's intention was that the persisting effects of CDM activities be addressed through a prospective LRAM claim, it

would support the inclusion of 2011 to 2014 persistence impacts as detailed in the response to Board staff interrogatory 16 b) below.

b) A number of assumptions are required to be made to calculate LRAM amounts on a prospective basis. In preparing its response to this request, Veridian has assumed that:

1. Its distribution rates will next be established on a cost of service basis with an effective date of May 1st 2014; and,

2. Its distribution rates will increase annually by the placeholder Price Cap Index adjustment of 0.18% as included in its 2012 rate application; and,

3. The proportion of customers between Veridian_Main and Veridian_Gravenhurst rate zones (used to establish weighted average distribution rates for calculation of LRAM amounts) will remain constant.

In addition, in preparing this response, Veridian has updated its 2010 CDM program savings to reflect those contained with an updated OPA savings report dated November 23th 2011. A digital copy of this report in Microsoft Excel format has been included with this response and identified as "2006-2010 Final OPA CDM Results. Veridian Connections Inc.". This updated report was received after Veridian's 2012 rate filing, and includes minor changes that increase Veridian's 2010 LRAM amount by approximately $800.

The revised LRAM amounts calculated for 2010 to 2014 include all savings related to 2005 to 2010 CDM programs. As detailed in the response to Board staff interrogatory 14 a), Veridian has determined that its 2010 distribution rates were established based on a load forecast that implicitly included approximately 22% of the 2010 impacts of its 2005 to 2010 CDM programs. Therefore, it would be reasonable to discount the 2010 to 2014 LRAM amounts by this percentage.

Based on the above, Veridian's updated LRAM amount of $2,987,745 is detailed in the following Attachments:

- Attachment G: Summary of LRAM
- Attachment H: 2005 LRAM
- Attachment I: 2006 LRAM
- Attachment J: 2007 LRAM
- Attachment K: 2008 LRAM
- Attachment L: 2009 LRAM
- Attachment M: 2010 LRAM
- Attachment N: 3rd Party Review 2011-2014

Attachment G: Summary of LRAM

		LRAM ($)										
		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total
2005	3rd Tranche	Claimed in 2009 IRM			4,488	4,507	4,308	4,095	4,101	2	1	$ 21,502
2006	3rd Tranche		Claimed in 2009 IRM		95,273	95,685	96,222	0	94,423	92,913	7,042	$ 481,557
2007	3rd Tranche			Claimed in 2009 IRM	10,118	10,161	10,218	10,246	10,263	10,281	2,920	$ 64,208
	OPA			88,645	88,366	64,500	64,869	65,035	63,000	63,113	21,050	$ 518,579
2008	OPA				79,035	74,239	73,486	73,497	66,947	67,059	20,030	$ 454,293
2009	OPA					190,143	185,828	183,837	183,826	181,654	56,654	$ 981,941
2010	OPA						97,142	95,336	95,168	95,324	30,230	$ 413,200
	Subtotal	0	0	88,645	277,279	439,235	532,072	432,046	517,728	510,347	137,926	$ 2,935,280
	Carrying Charges	0	0	2,095	9,046	6,661	8,543	19,657	6,463	0	0	$ 52,465
	Total	**$ -**	**$ -**	**$ 90,741**	**$ 286,325**	**$ 445,895**	**$ 540,615**	**$ 451,704**	**$ 524,191**	**$ 510,347**	**$ 137,926**	**$ 2,987,745**

**OPA Amounts are net of the transformer allowance*

		LRAM (kWh)										
		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total
2005	3rd Tranche	Claimed in 2009 IRM			283,758	283,758	283,758	269,704	269,704	14,193	4,731	1,409,606
2006	3rd Tranche		Claimed in 2009 IRM		6,023,970	6,023,970	6,023,970	5,885,728	5,885,728	5,781,214	437,879	36,062,458
2007	3rd Tranche			Claimed in 2009 IRM	639,726	639,726	639,726	639,726	639,726	639,726	181,571	4,019,925
	OPA			5,624,124	5,586,710	4,060,683	4,060,683	4,060,113	3,927,026	3,927,026	1,309,009	32,555,374
2008	OPA				5,527,154	5,204,592	5,164,832	5,164,832	4,749,704	4,749,172	1,439,148	31,999,433
2009	OPA					16,106,990	16,057,470	16,057,470	16,053,742	15,897,860	5,121,461	85,294,993
2010	OPA						5,677,883	5,622,588	5,609,813	5,608,710	1,824,800	24,343,793
	Total	**0**	**0**	**5,624,124**	**18,061,316**	**32,319,718**	**37,908,320**	**37,700,161**	**37,135,444**	**36,617,900**	**10,318,598**	**215,685,581**

Attachment H: 2005 LRAM

Veridian Connections
Lost Revenue Adjustment Mechanism
Lost Volumes and Revenues for 2005 CDM Program Year

Line No.	Funding Mechanism/ Program/Rate/ Rate Class	Annual Lost Volumes from 2005 programs for years 2008-2010		Annual Lost Volumes from 2005 programs for years 2011-2012		Annual Lost Volumes from 2005 programs for years 2013-2014		Distribution Rates [1]														Lost Revenues							
								2008		2009		2010		2011		2012		2013		2014		2008	2009	2010	2011	2012	2013	2014	**Total**
		(kWh)	(kW)	(kWh)	(kW)	(kWh)	(kW)	($/kWh)	($/kW)	($/kWh)	($/kW)	($/kWh)	($/kW)	($/kWh)	($/kW)	($/kWh)	($/kW)	($/kWh)	($/kW)	($/kWh)	($/kW)	($)	($)	($)	($)	($)	($)	($)	**($)**
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	(u) = [(a) x (g)] + (b) x (h)]	(v) = [(a) x (i)] + (b) x (j)]	(w) = [(a) x (k)] + (b) x (l)]	(x) = [(c) x (m)] + (d) x (n)]	(y) = [(c) x (o)] + (d) x (p)]	(z) = [(e) x (q)] + (f) x (r)]	(aa) = [(e) x (s)] + (f) x (t)]	**(ab) =(u)+(v)+(w)+(x)+(y)+(z)+(aa)**
1	**Third Tranche-Funded Programs**																												
2	Residential																												
3	CFL Distribution	69,370	2	69,370	2	-	-																						
4	Retailer (EKC) Program	214,387	6	200,334	6	14,193	0.4																						
5	Subtotal for Residential Class	283,758	8	269,704	8	14,193	0	0.0158		0.0159		0.0160		0.0160		0.0160		0.0161		0.0054		$ 4,488	$ 4,507	$ 4,308	$ 4,095	$ 4,101	$ 2	$ 1	**$ 21,502**
6	GS <50 kW																												
7	Subtotal for GS <50 kW Class	-	-	-	-	-	-	0.0176		0.0175		0.0173		0.0170		0.0170		0.0171		0.0057		$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
8	GS >50 kW																												
9	Subtotal for GS >50	-	-	-	-	-	-		3.3019		3.3183		3.1325		3.0644		3.0665		3.0720		1.0246	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
10	Intermediate (GS 50- 2,999kW)																												
11	Subtotal for Intermediate	-	-	-	-	-	-		1.6017		1.6085		1.4778		1.4128		1.4153		1.4178		0.4729	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
12	Large Users >5,000 kW																												
13	Subtotal for Large Users >5,000 kW	-	-	-	-	-	-		1.7154		1.7299		1.6981		1.6827		1.6857		1.6888		0.5633	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
14																													
15	Total for Third Tranche-Funded Programs	283,758	8	269,704	8	14,193	0															$ 4,488	$ 4,507	$ 4,308	$ 4,095	$ 4,101	$ 2	$ 1	**$ 21,502**
16																													
17	Total	283,758	8	269,704	8	14,193	0															$ 4,488	$ 4,507	$ 4,308	$ 4,095	$ 4,101	$ 2	$ 1	**$ 21,502**

