Ontario Energy Board
P.O. Box 2319
27th. 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
27e 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 E-MAIL ONLY

April 15, 2010

James C. Sidlofsky
Partner
Borden Ladner Gervais LLP
40 King Street West
Toronto ON M5H 3Y4

Dear Mr. Sidlofsky:

Re: Horizon Utilities Corporation – Z-Factor Application
Board File No. EB-2009-0332

This will acknowledge receipt on April 13, 2010 of your letter expressing concern about the characterization by the Board of certain of Horizon Utilities Corporation's ("Horizon") evidence in its Decision of March 24, 2010. Horizon takes issue with the following sentence at page 10 of the Decision:

> "Finally, Mr. Basilio (CFO for Horizon) testified that Horizon is experiencing neither a cash flow deficiency, nor inability to finance the business, and that it plans to deal with any long-term effects of these losses through the filing of a cost of service application later this year."

Specifically, Horizon disputes that evidence given by Mr. Basilio supported a conclusion that Horizon was not experiencing a cash flow deficiency as a result of the revenue losses related to the reduced operations of a Large User customer. Horizon has requested the Decision be amended to read as follows:

> "Finally, Mr. Basilio (CFO for Horizon) testified that Horizon is not experiencing an inability to finance the business, and that it plans to deal with any long-term effects of these losses through the filing of a cost of service application later this year."

Horizon has characterized the amendment sought as being one which falls within Section 43.02 of the *Rules of Practice and Procedure*:

> The Board may at any time, without notice or a hearing of any kind, correct a typographical error, error of calculation or similar error made in its orders or decisions.

The Board does not agree that the amendment requested falls within Section 43.02. The change being sought by Horizon does not relate to a typographical error, calculation error or similar type of error.

That said, the Board is of the view that the concerns expressed are unfounded. Decisions should be read as a whole, and sentences should read in the context of the Decision in its entirety. The Decision clearly identifies the magnitude of the revenue loss which necessarily has a negative impact on cash flow. Should this issue arise in future proceedings, parties can look to the statement within the context of the Decision as a whole and also to the underlying evidence (written and oral) of this proceeding when interpreting “cash flow deficiency”.

Yours truly,

Original signed by

John Pickernell
Assistant Board Secretary

c: All registered parties in this proceeding