

**HORIZON UTILITIES CORPORATION (“HORIZON UTILITIES”)
RESPONSES TO
BOARD STAFF INTERROGATORIES**

DELIVERED: January 24th, 2011

Question 27

Reference: E4/T2/S12/page 1-3 – Purchases from Non-Affiliates

Horizon has provided tables of purchases from non-affiliates for 2007, 2008 and 2009. No information is provided for the 2010 Bridge and 2011 Test Years.

a) Please provide similar tables for each of the 2010 Bridge and 2011 Test Years.

b) Please provide a qualitative explanation for each year-to-year total Variance (2007 – 2011).

Response:

a) The purchasing thresholds from Non- Affiliates spent reported were not consistent between 2007 and 2009, as the defined materiality thresholds were different between Horizon Utilities 2008 Electricity Distribution Rate Application (EB-2007-0697) and the current Application. For 2007 and 2008 a threshold reported was >\$500k and for 2009 a threshold reported was >\$250k, generating a larger variance between each reporting year. Enclosed are Horizon Utilities purchasing from Non-Affiliates from 2007 to 2010 using the threshold of > \$250k. Please note that the 2010 purchases from Non-Affiliates are estimated pending completion of year end.

~~The name of the Non-Affiliate companies contained in the table below are being filed confidentially.~~

2007 Purchases from Non-Affiliates >\$250K			
Name	Activity	Priced By	Total
HD SUPPLY UTILITIES	Inventory	RFP/RFQ/PO	\$3,048,971
PRYSMIAN CABLES AND SYSTEMS	Inventory	RFP/RFQ/PO	\$1,517,972
TOROMONT CAT	Equipment/Maintenance	RFP/RFQ/PO	\$1,460,351
IFS INDUST. AND FINANCIAL SYST.	Consultant	RFP/RFQ/PO	\$1,413,398
HYDRO ONE (483 BAY ST.)	Service Provider	Sole Source	\$1,124,724
GENERAL CABLE CANADA	Inventory	RFP/RFQ/PO	\$1,074,530
LAFARGE CANADA INC	Inventory	RFP/RFQ/PO	\$922,141
DAVEY TREE EXPERT CO	Contractor	RFP/RFQ/PO	\$858,802
MTS ALLSTREAM INC	Consultant	RFP/RFQ/PO	\$855,820
BESWICK TREE SERVICE LTD	Contractor	RFP/RFQ/PO	\$798,678
ABLE-ONE SYSTEMS INC	Computer Equipment	RFP/RFQ/PO	\$708,795
STORAGE ASP INC	Service Provider	RFP/RFQ/PO	\$694,559
METRO FREIGHTLINER HAMILTON	Fleet Equipment	RFP/RFQ/PO	\$651,054
DUNDAS POWER LINE LTD	Contractor	RFP/RFQ/PO	\$650,078
PALMESE PHOTODESIGN GROUP INC	Service Provider	RFP/RFQ/PO	\$560,234
TELECOM COMPUTER	Computer Equipment	RFP/RFQ/PO	\$508,430
BETHLEHEM TRENCHING LTD	Contractor	RFP/RFQ/PO	\$503,196
WILCOX BODIES LTD	Fleet Equipment	RFP/RFQ/PO	\$474,299
POSI-PLUS TECHNOLOGIES INC	Fleet Equipment	RFP/RFQ/PO	\$461,646
PVS CONTRACTORS INC	Contractor	RFP/RFQ/PO	\$442,043
CANNON TECHNOLOGIES INC	Inventory/Maintenance	RFP/RFQ/PO	\$404,899
A AND W HIGH VOLTAGE	Contractor	RFP/RFQ/PO	\$391,110
GUELPH UTILITY POLE CO LTD	Inventory	RFP/RFQ/PO	\$347,383
BEL VOLT SALES LTD	Inventory	RFP/RFQ/PO	\$295,120
FUELS INC	Service Provider	RFP/RFQ/PO	\$252,227
OFFICE SOURCE INC, THE	Furniture/Equipment	RFP/RFQ/PO	\$251,313
TOTAL			\$20,671,774

