

Ontario Energy Board
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**Commission de l'énergie
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BY E-MAIL

August 16, 2007

James C. Sidlofsky
Borden Ladner Gervais LLP
Scotia Plaza, 40 King Street West
Toronto, Ontario M5H 3Y4

Dear Mr. Sidlofsky:

**Re: Horizon Utilities Corporation 2008 Electricity Distribution Rate
Application – EB-2007-0697**

The Board is in receipt of your letter of August 15 indicating a delay until the mid-September in the filing of Horizon Utilities Corporation's rate rebasing application for the 2008 rate year. Please be informed that the Board established the August 15 date based on an assessment of the number of applications for rebasing that are expected to be filed and the time required to process those applications. The goal was to allow sufficient time to process the applications in time for a change to distribution rates on May 1, 2008.

It is at the discretion of the applicant if they do not wish to file on the date specified. If Horizon Utilities Corporation files its application in mid-September, there could be a delay in processing the application to an extent that the effective date for new rates could be later than May 1, 2008. If that does occur, there is the possibility that the Board would have to consider the matter of rate retroactivity. As a matter of policy, the Board does not support retroactive rate setting; however, the unique circumstances of an individual case would prevail. Therefore, the matter of rate retroactivity would introduce another issue into the rate review for Horizon Utilities Corporation's rate rebasing application.

The Board is encouraged that Horizon Utilities Corporation is making every effort to complete the preparation of its application at the earliest possible date, if possible.

Yours truly,

Original signed by

Peter H. O'Dell
Assistant Board Secretary