



March 2, 2011

BY RESS AND BY COURIER

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge St., Suite 2700
Toronto, ON, M4P 1E4

Dear Ms. Walli:

RE: Horizon Utilities Corporation - EB-2010-0131 Horizon Utilities' EDR Cost of Service Application – Responses to Technical Conference Undertakings

On February 25, 2011, the Ontario Energy Board held a Technical Conference for Horizon Utilities Corporation ("Horizon Utilities") 2011 EDR Cost of Service Application. In the Technical Conference, Horizon Utilities had agreed to provide responses to undertakings, JT1.1 through JT1.8. Horizon Utilities also made two statements, 'subject to check' in that Technical Conference.

Attached herewith, Horizon Utilities provides its responses to the following undertakings: JT1.1, JT1.4, JT 1.5 and JT1.7. Please note that in the transcript of the Technical Conference, Horizon Utilities undertook to review whether it would provide item JT 1.5. Horizon Utilities has reviewed this item and has agreed to provide the related 'live' Excel spreadsheets (four in total) to satisfy this undertaking. Further, Horizon Utilities includes in this submission one 'subject to check' statement.

Horizon Utilities anticipates providing the outstanding undertakings: JT 1.2, JT1.3, JT 1.6 and JT 1.8 as well as the second 'subject to check' statement, shortly.

If you have any questions, please do not hesitate to contact me.

Yours Truly,

Original signed by Indy Butany-DeSouza

Indy J. Butany-DeSouza
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**HORIZON UTILITIES CORPORATION (“HORIZON UTILITIES”)
SUBMISSION OF TECHNICAL CONFERENCE UNDERTAKING**

DELIVERED: March 2, 2011

UNDERTAKING NO. JT1.1:

**TO PROVIDE AMOUNT OF CAPITAL EXPENDITURE FOR CLASS 52 FOR
JANUARY 2011**

Response:

There were no capital expenditures in January 2011 for Class 52 assets.

**HORIZON UTILITIES CORPORATION (“HORIZON UTILITIES”)
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DELIVERED: March 2, 2011

UNDERTAKING NO. JT1.4:

**TO PROVIDE ACTUAL CALCULATION FOR ENERGY PROBE TECHNICAL
CONFERENCE QUESTION NO. 14**

Response:

The table provided in Horizon Utilities’ response to Energy Probe Interrogatory 50 a) is reproduced below.

	2004	2005	2006	2007	2008	2009	2010
# of employees eligible for undiscounted retirement	13	5	9	13	11	21	9
# of employees that actually retired	4	20	3	3	3	14	9
Percentage	31%	400%	33%	23%	27%	67%	100%

The actual retirement rate over the 7 year period was 97%.

If one assumes that 2004 is Year (“Yr.”) 1 through to 2010 being Yr. 7, the percentage is calculated as follows:

=(Yr.1%+Yr.2%+Yr.3%+Yr.4%+Yr.5%+Yr.6%+Yr.7%)

Number of Years

=(31%+400%+33%+23%+27%+67%+100%)

7

= 97%

**HORIZON UTILITIES CORPORATION (“HORIZON UTILITIES”)
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DELIVERED: March 2, 2011

UNDERTAKING NO. JT1.5:

TO PROVIDE DATABASE

Response:

Horizon Utilities submits the following Microsoft Excel spreadsheets in electronic format in response to this undertaking as follows:

Ontario LDC Controllable Cost and ROE Database

The data provided in this database has been extracted from the Yearbook of Electricity Distributors for the years 2005 to 2009 as published by the Ontario Energy Board and available on its website.

Rate Database 2008/ Rate Database 2009/ Rate Database 2010

The data for each of these three databases has been extracted from rate applications submitted to, and rate orders of, the Ontario Energy Board for local electricity distribution companies from 2008 to 2010. This information has been extracted from the website of the Ontario Energy Board.

All of the information in the referenced files above has been prepared by Horizon Holdings Inc. for its exclusive use. Users of the information in the above noted spreadsheets are cautioned that the extracted data contained therein may be subject to transposition or other errors or inaccuracies. Horizon Holdings Inc. and Horizon Utilities Corporation do not make any representations or warranties with respect to the accuracy of such data and do not assume any liability for its use.

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DELIVERED: March 2, 2011

UNDERTAKING NO. JT1.7:

TO PROVIDE UPDATED FORECAST FOR CALL VOLUME FOR 2011

Response:

Horizon Utilities submits that due to the implementation of Time-of-Use rates, the updated forecast increase for 2011 call volumes is in the range of 10%-12%.

Horizon Utilities has contracted incremental staff in 2011 in order to manage this transition. The costs of three incremental staff for 2011 are included in Horizon Utilities' Smart Meter Funding Adder. These costs are not included in this Application.

2 **HORIZON UTILITIES CORPORATION (“HORIZON UTILITIES”)**
3 **SUBMISSION OF TECHNICAL CONFERENCE SUBJECT TO CHECK**

4 **DELIVERED: March 2, 2011**

5
6 **SUBJECT TO CHECK:**

7 Line 27 / page 35 and Line 1/page 35 of the transcript:

8 “On average, in 2009, subject to check, I believe we were paying about \$1.14 for a
9 residential read, around \$1.25 for a small commercial, and about \$1.74 -- somewhere in
10 that range -- for a large commercial. So the cost of meter reading itself has increased
11 with the routes being changed with the installation of the smart meters.”

12 **Response:**

13 Horizon Utilities submits that Eileen Campbell quoted an incorrect reference to the year
14 in the statement above. A corrected response after the check is:

15 On average in 2009, Horizon was paying \$0.39 for a residential meter reading. On
16 average in 2010, Horizon was paying \$1.14 per residential meter reading, \$1.21 GS
17 <50kW and \$1.74 per GS >50kW per meter reading. The cost of conventional meter
18 reading itself has increased with the routes being changed with the installation of the
19 smart meters.