Notes:

[1] The distribution rates used to calculate lost revenues is based on eight-twelfths (May to December) of year one and a four-twelfths (Jan to April) of year two. The exception to this is 2014 where the distribution rate has been pro-rated to include only up until May 1, 2014

[2] Persistence of the above Third Tranche fully effective net kW and kWh savings have been considered in accordance to section 3.4.3 of the Board's Guidelines for Electricity Distributor Conservation and Demand Management EB-2008-0037

Attachment 1: 2006 LRAM

Veridian Connections
Lost Revenue Adjustment Mechanism
Lost Volumes and Revenues for 2006 CDM Program Year

Line No.	Funding Mechanism/ Program/Rate/ Rate Class	Annual Lost Volumes from 2006 programs for years 2008-2010		Annual Lost Volumes from 2006 programs for years 2011-2012		Annual Lost Volumes from 2006 programs for years 2013		Annual Lost Volumes from 2006 programs for years 2014		Distribution Rates [1]														Lost Revenues							
										2008		2009		2010		2011		2012		2013		2014		2008	2009	2010	2011	2012	2013	2014	Total
		(kWh)	(kW)	(kWh)	(kW)	(kWh)	(kW)	(kWh)	(kW)	(kWh)	(kW)	(kWh)	(kW)	($/kWh)	($/kW)	($/kWh)	($/kW)	($/kWh)	($/kW)	($/kWh)	($/kW)	($/kWh)	($/kW)	($)	($)	($)	($)	($)	($)	($)	($)
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	(u)	(v)	(w) = [(a) x (i)] + (b) x (j)]	(x) = [(a) x (k)] + (b) x (l)]	(y) = [(a) x (m)] + (b) x (n)]	(z) = [(c) x (o)] + (d) x (p)]	(aa) = [(c) x (q)] + (d) x (r)]	(ab) = [(e) x (s)] + (f) x (t)]	(ac) = [(g) x (u)] + (h) x (v)]	=(w)+(x)+(y)+(z)+(aa)+(ab)+(ac)
1	**Third Tranche-Funded Programs**																														
2	Residential																														
3	CFL Distribution	1,274,360	40	1,274,360	40	1,274,360	40	-	-																						
4	Water Heater Tune-Up	485,002	37	485,002	37	380,488	31	380,488	31																						
5	OPA Refrigerator Retirement Program	128,992	29	128,992	29	128,992	29	128,992	29																						
6	Retailer (EKC) Program	4,135,616	196	3,997,374	130	3,997,374	130	804,156	61																						
8	Subtotal for Residential Class	6,023,970	302	5,885,728	236	5,781,214	230	1,313,636	121	0.0158		0.0159		0.0160		0.0160		0.0160		0.0161		0.0054		$ 95,273	$ 95,685	$ 96,222	$ -	$ 94,423	$ 92,913	$ 7,042	$ 481,557
9	GS <50 kW																														
10	Subtotal for GS <50 kW Class	-	-	-	-	-	-	-	-	0.0176		0.0175		0.0173		0.0170		0.0170		0.0171		0.0057		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
11	GS >50 kW																														
12	Subtotal for GS >50	-	-	-	-	-	-	-	-		3.3019		3.3183		3.1325		3.0644		3.0665		3.0720		1.0246	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
13	Intermediate (GS 50- 2,999kW)																														
14	Subtotal for Intermediate	-	-	-	-	-	-	-	-		1.6017		1.6085		1.4778		1.4128		1.4153		1.4178		0.4729	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
15	Large Users >5,000 kW																														
16	Subtotal for Large Users >5,000 kW	-	-	-	-	-	-	-	-		1.7154		1.7299		1.6981		1.6827		1.6857		1.6888		0.5633	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
17																															
18	Total for Third Tranche-Funded Programs	6,023,970	302	5,885,728	236	5,781,214	230	1,313,636	121															$ 95,273	$ 95,685	$ 96,222	$ -	$ 94,423	$ 92,913	$ 7,042	$ 481,557
19																															
20																															
21	Total	6,023,970	302	5,885,728	236	5,781,214	230	1,313,636	121															$ 95,273	$ 95,685	$ 96,222	$ -	$ 94,423	$ 92,913	$ 7,042	$ 481,557

Notes:

(1) The distribution rates used to calculate lost revenues is based on eight-twelfths (May to December) of year one and a four-twelfths (Jan to April) of year two. The exception to this is 2014 where the distribution rate has been pro-rated to include only up until May 1, 2014

(2) Persistence of the above Third Tranche fully effective net kW and kWh savings have been considered in accordance to section 3.4.3 of the Board's Guidelines for Electricity Distributor Conservation and Demand Management EB-2008-0037

Attachment J: 2007 LRAM

Veridian Connections
Lost Revenue Adjustment Mechanism
Lost Volumes and Revenues for 2007 CDM Program Year

