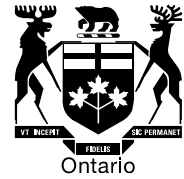


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BY E-MAIL ONLY

April 29, 2010

To: All registered parties in proceeding EB-2009-0332:

**Re: Horizon Utilities Corporation – Z-Factor Application
EB-2009-0332: Issuance of Redacted Transcript**

The oral hearing in this proceeding was held entirely *in camera* on January 28, 2010. At the end of the hearing, the Panel expressed the view that much of the transcript could be placed on the public record.

In this context, the Panel asked that Horizon Utilities Corporation ("Horizon") prepare a proposed redacted version of the transcript, based on the decisions made by the Panel on confidentiality in this proceeding, and incorporating input from the subject customer.

The Panel requested that Horizon provide the proposed redacted 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, Horizon provided to Board staff a proposed redacted version of the transcript which reflected redactions made by Horizon and counsel for the subject customer. Horizon also indicated it 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 informally expressed concerns to Horizon about the extent of the proposed redactions. Horizon advised that it would respond to staff's concerns.

On April 15, 2010, the Board sent a letter to counsel for Horizon noting that it had not yet received a response to the concerns expressed by Board staff and stating that the Board intended to place a redacted version of the transcript of this proceeding on the public record by the end of this month. Furthermore, if the Board had not received a response from Horizon related to the concerns expressed by staff by April 23, 2010, the Board would proceed to issue the redacted version without such input. The Board's letter also noted that once the redacted transcript was placed on the record, the Board would then turn to the preparation of public versions of the undertakings and submissions.

On April 23, 2010, Horizon responded to the Board's letter and provided an updated proposed redacted transcript. Horizon stated that it had prepared this transcript, which contained fewer redactions than the version provided to staff in February, in consultation with counsel to the subject customer.

The Board has now completed its review of the updated proposed redacted transcript. Attached is the redacted version of this transcript which the Board is placing on the public record.

This redacted transcript is in conformity with the determinations made by the Board in this proceeding, specifically the Board's Decision and Order on Confidentiality Issues of January 18, 2010 (the "confidentiality Decision") and those made at the beginning of the oral hearing held on January 28, 2010 and reflected in the transcript.

The Board has accepted all of the redactions proposed by Horizon, except where they relate to information already on the public record in the original application or otherwise. Such redactions have been removed. The Board's *Practice Direction on Confidential Filings* states in Appendix B that "Information that is in the public domain will not be considered confidential."

In addition, in one instance, the Board has also made public a quotation related to confidential interrogatory SEC #14, which did not discuss the confidential information contained in the interrogatory. The Board's confidentiality Decision stated that it would maintain confidentiality with respect to this interrogatory as it related to customer specific information beyond that which is already on the public record. The relevant quotation concerned Horizon's working capital methodology, an area which the Board did not find to be confidential.

The next step in this process will be for the Board to place on the record public versions, redacted where necessary, of the undertakings and submissions filed in this proceeding. The Board intends to do this by the end of May 2010. If Horizon wishes to provide proposed redacted versions of these documents for the Board's consideration, it

must do so by May 21, 2010. If the Board has received no response from Horizon by this date, the Board will proceed to issue redacted versions without such input.

Yours truly,

Original Signed By

John Pickernell
Assistant Board Secretary

Attachment