**Ontario Energy Board**
P.O. Box 2319
26th. Floor
2300 Yonge Street
Toronto ON M4P 1E4
Telephone: 416- 481-1967
Facsimile: 416- 440-7656
Toll free: 1-888-632-6273

**Commission de l'Énergie de l'Ontario**
C.P. 2319
26e étage
2300, rue Yonge
Toronto ON M4P 1E4
Téléphone; 416- 481-1967
Télécopieur: 416- 440-7656
Numéro sans frais: 1-888-632-6273

Ontario

**BY FAX ONLY**

October 13, 2005

Mr. George Armstrong
Manager of Regulatory Affairs and Key Projects
Veridian Connections Inc.
55 Taunton Road East
Ajax, ON L1T 3V3

Dear Mr. Armstrong:

**Re: Application for Amendments to Veridian Connections Inc.'s Conservation and Demand Management Plan**
**Board File No RP-2004-0203 / EB-2004-0484**

Thank you for your letter dated September 15, 2005. The Ontario Energy Board (the "Board") is treating the letter as an informational update rather than an application which requires Board approval.

In your letter, you have outlined three changes to Veridian Connections Inc.'s ("Veridian") conservation and demand management ("CDM") plan. The changes include:

- the incorporation of Scugog Hydro Energy Corporation's ("Scugog Hydro") CDM plan into Veridian's following Veridian's acquisition of Scugog Hydro on June 20, 2005;
- the addition of the Leveraging Energy Conservation and/or Load Management Programs Initiative as presented in the applications by the Coalition of Large Distributors (CLD)[1]; and
- a broadening of the scope of the Distribution Loss Reduction Program to include Voltage Profile Management.

[1] Joint applications by Enersource Hydro Mississauga Inc. (EB-2004-0489)., Hamilton Hydro Inc. (EB-2004-0488), Hydro Ottawa Ltd. (EB-2004-0487), PowerStream Inc. (EB-2004-0486), Toronto Hydro Electric System Ltd. (EB-2004-0485), Veridian Connections Inc. (EB-2005-0484).

The requested changes are within the scope of flexibility allowed by the Board in its Final Order, dated February 3, 2005, approving Veridian's CDM plan. Furthermore, the Board's Final Order states that Veridian need only apply to the Board if cumulative fund transfers among programs exceed 20% of the approved budget.

The Board's Final Order states that the Board understands that the approved CDM Plan and budget allocations to the individual programs may be subject to modifications. The Board only required that the modifications be identified in quarterly and annual reports. In reviewing your letter, the Board notes that there is effectively no change to the CDM plan proposed by Scugog Hydro, with the exception that it will be administered by the new corporation and the funding for customer education will be amalgamated with Veridian's existing Co-Branded Mass Market Program.

With respect to the changes within the plan, the Board notes that Veridian will be shifting $246,000 from two existing programs into the Leveraging Energy Conservation and/or Load Management Programs. This amount represents approximately 7% of the gross value of Veridian's CDM plan. This amount is well below the 20% threshold set by the Board. Even if the addition of approximately $63,000 from Scugog Hydro's CDM Plan were included as a fund transfer in Veridian's CDM Plan, in addition to the $246,000 would only amount to approximately 8.6% of the value of Veridian's CDM Plan. Again, this amount is well below the 20% threshold set by the Board.

Further, the Board notes the Leveraging Energy Conservation and/or Load Management Programs and the Voltage profile Management program element of the Distribution Loss Reduction Program, have been approved for other CLD members as one of a menu of approved CDM programs available to the CLD members. The Board will record the change and update its files accordingly.

Should you require any further assistance, please call Stephen McComb, Analyst, Facilities at 416-440-8143.

Yours truly,

P. O'Dell

Peter H. O'Dell
Assistant Board Secretary