Line No.	Funding Mechanism/ Program/Rate/ Rate Class	2007 Lost Volumes Carried Over to Year [2] 2007 (kWh)	(kW)	2007 Lost Volumes Carried Over to Year 2008 (kWh)	(kW)	2007 Lost Volumes Carried Over to Year 2009 (kWh)	(kW)	2007 Lost Volumes Carried Over to Year 2010 (kWh)	(kW)	2007 Lost Volumes Carried Over to Year 2011 (kWh)	(kW)	2007 Lost Volumes Carried Over to Year 2012 (kWh)	(kW)	2007 Lost Volumes Carried Over to Year 2013 (kWh)	(kW)	2007 Lost Volumes Carried Over to Year 2014 (kWh)	(kW)
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)
1	**OPA-Funded Programs**																
2	Residential																
3	Summer Savings	1,526,027		1,526,027													
4	OPA Refrigerator Retirement Program	245,350	30	245,350	30	245,350	30	245,350	30	244,781	28	244,212	28	244,212	28	244,212	28
5	Retailer (EKC) Program	3,059,228	118	3,021,814	107	3,021,814	107	3,021,814	107	3,021,814	107	2,918,620	107	2,918,620	107	2,918,620	107
6	Cool & Hot Savings Rebate	510,345	341	510,345	341	510,345	341	510,345	341	510,345	341	486,150	314	486,150	314	486,150	314
7	Social Housing Pilot	278,045	33	278,045	33	278,045	33	278,045	33	278,045	33	278,045	33	278,045	33	278,045	33
8	Subtotal for Residential Class	5,618,995	522	5,581,581	511	4,055,554	511	4,055,554	511	4,054,984	508	3,927,026	482	3,927,026	482	3,927,026	482
9	GS <50 kW																
10	Electricity Retrofit Incentive Program	5,129	2	5,129	2	5,129	2	5,129	2	5,129	2	-	-	-	-	-	-
11	Subtotal for GS <50kW	5,129	2	5,129	2	5,129	2	5,129	2	5,129	2	-	-	-	-	-	-
12	GS >50 kW																
13	Subtotal for GS >50kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Intermediate (GS 50- 2,999kW)																
15	Subtotal for Intermediate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Large Users >5,000 kW																
17	Subtotal for Large Users							-	-	-	-	-	-	-	-	-	-
18																	
19	Total for OPA-Funded Programs	5,624,124	524	5,586,710	513	4,060,683	513	4,060,683	513	4,060,113	510	3,927,026	482	3,927,026	482	3,927,026	482
20																	
21	**Third Tranche-Funded Programs**																
22	Residential																
23	Water Heater Tune Up			440,911	33	440,911	33	440,911	33	440,911	33	440,911	33	440,911	33	345,898	28
24	CFL Distribution			198,815	6	198,815	6	198,815	6	198,815	6	198,815	6	198,815	6	198,815	6
25	Keep Cool Program			-	-	-	-	-	-	-	-	-	-	-	-	-	-
26	Residential DR Load Control			-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	Subtotal for Residential Class			639,726	40	639,726	40	639,726	40	639,726	40	639,726	40	639,726	40	544,713	34
28	GS <50 kW																
29	Subtotal for GS <50 kW Class			-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	GS >50 kW																
31	Subtotal for GS >50kW			-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Intermediate (GS 50- 2,999kW)																
33	Subtotal for Intermediate			-	-	-	-	-	-	-	-	-	-	-	-	-	-
34	Large Users >5,000 kW																
35	Subtotal for Large Users >5,000 kW			-	-	-	-	-	-	-	-	-	-	-	-	-	-
36																	
37	Total for Third Tranche-Funded Programs			639,726	40	639,726	40	639,726	40	639,726	40	639,726	40	639,726	40	544,713	34
38																	
39	Total			6,226,435	553	4,700,408	553	4,700,408	553	4,699,839	550	4,566,752	522	4,566,752	522	4,471,739	516

Line No.	Funding Mechanism/ Program/Rate/ Rate Class	Distribution Rates [1] 2007 ($/kWh)	($/kW)	2008 ($/kWh)	($/kW)	2009 ($/kWh)	($/kW)	2010 ($/kWh)	($/kW)	2011 ($/kWh)	($/kW)	2012 ($/kWh)	($/kW)	2013 ($/kWh)	($/kW)	2014 ($/kWh)	($/kW)
		(q)	(r)	(s)	(t)	(u)	(v)	(w)	(x)	(y)	(z)	(aa)	(ab)	(ac)	(ad)	(ae)	(af)
1	**OPA-Funded Programs**																
2	Residential																
3	Summer Savings																
4	OPA Refrigerator Retirement Program																
5	Retailer (EKC) Program																
6	Cool & Hot Savings Rebate																
7	Social Housing Pilot																
8	Subtotal for Residential Class	0.0158		0.0158		0.0159		0.0160		0.0160		0.0160		0.0161		0.0054	
9	GS <50 kW																
10	Electricity Retrofit Incentive Program																
11	Subtotal for GS <50kW	0.0176		0.0176		0.0175		0.0173		0.0170		0.0170		0.0171		0.0057	
12	GS >50 kW																
13	Subtotal for GS >50kW		3.5481		3.3019		3.3183		3.1325		3.0644		3.0665		3.0720		1.0246
14	Intermediate (GS 50- 2,999kW)																
15	Subtotal for Intermediate		1.5947		1.6017		1.6085		1.4778		1.4128		1.4153		1.4178		0.4729
16	Large Users >5,000 kW																
17	Subtotal for Large Users		1.6936		1.7154		1.7299		1.6981		1.6827		1.6857		1.6888		0.5633
18																	
19	Total for OPA-Funded Programs																
20																	
21	**Third Tranche-Funded Programs**																
22	Residential																
23	Water Heater Tune Up																
24	CFL Distribution																
25	Keep Cool Program																
26	Residential DR Load Control																
27	Subtotal for Residential Class		0.0158		0.0159		0.0160		0.0160		0.0160		0.0161		0.0054		
28	GS <50 kW																
29	Subtotal for GS <50 kW Class		0.0176		0.0175		0.0173		0.0170		0.0170		0.0171		0.0057		
30	GS >50 kW																
31	Subtotal for GS >50kW				3.3019		3.3183		3.1325		3.0644		3.0665		3.0720		1.0246
32	Intermediate (GS 50- 2,999kW)																
33	Subtotal for Intermediate				1.6017		1.6085		1.4778		1.4128		1.4153		1.4178		0.4729
34	Large Users >5,000 kW																
35	Subtotal for Large Users >5,000 kW				1.7154		1.7299		1.6981		1.6827		1.6857		1.6888		0.5633
36																	
37	Total for Third Tranche-Funded Programs																
38																	
39	Total																

Line No.	Funding Mechanism/ Program/Rate/ Rate Class	Lost Revenues 2007 ($)	2008 ($)	2009 ($)	2010 ($)	2011 ($)	2012 ($)	2013 ($)	2014 ($)	Total ($) (aa)+(ab)+(ad)+(ae)+(ak)+(al)+(am)+(ao)
		(ag) = [(a) x (q)] + [(b) x (r)]	(ah) = [(c) x (s)] + [(d) x (t)]	(ai) = [(e) x (u)] + (f) x (v)]	(aj) = [(g) x (w)] + (h) x (x)]	(ak) = [(i) x (y)] + (j) x (z)]	(al) = [(k) x (aa)] + (l) x (ab)]	(am) = [(m) x (ac)] + (n) x (ad)]	(ao) = [(o) x (ae)] + (p) x (af)]	
1	**OPA-Funded Programs**									
2	Residential									
3	Summer Savings									
4	OPA Refrigerator Retirement Program									
5	Retailer (EKC) Program									
6	Cool & Hot Savings Rebate									
7	Social Housing Pilot									
8	Subtotal for Residential Class	$ 88,555	$ 88,276	$ 64,418	$ 64,780	$ 64,948	$ 63,000	$ 63,113	$ 21,050	**$ 518,141**
9	GS <50 kW									
10	Electricity Retrofit Incentive Program									
11	Subtotal for GS <50kW	$ 90	$ 90	$ 81	$ 88	$ 87	$ -	$ -	$ -	**$ 438**
12	GS >50 kW									
13	Subtotal for GS >50kW	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
14	Intermediate (GS 50- 2,999kW)									
15	Subtotal for Intermediate	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
16	Large Users >5,000 kW									
17	Subtotal for Large Users	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
18										
19	Total for OPA-Funded Programs	$ 88,645	$ 88,366	$ 64,500	$ 64,869	$ 65,035	$ 63,000	$ 63,113	$ 21,050	**$ 518,579**
20										
21	**Third Tranche-Funded Programs**									
22	Residential									
23	Water Heater Tune Up									
24	CFL Distribution									
25	Keep Cool Program									
26	Residential DR Load Control									
27	Subtotal for Residential Class	$ -	$ 10,118	$ 10,161	$ 10,218	$ 10,246	$ 10,263	$ 10,281	$ 2,920	**$ 64,208**
28	GS <50 kW									
29	Subtotal for GS <50 kW Class	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
30	GS >50 kW									
31	Subtotal for GS >50kW	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
32	Intermediate (GS 50- 2,999kW)									
33	Subtotal for Intermediate	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
34	Large Users >5,000 kW									
35	Subtotal for Large Users >5,000 kW	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
36										
37	Total for Third Tranche-Funded Programs	$ -	$ 10,118	$ 10,161	$ 10,218	$ 10,246	$ 10,263	$ 10,281	$ 2,920	**$ 64,208**
38										
39	Total	$ 88,645	$ 98,484	$ 74,661	$ 75,087	$ 75,281	$ 73,263	$ 73,395	$ 23,970	**$ 582,787**

