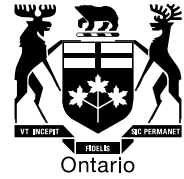


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BY E-MAIL

September 17, 2012

Indy J. Butany-DeSouza
Horizon Utilities Corporation
55 John Street North
Hamilton, ON L8N 3E4

Dear Ms. Butany-DeSouza:

**Re: Horizon Utilities Corporation
2013 IRM3 Rate Application
Board Staff Interrogatories
Application Board File Number EB-2012-0132**

In accordance with the Notice of Application and Hearing, please find attached Board Staff Interrogatories in the above proceeding.

As a reminder, Horizon Utilities Corporation's responses to interrogatories are due by Wednesday, October 3, 2012.

Yours truly,

Original signed by

Josh Wasylyk
Advisor, Applications & Regulatory Audit

Encl.

**Horizon Utilities Corporation (“Horizon”)
2013 IRM3 Rate Application
EB-2012-0132
Board staff Interrogatories**

Question #1

Ref: A portion of the 2013 IRM3 Shared Tax Savings Model, Sheet 3 is reproduced below.

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18	Last COS Re-based Year was in 2011
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Rate Group	Rate Class	Fixed Metric	Vo
RES	Residential	Customer	
GSLT50	General Service Less Than 50 kW	Customer	
GSGT50	General Service 50 to 999 kW	Customer	
LU	Large Use > 5000 kW	Customer	
SL	Street Lighting	Connection	
USL	Unmetered Scattered Load	Connection	

Horizon has listed General Service 50 to 999 kW in its Shared Tax Savings Model on Sheet 3. In Horizon’s Tariff of Rates and Charges, effective May 1, it lists the rate class as General Service 50 to 4,999 kW Service Classification.

- a) Please confirm that this is an error on Sheet 3 of the Shared Tax Savings Model. If so, Board staff will make the necessary correction.

Question #2

Ref: A portion of the 2013 IRM3 Rate Generator Model, Sheet 6 is reproduced below.

Rate Class	Unit	Metered kWh	Metered kW	Billed kWh for Non-RPP Customers	Estimated kW for Non-RPP Customers	Distribution Revenue ¹	Re S Pro
Residential	\$/kWh	1,539,676,985		253,330,245	0	59,154,378	
General Service Less Than 50 kW	\$/kWh	537,886,860		87,269,524	0	11,456,614	
General Service 50 to 4,999 kW	\$/kW	1,745,006,174	4,758,680	1,610,816,769	4,392,742	16,036,352	
Large Use	\$/kW	538,081,868	2,500,000	542,278,907	2,519,500	6,600,126	
Unmetered Scattered Load	\$/kWh	12,541,586		854,908	0	529,235	
Sentinel Lighting	\$/kW	502,459	1,421	14,537	41	43,849	
Street Lighting	\$/kW	40,006,298	111,295	41,413,891	115,211	2,136,477	
Standby Power	\$/kW		199,012		0	493,704	
MicroFit							
Total		4,413,702,230	7,570,408	2,535,978,781	7,027,494	96,450,735	0

Board staff has been unable to reconcile the Metered kWh, Metered kW, Billed kWh for Non-RPP Customers, Estimated kW for Non-RPP Customers, and Distribution Revenue figures Horizon has provided with the reported amounts in Horizon's 2.1.5 RRR (as at December 31, 2011) or with the parameters underpinning the 2011 cost of service application.

a) Please provide supporting evidence for the following figures for all rate classes:

- Metered kWh
- Metered kW
- Billed kWh for Non-RPP Customers
- Estimated kW for Non-RPP Customers
- Distribution Revenue

Question #3

Ref: A portion of the 2012 IRM3 RTSR Work form, Sheet 4 is reproduced below.

Rate Class	Unit	Non-Loss Adjusted Metered kWh	Non-Loss Adjusted Metered kW	Applicable Loss Factor	Load Factor	Loss Adjusted Billed kWh	Billed kW
Residential	kWh	1,657,856,641		1.0407		1,725,331,406	-
General Service Less Than 50 kW	kWh	587,424,820		1.0407		611,333,010	-
General Service 50 to 4,999 kW	kW	1,851,889,540	5,289,672		47.98%	1,851,889,540	5,289,672
Large Use	kW	529,799,392	2,276,683		31.90%	529,799,392	2,276,683
Unmetered Scattered Load	kWh	11,893,816		1.0407		12,377,894	-
Standby Power	kW					-	-
Sentinel Lighting	kW	494,369	1,401		48.36%	494,369	1,401
Street Lighting	kW	39,350,325	109,877		49.09%	39,350,325	109,877

- a) Please confirm that the amounts entered into the columns “Non-Loss Adjusted Metered kWh” and “Non-Loss Adjusted Metered kW” have not been adjusted by Horizon’s Board-approved loss factor.

Question #4

Ref: Manager’s Summary, Tab 1, Page 8 of 9, LRAM

Horizon notes that upon receipt of its final 2011 CDM results from the OPA, it will quantify the 2011 LRAM claim and examine its impact on the LRAMVA with the possibility for disposition of the amount through rates.

- a) Please discuss if Horizon plans on seeking disposition of LRAMVA amounts as an update to this application.
- b) If Horizon is anticipating seeking disposition of 2011 LRAMVA amounts in this application, please discuss when it will file for disposition.
- c) If Horizon is not anticipating disposition of 2011 LRAMVA amounts in this application, please discuss Horizon’s plans for future disposition.