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January 30, 2012

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 Reply Submission, Board File No.: EB-2011-0199

Veridian Connections Inc. is pleased to submit the enclosed reply to the submissions received from Board staff and the Vulnerable Energy Consumers Coalition ("VECC") on January 16th, 2012.

Please do not hesitate to contact me if you require further information. I can be reached at 905-427-9870, extension 2202 or by email at garmstrong@veridian.on.ca.

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.

Introduction

Veridian Connections Inc. ("Veridian") filed an application with the Ontario Energy Board (the "OEB" or the "Board") on October 14, 2011, under section 78 of the *Ontario Energy Board Act, 1998,* seeking approval for changes to the distribution rates that Veridian charges for electricity distribution to be effective May 1, 2012. The Application is based on the 2012 3rd Generation Incentive Regulation Mechanism ("IRM3"). The application also included items and methodologies outlined in Chapter 3 of the OEB's Filing Requirements of Transmission and Distribution dated June 22, 2011 (the "Filing Requirements").

On December 1, 2011, Veridian received interrogatories from Board Staff and the Vulnerable Energy Consumers Coalition ("VECC"). On December 15, 2011, Veridian responded to those interrogatories. On January 16, 2012, Veridian received Board Staff's and VECC's submissions pertaining to the Application. Veridian submits this document in response to Board Staff's and VECC's submissions.

Submissions were made by Board Staff and VECC on the following:

- Revenue to Cost Ratio Adjustments
- Account 1521 – Special Purpose Charge ("SPC")
- Disposition of Group 1 Deferral and Variance Accounts
    - Group 1 Account Balances
    - Disposition Period
    - Bill Presentation of the Global Adjustment ("GA") Rate Rider
- Lost Revenue Adjustment Mechanism ("LRAM") Claim

Revenue to Cost Ratio Adjustments

In section 2.8 of its submission, VECC notes that no amount was entered for revenue offsets related to Veridian's last COS application on Sheet 7 of the 2012 IRM Revenue to Cost Ratio Adjustment Workform. VECC goes on to reference interrogatories and interrogatory responses from Veridian's 2011 proceeding on this issue. In response to the 2011 interrogatory, Veridian explained that the Revenue to Cost ratios proposed by Veridian in its 2010 Cost of Service Rate Application (and agreed to in the Settlement Agreement approved by the Board) were derived from the Distribution Revenue Requirement (Total Service Revenue Requirement less Revenue Offsets), thus it was appropriate to omit Revenue Offsets from the Board issued Workforms for the 2011 Revenue to Cost Ratio Adjustments. On page 9 of the Manager's Summary in its 2012 IRM Application, Veridian offered this same rationale to explain why no amount had been included for revenue offsets in the 2012 workform.

Also, as requested in response to a 2011 VECC interrogatory, Veridian provided an allocation of the approved Revenue Offsets for 2010 between its two tariff zones on the same basis as the overall 2010 Revenue Requirement was assigned within its 2010 COS application.

Subsequently in its reply submission in the 2011 proceeding VECC stated:

"Subsequent to receiving the IR responses VECC has reviewed the 2010 rate Application and Draft Rate Order filed by Veridian. It is VECC's understanding from this review that the Revenue to Cost ratios as derived by Veridian in its original Application and agreed to in the Settlement Agreement approved by the Board were derived using the Base Distribution Revenue Requirement. If this is the case, then the approach initially used by Veridian in the current application is correct. VECC invites Veridian to clarify this matter in its Reply."

In its Reply in the 2011 proceeding Veridian stated:

"The second issue concerned the omission of Revenue Offsets in the Board issued Workforms. Veridian provided explanation of this omission in its response to Board Interrogatory 7 and specifically noted that the Revenue to Cost ratios derived by Veridian in its 2010 Cost of Service Rate Application and agreed to in the Settlement Agreement approved by the Board were derived from the Distribution Revenue Requirement (Total Service Revenue Requirement less Revenue Offsets), thus it was appropriate to omit Revenue Offsets from the Board issued Workforms. In its Final Argument submission (paragraph 2.3, page 2), VECC indicates that after a review of Veridian's 2010 rate Application and Draft Rate Order, it does understand Veridian's statement on this issue to be correct. As well, VECC goes on to state that "If this is the case, then the approach initially used by Veridian in the current application is correct." Veridian acknowledges that VECC now accepts Veridian's initial approach of omitting Revenue Offsets in the Board issued Workforms as correct and submits that no further adjustments to the Workforms are required."