Notes:

(1) The distribution rates used to calculate lost revenues is based on eight-twelfths (May to December) of year one and a four-twelfths (Jan to April) of year two. The exception to this is 2014 where the distribution rate has been pro-rated to include only up until May 1, 2014

(2) Veridian Connections did not claim 2007 OPA program results in its 2009 LRAM claim (EB-2008-0214).

(3) Persistence of the above Third Tranche fully effective net kW and kWh savings have been considered in accordance to section 3.4.3 of the Board's Guidelines for Electricity Distributor Conservation and Demand Management EB-2008-0037

Attachment K: 2008 LRAM

Veridian Connections
Lost Revenue Adjustment Mechanism
Lost Volumes and Revenues for 2008 CDM Program Year

Line No.	Funding Mechanism/ Program/Rate/ Rate Class	2008 Lost Volumes Carried Over to Year 2008 (kWh)	(kW)	2008 Lost Volumes Carried Over to Year 2009 (kWh)	(kW)	2008 Lost Volumes Carried Over to Year 2010 (kWh)	(kW)	2008 Lost Volumes Carried Over to Year 2011 (kWh)	(kW)	2008 Lost Volumes Carried Over to Year 2012 (kWh)	(kW)	2008 Lost Volumes Carried Over to Year 2013 (kWh)	(kW)	2008 Lost Volumes Carried Over to Year 2014 (kWh)	(kW)	Distribution Rates [1] 2008 ($/kWh)	($/kW)	2009 ($/kWh)	($/kW)	2010 ($/kWh)	($/kW)	2011 ($/kWh)	($/kW)	2012 ($/kWh)	($/kW)	2013 ($/kWh)	($/kW)	2014 ($/kWh)	($/kW)	Lost Revenues 2008 ($)	2009 ($)	2010 ($)	2011 ($)	2012 ($)	2013 ($)	2014 ($)	Total ($) (ai)
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	(u)	(v)	(w)	(x)	(y)	(z)	(aa)	(ab)	(ac) = [(a) x (o)] + [(b) x (p)]	(ad) = [(c) x (q)] + [(d) x (r)]	(ae) = [(e) x (s)] + [(f) x (t)]	(af) = [(g) x (u)] + [(h) x (v)]	(ag) = [(i) x (w)] + [(j) x (x)]	(ah) = [(k) x (y)] + [(l) x (z)]	(ai) = [(m) x (aa)] + [(n) x (ab)]	=(ac)+(ad)+(ae)+(af)+(ag)+(ah)+(ai)
1	**OPA-Funded Programs**																																		
2	Residential																																		
3	Summer Sweepstakes	485,936	123	175,352	70	175,352	70	175,352	70	175,352	70	175,352	70	175,352	70																				
4	OPA Refrigerator Retirement Program	595,330	63	595,330	63	595,330	63	595,330	63	594,799	62	594,267	62	594,267	62																				
5	Retailer (EKC) Program	2,753,411	150	2,741,434	143	2,741,434	143	2,741,434	143	2,326,838	130	2,326,838	130	1,895,109	100																				
6	Residential DR Load Control	21,035	1,052	21,035	1,052	21,035	1,052	21,035	1,052	21,035	1,052	21,035	1,052	21,035	1,052																				
7	Cool Savings Rebate	542,411	344	542,411	344	542,411	344	542,411	344	542,411	344	542,411	344	542,411	344																				
8	Subtotal for Residential Class	4,398,123	1,732	4,075,561	1,673	4,075,561	1,673	4,075,561	1,673	3,660,434	1,659	3,659,902	1,659	3,228,173	1,628	0.0158		0.0159		0.0160		0.0160		0.0160		0.0161		0.0054		$ 69,559	$ 64,736	$ 65,100	$ 65,277	$ 58,723	$ 58,820	$ 17,304	**$ 399,520**
9	GS <50 kW																																		
10	Power Savings Blitz	64,275	9	64,275	9	24,515	3	24,515	3	24,515	3	24,515	3	24,515	3																				
11	Electricity Retrofit Incentive Program	79,447	14	79,447	14	79,447	14	79,447	14	79,447	14	79,447	14	79,447	14																				
12	Total for GS<50	143,723	22	143,723	22	103,963	17	103,963	17	103,963	17	103,963	17	103,963	17	0.0176		0.0175		0.0173		0.0170		0.0170		0.0171		0.0057		$ 2,525	$ 2,518	$ 1,793	$ 1,772	$ 1,771	$ 1,774	$ 592	**$ 12,745**
13	GS >50 kW																																		
14	Electricity Retrofit Incentive Program	979,852	170	979,852	170	979,852	170	979,852	170	979,852	170	979,852	170	979,852	170																				
15	HPNC	5,456	6	5,456	6	5,456	6	5,456	6	5,456	6	5,456	6	5,456	6																				
16	Subtotal for GS > 50kW	985,308	176	985,308	176	985,308	176	985,308	176	985,308	176	985,308	176	985,308	176		3.3019		3.3183		3.1325		3.0644		3.0665		3.0720		1.0246	$ 6,985	$ 7,019	$ 6,626	$ 6,482	$ 6,487	$ 6,498	$ 2,167	**$ 42,266**
17	*Less: Transformer Allowances*		(5)		(5)		(5)		(5)		(5)		(5)		(5)		0.6000		0.6000		0.6000		0.6000		0.6000		0.6000		0.6000	$ (34)	$ (34)	$ (34)	$ (34)	$ (34)	$ (34)	$ (34)	**$ (237)**
18	Total for GS > 50 kW																													$ 6,951	$ 6,986	$ 6,593	$ 6,448	$ 6,453	$ 6,465	$ 2,134	**$ 42,028**
19	Intermediate (GS 50- 2,999kW)																																		
20	Subtotal for Intermediate	-	-	-	-	-	-	-	-	-	-	-	-	-	-		1.6017		1.6085		1.4778		1.4128		1.4153		1.4178		0.4729	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
21	Large Users >5,000 kW																																		
22	Subtotal for Large Users	-	-	-	-	-	-	-	-	-	-	-	-	-	-		1.7154		1.7299		1.6981		1.6827		1.6857		1.6888		0.5633	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
23																																			
24	Total for OPA-Funded Programs	5,527,154	1,926	5,204,592	1,867	5,164,832	1,861	5,164,832	1,861	4,749,704	1,847	4,749,172	1,847	4,317,443	1,817																$ 79,035	$ 74,239	$ 73,486	$ 73,497	$ 66,947	$ 67,059	$ 20,030	**$ 454,293**
25																																			
26																																			
27																																			
28	Total	5,527,154	1,921	5,204,592	1,862	5,164,832	1,857	5,164,832	1,857	4,749,704	1,843	4,749,172	1,843	4,317,443	1,812																$ 79,035	$ 74,239	$ 73,486	$ 73,497	$ 66,947	$ 67,059	$ 20,030	**$ 454,293**