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2008 Purchases from Non-Affiliates >\$250K			
Name	Activity	Priced By	Total
HYDRO ONE (483 BAY ST.)	Service Provider	Sole Source	\$5,174,776
HD SUPPLY UTILITIES	Inventory	RFP/RFQP/PO	\$3,158,506
DUNDAS POWER LINE LTD	Contractor	RFP/RFQP/PO	\$2,614,241
PRYSMIAN CABLES AND SYSTEMS	Inventory	RFP/RFQP/PO	\$1,933,475
BETHEHEM TRENCHING LTD	Contractor	RFP/RFQP/PO	\$1,221,934
ABLE-ONE SYSTEMS INC	Computer Equipment	RFP/RFQP/PO	\$1,128,333
CANNON TECHNOLOGIES INC	Inventory/Maintenance	RFP/RFQP/PO	\$827,424
GUELPH UTILITY POLE CO LTD	Inventory	RFP/RFQP/PO	\$665,756
PVS CONTRACTORS INC	Contractor	RFP/RFQP/PO	\$636,559
WILCOX BODIES LTD	Fleet Equipment	RFP/RFQP/PO	\$631,580
WASTEQUIP CUSCO	Fleet Equipment	RFP/RFQP/PO	\$279,352
A AND W HIGH VOLTAGE	Contractor	RFP/RFQP/PO	\$569,896
BARTLETT-VENTON CONSTR. LTD	Contractor	RFP/RFQP/PO	\$559,127
NORAMCO WIRE AND CABLE	Inventory	RFP/RFQP/PO	\$533,090
BESWICK TREE SERVICE LTD	Contractor	RFP/RFQP/PO	\$503,226
FLYNN CANADA LTD	Service Provider	RFP/RFQP/PO	\$499,634
TIMBERLAND EQUIPMENT LTD	Fleet Equipment	RFP/RFQP/PO	\$485,010
BLUETREE WIRELESS DATA INC	Service Provider	RFP/RFQP/PO	\$456,540
PALMESE PHOTODESIGN GROUP	Service Provider	RFP/RFQP/PO	\$437,314
AESI	Consultant	RFP/RFQP/PO	\$402,631
NAVIGANT CONSULTING LTD	Consultant	RFP/RFQP/PO	\$354,172
BEL VOLT SALES LTD	Inventory	RFP/RFQP/PO	\$353,448
TELECOM COMPUTER	Computer Equipment	RFP/RFQP/PO	\$334,530
EKSTROM INDUSTRIES INC	Inventory	RFP/RFQP/PO	\$319,790
NBM ENGINEERING INC	Consultant	RFP/RFQP/PO	\$316,784
WESTBURNE RUDDY (LONDON)	Inventory	RFP/RFQP/PO	\$312,897
RONDAR INC	Service Provider	RFP/RFQP/PO	\$301,884
BLACK AND MCDONALD LTD	Contractor	RFP/RFQP/PO	\$295,043
MORNING MIST CORP	Service Provider	RFP/RFQP/PO	\$289,110
WAJAX INDUSTRIES LTD	Fleet Equipment	RFP/RFQP/PO	\$280,896
POLE CARE INTERNATIONAL INC	Service Provider	RFP/RFQP/PO	\$268,227
GENERAL CABLE CANADA	Inventory	RFP/RFQP/PO	\$266,671
S AND C ELECTRIC CANADA LTD	Contractor	RFP/RFQP/PO	\$255,217
TOTAL			\$26,667,072

