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File 21413

February 25, 2013

VIA COURIER and *RESS FILING*

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

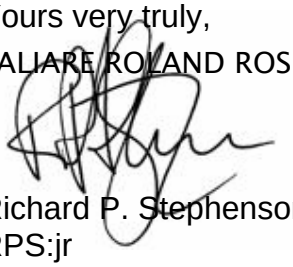
Dear Ms. Walli:

Re: Horizon Utilities Corporation Application to amend licensed service area filed June 18, 2012
Board File No. EB-2012-0047

We act as counsel to Power Workers' Union, an intervenor in the above-noted proceedings.

As requested, attached hereto please find a copy of Exhibit K 3.5 as filed at the hearing on February 21, 2013.

Yours very truly,
PALIARE ROLAND ROSENBERG ROTHSTEIN LLP



Richard P. Stephenson
RPS:jr
encl.

cc: Applicant and Intervenors (*via email)*

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Attachment 2

Hydro One Networks Inc.
Distribution Customers

Conditions of Service

October 2011

B. Common Service Taps

Customers shall provide, at their expense and in compliance with the Electrical Safety Code, a secondary or primary pole or an underground primary voltage line, for common service taps. Hydro One will supply two neighbouring Customers from the same Customer-supplied facility (common service taps) only when the following conditions are met:

(i) the Customers and Hydro One agree on the location of the portion of the Customer's supplied and built facility to be owned by Hydro One ("Common Line");
(ii) the Common Line is located on property owned by one or both of the neighbouring Customers;
(iii) the Common Line to be owned by Hydro One is built to Hydro One's Distribution Standards;
(iv) the Common Line is transferred with easements and tree-clearing rights to Hydro One for a nominal fee; and
(v) an access road is provided when requested by Hydro One.

If all the above conditions cannot be met, each Customer shall supply, install, and own a separate line on its own property, or the Customers shall agree amongst themselves, to share the Customer-owned line.

C. Temporary Connections

If a Customer requires temporary service, the two types and applicable charges are as follows:

(i) temporary service that at a later date is to be relocated to a permanent service site: a standard temporary service fee is charged.
(ii) temporary service that has a finite Connection and cancellation time period, for example, service to construction sites: The material cost of the transformation and metering will be provided by Hydro One without charge. All other labour and material costs to install and remove the service will be paid by the Customer based on Hydro One's actual costs.

D. Service to Sub-transmission Customers – Exclusive of Embedded Distributor

Service to Sub-transmission Customers, provided at voltages above 13 kV, may be a Basic Connection or an Expansion. However, transformation, secondary conductor or a credit for secondary conductor is not provided by Hydro One. A MIST Meter is required for all new Sub-transmission Customers and when an Expansion is required, the Sub-transmission Customer shall contribute to the cost, such contribution to be determined by Hydro One using a discounted cash flow model in compliance with Appendix B of the Distribution System Code.

Hydro One's Lines Management whether or not installation will occur. Customers will be informed well in advance whether installation will occur so other arrangements can be made, if necessary. There is always a risk in winter that the work cannot be commenced or completed within a specified time frame.

When specialized equipment is required to make a winter connection, any incremental costs will be the responsibility of the Customer.

Types of Connections

The two types of Connections to the Distribution System are:

(i) Basic Connection; and
(ii) an Expansion.

2.1.1. Basic Connection (Building that Lies Along)

Where a Customer makes a written request to Hydro One to connect a Building that Lies Along Hydro One's Distribution System, Hydro One shall provide a Connection. Hydro One provides a Basic Connection at no charge for all Customers, excluding those who want to connect an Embedded Generation Facility. The Basic Connection consists of:

(i) supply and installation of standard overhead transformation, according to the Customer's rate class, which includes secondary bus extensions or installations complete with conductor and anchoring;
(ii) supply and installation of standard metering;
(iii) an estimate and layout for the new service;
(iv) connection of the Secondary or Primary Service at the described Ownership Demarcation Point and the Operational Demarcation Point; and
(v) for year-round residential and seasonal residential classes only, the supply and installation of up to 30 metres overhead secondary conductor for up to a 200 amp service, or an equivalent credit toward underground conductor. Year-round residential and seasonal residential Customers with Primary Services will be credited for the 30 meters of secondary wire.

A Basic Connection does not include the following additional costs, for which the Customer shall pay Hydro One:

(a) for year-round residential and seasonal residential Customer classes – the cost difference between overhead and underground secondary wire;
(b) incremental costs associated with the supply and installation of underground transformation;

(c) the supply and installation of poles, anchors, all secondary conductor over 30 metres, hardware, and structures, as required on Customer's property; and

(d) the costs of all changes required to the Distribution System exclusive of the secondary bus installation. These costs include pole changes, anchoring or hardware changes.

Where applicable and at their own expense, Customers will also be responsible for:

(e) the supply of tree and vegetation management on the Customer's property;

(f) any easements or property agreements as required by Hydro One;

(g) the cost of any fees, permits, or other permissions required to connect the service; and

(h) the amount payable by the Customer to Hydro One if the Customer is being added to a Single or Three Phase line constructed on or after January 1, 1993.

