THIS RESPONSE IS NOW PUBLIC based on OEB Decision on confidentiality dated January 18, 2010

EB-2009-0332

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, (Schedule B);

AND IN THE MATTER OF an application by Horizon Utilities Corporation for an order approving the recovery of certain amounts related to an unforeseen loss of revenue to be effective January 1, 2010.

HORIZON UTILITIES CORPORATION ("HORIZON UTILITIES")
CONFIDENTIAL RESPONSES TO
ENERGY PROBE RESEARCH FOUNDATION INTERROGATORIES

DELIVERED DECEMBER 2, 2009

Interrogatory # 2 [NOTE THAT ONLY HORIZON UTILITIES' RESPONSE TO PART (a) IS BEING FILED IN CONFIDENCE]

Ref: Manager's Summary, pages 7 & 8

The evidence at Paragraph 2.7 states that, despite its plans to defer certain projects from 2009 until 2010, projects which are deemed prudent to defer, the Applicant will not achieve its maximum allowable return on equity.

a) In which years does the Applicant believe that it will not reach its maximum allowable return on equity due to the loss of distribution revenue from the Subject Customer?

Response:

a) Horizon Utilities does not believe that it will achieve its Maximum Allowable Return on Equity ("MARE") in 2009 or 2010. The loss of distribution revenue from the Subject Customer is one contributing factor to this. Please also refer to Horizon Utilities' response to Board Staff interrogatory #5 (d).