Veridian further notes that the Board, in its decision dated April 7, 2011 accepted Veridian's proposed Revenue to Cost Ratio adjustments based on its original filing with no amounts included for Revenue Offsets in the Workforms.

In section 2.9 of its submission in the current 2012 proceeding VECC submits that the 2012 workform should be revised to include information on revenue offsets based on the methodology it proposed and then subsequently abandoned in the 2011 proceeding.

Veridian submits that the request to incorporate this revision for 2012 rates would serve no purpose as Veridian's current treatment of Revenue Offsets within the Revenue to Cost Ratio Adjustment workform is the same as that agreed to by VECC and accepted by the Board in the 2011 proceeding.

Account 1521 – Special Purpose Charge ("SPC")

On page 20 of its 2012 IRM3 Distribution Rate Application, Veridian stated that the unrecovered principal balance in the SPC Account 1521 was $56,013. In response to Board interrogatory #10, Veridian provided the table below (Table 1).

Subsequently, through a year-end review process, Veridian has determined that incorrect information regarding the amounts refunded to customers was used for the calculation of the outstanding principal balance and the amounts to be refunded was overstated. However, the correct amounts were actually refunded to customers.

Table 2 below is an update of Table 1 and reflects the correct amount refunded to customers, updated forecast carrying charges and the final SPC balance for disposition. The amount refunded to customers that were charged in error has been updated from $185,213 to $110,293. The corrected principal balance is an over recovery of $18,928 and the final SPC balance for disposition is a credit of $14,251.

Table 1 – From Response to Board Staff Interrogatory #10

SPC Assessment (Principal balance)	Amount recovered from customers in 2010	Carrying Charges for 2010	Dec 31, 2010 Year End Principal Balance	Dec 31, 2010 Year End Carrying Charges Balance	Amount recovered from customers in 2011	Amt refunded to customers that were charged in error	Forecasted Dec 31, 2011 Year End Principal Balance	Forecasted Apr 30, 2012 Carrying Charges Balance	Total for Disposition (Principal & Carrying Charges)
$977,264	$461,827	$3,324	$515,437	$3,324	$644,742	$185,213	$56,013	$6,179	$62,192

Table 2 – Table 1 revised with corrected Amount refunded to Customers

SPC Assessment (Principal Balance)	Amt Recovered from customers in 2010	Carrying Charges for 2010	Dec 31,2010 Yr End Principal Balance	Dec 31,2010 Yr End Carrying Charges Balance	Amt Recovered from customer in 2011 (June 1st, 2011 - Aug 16, 2011)	Amt refunded to customers that were charged in error	Forecasted Dec 31, 2011 Yr End Principal Balance	Forecasted Apr 30, 2012 Carrying Charges Balance	Total for Disposition (Principal & Carrying Charges)
$977,264	$461,827	$3,324	$515,437	$3,324	$644,659	$110,293	-$18,928	$4,677	-$14,251

The updated final SPC balance for disposition has been allocated to the Veridian-Main and Gravenhurst tariff zones on the same basis as was previously employed. Table 3 below shows this allocation.

Table 3 - Allocation of SPC 1521 Balance to Veridian Main and Gravenhurst		
Principal Balance	(18,929.75)	
Volume	**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 Principal Balance		
Veridian Main	(18,198.71)	
Gravenhurst	(731.04)	
	(18,929.75)	

The total SPC principal and interest to April 30th, 2012 for Veridian Main and Gravenhurst respectively is $(13,701) and $(550).