Notes:
[1] The distribution rates used to calculate lost revenues is based on eight-twelfths (May to December) of year one and a four-twelfths (Jan to April) of year two. The exception to this is 2014 where the distribution rate has been pro-rated to include only up until May 1, 2014

Attachment L: 2009 LRAM

Veridian Connections
Lost Revenue Adjustment Mechanism
Lost Volumes and Revenues for 2009 CDM Program Year

Line No.	Funding Mechanism/ Program/Rate/ Rate Class	2009 Lost Volumes Carried Over to Year 2009 (kWh)	(kW)	2009 Lost Volumes Carried Over to Year 2010 (kWh)	(kW)	2009 Lost Volumes Carried Over to Year 2011 (kWh)	(kW)	2009 Lost Volumes Carried Over to Year 2012 (kWh)	(kW)	2009 Lost Volumes Carried Over to Year 2013 (kWh)	(kW)	2009 Lost Volumes Carried Over to Year 2014 (kWh)	(kW)	Distribution Rates[1] 2009 ($/kWh)	($/kW)	2010 ($/kWh)	($/kW)	2011 ($/kWh)	($/kW)	2012 ($/kWh)	($/kW)	2013 ($/kWh)	($/kW)	2014 ($/kWh)	($/kW)	Lost Revenues 2009 ($)	2010 ($)	2011 ($)	2012 ($)	2013 ($)	2014 ($)	Total ($)
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(o)	(p)	(q)	(r)	(s)	(t)	(u)	(v)	(w)	(x)	(y)	(z)	(ac) = [(a) x (o)] + [(b) x (p)]	(ad) = [(c) x (q)] + [(d) x (r)]	(ae) = [(e) x (s)] + [(f) x (t)]	(af) = [(g) x (u)] + [(h) x (v)]	(ag) = [(i) x (w)] + [(j) x (x)]	(ah) = [(k) x (y)] + [(l) x (z)]	(ai) =(ac)+(ad)+(ae)+(af)+(ag)+(ah)
1	**OPA-Funded Programs**																															
2	Residential																															
3	OPA Refrigerator Retirement Program	630,507	92	630,507	92	630,507	92	629,290	91	484,527	68	-	-																			
4	Retailer (EKC) Program	1,193,398	121	1,143,877	119	1,143,877	119	1,143,808	119	1,136,198	118	1,091,378	118																			
5	Residential DR Load Control	2,082	1,121	2,082	1,121	2,082	1,121	2,082	1,121	2,082	1,121	2,082	1,121																			
6	Cool Savings Rebate	686,316	452	686,316	452	686,316	452	683,875	450	680,365	450	676,235	449																			
7	Subtotal for Residential Class	2,512,303	1,786	2,462,782	1,784	2,462,782	1,784	2,459,055	1,781	2,303,172	1,756	1,769,695	1,688	0.0159		0.0160		0.0160		0.0160		0.0161		0.0054		$ 39,905	$ 39,338	$ 39,446	$ 39,450	$ 37,016	$ 9,486	**$ 204,641**
8	GS <50 kW																															
9	Power Savings Blitz	6,102,033	1,564	6,102,033	1,564	6,102,033	1,564	6,102,033	1,564	6,102,033	1,564	6,102,033	1,564																			
10	Electricity Retrofit Incentive Program	292,827	43	292,827	43	292,827	43	292,827	43	292,827	43	292,827	43																			
11	Subtotal for GS<50kW	6,394,861	1,608	6,394,861	1,608	6,394,861	1,608	6,394,861	1,608	6,394,861	1,608	6,394,861	1,608	0.0175		0.0173		0.0170		0.0170		0.0171		0.0057		$ 112,025	$ 110,315	$ 108,975	$ 108,929	$ 109,125	$ 36,397	**$ 585,765**
12	GS >50 kW																															
13	Electricity Retrofit Incentive Program	5,366,060	796	5,366,060	796	5,366,060	796	5,366,060	796	5,366,060	796	5,366,060	796																			
14	HPNC	171,972	75	171,972	75	171,972	75	171,972	75	171,972	75	171,972	75																			
15	Subtotal for GS >50 kW	5,538,032	872	5,538,032	872	5,538,032	872	5,538,032	872	5,538,032	872	5,538,032	872		3.3183		3.1325		3.0644		3.0665		3.0720		1.0246	$ 34,706	$ 32,763	$ 32,050	$ 32,072	$ 32,130	$ 10,716	**$ 174,437**
16	*Less: Tranformer Allowances*		(20)		(20)		(20)		(20)		(20)		(20)		0.6000		0.6000		0.6000		0.6000		0.6000		0.6000	(144.12)	(144.12)	(144.12)	(144.12)	(144.12)	(144.12)	**$ (865)**
17	Total for GS>50 kW																									$ 34,562	$ 32,618	$ 31,906	$ 31,928	$ 31,986	$ 10,572	**$ 173,572**
18	Intermediate (GS 50- 2.999kW)																															
19	Subtotal for Intermediate	-	-	-	-	-	-	-	-	-	-	-	-		1.6085		1.4778		1.4128		1.4153		1.4178		0.4729	$ -	$ -	$ -	$ -	$ -	$ -	$ -
20	Large Users >5,000 kW																															
21	Electricity Retrofit Incentive Program	1,661,795	247	1,661,795	247	1,661,795	247	1,661,795	247	1,661,795	247	1,661,795	247		1.7299		1.6981		1.6827		1.6857		1.6888		0.5633	$ 5,118	$ 5,024	$ 4,978	$ 4,987	$ 4,996	$ 1,666	**$ 26,771**
22	Subtotal for Large Users	1,661,795	247	1,661,795	247	1,661,795	247	1,661,795	247	1,661,795	247	1,661,795	247		1.7299		1.6981		1.6827		1.6857		1.6888		0.5633	$ 5,118	$ 5,024	$ 4,978	$ 4,987	$ 4,996	$ 1,666	**$ 26,771**
23	*Less: Tranformer Allowances*		(204)		(204)		(204)		(204)		(204)		(204)		0.6000		0.6000		0.6000		0.6000		0.6000		0.6000	(1,467.96)	(1,467.96)	(1,467.96)	(1,467.96)	(1,467.96)	(1,467.96)	**$ (8,808)**
24	Total for Large Users																									$ 3,650	$ 3,556	$ 3,511	$ 3,519	$ 3,528	$ 199	**$ 17,963**
25																																
26	Total for OPA-Funded Programs	16,106,990	4,288	16,057,470	4,286	16,057,470	4,286	16,053,742	4,282	15,897,860	4,258	15,364,383	4,190													$ 190,143	$ 185,828	$ 183,837	$ 183,826	$ 181,654	$ 56,654	**$ 981,941**
27																																
28	Total	16,106,990	4,288	16,057,470	4,286	16,057,470	4,286	16,053,742	4,282	15,897,860	4,258	15,364,383	4,190													$ 190,143	$ 185,828	$ 183,837	$ 183,826	$ 181,654	$ 56,654	**$ 981,941**