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2009 Purchases from Non-Affiliates >\$250K			
Name	Activity	Priced By	Total
HD SUPPLY UTILITIES	Inventory	RFP/RFQ/PO	\$5,090,691
K-LINE MAINTENANCE	Contractor	RFP/RFQ/PO	\$1,893,173
PRYSMIAN CABLES	Inventory	RFP/RFQ/PO	\$903,237
EATON YALE COMPANY	Inventory	RFP/RFQ/PO	\$794,788
CANNON TECHNOLOGIES INC	Maintenance	RFP/RFQ/PO	\$742,594
A AND W HIGH VOLTAGE	Contractor	RFP/RFQ/PO	\$688,080
ABLE-ONE SYSTEMS INC	Computer Equipment	RFP/RFQ/PO	\$686,936
BETHLEHEM TRENCHING LTD	Contractor	RFP/RFQ/PO	\$595,968
HYDRO ONE (483 BAY ST.)	Service Provider	Sole Source	\$574,767
POSI-PLUS TECHNOLOGIES INC	Fleet Equipment	RFP/RFQ/PO	\$550,105
AESI	Consultant	RFP/RFQ/PO	\$506,989
ATRIA NETWORKS LP	Service Provider	RFP/RFQ/PO	\$506,818
GENERAL CABLE CANADA	Inventory	RFP/RFQ/PO	\$506,702
IFS INDUST. AND FINANCIAL	Consultant	RFP/RFQ/PO	\$494,228
TELECOM COMPUTER	Computer Equipment	RFP/RFQ/PO	\$492,853
DAFFRON AND ASSOCIATES INC	Service Provider	RFP/RFQ/PO	\$443,574
BESWICK TREE SERVICE LTD	Contractor	RFP/RFQ/PO	\$427,178
BEL VOLT SALES LTD	Inventory	RFP/RFQ/PO	\$408,441
SURVALENT TECHNOLOGY	Consultant	RFP/RFQ/PO	\$390,000
PVS CONTRACTORS INC	Contractor	RFP/RFQ/PO	\$382,515
DUNDAS POWER LINE LTD	Contractor	RFP/RFQ/PO	\$381,472
GUELPH UTILITY POLE CO LTD	Inventory	RFP/RFQ/PO	\$380,043
OFFICE SOURCE INC, THE	Furniture/Equipment	RFP/RFQ/PO	\$357,883
WESTBURNE RUDDY (LONDON)	Inventory	RFP/RFQ/PO	\$351,748
NEWMAN BROTHERS LTD	Service Provider	RFP/RFQ/PO	\$348,891
BARTLETT-VENTON CONSTR. LTD	Contractor	RFP/RFQ/PO	\$343,845
STRESS-CRETE LTD	Inventory	RFP/RFQ/PO	\$331,882
EKSTROM INDUSTRIES INC	Inventory	RFP/RFQ/PO	\$314,761
POWERLINE PLUS	Inventory	RFP/RFQ/PO	\$313,487
NEXANS	Inventory	RFP/RFQ/PO	\$310,696
METRO FREIGHTLINER HAMILTON	Fleet Equipment	RFP/RFQ/PO	\$305,002
PALMESE PHOTODESIGN GROUP	Service Provider	RFP/RFQ/PO	\$282,724
RIDDELL INDUSTRIES LTD	Inventory	RFP/RFQ/PO	\$280,528
CANADA POWER PRODUCTS	Inventory	RFP/RFQ/PO	\$273,875
GUILLEVIN INTERNATIONAL INC	Inventory	RFP/RFQ/PO	\$254,656
DAVEY TREE EXPERT CO	Contractor	RFP/RFQ/PO	\$249,335
SUNSHINE BUILDING	Service Provider	RFP/RFQ/PO	\$247,715
MORNING MIST CORP	Service Provider	RFP/RFQ/PO	\$228,184
TOTAL			\$22,636,365

