



August 15, 2011

Ms. Kirsten Walli  
Board Secretary  
P.O. Box 2319  
Ontario Energy Board  
2300 Yonge Street, 27th Floor  
Toronto, Ontario M4P 1E4

Re: Horizon Utilities Limited 2011 Electricity Distribution Rate Application  
AMPCO Reply to Horizon Cost Claim Objection  
Board File No. EB-2010-0131

Dear Ms. Walli:

We are writing in response to the letter from Horizon Utilities Limited ("Horizon") of August 8, 2011 which suggests that the AMPCO cost claim of \$49,230 be reduced by \$16,410 to \$32,820 plus tax.

Horizon's position is unfair, unjustified, and unprincipled. The simplistic suggestion that Horizon has made is offensive to the valuable role of intervenors in OEB processes and threatens to undermine the credibility of these proceedings. The superficial comparison of AMPCO's costs to those of other intervenors ignores the relative importance of this hearing to Horizon's large user customers for whom the impacts of this case were most extreme. Horizon's own bill impact analysis shows that an average increase to a large user as a result of the decision of the Board in this matter is over 8 per cent per annum. For one AMPCO member, the effects of this decision mean an annual impact of over half a million dollars.

In this context and in order to take the most principled approach to the Horizon application, AMPCO focussed its attention on the large user class. This does not mean that AMPCO representatives were not required to prepare for and attend the technical conference, settlement conference and most of the hearing. It does not mean that AMPCO's counsel and consultants did not need to review the complete Horizon application. It does not mean that AMPCO's counsel and consultants did not need to review the multiple revisions to the application made by Horizon throughout the proceeding. All of that contributed to the preparation and presentation of AMPCO's case before the Board.

If Horizon takes issue with particular docket entries made by counsel and consultants for AMPCO they should describe the entry and the issue; as it stands, Horizon provides no evidence to support its submissions, and offers no valid reasons for its objections.

No one else at the hearing represented the interests of the large user class. No class was affected by Horizon's application more than the large user class. It took time to develop AMPCO's position, to vet it with AMPCO's affected members and for AMPCO's counsel and consultants to receive appropriate instructions with respect to the position they were to take at the hearing. That time is included in the hours docketed by AMPCO's counsel and consultants.

The regulatory scheme established by the Board cannot work without the participation of intervenors representing the broad classes of energy users. Such participation is threatened when, as in this case, an applicant unfairly objects to the cost application of an intervenor. AMPCO's intervention was no less valuable than that of VECC, or than other intervenors, just because it was focussed in scope. The baseless suggestion that AMPCO should have spent a third less time on developing its position and

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presenting it to the Board is insulting to AMPCO, the interests of Horizon's customers whom we represent, and undermines the credibility of the Board's own processes and practice direction respecting intervention and cost awards.

All of which is submitted, with respect,

*(ORIGINAL SIGNED BY)*

Adam White  
President  
Association of major Power Consumers in Ontario

Copy to: Horizon Utilities Limited