Veridian notes that when the IRM Rate Generator models for both Veridian-Main and Gravenhurst are updated with the new balances for Account 1521 – SPC, Deferral and Variance Rate Riders change for some of the rate classes. The changes are provided in Tables 4 and 5.

Table 4 – Changes in Variance/Deferral Rate Riders - Veridian Main

Rate Class	Original Variance/Deferral Rate Rider	Updated Variance/Deferral Rate Rider	Diff	%
Residential per kWh	($0.0035)	($0.0035)	$0.0000	0.00%
GS < 50 kW per kWh	($0.0035)	($0.0035)	$0.0000	0.00%
GS > 50 kW per kW	($1.3300)	($1.3360)	($0.0060)	0.45%
Intermediate Use per kW	($1.2904)	($1.2962)	($0.0058)	0.45%
Large Use per kW	($1.8452)	($1.8535)	($0.0083)	0.45%
Unmetered Scattered Load per kWh	($0.0035)	($0.0035)	$0.0000	0.00%
Sentinel Lighting per kW	($1.2416)	($1.2471)	($0.0055)	0.45%
Street Lighting per kW	($1.2347)	($1.2402)	($0.0055)	0.45%

Table 5 – Changes in Variance/Deferral Rate Riders - Gravenhurst

Rate Class	Original Variance/Deferral Rate Rider	Updated Variance/Deferral Rate Rider	Diff	%
Residential-Urban per kWh	($0.0039)	($0.0039)	$0.0000	0.00%
Residential-Suburban-Year Round per kWh	($0.0039)	($0.0039)	$0.0000	0.00%
Residential-Suburban-Seasonal per kWh	($0.0039)	($0.0039)	$0.0000	0.00%
GS < 50 kW per kWh	($0.0039)	($0.0039)	$0.0000	0.00%
GS > 50 kW per kW	($1.6159)	($1.6227)	($0.0068)	0.42%
Sentinel Lighting per kW	($1.3930)	($1.3988)	($0.0058)	0.42%
Street Lighting per kW	($1.3330)	($1.3386)	($0.0056)	0.42%

Disposition of Group 1 Deferral and Variance Accounts as per the EDDVAR Report

(i) Group 1 Account Balances

In its submission, Board Staff references tables that were provided by Veridian in its response to Board Staff interrogatory # 13. The tables provided information on adjustments to various Group 1 account balances related to 2010, and that were identified subsequent to Veridian's 2010 year end RRR filings. Further, Board Staff noted that they are unable to reconcile various amounts in the tables and requested that Veridian provide an updated table with the adjustments to Account 1588 (including the global adjustment sub-account), including principal and carrying charges, and also provide an updated calculation of the preset disposition threshold for the Group 1 account balances for both service areas.

Veridian acknowledges that some of the amounts provided in response to Board Staff interrogatory # 13 were in error. Veridian has provided the corrected requested information in the tables below.

Table 6 – Corrections to Account 1588 – Veridian Main

Account	Amount of Adjustment	Principal Balance as Filed	Resulting Principal Balance after Adjustment	Resulting Carrying Charges after Adjustment	Resulting Balance for Disposition after Adjustment
1588 – RSVA-Power (excluding Global Adjustment)	$6,127,096	($15,043,797)	($8,916,701)	($261,693)	($9,178,394)
1588-RSVA-Power-Sub Account-Global Adjustment	($1,910,724)	$7,143,369	$5,232,645	$209,739	$5,442,384

Updated Calculation of Threshold Test – Main

Updated Total Claim for Threshold Test (All Group 1 Accounts)	($4,764,273)
Threshold Test – Total Claim per kWh	(0.00201)

Table 7 – Corrections to Account 1588 - Gravenhurst

Account	Amount of Adjustment	Principal Balance as Filed	Resulting Principal Balance after Adjustment	Resulting Carrying Charges after Adjustment	Resulting Balance for Disposition after Adjustment
1588 – RSVA-Power (excluding Global Adjustment)	$194,969	($551,256)	($356,287)	($6,433)	($362,720)
1588-RSVA-Power-Sub Account-Global Adjustment	($59,801)	$130,101	$70,300	$4,133	$74,433