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2010 Purchases from Non-Affiliates >\$250K			
Name	Activity	Priced By	Total
HD SUPPLY UTILITIES	Inventory	RFP/RFQ/PO	\$3,866,607
HYDRO ONE (483 BAY ST.)	Service Provider	Sole Source	\$2,608,718
K-LINE MAINTENANCE AND CONST LTD	Contractor	RFP/RFQ/PO	\$1,273,958
BETHLEHEM TRENCHING LTD	Contractor	RFP/RFQ/PO	\$710,629
GENERAL CABLE CANADA	Inventory	RFP/RFQ/PO	\$696,247
POSI-PLUS TECHNOLOGIES INC	Fleet Equipment	RFP/RFQ/PO	\$692,130
TELECOM COMPUTER	Computer Hardware	RFP/RFQ/PO	\$661,785
IFS INDUST. AND FINANCIAL SYST.	Consultant	RFP/RFQ/PO	\$658,849
STRESS-CRETE LTD	Inventory	RFP/RFQ/PO	\$600,070
EATON YALE COMPANY	Inventory	RFP/RFQ/PO	\$576,209
BLACK AND MCDONALD	Contractor	RFP/RFQ/PO	\$573,117
UNIS LUMIN INC	Computer Hardware	RFP/RFQ/PO	\$565,211
PVS CONTRACTORS INC	Contractor	RFP/RFQ/PO	\$521,839
BOHDEX CLIENT INNOVATIONS	Service Provider	RFP/RFQ/PO	\$508,696
AECON CONSTRUCTION	Contractor	RFP/RFQ/PO	\$449,438
CANNON TECHNOLOGIES INC	Inventory/Maintenance	RFP/RFQ/PO	\$448,652
DAFFRON AND ASSOCIATES INC	Service Provider	RFP/RFQ/PO	\$448,053
ATRIA NETWORKS LP	Service Provider	RFP/RFQ/PO	\$430,889
BESWICK TREE SERVICE LTD	Contractor	RFP/RFQ/PO	\$426,734
PRYSMIAN CABLES AND SYSTEMS LTD	Inventory	RFP/RFQ/PO	\$401,109
WESTBURNE RUDDY (LONDON)	Inventory	RFP/RFQ/PO	\$397,854
METRO FREIGHTLINER HAMILTON	Fleet Equipment	RFP/RFQ/PO	\$372,661
BEL VOLT SALES LTD	Inventory	RFP/RFQ/PO	\$351,115
MOHAWK FORD SALES LTD	Fleet Equipment	RFP/RFQ/PO	\$317,862
A AND W HIGH VOLTAGE	Contractor	RFP/RFQ/PO	\$312,584
DAVEY TREE EXPERT CO	Contractor	RFP/RFQ/PO	\$293,148
CANADA POWER PRODUCTS	Inventory	RFP/RFQ/PO	\$290,588
DUNDAS POWER LINE LTD	Contractor	RFP/RFQ/PO	\$287,568
GUELPH UTILITY POLE CO LTD	Inventory	RFP/RFQ/PO	\$286,424
ABLE-ONE SYSTEMS INC	Service Provider	RFP/RFQ/PO	\$277,590
FUELS INC	Inventory	RFP/RFQ/PO	\$276,507
FIELDWORKER	Supplies	RFP/RFQ/PO	\$275,435
CANADA POST CORP	Service Provider	RFP/RFQ/PO	\$272,642
OFFICE SOURCE INC, THE	Furniture/Equipment	RFP/RFQ/PO	\$255,894
NEXANS	Inventory	RFP/RFQ/PO	\$251,269
TOTAL			\$21,638,081

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1 **b)** The following table summarizes Horizon Utilities purchases from Non- Affiliates
 2 of \$250,000 or greater from 2007 to 2011:

Horizon Utilities Corporation Purchases Spent from Non- Affiliates of \$250k and greater				
2007	2008	2009	2010	2011
\$20,671,774	\$26,667,072	\$22,636,365	(*)\$21,638,081	Not Applicable

3 Note: (*) 2010 estimated values pending completion of year end.

4 Variances in the level of purchases year over year are typically driven by projects from
 5 any given year. Purchasing from Non-Affiliates for 2011 is not available at this time, as
 6 Horizon Utilities budgets are not developed based on purchasing volume. The table
 7 below summarizes the purchasing variance from Non-Affiliates in 2008, 2009 and 2010.

Reporting Year	Purchasing Variance	Variances Explanation
2008	\$5,995,298	\$2,401,800 – Hydro One (Vansickle Capital Contribution) \$1,254,182 – Toromont (Emergency Generators) \$1,907,836 – Outside Contractors (Capital Projects) \$419,538 – Able One (Enterprise Resource Planning System Project)
2009	(\$4,030,707)	\$1,932,185 – HD Supply (Transformers Inventory to support demand) \$794,788 – Eaton Yale (Replacement Substation Transformer) \$494,228 – IFS (Enterprise Resource Planning System Project) (\$4,600,009) – Hydro One (Various Station Projects & Capital Contribution) (\$1,030,238) – Prysmian Cable (Lead Cable Inventory) (\$536,433) – Outside Contractors (Capital Projects) (\$441,397) – Able One (Computer Equipment) (\$285,713) – Guelph Utility Pole (Pole Inventory) (\$254,044) – PVS (Locates Services)
2010	(\$998,284)	\$2,033,951 – Hydro One (Transformation Pool Work Capital Contribution) \$164,621 – IFS (Enterprise Resource Planning System Project) (\$1,224,084) – HD Supply (Transformer Inventory)