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October 10, 2012

BY COURIER AND EMAIL

Regulatory Affairs Hydro One Networks Inc. 483 Bay Street 8<sup>th</sup> Floor, South Tower Toronto, ON M5G 2P5

Dear Sir/Madam:

## Re: Horizon Utilities Corporation Service Area Amendment Application Board File: EB-2012-0047 Summit Park Phase 7 Residential Development

We are counsel to Horizon Utilities Corporation ("Horizon Utilities") in respect of the above-noted matter. By letter dated October 10, 2012, a copy of which is enclosed, we informed the Ontario Energy Board ("Board") that Horizon Utilities intends to continue with its service area amendment ("SAA") application. Horizon Utilities will be amending its SAA application to include several other related properties which should be dealt with contemporaneously.

Horizon Utilities is very concerned by the work which Hydro One Networks Inc. ("**HONI**") has recently undertaken. It is apparent that HONI is taking steps to upgrade poles and wires to provide service to the Summit Park Phase 7 residential development which is the subject of the SAA, notwithstanding that Horizon Utilities' SAA application remains live before the Board. A large part of this work is being undertaken within Horizon Utilities' service territory.

Horizon Utilities is also concerned about HONI drawing load from the Nebo M3 and M4 express feeders which supply power exclusively to Horizon Utilities. This could lead to service quality issues. For these reasons, Horizon Utilities insists that HONI discontinue the work.

In light of the above, Horizon Utilities has filed the attached Motion with the Board seeking, *inter alia,* an Order requiring HONI to immediately discontinue the subject work. You are hereby duly served with Horizon Utilities' Motion.

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In the event that Horizon Utilities' SAA is approved, it will be Horizon Utilities' position that HONI undertook the work in the face of a live SAA application. Horizon Utilities reserves the right to oppose any request for recovery in respect of the capital costs associated with this work.

Finally, in respect of Horizon Utilities' request that the Board take a view of the environs of the SAA, please advise of the HONI contact whom we can approach for the purpose of developing an appropriate itinerary for the visit.

Yours truly,

AIRD & BERLIS LLP

Original signed "Dennis O'Leary"

Dennis M. O'Leary

DMO:ct Enclosures

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