Updated Calculation of Threshold Test – Gravenhurst

Updated Total Claim for Threshold Test (All Group 1 Accounts)	($431,196)
Threshold Test – Total Claim per kWh	(0.00476)

The adjustments were due to formula errors identified in Veridian's spreadsheet calculations of the Regulated Price Plan and Global Adjustment Settlement Amounts with the IESO for a period in 2010. These errors were identified through a review conducted by the Ministry of Finance of Veridian's records supporting monthly requests to the IESO under the Regulated Price Plan. The adjustments pertained to periods in 2010 and 2011 and were not finalized until late August 2011. The adjustments were included in the September IESO submission and the September settlement amount. The full adjustment amount was recorded to the appropriate accounts in September 2011.

Board Staff has raised concerns that Veridian did not attempt to amend its 2010 RRR filings with the adjustments.

At the time of the adjustment it was unclear to Veridian whether a restatement of its 2010 YE RRR Filing was appropriate. Even though a portion of the total adjustment amount pertained to a period in 2010, the adjustment was not settled with the IESO until 2011. In retrospect, Veridian agrees that it would have been appropriate to request restatement of the 2010 YE RRR Filings to include the 2010 portion of the September 2011 adjustment (the amounts noted in the tables above).

On this basis and for rate stability, Veridian submits that it is appropriate for the Board to include the adjustments to the balances of Account 1588 proposed for disposition. If the adjustments are not made, the amounts refunded for Account 1588 (excluding Global Adjustments) during the 2012 rate year would be overstated, leading to subsequent recovery from ratepayers during a future rate year. Similarly, larger amounts would be recovered for Account 1588-sub Account Global Adjustment now and then refunded in a future rate year.

As can be seen from the results of the updated threshold test calculations, the materiality threshold of $0.001/kWh set for triggering disposition would still be met when including the adjustments.

(ii) Disposition Period

Veridian notes that in its submission, Board staff agrees with Veridian's proposal of a two year disposition period on the basis that it would strike a balance between reducing intergenerational inequity and mitigating rate volatility. Board staff also state that they agree with the two year disposition period *"Regardless of whether the Board approves the inclusion of the adjustments to account 1588 referenced above …"*

Veridian notes that VECC has raised no concerns or objections to Veridian's proposed two-year disposition period.

(iii) Bill Presentation of the Global Adjustment ("GA") Rate Rider

Veridian has proposed to dispose of the GA sub-account by means of a separate rate rider applicable to non-RPP customers and presented as part of the electricity component of the bill. In its submission, Board staff note that the prevalent practice among distributors is to present GA rate riders as part of the delivery component of the bill, and suggests that the Board consider directing Veridian to do the same.

With the Board's approval, Veridian has been presenting its GA rate riders as part of the electricity component of its bills for the past two years. This practice was first established in 2010 through Veridian's 2010 cost of service proceeding (EB-2009-0140) and was again accepted in 2011 through Veridian's 2011 IRM rate proceeding (EB-2010-0117).

Veridian submits that continuing its current practice of presenting its GA rates riders as part of the electricity component of bills offers the benefit of consistency with past practice, and would thereby reduce the potential for customer confusion. However, Veridian does have the capability of presenting the charge under the delivery component of the bill, and would not object to this treatment if so directed by the Board.

<u>Lost Revenue Adjustment Mechanism ("LRAM") Claim</u>

2007-2009 Lost Revenues

Both Board Staff and VECC support the approval of the 2007, 2008 and 2009 lost revenues requested by Veridian.

2010 Programs and Persisting Impacts of 2005-2010 Programs

Neither Board Staff nor VECC support Veridian's requested recovery of an LRAM amount that includes the effect of new 2010 programs as well as persistence for 2005-2009 programs in 2010. The basis for Board Staff and VECC's arguments on this issue is the Board's *Guidelines for Electricity Distributor Conservation and Demand Management* (the "Guidelines" or "2008 Guidelines") issued on March 28, 2008. Specifically, Board Staff and VECC are relying on section 5.2 of the Guidelines, which provide:

"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."

