



November 25, 2016

By RESS and Courier

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

Dear Ms. Walli;

**Re: Horizon Utilities Corporation Annual Filing for Electricity Distribution Rates
(EB-2016-0077)**

Horizon Utilities Corporation submitted its second Annual Filing to its 5-year Custom Incentive Rate-making Application (EB-2014-0002) to the Ontario Energy Board (“OEB”) on August 11, 2016, for electricity distribution rates effective January 1, 2017.

In response to submissions received from OEB Staff and the Intervenors of Record in this proceeding, and pursuant to Procedural Order #1, please find attached herewith Horizon Utilities’ final reply submission in this proceeding.

Two hard copies will be couriered to the OEB.

Horizon Utilities would like to bring to the OEB’s attention, a small error in the Proposed Tariff of Rates and Charges for Sentinel Lights included in its Annual Filing. The Ontario Electricity Support Program Charge (“OESP”) is stated as \$0.011/kWh instead of \$0.0011/kWh. Horizon Utilities will update this charge to \$0.0011/kWh in its Draft Rate Order.

Please do not hesitate to contact me if you have any questions.

Yours truly,

Original signed by Indy J. Butany-DeSouza

Indy J. Butany-DeSouza, MBA
Vice-President, Regulatory Affairs
Horizon Utilities Corporation
Tel: (905) 317-4765

Attachment

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, being Schedule B to the *Energy Competition Act, 1998* S.O. 1998, c. 15;

AND IN THE MATTER OF an Application by Horizon Utilities Corporation to the Ontario Energy Board for an Order or Orders approving of fixing just and reasonable rates and other service charges for the distribution of Electricity as of January 1, 2017.

**HORIZON UTILITIES CORPORATION (“HORIZON UTILITIES”)
REPLY SUBMISSION
DELIVERED: NOVEMBER 25, 2016**

1 **Introduction**

2 Horizon Utilities Corporation (“Horizon Utilities”) is a licensed electricity distribution company
3 operating in the City of Hamilton and the City of St. Catharines under Ontario Energy Board
4 (“OEB” or the “Board”) Electricity Distribution Licence ED-2006-0031.

5 Horizon Utilities’ electricity distribution rates were set according to the OEB’s Custom Incentive
6 Regulation (“Custom IR” or “CIR”) methodology for the 2015-2019 period. Horizon Utilities and
7 the Intervenor in the Custom IR Application (EB-2014-0002) (the “Parties”) reached a partial
8 settlement, which was accepted by the OEB. An oral hearing was held on the issues of cost
9 allocation and rate design. The OEB issued its Decision and Order on the outstanding issues on
10 December 11, 2014.

11 Horizon Utilities is about to enter into the third year of its OEB-approved Custom IR plan. On
12 August 11, 2016, Horizon Utilities submitted its second annual filing under its OEB-approved
13 Custom IR plan (the “Annual Filing”), requesting an Order or Orders pursuant to Section 78 of the
14 *Ontario Energy Board Act, 1998* as amended (the “OEB Act”) for approval of its electricity
15 distribution rates and other charges, effective January 1, 2017. Horizon Utilities sought
16 adjustments to 2016 rates, in accordance with the OEB-approved Settlement Agreement and the
17 Decision and Order.

18

1 Horizon Utilities is in receipt of written submissions from the following:

- 2 • OEB Staff;
- 3 • Association of Major Power Consumers in Ontario (“AMPCO”);
- 4 • Consumers Council of Canada (“CCC”); and
- 5 • School Energy Coalition (“SEC”).

6 Horizon Utilities has provided its reply submissions below. For the OEB’s assistance, the
7 submissions are organized according to the order of matters set out in the OEB Staff submission.

8 **1. Annual Adjustments**

9 Horizon Utilities’ OEB-approved Settlement Agreement provided for annual adjustments during
10 the term of the Custom IR rate plan. Horizon Utilities sought approval, in its Annual Filing, for the
11 following adjustments:

12 **a) Changes in the Cost of Capital**

13 Horizon Utilities identified in its Annual Filing that it would update the Cost of Capital Parameters
14 to reflect the OEB’s parameters for applications for 2017 rates, once they were available. The
15 OEB released its Cost of Capital Parameters on October 27, 2016. Horizon Utilities will update
16 the Cost of Capital Parameters accordingly.