Notes:
(1) The distribution rates used to calculate lost revenues is based on eight-twelfths (May to December) of year one and a four-twelfths (Jan to April) of year two. The exception to this is 2014 where the distribution rate has been pro-rated to include only up until May 1, 2014

Attachment M: 2010 LRAM

Veridian Connections
Lost Revenue Adjustment Mechanism
Lost Volumes and Revenues for 2010 CDM Program Year

Line No.	Funding Mechanism/ Program/Rate/ Rate Class	2010 Lost Volumes Carried Over to Year 2010 (kWh)	2010 Lost Volumes Carried Over to Year 2010 (kW)	2010 Lost Volumes Carried Over to Year 2011 (kWh)	2010 Lost Volumes Carried Over to Year 2011 (kW)	2010 Lost Volumes Carried Over to Year 2012 (kWh)	2010 Lost Volumes Carried Over to Year 2012 (kW)	2010 Lost Volumes Carried Over to Year 2013 (kWh)	2010 Lost Volumes Carried Over to Year 2013 (kW)	2010 Lost Volumes Carried Over to Year 2014 (kWh)	2010 Lost Volumes Carried Over to Year 2014 (kW)	Distribution Rates[1] 2010 ($/kWh)	2010 ($/kW)	2011 ($/kWh)	2011 ($/kW)	2012 ($/kWh)	2012 ($/kW)	2013 ($/kWh)	2013 ($/kW)	2014 ($/kWh)	2014 ($/kW)	Lost Revenues 2010 ($)	2011 ($)	2012 ($)	2013 ($)	2014 ($)	Total ($)
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(o)	(p)	(q)	(r)	(s)	(t)	(u)	(v)	(w)	(x)	(ac) = [(a) x (o)] + [(b) x (p)]	(ad) = [(c) x (q)] + [(d) x (r)]	(ae) = [(e) x (s)] + [(f) x (t)]	(af) = [(g) x (u)] + [(h) x (v)]	(ag) = [(i) x (w)] + [(j) x (x)]	(aj) =(ac)+(ad)+(ae)+(af)+(ag)
1	**OPA-Funded Programs**																										
2	Residential																										
3	Cool Savings Rebate	806,563	520	806,563	520	806,563	520	806,563	520	806,563	520																
4	Every Kilowatt Counts Power Savings Event	456,698	41	401,404	39	388,629	38	388,629	38	388,629	38																
5	Great Refrigerator Roundup	594,573	87	594,573	87	594,573	87	593,469	86	459,160	64																
6	peaksaver	3,840	973	3,840	973	3,840	973	3,840	973	3,840	973																
7	Subtotal for Residential Class	1,861,673	1,620	1,806,379	1,618	1,793,604	1,617	1,792,500	1,616	1,658,191	1,594	0.0160		0.0160		0.0160		0.0161		0.0054		$ 29,737	$ 28,932	$ 28,774	$ 28,808	$ 8,889	**$ 125,140**
8	GS <50 kW																										
9	Electricity Retrofit Incentive Program	56,141	10	56,141	10	56,141	10	56,141	10	56,141	10																
10	Power Savings Blitz	2,925,088	953	2,925,088	953	2,925,088	953	2,925,088	953	2,925,088	953																
11	Subtotal for GS<50kW	2,981,228	963	2,981,228	963	2,981,228	963	2,981,228	963	2,981,228	963	0.0173		0.0170		0.0170		0.0171		0.0057		$ 51,428	$ 50,803	$ 50,782	$ 50,873	$ 16,968	**$ 220,853**
12	GS >50 kW																										
13	High Performance New Construction	589,129	258	589,129	258	589,129	258	589,129	258	589,129	258																
14	Multifamily Energy Efficiency Rebates	654,957	55	654,957	55	654,957	55	654,957	55	654,957	55																
15	Electricity Retrofit Incentive Program	801,118	142	801,118	142	801,118	142	801,118	142	801,118	142																
16	Subtotal for GS >50 kW	2,045,204	456	2,045,204	456	2,045,204	456	2,045,204	456	2,045,204	456		3.1325		3.0644		3.0665		3.0720		1.0246	$ 17,137	$ 16,764	$ 16,776	$ 16,806	$ 5,605	**$ 73,089**
17	*Less: Tranformer Allowances*		(162)		(162)		(162)		(162)		(162)		0.6000		0.6000		0.6000		0.6000		0.6000	$ (1,167)	$ (1,167)	$ (1,167)	$ (1,167)	$ (1,167)	**$ (5,836)**
18	Total for GS >50 kW																					$ 15,970	$ 15,597	$ 15,609	$ 15,639	$ 4,438	**$ 67,253**
19	Intermediate (GS 50- 2,999kW)																										
20	Electricity Retrofit Incentive Program	33,863	6	33,863	6	33,863	6	33,863	6	33,863	6																
21	Subtotal for Intermediate	33,863	6	33,863	6	33,863	6	33,863	6	33,863	6		1.4778		1.4128		1.4153		1.4178		0.4729	$ 106	$ 102	$ 102	$ 102	$ 34	**$ 446**
22	*Less: Tranformer Allowances*		(14)		(14)		(14)		(14)		(14)		0.6000		0.6000		0.6000		0.6000		0.6000	$ (99)	$ (99)	$ (99)	$ (99)	$ (99)	**$ (493)**
23	Total for Intermediate																					$ 8	$ 3	$ 3	$ 4	$ (64)	**$ (46)**
24	Large Users >5,000 kW																										
25	Subtotal for Large Users	-	-	-	-	-	-	-	-	-	-		1.6981		1.6827		1.6857		1.6888		0.5633	$ -	$ -	$ -	$ -	$ -	**$ -**
26																											
27	Total for OPA-Funded Programs	5,677,883	2,731	5,622,588	2,729	5,609,813	2,728	5,608,710	2,727	5,474,400	2,705											$ 97,142	$ 95,336	$ 95,168	$ 95,324	$ 30,230	**$ 413,200**
28																											
29	Total	5,677,883	2,731	5,622,588	2,729	5,609,813	2,728	5,608,710	2,727	5,474,400	2,705											$ 97,142	$ 95,336	$ 95,168	$ 95,324	$ 30,230	**$ 413,200**

Notes:

Assessment of Veridian Connections Inc.'s Third Tranche Conservation and Demand Management (CDM) Savings for the Period of 2011 to 2014

Prepared By:
SeeLine Group Ltd.
416-703-8695

December 7, 2011

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Executive Summary

As part of its current 2012 incentive regulation mechanism ("IRM") application (EB-2011-0199) with the Ontario Energy Board (OEB), Veridian Connections Inc. (Veridian) has requested SeeLine Group Ltd. (SeeLine) to perform an independent assessment its 2005 to 2007 Conservation and Demand Management (CDM) results. The purpose of this assessment is to determine the persistence of its Third Tranche CDM savings for the period of 2011 to 2014, which coincides with Veridian's next cost of service application.