Board Staff and VECC's arguments disregard the most important piece of evidence that is relevant to the determination of this issue - the settlement agreement reached in Veridian's 2010 rate proceeding (EB-2009-0140) (the "Settlement Agreement"), which provides:

> *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*

Although the Guidelines contemplate that CDM initiatives would be factored into a load forecast in a cost of service application, the parties in Veridian's 2010 cost of service application specifically agreed to exclude CDM initiatives from Veridian's forecast because "details regarding Ontario Power Authority programs in the test year were not available at the time that the load forecast was prepared." Therefore, the parties (including VECC) agreed to depart from the methodology contemplated by the Guidelines due to the lack of available information. Board Staff was involved in the settlement negotiation. Had Board Staff been concerned about the departure from the methodology contemplated by the Guidelines, Board Staff should have raised this concern with the Board. However, Board Staff raised no concerns, and the Board accepted the Settlement Agreement in its Decision dated March 31, 2010.

Veridian submits that it is inappropriate for Board Staff and VECC to argue in this proceeding that Veridian should effectively be penalized for not following the methodology contained in the Guidelines, in light of the fact that there is a final Board decision that accepts Veridian's departure from the methodology contemplated by the Guidelines as appropriate.

Further, both Board Staff and VECC relied on the Board's decision in EB-2011-0174 (Whitby Hydro) in support of their arguments. Board staff noted that:

"...in its Decision and Order in the EB-2011-0174 proceeding, the Board disallowed LRAM claims for the rebasing year as well as persistence of prior year programs in and beyond the test year on the basis that these savings should have been incorporated into the applicant's load forecast at the time of rebasing."

Veridian submits that its circumstances are distinguishable from those in the Whitby Hydro proceeding, because Whitby Hydro's settlement agreement did <u>not</u> specifically address the exclusion of CDM impacts from the load forecast. As discussed above, Veridian's Settlement Agreement did, so the parties specifically agreed to depart from the methodology contained in the Guidelines, and the Board accepted that departure. Therefore, Veridian submits that the Board's decision in EB-2011-0174 is not applicable to Veridian's circumstances, and should not influence the Board in this proceeding.

Board staff also suggested in its submission that if Veridian had expected to file an LRAM application to be compensated for CDM impacts not included in its load forecast, Veridian should have highlighted that expectation in the Settlement Agreement. Veridian submits that Board Staff's suggestion should not be accepted by the Board for the following two reasons:

i) Board Staff seems to be relying on the January 5, 2012 *Guidelines for Electricity Distributor Conservation and Demand Management* (the "2012 CDM Guidelines"), which state:

> *"In the situation where the distributor has not included CDM impacts in its load forecast, the distributor is expected to make it clear in their rate application that CDM impacts have not been included, why they have not been included* ***and whether the distributor intends to address CDM impacts through an LRAM****."* [emphasis added]
>
> The emphasized wording from the 2012 CDM Guidelines set out above are not found in the 2008 Guidelines. Therefore, Board Staff is suggesting that the Board retroactively impose a requirement that did not exist at the time Veridian entered into the Settlement Agreement.
>
> ii) Veridian's expectation of future recovery can easily be inferred from the Settlement Agreement, since the stated reason for omitting CDM impacts from the 2010 load forecast was "lack of available information". In other words, Veridian did not possess CDM impact information for its load forecast <u>at the time</u>. It logically follows that once the necessary information became available, Veridian would use it to address CDM impacts in the 2010 Test Year. Veridian never agreed to forego its lost revenues related to its 2010 CDM programs, and there is nothing in the Settlement Agreement to suggest that it did.

For these reasons, Veridian submits that it should be permitted to recover an LRAM amount that includes the effect of new 2010 programs as well as persistence for 2005-2009 programs in 2010, subject to an adjustment related to information provided in Veridian's response to Board Staff interrogatory #14.

