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October 8, 2008

VIA MAIL and E-MAIL

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge St.
Toronto, ON
M4P 1E4

Dear Ms. Walli:

Re: Ontario Energy Board Decision with Reasons
Horizon Utilities Corporation's 2009 Rates (EB-2007-0697)

As Counsel to the Vulnerable Energy Consumers Coalition, I writing with respect to the Decision the Ontario Energy Board issued on October 3rd, 2008 regarding Horizon Utilities Corporation's 2009 Rate Application (EB-2007-0697).

On page 27 of the Decision the Board finds that it "is satisfied with Horizon's explanation of its methodology (regarding cost allocation) and finds that the ratios in column 2 of the table are appropriate for purposes of reviewing the revenue to cost ratios for 2008". However, in reaching this conclusion, the Board apparently determined during its deliberations that there were "data errors" in the cost allocation study filed by the Horizon as part of the proceeding such that the resulting revenue to cost ratios should be disregarded.

Our concern is that the information the Board has relied on in reaching this conclusion (i.e. the errors in the cost allocation filing) is not part of the public record. As a result, there is no evidentiary basis supporting the Board's findings that:

- the initial revenue cost ratios derived by Horizon's cost allocation study should be disregarded, but
- the 100% cost shares used by Horizon (which are based on the same cost allocation study) are correct.

In order to complete the record for EB-2007-0697 and provide an appropriate evidentiary basis for the Board's decision VECC requests that the Board either:

a) issue a supplementary decision clarifying the basis for its findings and/or
b) direct Horizon to file a corrected version of its Cost Allocation Study.

Furthermore, in VECC's view it is important that this information be provided prior to parties having to provide their comments on Horizon's draft Rate Order.

Yours truly,

Michael Buonaguro
Counsel for VECC

cc: Cameron McKenzie, Horizon Utilities Corporation
Other Intervenors