For this assessment, SeeLine closely examined all inputs and assumptions relating to the reported savings with a focus on determining expired LRAM savings starting in 2011. The determination of expired savings was based on the measure life assumption from the most current OPA prescriptive measure list and assumptions[1]. Detailed annual CDM savings from the original Independent Third Party Review[2] can be in Appendix A and results from this assessment can be found in Section 3 of this report.

[1] http://www.powerauthority.on.ca/sites/default/files/2011%20Prescriptive%20Measures%20and%20Assumptions%20List%20Version%201.0%20FINAL%20%28April%2006%2C%202011%29.pdf

[2] EB-2011-0199 Exhibit 2, Tab 1, Schedule 1, Attachment 6.

1.0 Introduction

On October 14th, 2011, Veridian filed its 2012 electricity distribution rate application with the Ontario Energy Board. With this application Veridian included a Lost Revenue Adjustment Mechanism ("LRAM") claim of $1,336,666. Shortly after filing its claim Veridian received new verified savings information from the Ontario Power Authority (OPA) increasing their claim $1,388,731.

As part of this rate application process, Veridian was requested to provide an updated LRAM amount that included all CDM savings that persist until its next scheduled cost of service application. In response, Veridian requested SeeLine to perform an assessment of its 2005 to 2007 CDM savings to determine the persistence of savings for the period of 2011 to 2014. Results from this exercise can be found in Section 3.0.

2.0 Scope

SeeLine relied on the measure life assumptions from the OPA Measures and Assumptions List – Version 1.0 Final April 2011 to form the basis of pertinent 2011 to 2014 savings estimates. This measure list was created to provide best available information, making use of existing lists of inputs and assumptions, reports, technical literature and publications most suitable and specific to Ontario.

For the purpose of this assessment, persistent savings are considered to be savings still effective based on the assumed life of the technology.

3.0 Persistent Third Tranche CDM Savings for the Period 2011 to 2014

SeeLine closely examined the annual savings included in Veridian's 2012 LRAM savings claim and identified the minimum measure life assumption required for savings to persist from 2011 to 2014. The following tables summarize the results from this assessment.

Table 1 – Summary of Persistent Annual Net kWh Savings

Program Year	Annual kWh Savings			
	2011	2012	2013	2014
2005	269,705	269,705	14,193	14,193
2006	5,885,729	5,885,729	5,781,214	1,313,636
2007	639,726	639,726	639,726	544,713
Total	**6,795,159**	**6,795,159**	**6,435,133**	**1,872,542**

Table 2 – Summary of 2005 CDM Program Persistent Savings

2005 CDM Program Year				
Carry Over Year	**Required Measure Life**	**Expired Measures**	**Expired kWh Savings**	**Persistent[3] kWh Savings**
2011 Savings	≥ 7 years	Seasonal LED - 50% 5 WATT Christmas lights C-7 (25 lights), Seasonal LED - 50% 5 WATT Christmas lights (mini lights)	14,053	269,705
2012 Savings	≥ 8 years	Seasonal LED - 50% 5 WATT Christmas lights C-7 (25 lights), Seasonal LED - 50% 5 WATT Christmas lights (mini lights)	14,053	269,705
2013 Savings	≥ 9 years	Seasonal LED - 50% 5 WATT Christmas lights C-7 (25 lights), Seasonal LED - 50% 5 WATT Christmas lights (mini lights) and CFLs	269,564	14,193
2014 Savings	≥ 10 years	Seasonal LED - 50% 5 WATT Christmas lights C-7 (25 lights), Seasonal LED - 50% 5 WATT Christmas lights (mini lights) and CFLs	269,564	14,193

Table 3 – Summary of 2006 CDM Program Persistent Savings

2006 CDM Program Year				
Carry Over Year	**Required Measure Life**	**Expired Measures**	**Expired kWh Savings**	**Persistent[4] kWh Savings**
2011 Savings	≥ 6 years	LED Seasonal Lights	138,242	5,885,729
2012 Savings	≥ 7 years	LED Seasonal Lights	138,242	5,885,729
2013 Savings	≥ 8 years	LED Seasonal Lights and Insulation Blankets	242,756	5,781,214
2014 Savings	≥ 9 years	LED Seasonal Lights, Insulation Blankets and CFLs	4,710,334	1,313,636

[3] Persistent kWh savings equals total 2005 annual net savings less expired savings.
[4] Persistent kWh savings equals total 2006 annual net savings less expired savings.

Table 4 – Summary of 2007 CDM Program Persistent Savings

2007 CDM Program Year				
Carry Over Year	**Required Measure Life**	**Expired Measures**	**Expired kWh Savings**	**Persistent[5] kWh Savings**
2011 Savings	≥ 5 years	n/a	0	639,726
2012 Savings	≥ 6 years	n/a	0	639,726
2013 Savings	≥ 7 years	n/a	0	639,726
2014 Savings	≥ 8 years	Insulation Blankets	95,013	544,713

[5] Persistent kWh savings equals total 2007 annual net savings less expired savings.

APPENDIX A – 2005 Detailed Program Results

2005 Third Tranche Program Results										
Program/Measure	**Participants**	**Unit kW Assumption**	**Unit kWh Assumption**	**Equipment Life**	**Free Ridership**	**Total Annual Gross kW**	**Total Annual Gross kWh**	**Total Annual Net kW**	**Total Annual Net kWh**	**Source of Input Assumptions**
Residential										
CFL Distribution Program:	1,664	0.001	46.3	8.0	10%	***2***	***77,078***	***2***	***69,370***	Updated OPA Measure List (as of April 06, 2011)
Retailer (EKC) Program:										
CFL-13W (60W)	4,465	0.001	46.3	8.0	10%	7	206,824	5.88	186,141	Updated OPA Measure List (as of April 06, 2011)
Seasonal LED - 50% 5 WATT Christmas lights C-7(25 lights)	781	0.000	13.95	5.0	5%	-	10,895	-	10,350	Updated OPA Measure List (as of April 06, 2011)
Seasonal LED - 50% 5 WATT Christmas lights (mini lights)	781	0.000	5.0	5.0	5%	-	3,897	-	3,702	Updated OPA Measure List (as of April 06, 2011)
Progr. T-Stats (Heating, Single Family Detached)	95	n/a	n/a	n/a	10%	n/a	n/a	n/a	n/a	No equivalent OPA measure assumption.
Progr. T-Stats (Cooling, Single Family Detached)	247	n/a	n/a	n/a	10%	n/a	n/a	n/a	n/a	No equivalent OPA measure assumption.
Timer - Outdoor Light	147	0.000	20.2	10.0	10%	-	2,971	-	2,674	Updated OPA Measure List (as of April 06, 2011)

