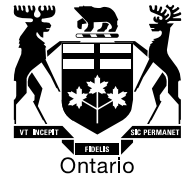


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BY E-MAIL ONLY

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
EB-2009-0332: Preparation of Redacted Transcript**

The oral hearing in this proceeding was held on January 28, 2010. At the end of the hearing, the Panel discussed issues relating to the confidentiality of the transcript and expressed the view that much of the transcript could be placed on the public record. The Panel asked that Horizon Utilities Corporation ("Horizon") prepare a proposed redacted version of the transcript, based on the two decisions made by the Panel on confidentiality in this proceeding, and incorporating input from the subject customer. The Panel requested that Horizon provide this version of the transcript to Board staff who would then offer an opinion as to whether or not the proposed redactions were appropriate. The Panel suggested that there was no need to involve intervenors in this process, a suggestion which was accepted by the intervenors present at the hearing.

On February 24, 2010, you provided to Board staff a proposed redacted version of the transcript which reflected redactions made by you and counsel for the subject customer. You indicated that you anticipated receiving proposed redactions to undertakings from the Subject Customer, and that redactions of the parties' written submissions would also need to be considered.

Shortly after receipt of the proposed redacted transcript, Board staff expressed concerns about the extent of the proposed redactions in a telephone conversation with

you. You advised you would respond to staff's concerns; however, as of the date of this correspondence, no such response has been received.

The Board intends to place a redacted version of the transcript of this proceeding on the public record by the end of this month. If the Board has not received a response from you related to the concerns expressed by staff by April 23, 2010, the Board will proceed to issue the redacted version without such input. Once the redacted transcript is placed on the record, the Board will then turn to the preparation of public versions of the undertakings and submissions.

Yours truly,

Original signed by

John Pickernell
Assistant Board Secretary