



October 31, 2012

Via: RESS and Courier

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Walli;

**Re: Horizon Utilities Corporation ED-2006-0031
EB-2012-0132 2013 IRM3 Rate Application**

On August 3 2012, Horizon Utilities Corporation ("Horizon Utilities") filed its 2013 Electricity Distribution Rates ("EDR") Incentive Regulation Mechanism ("IRM") Application with the Ontario Energy Board ("OEB" or the "Board") for rates effective January 1, 2013. The OEB issued the Notice of Application on August 22, 2012.

Horizon Utilities received interrogatories from Board staff on September 19, 2012. Horizon Utilities filed its responses to interrogatories on October 3, 2012. On October 17, 2012, Board staff filed its submission in the respect of the above-captioned proceeding.

In its submission, Board staff referenced that it reviewed:

1. Horizon Utilities' Shared Tax Savings Workform and had no issue with Horizon Utilities' request to dispose of its 2013 shared tax savings amount;
2. Horizon Utilities' Group 1 account balances continuity schedule and confirmed that Horizon Utilities had exceeded the threshold for disposition. Board staff identified that Horizon Utilities' request to dispose of the balances in the Group 1 accounts over a period of one year is in accordance with the Board's *Electricity Distributors Deferral and Variance Account Review* (EB-2008-0046); and
3. Horizon Utilities' RTSR and that Board staff would update for changes to the Uniform Transmission rates, as appropriate.

Further, Board staff identified that Horizon Utilities' *Green Energy Act* ("GEA") related costs rate rider is reasonable. Board staff also identified that Horizon Utilities' approach to its Lost Revenue Adjustment Mechanism Variance Account ("LRAMVA") is also reasonable.

Horizon Utilities agrees with the submission of Board staff in the above-captioned proceeding and has no further submissions at this time.

Should you have any questions or require further information, please do not hesitate to contact me.

Sincerely,

Original signed by IJBD

Indy J. Butany-DeSouza, MBA
Vice-President, Regulatory Affairs
Horizon Utilities Corporation