In preparing the response to Board staff interrogatory #14, Veridian realized 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 were 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 this view, Veridian carried out an analysis which was thoroughly detailed in its response to Board Staff interrogatory #14. The analysis showed that Veridian's approved 2010 load forecast included approximately 22% of the 2010 impacts of Veridian's 2005 to 2010 CDM programs. Veridian proposes that its original LRAM amount be reduced to account for this circumstance, as set out in the updated LRAM information provided in the following section.

Response to Board Staff Submission Request

In their submission, Board staff had requested that Veridian provide an updated LRAM amount that only includes lost revenues from 2007-2009 and the associated rate riders. Veridian has provided this in table 8 below.

Table 8: Lost Revenue and Rate Riders for a 2007 – 2009 LRAM Claim

	Total Lost Revenue (2007 - 2009)		2010 Billed kWh	2010 Billed kW	Rate Rider 1 Year		
Residential	$	652,268	972,134,187		$	0.0007	/kWh
GS<50	$	118,071	303,108,577		$	0.0004	/kWh
GS>50	$	48,952		2,409,333	$	0.0203	/kW
Large Use	$	3,671		387,405	$	0.0095	/kW
	$	**822,961**					

However, if the intention of this request was to determine what Veridian's lost revenue would be for the period prior to its 2010 load forecast, then Veridian believes that Board staff's request should include the first four months of 2010 as Veridian was still under IRM at this time. Although Veridian does not agree with the approach being suggested by Board staff, it believes that if the Board finds Veridian to be ineligible for LRAM after rebasing, then at a minimum the lost revenue being recovered should include up until the date of rebasing, May 1, 2010. Table 9 takes into consideration the Board staff request and includes the first four months of 2010:

Table 9: Lost Revenue and Rate Riders for a 2007 – April 30, 2010 LRAM Claim

	Total Lost Revenue (2007 - Apr 30, 2010)		2010 Billed kWh	2010 Billed kW	Rate Rider 1 Year		
Residential	$	757,270	972,134,187		$	0.0008	/kWh
GS<50	$	169,472	303,108,577		$	0.0006	/kWh
GS>50	$	67,554		2,409,333	$	0.0280	/kW
Large Use	$	5,326		387,405	$	0.0137	/kW
	$	**999,623**					

Despite providing the requested information above, Veridian maintains that it should be awarded the full LRAM amount of $1,389,688 for lost revenues in the years 2007-2010. Veridian is also willing to accept a discounted 2010 LRAM amount to account for the effects of conservation that were unintentionally included in its 2010 load forecast as mentioned above. Discounting lost revenues from May 1, 2010 to December 31, 2010 by 22% would decrease Veridian's LRAM claim to $1,303,874. These two positions are depicted in Tables 10 and 11 below:

Table 10: Lost Revenue and Rate Riders for a 2007 – 2010 LRAM Claim

	Total Lost Revenue (2007-2010)		2010 Billed (1)		Rate Rider 1 Year		
			kWh	kW			
Residential	$	986,742	972,134,187		$	0.0010	/kWh
GS<50	$	288,771	303,108,577		$	0.0010	/kWh
GS>50	$	106,765		2,409,333	$	0.0443	/kW
Large Use	$	7,411		387,405	$	0.0191	/kW
	$	**1,389,688**					

Table 11: Lost Revenue and Rate Riders for a 2007 – 2009, and discounted 2010 LRAM Claim

	Total Lost Revenue (2007 - 2009, discounted 2010)		2010 Billed		Rate Rider 1 Year		
			kWh	kW			
Residential	$	936,258	972,134,187		$	0.0010	/kWh
GS<50	$	262,525	303,108,577		$	0.0009	/kWh
GS>50	$	98,138		2,409,333	$	0.0407	/kW
Large Use	$	6,952		387,405	$	0.0179	/kW
	$	**1,303,874**					

Veridian would like to take this opportunity to advise the Board that it intends to file for recovery of unclaimed lost revenues up to and including its next rebasing (January 1, 2011 to April 30, 2014) in a future LRAM application.

All of which is respectfully submitted this 30th day of January 2012