17 *Submissions of OEB Staff and the Intervenors*

18 OEB Staff indicated that Horizon Utilities will update its Cost of Capital Parameters now that the
19 2017 Cost of Capital parameters have been issued.

20 *Horizon Utilities’ Reply*

21 Horizon Utilities confirms that the Cost of Capital Parameters will be updated appropriately in its
22 Draft Rate Order, to be filed following receipt of the OEB’s Decision on this Application.

23 **b) Changes to Working Capital**

24 Horizon Utilities has updated the following inputs to its Working Capital Allowance:

25

- 1 i) The Cost of Power and Global Adjustment were updated with the most recent
2 rates at the time of filing this Annual Filing, effective from November 1, 2015.
3 Horizon Utilities will update these items based on the November 1, 2016 RPP
4 prices;
- 5 ii) Retail Transmission Service Rates have been updated to incorporate 2015
6 demand and 2016 Hydro One Uniform Transmission Rates;
- 7 ii) The Smart Metering Entity Charge has been updated to incorporate 2015
8 Residential and GS < 50 kW customer counts, with no change to the Rate Rider;
- 9 iii) The ratio of RPP vs. non-RPP volumes has been updated for 2015 actuals;
- 10 iv) The Wholesale Market Service Rate was updated from \$0.0044/kWh to
11 \$0.0036/kWh; and
- 12 v) The Ontario Electricity Support Program charge of \$0.0011/kWh has been
13 included in the Wholesale Market Service Charge in the Cost of Power.

14 *Submissions of OEB Staff and the Intervenors*

15 OEB Staff did not make any submissions with respect to the above-noted changes.

16 *Horizon Utilities' Reply*

17 Horizon Utilities confirms that it will update the filing with the most recent Cost of Power and Global
18 Adjustment rates effective November 1, 2016 in its Draft Rate Order, to be filed following receipt
19 of the OEB's Decision on this Application. Horizon Utilities submits that the above-mentioned
20 updates to the Working Capital Allowance are consistent with the OEB-approved Settlement
21 Agreement and should be approved.

22 **c) Changes in Other Third Party Pass Through Charges**

23 Other than the changes to the estimates identified above under "Changes to Working Capital",
24 Horizon Utilities has not made any changes to third party pass through charges.

25 *Submissions of OEB Staff and the Intervenors*

26 OEB Staff submitted that the requested annual adjustments set out above, are consistent with the
27 2015-2019 OEB-approved Settlement Agreement in Horizon Utilities' Custom IR application.

1 *Horizon Utilities' Reply*

2 Horizon Utilities submits that other than the changes to the estimates identified above under
3 "Changes to Working Capital", Horizon Utilities has not made any changes to third party pass
4 through charges; therefore, no approval is required.

5 **2. Earnings Sharing Mechanism ("ESM")**

6 Horizon Utilities' OEB-approved Settlement Agreement provided for a deferral account for
7 earnings in excess of the OEB's annual approved regulatory return on equity ("ROE"). Earnings
8 in excess of the approved ROE would be divided on a 50/50 basis between Horizon Utilities and
9 its ratepayers. Horizon Utilities has calculated an ROE of 9.275% for the purpose of the ESM
10 and stated that no earnings sharing is required for 2015; this ROE is less than the approved ROE.

11 *Submissions of OEB Staff and the Intervenors*

12 OEB Staff submitted that all but one of the adjustments made to the regulatory net income in the
13 RRR 2.1.5.6 by Horizon Utilities are consistent with the OEB-approved Settlement Agreement for
14 the purpose of the earnings sharing calculation. Specifically, OEB Staff agreed that the following
15 adjustments are consistent with the OEB-approved Settlement Agreement:

- 16 • Horizon Utilities excluded revenue associated with the Smart Meter Disposition Rider for
17 Smart Meter installations 2012-2014;
- 18 • Horizon Utilities excluded the Rate of Return on Stranded Meters at the short term debt
19 rate of 2.11%;
- 20 • Horizon Utilities included one-time costs incurred from Horizon Utilities' Custom IR
21 Application, calculated as one-fifth of \$2,476,925 in each of 2015 through 2019; and
- 22 • Horizon Utilities calculated PILs using actual regulatory net income in order to incorporate
23 the tax impact of any revenue and expense adjustments.