Timer - Indoor - Light	37	0.002	64.4	10.0	10%	0	2,382	0.07	2,144	Updated OPA Measure List (as of April 06, 2011)
Timer - Indoor - Air Conditioners	37	n/a	n/a	n/a	10%	n/a	n/a	n/a	n/a	No equivalent OPA measure assumption.
Ceiling Fans	105	0.0038	122.6	10.0	10%	0	12,871	0.36	9,375	Updated OPA Measure List (as of April 06, 2011)
EnerGuide for Existing Homes - Space Heating	-	n/a	n/a		10%	-	0	-	0	No equivalent OPA measure assumption.
Total Retailer (EKC) Program						***7***	***239,840***	***6***	***214,387***	
Total Residential						**9**	**316,918**	**8**	**283,758**	
Total 2005 Savings *(Third Tranche)*						**9**	**316,918**	**8**	**283,758**	

APPENDIX B – 2006 Detailed Program Results

2006 Third Tranche Program Results										
Program/Measure	**Participants**	**Unit kW Assumption**	**Unit kWh Assumption**	**Equipment Life**	**Free Ridership**	**Total Annual Gross kW**	**Total Annual Gross kWh**	**Total Annual Net kW**	**Total Annual Net kWh**	**Source of Input Assumptions**
Residential										
CFL Distribution	30,569	0.001	46.3	8.0	10%	***45***	***1,415,956***	***40***	***1,274,360***	Updated OPA Measure List (as of April 06, 2011)
OPA Refrigerator Retirement Program						***32***	***143,325***	***29***	***128,992***	OPA Report (issued Aug 13, 2010), Appendix E
Retailer (EKC) Program (Spring Campaign)										OPA Report (issued Aug 13, 2010), Appendix E
CFL	30,853	0.001	46.3	8.0	10%	31	1,429,095	28	1,286,185	Updated OPA Measure List (as of April 06, 2011)
Ceiling Fan	286	0.0038	122.6	10.0	10%	1	35,084	1	31,576	Updated OPA Measure List (as of April 06, 2011)
Timer	865	n/a	n/a	n/a	10%	n/a	n/a	n/a	n/a	No equivalent OPA measure assumption.
Programmable Thermostat	376	0.176	2,151.0	11.0	10%	66	809,296	60	728,367	Updated OPA Measure List (as of April 06, 2011)
Retailer (EKC) Program (Fall Campaign)						-	-	-	-	

Baseboard Programmable Thermostat	43	0.000	63.2	11.0	10%	-	2,730	-	2,457	Updated OPA Measure List (as of April 06, 2011)
CFLs	45,745	0.001	46.3	8.0	10%	46	2,118,925	41	1,907,032	Updated OPA Measure List (as of April 06, 2011)
Motion Sensors	206	0.000	159.4	10.0	10%	-	32,823	-	29,541	Updated OPA Measure List (as of April 06, 2011)
Programmable Thermostat - Space Cooling	726	n/a	n/a	n/a	10%	n/a	n/a	n/a	n/a	No equivalent OPA measure assumption.
LED Seasonal Lights	11,011	0.000	13.95	5.0	10%	-	153,602	-	138,242	Updated OPA Measure List (as of April 06, 2011)
Dimmer Switch	574	0.001	23.7	10.0	10%	1	13,573	1	12,216	Updated OPA Measure List (as of April 06, 2011)
						144	***4,595,129***	***130***	***4,135,616***	
Total Retailer (EKC) Program										
Residential Load Control	165	n/a	n/a	n/a	10%	n/a	n/a	n/a	n/a	No equivalent OPA measure assumption.
Peaksaver Progr. T-Stats	165	n/a	n/a	n/a	10%	n/a	n/a	n/a	n/a	No equivalent OPA measure assumption.
Water Heater Tune-Up										
Insulation Blankets	391	0.0280	270.0	7.0	1%	11	105,570	11	104,514	Updated OPA Measure List (as of April 06, 2011)
Piping (# of 3ft lengths)	309	0.0070	38.0	15.0	1%	2	11,742	2	11,625	Updated OPA Measure List (as of April 06, 2011)

Aerator	1,303	0.014	176.3	10.0	1%	18	229,706	18	227,409	Updated OPA Measure List (as of April 06, 2011)
Shower Heads	379	0.029	377.0	10.0	1%	11	142,883	11	141,454	Updated OPA Measure List (as of April 06, 2011)
Faucet Washers	-	n/a	n/a	n/a	10%	n/a	n/a	n/a	n/a	No equivalent OPA measure assumption.
Total Water Heater Tune-Up						***42***	***489,901***	***41***	***485,002***	
Total Residential						**264**	**6,644,310**	**241**	**6,023,970**	
Total 2006 Savings *(Third Tranche)*						**264**	**6,644,310**	**241**	**6,023,970**	

APPENDIX C – 2007 Detailed Program Results

2007 Third Tranche Program Results										
Program/Measure	**Participants**	**Unit kW Assumption**	**Unit kWh Assumption**	**Equipment Life**	**Free Ridership**	**Total Annual Gross kW**	**Total Annual Gross kWh**	**Total Annual Net kW**	**Total Annual Net kWh**	**Source of Input Assumptions**
Residential										
CFL Distribution	4,769	0.001	46.3	8.0	10%	***6.97***	***220,905***	***6.28***	***198,815***	Updated OPA Measure List (as of April 06, 2011)
Water Heater Tune-Up										
Insulation Blankets	391	0.0280	270.0	7.0	10%	10.95	105,570	9.85	95,013	Updated OPA Measure List (as of April 06, 2011)
Piping (# of 3ft lengths)	309	0.0070	38.0	15.0	10%	2.16	11,742	1.95	10,568	Updated OPA Measure List (as of April 06, 2011)
Aerator	1,303	0.014	176.3	10.0	10%	17.72	229,706	15.95	206,735	Updated OPA Measure List (as of April 06, 2011)
Shower Heads	379	0.029	377.0	10.0	10%	11.07	142,883	9.96	128,595	Updated OPA Measure List (as of April 06, 2011)
Faucet Washers	-	n/a	n/a	n/a	10%	n/a	n/a	n/a	n/a	No equivalent OPA measure assumption.
Total Water Heater Tune-Up						***41.90***	***489,901***	***37.71***	***440,911***	
Keep Cool Program										
Keep Cool - retired working units	1,428	n/a	n/a	n/a	10%	n/a	n/a	n/a	n/a	No equivalent OPA measure

										assumption.
Keep Cool - retired working units placed with Energy Star	1,058	n/a	n/a	n/a	10%	n/a	n/a	n/a	n/a	No equivalent OPA measure assumption.
Total Keep Cool Program						-	0	-	0	
Residential Load Control Program										
Residential Load Control	191	n/a	n/a	n/a	10%	n/a	n/a	n/a	n/a	No equivalent OPA measure assumption.
Residential Load Control - Programmable Thermostats	191	n/a	n/a	n/a	10%	n/a	n/a	n/a	n/a	No equivalent OPA measure assumption.
Total Residential Load Control Program						**-**	**-**	**-**	**-**	
Total Residential						**49**	**710,806**	**44**	**639,726**	
Total 2007 Savings *(Third Tranche)*						**49**	**710,806**	**44**	**639,726**	