

**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 E-MAIL**

November 8, 2011

Indy Butany-DeSouza  
Horizon Utilities Corporation  
55 John Street North  
PO Box 2249 STN LCD 1  
Hamilton ON L8N 3E4

Dear Ms. Butany-DeSouza:

**Re: Horizon Utilities Corporation  
Application for Rates  
Disposition of Account 1562  
Board File Number EB-2011-0172**

In its Decision in the EB-2008-0381 Combined PILs (Payments in Lieu of Taxes) proceeding ("Combined PILS Decision"), the Board indicated that distributors will be expected to apply for final disposition of Account 1562 (Deferred PILS) with their next general rates application, either IRM or cost of service. The Board also indicated in the Combined PILS Decision that if the distributor files evidence in accordance with the various decisions made in the course of the Combined PILS proceeding, including the use of the updated SIMPIL model, the determination of the final account balance will be handled expeditiously and in a largely administrative manner. However, if a distributor files on a basis which differs from what is contemplated by the Combined PILS Decision, the application can take some time to process, and therefore should not be included in an IRM application. Deviations from the Combined PILS Decision could include taking a different position on issues considered by the Board in the Combined PILs proceeding, addressing issues not arising in the Combined PILs proceeding or filing older SIMPIL models rather than the updated models containing the Excel worksheet 'TAXREC 3' as used by Halton Hills Hydro Inc.

Board staff reviewed the evidence filed by Horizon supporting the disposition of Account 1562 and the Board has determined that Horizon's application is not consistent with the various decisions made in the course of the Combined PILS proceeding. In the

Combined PILs proceeding, the Board did not receive evidence or make findings on the tax and PILs implications of amalgamations of distributors during the period 2001 to 2005.

For this reason, the Board will not hear the request for disposition of Account 1562 as part of Horizon's 2012 IRM application but will consider it on a stand-alone basis in a separate application. The Board expects Horizon to address the disposition of account 1562 in a stand-alone application to be filed no later than April 1, 2012.

Yours truly,

*Original signed by*

John Pickernell  
Assistant Board Secretary