24 Horizon Utilities made one further adjustment – it excluded an out of period tax adjustment of
25 \$550k from the calculation of net income for the purpose of the earnings sharing calculation. The
26 OEB-approved Settlement Agreement did not provide for an adjustment for out of period tax
27 adjustments. Therefore, OEB staff submitted that the out of period tax adjustment should be
28 included for the current year's ROE calculation for the purpose of the earnings sharing calculation.

1 As a result, the ROE for the ESM would be 9.56% and Horizon Utilities would be required to
2 record \$251,041 in the ESM deferral account. CCC and AMPCO supported the OEB Staff
3 submission.

4 *Horizon Utilities' Reply*

5 Horizon Utilities disagrees with Board Staff's, CCC's, and AMPCO's submissions that the out of
6 period tax adjustment of \$550k should be included in the 2015 ROE calculation for the purposes
7 of the ESM calculation. The \$550k is a tax credit made available to Horizon Utilities through the
8 Canadian Scientific Research and Experimental Development Tax Incentive Program (SR&ED).
9 The program provides support in the form of tax credits and/or refunds, to corporations,
10 partnerships or individuals who conduct scientific research or experimental development in
11 Canada. There are several reasons the tax credit should not be included for the 2015 ROE
12 calculation for the purposes of earnings sharing. Specifically:

- 13 • The SR&ED credit relates to activities which Horizon Utilities conducted prior to 2015 and
14 consequently prior to the 2015-2019 rate plan term. It is therefore out of scope for the
15 2015 ROE calculation.
- 16 • The OEB-approved Settlement Agreement did make provision for an adjustment for out
17 of period tax adjustments. The Settlement Agreement states on page 30 that "*regulatory*
18 *net income will be calculated, for the purpose of earnings sharing, in the same manner as*
19 *net income for regulatory purposes under the RRR filings*".

20 The RRR 2.1.5.6 ROE Complete Filing Guide issued by OEB Staff in March 2016 ("the
21 ROE Guide") states on page 4 that:

22 *"The most important underlying principle [to ensure an accurate ROE] is*
23 *that costs and revenues not approved by the OEB in a distributor's previous*
24 *CoS rate proceeding are excluded from the calculation of achieved ROE.*
25 *The ROE form and appendices identify many of the common adjustment*
26 *items that should not be included in the calculation of the achieved ROE.*
27 *However, the items identified should not be considered exhaustive. It is*
28 *each distributor's responsibility to identify all necessary adjustments to the*
29 *achieved ROE. This is to ensure that the achieved ROE is calculated*
30 *correctly and on a comparable basis to deemed ROE."*

31

1 Further the ROE Guide instructs distributors on page 19 to:

2 *“adjust the calculation of the current tax provision reported in the RRR 2.1.7*
3 *trial balance to be consistent with the PILs tax methodology used in CoS*
4 *Decision and Order”.*

5 Horizon Utilities identified the tax credit of \$550k in its RRR 2.1.5.6 submission in cell “fa1”
6 under “the reassessment of taxes from prior years included in the current tax provision”.

7 The PILs tax methodology used in Horizon Utilities’ Custom IR Application did not provide
8 for tax credits related to expenses which were incurred prior to the rate setting term;
9 further, these tax credits were not included in the 2015 PILs used to determine deemed
10 ROE. Therefore, the SR&ED tax credit of \$550k should not be included in the calculation
11 of achieved ROE for the purposes of earnings sharing. To include the credit would result
12 in the achieved ROE and the deemed ROE being reported on an inconsistent basis, which
13 is contrary to the clear instructions in the OEB’s ROE Guide.

- 14 • The SR&ED expense to which the tax credit relates was recorded in years prior to 2015.
15 The impact to net income for Horizon Utilities of the after tax SR&ED expense was a debit,
16 which results in a decrease to ROE, not an increase. The expense and related tax credit
17 both need to be recorded (i) outside the rate setting term; or (ii) in the rate setting term.
18 Horizon Utilities adopted the former approach. A hybrid approach results in a one-sided
19 adjustment to ROE. Further, the treatment of this credit proposed in the Annual Filing is
20 consistent with the treatment of the revenue associated with the Smart Meter Disposition
21 Rider for Smart Meter installations 2012-2014 (the treatment of which is supported by OEB
22 Staff), in that both amounts relate to adjustments for periods prior to the CIR plan term.

