



Hamilton

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Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4
Attn: Ms. Kirsten Walli
Board Secretary
Tel: 1-888-632-6273 (toll free)
Fax: 416-440-7656
E-mail: BoardSec@ontarioenergyboard.ca

Re: EB-2014-0002

IN THE MATTER OF the *Ontario Energy Board Act 1998*, Schedule B to the *Energy Competition Act*, 1998, S.O. 1998, c.15;

AND IN THE MATTER OF an Application by Horizon Utilities Corporation (Horizon) for an Order or Orders approving or fixing just and reasonable rates and other service charges for the distribution of electricity as of January 1, 2015.

NOTICE OF INTERVENTION OF THE CITY OF HAMILTON

The City of Hamilton applies for intervenor status in this proceeding.

Interest of the Intervenor

The City is a consumer of services provided by Horizon. The City pays for street lighting. The outcome of the proceeding will have a direct effect on the rates which the City pays for street lighting.

The City therefore requests that it be granted Intervenor Status with respect to the above matter. The City's request is consistent with the intervenor request it made and was granted in OEB proceeding EB-2013-0416.

The City of Hamilton is a municipality that is served by and therefore a customer of two electric utilities, with Horizon being one of them. Hamilton has annual electricity costs over \$25 million and actively pursues energy efficiency, renewable energy and other cost effective methods to best manage or reduce those ongoing costs.

In 2008 Hamilton paid \$236,000 in distribution charges (fixed and variable) to Horizon and in 2013 those charges exceeded \$1.5 Million. The total dollar escalation in Horizon charges exceeds \$1.3 Million annually since 2008.

Street Lighting Distribution Service Charges alone have increased from \$0.36 per connection in 2008 to \$2.39 in 2011 and are now proposed to cost \$2.97 per connection in 2015. This represents an increase of 825% from the 2008 base. The proposed 2015 increase adds an additional \$470,000 to the 2011 rates and is a 24% increase in just this charge.

To produce balanced budgets in the face of ever increasing utility costs, municipalities have repeatedly been challenged to maintain or improve on essential programs and services with existing budgets. One of the most significant utility budget pressures municipalities have faced in recent years is the dramatic price increases for street lighting rates.

Issues of Concern

The issues of concern of the City relate to Horizon's proposed street-lighting rates, including how those rates were derived and whether the proposed cost allocation and rate design factors are reasonable. The City will address other issues only to the extent that they have an impact on the proposed street-lighting rates.

Intended Participation

The City of Hamilton intends to participate in any pre-hearing procedures, including interrogatories or technical conferences, and settlement conferences.

Counsel/Advisor

The City of Hamilton requests that a copy of all documents filed with the Board by each party to this proceeding be provided to both the City of Hamilton and its advisor (yet to be selected).

Costs

The City of Hamilton intends to apply for recovery of its costs reasonably incurred in the course of its intervention in this matter. The City submits it is entitled to a recovery of its costs pursuant to section 3.06 of the OEB's Practice Direction on Costs Awards because the City is a customer of Horizon and the issues of concern listed by the City in this letter of intervention are relevant to the proceeding. The City's submission is consistent with the OEB's finding in its Procedural Order dated March 14, 2014 in OEB proceeding EB-2013-0416. The City therefore requests that the Board order that the City of Hamilton is eligible to recover its reasonably incurred costs in this proceeding.

The City requests that, in addition to electronic copies one hard copy of all documents filed with the Board by each party to this proceeding be provided to:

Gord McGuire O.L.S. B.Sc.
77 James Street North, Suite 320
Hamilton, Ontario
L8R 2K3

Submitted on behalf of the City of Hamilton this May 25, 2014.

*Original signed by
Gord McGuire*

Regards,

Gord McGuire, O.L.S., B.Sc.
Manager, Geomatics & Corridor Management
Engineering Services | Public Works Department
City of Hamilton