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August 15, 2007

Delivered by Courier and E-mail

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, Suite 2700
Toronto, Ontario
M4P 1E4

Dear Ms. Walli:

Handwritten signature and date 16/8

Re: OEB File No.: EB-2007-0697
Horizon Utilities Corporation 2008 Electricity Distribution Rate
Application

We are counsel to Horizon Utilities Corporation ("Horizon Utilities") in the above-captioned matter. Horizon Utilities is identified in the OEB's letter dated April 4, 2007 as having self-nominated for rebasing in 2008.

Horizon Utilities retained Elenchus Research Associates ("ERA") as its rate design consultant in the preparation of its 2008 distribution rate application. Horizon Utilities has been working diligently with ERA to complete and file its 2008 rate application by August 15, 2007. However, as we understand that Board staff were advised in a recent meeting with ERA, most of the LDCs filing for 2008 rates will not be able to complete their filings by August 15th due to challenges with the ERA model and with collecting the appropriate data needed to prepare the 2008 rate application. Horizon Utilities is among those LDCs.

Horizon Utilities remains committed to filing a 2008 rate application that is compliant with the Board's Filing Requirements and that provides clear and complete supporting evidence derived from a fully functional rate design model. Our client will file its application at its earliest opportunity, but at this time, Horizon Utilities anticipates that it will not be filing its application until the mid of September. Horizon Utilities regrets any inconvenience that may result from this delay, but believes that it is in the interest the OEB and all parties to take the time necessary to complete a filing that can be processed with the minimum of effort.

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Horizon Utilities will continue to make every effort to complete the preparation of its application at the earliest possible date and, if possible, to file the application prior to the mid of September. Should you have any questions or require further information in this regard, please do not hesitate to contact me.

Yours very truly,

BORDEN LADNER GERVAIS LLP


James C. Sidlofsky
JCS/dp

cc: M. Cananzi, Horizon Utilities
J. Basilio, Horizon Utilities
C. McKenzie, Horizon Utilities

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