



November 24, 2008

By RESS, e-mail and courier

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

**Re EB-2007-0697 – Horizon Utilities Corporation
Intervenor Cost Claims**

Horizon Utilities Corporation (“Horizon Utilities”) has received Cost Claims from Consumers Council of Canada (“CCC”), Energy Probe (“EP”), School Energy Coalition (“Schools”) and the Vulnerable Energy Consumers Coalition (“VECC”), in regards to Horizon Utilities’ 2008 Electricity Distribution Rate Application (“2008 EDR Application”) proceeding. The last Cost Claim was received from Schools on November 7, 2008. Horizon Utilities has now reviewed each of the Cost Claims and provides the following summary in Table 1 below.

Table 1
Summary of Cost Claims

	CCC	Energy Probe	Schools	VECC
Preparation/Case Mgmt hrs	49	61	152	70
Attendance Settlement/Oral hrs	22	29	33	43
Argument hrs	33	21	56	2
Total Hours	103	111	241	115
Total Cost Claim	\$ 35,836	\$ 26,833	\$ 75,619	\$ 33,923

In reviewing the Cost Claims, Horizon Utilities would make the following observations:

- Horizon Utilities realizes that preparation/case management time will vary somewhat among the intervenors, but while the time is roughly similar among CCC, Energy Probe and VECC, preparation/case management time charged by

Schools for the same proceeding is significantly higher, more than double the highest of the other intervenors and almost as much as the three other intervenors combined. As an example, each intervenor received the same 2008 EDR Application and based on its review of the Application submitted interrogatories to Horizon Utilities. From Horizon Utilities' review of the cost claims, it appears that the preparation time for interrogatories recorded by CCC, Energy Probe and VECC was 13 hours, 30.25 hours and 15 hours respectively, while Schools recorded 62 hours to prepare interrogatories – again, over twice the time spent by Energy Probe and more than all other intervenors combined.

- Attendance and participation in the settlement and oral proceedings differed in the number of hours, however the variance is not that significant;
- Schools' hours claimed on account of argument are equal to those of the other three intervenors combined;
- Schools' total hours are more than double the hours claimed by the other intervenors;
- The total Cost Claims for CCC, Energy Probe and VECC are consistent with each other given that Energy Probe's hourly rate is lower than CCC and VECC; and
- Schools total Cost Claim is more than double the cost claims of any of the other intervenors.

Horizon Utilities also believes that the Schools' claim for October 9, 2008 (1.2 hours) may not be properly related to this proceeding. The docket entry refers to a telephone conference with Vince DeRose and a review of letters of intervention. To Horizon Utilities' knowledge, Mr. DeRose has not been involved in this proceeding, and a review of letters of intervention would not seem relevant to the Horizon Utilities application, in respect of which the OEB's Decision was issued the previous week.

Horizon Utilities accepts the Cost Claims as submitted by CCC, Energy Probe and VECC.

However, as noted above, Horizon Utilities has identified the Cost Claim put forth by Schools as clearly out of line when compared to the other intervenors and Horizon Utilities suggests that this is totally unacceptable. Even if Schools assumed a leading

role in the proceeding (and if this was the case, Horizon Utilities does not know whether the other intervenors assigned this role to Schools or Schools simply took it upon itself), Horizon Utilities cannot accept that Schools' participation warrants an award of the disproportionate magnitude it has requested.

The following Table 2 provides a summary of the participation of each intervenor throughout Horizon Utilities' 2008 EDR Application proceedings.

Table 2
Intervenor Participation

	Submitted Interrogatories	Participated in 1st Settlement Conference	Participated in OEB/Intervenor Conference Call	Participated in Settlement Conference	Participated in Oral Hearing	Submitted Argument	Responded to Draft Rate Order
CCC	yes	no	yes	yes	yes	yes	yes
Energy Probe	yes	yes	yes	yes	yes	yes	no
Schools	yes	yes	yes	yes	yes	yes	no
VECC	yes	yes	yes	yes	yes	yes	yes

As identified in the above table, all parties attended and participated in essentially all aspects of Horizon Utilities' 2008 EDR Application process. There is no evidence based on the hours and Cost Claims of CCC, Energy Probe and VECC that would support and justify the significantly higher amount of hours and costs claimed by Schools.

Horizon Utilities would submit that reducing Schools' cost claim by 40% would still exceed the cost claim of the highest of the other intervenors by more than 25%. Horizon Utilities should not be held responsible for excessive costs that are not reasonably determined through the comparison of the Cost Claims of each intervenor.

Horizon Utilities would respectfully request that the OEB carefully consider the cost claim put forth by Schools and reduce it to a more reasonable amount given Horizon Utilities' comparison of all cost claims received and its analysis provided above.

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

Yours truly,

Original signed by Cameron McKenzie

Cameron McKenzie
Director, Regulatory Services
Horizon Utilities Corporation

Cc: Max Cananzi, Horizon Utilities Corporation
John Basilio, Horizon Utilities Corporation
Robert Warren, WeirFoulds LLP
Julie Girvan, Consumers Council of Canada
David MacIntosh, Energy Probe Research Foundation
Jay Shepherd, Shibley Righton LLP
Michael Buonaguro, Public Interest Advocacy Centre
Bill Harper, Econalysis Consulting Services