The terms above may also apply to a Customer requiring an increase to its existing service capacity which does not trigger changes to the main Distribution System serving that Customer.

Should Hydro One determine that this Basic Connection has been utilized to connect an Embedded Generation Facility within five years of the date of the original Basic Connection, Hydro One will invoice the customer for the full connection costs incurred, in accordance with Section 3.5 of these Conditions of Service.

For Embedded Generation Facilities, see section 3.5 of these Conditions of Service.

2.1.2. Expansions / Offer to Connect

Where a Customer makes a written request to Hydro One to connect a building or an Embedded Generation Facility that is in Hydro One's service territory, Hydro One shall make an "Offer to Connect". For an Expansion, Hydro One will perform an economic evaluation using a discounted cash flow model in compliance with Appendix B of the Distribution System Code to determine the Customer's share, if any, of the projected capital costs (equipment, labour, material) and ongoing maintenance costs of the Expansion facilities (the "Expansion Costs"). If the Present Value of the future revenue is not sufficient to recover the Expansion Costs, the Customer shall pay a capital contribution calculated in a manner consistent with the requirements of the Distribution System Code. The capital contribution that Hydro One may charge in respect of the Expansion to a Customer other than a Distributor, shall not exceed the

- 347/600 Volts, 3 phase four wire circuits that only have 1 metering point per service entrance shall use transformer rated metering using 3 CTs and 3 PTs; and

(xi) provided with one of the following meter loop arrangements - Spare conductors not less than 450 mm in length, equipped with connectors supplied and terminated by the Customer at each bar-type current transformer connection point, or three-phase conductors installed through ring-type current transformers, or other acceptable provision for connection of current transformers.

Multi-Occupancy Metering

The Meter Installation for a multiple occupancy structure where the Customer requires individual meters and where the rating of the main disconnecting device exceeds 400 A shall satisfy the following requirements:

(xii) Meters shall be installed in a central service room with access as per Section 1.7.1 Space and access.
(xiii) The central service room shall be separated from the remainder of the building by an approved fire separation.
(xiv) Any splitter trough cover shall be hinged to open downward and equipped with provision for padlock and seal.
(xv) A full-sized neutral supply conductor shall be extended from any splitter trough to each meter socket.
(xvi) The conductors to each meter shall be provided with a separate sub-service box.
(xvii) Sub-service boxes shall be identified with an approved address or unit number and the same number shall identify the service panel inside the unit.
(xviii) Metering for 347/600 V, 3 phase four wire circuits that have more than 1 metering point per service entrance may use self contained metering up to 200A on the load side of the Customer's service entrance in conformity with the requirements of the Electrical Safety Code.

3.3. General Service

In the Distribution System Code Appendix A, section 3.2 is General Service Below 50 kW, and section 3.3 is General Service Above 50 kW. However, in this Conditions of Service document, these two sections are combined into section 3.2 above.

3.4. Sub-Transmission (ST)

This Rate Classification is applicable to:

(i) Local Distribution Companies (LDC) receiving supply from Hydro One Distribution assets, where Hydro One is the Host Distributor to the LDC, or

(ii) customers taking load which:
   (a) is three-phase;
   (b) is greater than 500 kW (monthly measured maximum demand averaged over the most recent calendar year, or whose forecasted monthly average demand over twelve consecutive months is greater than 500 kW),
   (c) directly connected to and supplied from Hydro One Distribution assets between 44 kV and 13.8 kV inclusive,
   (d) Hydro One Networks has no responsibility for local transformation; customer provides their own transformation.

Customers formerly classified as Direct Customers are included in this rate class if they meet the above criteria.

For the purpose of rate reclassification in 2011 only, a customer will be reclassified and moved out of the Sub-Transmission Rate class if the customer's average monthly billing demand over the calendar year 2010 was less than 300 kW.

For the purpose of rate reclassification, other than in 2011, a customer will be reclassified and moved out of the Sub-Transmission Rate Class if the customer's average monthly billing demand, over one calendar year, is not greater than 500 kW in any of the prior 3 calendar years.

A. Connection and Upgrade Charges

A Sub-Transmission Customer who makes a written request for a Connection and whose building lies along Hydro One's existing distribution lines shall pay Hydro One Connection charges in accordance with Section 2.1.1.

A Sub-Transmission Customer who makes a written request for a Connection and whose building is within Hydro One's service area shall pay Connection charges in accordance with Section 2.1.2.

A Sub-Transmission Customer who submits a written request for a service upgrade may be required to enter into a Capital Cost Recovery Agreement with Hydro One. The cost of modifications to the Distribution System, due to the upgraded Connection, will be in accordance with Section 2.1.2.

B. Ownership Demarcation Point and Operational Demarcation Point

For Sub-Transmission Customers, excluding Embedded Distributors, the Ownership Demarcation Point shall be: