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September 22, 2014

**Delivered by RESS and Courier**

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street  
26th Floor, Box 2319  
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: EB-2014-0002  
Horizon Utilities Corporation – Five Year Custom Distribution Rate  
Application**

Pursuant to Procedural Order No. 2 in the above-captioned matter, a Settlement Conference was convened in this proceeding on Wednesday, August 27, 2014 and concluded on August 29, 2014.

Horizon Utilities Corporation is pleased to advise that the parties have achieved a comprehensive partial settlement in this matter, leaving outstanding only matters related to cost allocation and rate design. Those matters will be the subject of an oral hearing scheduled to begin on September 30, 2014. We enclose herewith the parties' Settlement Proposal. Related Excel files are being submitted electronically.

We thank you for your consideration in this matter. Should you have any questions or require further information, please do not hesitate to contact me.

**Yours very truly,  
BORDEN LADNER GERVAIS LLP**

*Original signed by J. Mark Rodger*

J. Mark Rodger  
Incorporated Partner\*

\*Mark Rodger Professional Corporation

copy to:        John G. Basilio, Horizon Utilities Corporation  
                  Indy J. Butany-DeSouza, Horizon Utilities Corporation  
                  Intervenors  
                  Maureen Helt, OEB  
                  Christie Clark, OEB

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