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December 20, 2007

BY EMAIL & COURIER

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge St, Suite 2701
Toronto ON M4P 1E4

Dear Ms. Walli:

Board File No. EB-2007-0697

**Horizon Utilities Corporation –2008 Rates Rebasing Application
Energy Probe Interrogatories**

Pursuant to the Board's Procedural Order No. 1, issued December 4, 2007, Energy Probe Research Foundation (Energy Probe) is attaching two hard copies of its interrogatories. An electronic version of this communication will be forwarded in PDF format.

Should you require additional information, please do not hesitate to contact me.

Yours truly,

David S. MacIntosh
Case Manager

cc: Cameron McKenzie, Horizon Utilities Corporation (By email)
Mark Rodger, Borden Ladner Gervais LLP (By email)
James Sidlofsky, Borden Ladner Gervais LLP (By email)
Interested Parties (By email)

Energy Probe Research Foundation 225 BRUNSWICK AVE., TORONTO, ONTARIO M5S 2M6

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Ontario Energy Board

IN THE MATTER OF the *Ontario Energy Board Act, 1998*,
S.O. 1998, c.15, Sched. B, as amended;

AND IN THE MATTER OF an Application by Horizon
Utilities Corporation for an Order or Orders approving or fixing
just and reasonable rates and other service charges for the
distribution of electricity as of May 1, 2008.

**INTERROGATORIES OF
ENERGY PROBE RESEARCH FOUNDATION
("ENERGY PROBE")**

December 20, 2007

**HORIZON UTILITIES CORPORATION
2008 - 2010 RATES CASE**

EB-2007-0697

**ENERGY PROBE RESEARCH FOUNDATION
INTERROGATORIES**

MANAGEMENT STRATEGIES & OBJECTIVES

Interrogatory # 1

Ref: Exhibit A, Tab 2, Schedule 1, page 1

Please provide empirical data i.e. quantitative and qualitative information (e.g. survey results, consultants' reports, focus group research, performance indicators, ratios etc.) to demonstrate that Horizon Utilities has been or is able to become "a best-in-class performer with respect to its customers, shareholders, and similar empirical data to demonstrate that Horizon is or can be "the best managed utility," "easy to do business with," and "a great place to work" consistent with its corporate objectives.

Interrogatory # 2

Ref: Exhibit A, Tab 2, Schedule 1, page 1

Please provide evidence that Horizon Utilities is "self aware," "embrace(s) policies and processes," and "takes steps to implement improvements on a continuous basis" i.e. engages in continuous organizational improvement (e.g. Total Quality Management (TQM)), if it does.

Interrogatory # 3

Ref: Exhibit A, Tab 2, Schedule 1, page 1

Please provide evidence that Horizon Utilities has “an engaged workforce”, and treats its employees as “its most important valued asset”.

Interrogatory # 4

Ref: Exhibit A, Tab 2, Schedule 1, page 2

Please provide detailed survey research evidence that Horizon Utilities “puts customers first” and “continues to achieve high customer satisfaction through and independent industry survey.” Name the “independent” surveyor; provide dates and the methodology (ies) of the survey(s) including the surveyor’s specific interview schedules (i.e. questionnaires) and sample sizes.

Interrogatory # 5

Ref: Exhibit A, Tab 2, Schedule 1, page 4

Please provide all labour productivity performance indicators and results for these indicators related to all sub-departmental work carried out by employees and supervisors (presumable in teams), including work in wires & distribution, technical work, and clerical work, for the latest three fiscal years, assuming the results from these referenced indicators are collected. If the data is collected and analyzed, what use is made of this information and analysis?

Interrogatory # 6

Ref: Exhibit A, Tab 2, Schedule 1

Please provide evidence whether Horizon Utilities or any of its affiliates is ISO-certified, when the ISO certification took place, if it did, and when updates to the certification took place, if they did. Please provide internal organization ISO certification summary reports, if they exist.

COST ALLOCATION

Interrogatory # 7

Ref: Exhibit H, Tab 1, Schedule 2

The evidence in Table 3 shows that the Revenue to Cost Ratio for the Residential Rate Classification with Adjustment for Transformer Allowance is 123.6%. In Table 6 the Proposed Revenue to Cost Ratio is shown as 112.44%.

Please produce a revised Table 6 with the Residential Class Revenue to Cost Ratio reallocated to 110%.

RATE DESIGN

Interrogatory # 8

Ref: Exhibit I, Tab 1, Schedule 1, Page 15 of 17

The evidence beginning on Line 8 indicates that the Applicant wishes to provide the convenience of payment by credit card for customers in arrears, allowing them to pay the outstanding account balance and thereby avoid disconnection.

Please advise the manner in which the Applicant determined its estimation of a 5% take-up by customers of this offer.