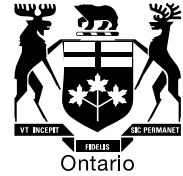


**Ontario Energy
Board**
P.O. Box 2319
27th. Floor
2300 Yonge Street
Toronto ON M4P 1E4
Telephone: 416- 481-1967
Facsimile: 416- 440-7656
Toll free: 1-888-632-6273

**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



BY EMAIL ONLY

January 30, 2007

Mr. Cameron McKenzie
Horizon Utilities Corporation
55 John Street North
P.O. Box 2249,
Station LCD 1
Hamilton, ON
L8N 3E4

Dear Mr. McKenzie:

**Re: Horizon Utilities Corporation
2007 Incentive Rate Mechanism Application
Board File No. EB-2007-0538**

This will acknowledge receipt on January 26, 2007 of your electricity distribution rate application. An initial review of your application reveals that it has been filed on the basis of the Board's December 20, 2006 "Report of the Board on the Cost of Capital and 2nd Generation Incentive Regulation for Ontario's Electricity Distributors" and will be processed accordingly.

The Board has assigned File Number EB-2007-0538 to this matter. Please refer to this number in all future correspondence to the Board regarding this matter.

Based on the Board's experience with applications of this nature, the Board expects that it will be able to render a decision and/or order in this application on or about April 12, 2007.

Please direct any questions relating to this application to Keith Ritchie, Project Advisor at +1 (416) 440-8124 or Keith.Ritchie@oeb.gov.on.ca.

Yours truly,

Original Signed By

Peter H. O'Dell
Assistant Board Secretary