



March 2, 2009

By e-mail

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
27th Floor
Toronto, ON
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**Re EB-2008-0183 – Horizon Utilities Corporation
2009 Electricity Distribution Rate Application Reply to Staff Submission**

Horizon Utilities Corporation ("Horizon Utilities") has reviewed the OEB Staff Submission received February 17, 2009 and provides the following in regards to the specific areas discussed by OEB Staff.

Revenue To Cost Ratio Adjustments

Horizon Utilities revenue to cost ratios are consistent with its 2008 EDR Application EB-2007-0697 and as such Horizon Utilities agrees with OEB Staff that the differences in the ratios calculated in the IRM Module and Horizon Utilities 2008 Cost of Service methodology are immaterial and that no adjustment is warranted.

Smart Meter Rate Adder

Horizon Utilities acknowledges that there is a difference in the terminology used to describe the Smart Meter Rate adjustment in the 2008 Rate Order issued November 13, 2008 and the OEB's Decision with Reasons issued October 3, 2008. Horizon Utilities has not changed the amount of the Smart Meter Rate Adder and agrees with OEB Staff that there is no rate impact resulting from the error in the description. Horizon Utilities further agrees with OEB Staff that the Smart Meter Rate Adder should be incorporated in the monthly Service Charge which is consistent with Horizon Utilities 2006 and 2007 Tariff of Rates and Charges.

Horizon Utilities agrees with the OEB Staff Submission that no adjustments are required to its 2009 EDR Application. Horizon Utilities also confirms that no further submissions were received from VECC, being the only other intervenor in Horizon Utilities 2009 EDR Application. Should you require further information in this regard please contact me at 905-317-4785 or cameron.mckenzie@horizonutilities.com .

Yours truly,

Original signed by Cameron McKenzie

Cameron McKenzie
Director, Regulatory Services
Horizon Utilities Corporation