23 Horizon Utilities submits that the Board should approve the ROE calculation as set out in the
24 Annual Filing, which excludes the out of period tax adjustment.

25 **3. Capital Investment Variance Account (“CIVA”)**

26 Horizon Utilities’ OEB-approved Settlement Agreement provided for a deferral account to refund
27 ratepayers any difference in the revenue requirement should in-service capital additions be lower
28 than the approved forecast. Horizon Utilities reported 2015 capital additions of \$46.6MM, which
29 is \$8.3MM higher than the forecasted capital additions of \$38.3MM. Since the capital additions
30 are above the forecast amount, no entry was made to the CIVA.

1 *Submissions of OEB Staff and the Intervenors*

2 OEB Staff submitted that the calculations for the purpose of the entry to the CIVA are consistent
3 with the OEB-approved Settlement Agreement. AMPCO accepted the 2015 capital additions for
4 the purpose of the 2015 CIVA calculation. However, AMPCO submitted a prudence review of the
5 capital variance needs to be undertaken when the CIVA balance is disposed of. SEC asserted
6 that the prudence of the variance in capital spending “will be determined at a later date when its
7 addition to rate base are sought.”

8 *Horizon Utilities’ Reply*

9 Horizon Utilities acknowledges that its actual 2015 capital expenditures differed from those
10 contemplated in the Custom IR plan, and that they exceeded the forecasted value by
11 approximately \$8.3MM. A thorough explanation for the variances, and an explanation of the few
12 items that were not completed in 2015, were provided in parts (c) and (d) of Horizon Utilities’
13 response to Interrogatory 1-STAFF-3 in this proceeding.

14 In preparing its 2015-19 Custom IR plan and application (EB-2014-0002), Horizon Utilities was
15 guided by Chapters 2 and 5 of the Board’s *Filing Requirements for Electricity Distribution Rate*
16 *Applications* (the “Filing Requirements”), as there were no specific filing requirements related to
17 Custom IR applications. This was consistent with the Board’s suggestion that can be found at
18 page 2 of Chapter 2 of the Filing Requirements (at section 2.0.4). The Filing Requirements do
19 not speak to a prudence review of historical capital expenditures, but they do (at section 2.2.2.2)
20 contemplate explanations of variances in capital spending, and Horizon Utilities has provided
21 those explanations. The OEB-approved Settlement Agreement also does not provide for a
22 prudence review of historical capital expenditures.

23 Horizon Utilities submits that there is no basis for a specific prudence review of its 2015 capital
24 expenditures at a later date in the Settlement Agreement or the Filing Requirements. Beyond
25 that, though, Horizon Utilities submits that Horizon Utilities’ 2015 capital expenditures were
26 consistent with those in the OEB-approved Custom IR plan, which were reviewed extensively
27 during the 2015-2019 CIR proceeding and which the parties to the Settlement Agreement agreed
28 were appropriate. Where additional work was performed, it related to matters out of Horizon
29 Utilities’ control, including (for example, in the area of System Access discussed at part (c) of
30 Horizon Utilities’ response to 1-STAFF-3) items such as higher capital contributions required by

1 Hydro One, and non-discretionary projects initiated by customers or 3rd parties, including
2 connecting new customers, building new subdivisions, and relocating system plant.

3 Of the three projects that were not completed in 2015 (see part (d) of Horizon Utilities' response
4 to 1-STAFF-3), one system service project was delayed because of changes in the design of the
5 MTO road project – a matter out of Horizon Utilities' control. The other two projects (one System
6 Renewal project and one General Plant project) were deferred to 2017 in the case of the System
7 Renewal Project; and reduced in scope, in the case of the General Plant project. Both of these
8 reductions to 2015 capital expenditures were made were made in order to offset other necessary
9 capital expenditures in 2015. Horizon Utilities acted responsibly in deferring or reducing the scope
10 of these projects in order to limit 2015 capital expenditures to the extent that it was able.

11 Horizon Utilities submits that a subsequent prudence review in respect of 2015 capital
12 expenditures is not required and not necessary. The only specification in the Settlement
13 Agreement related to capital expenditures was that, in the event that such levels fell short of the
14 planned levels, then there would be a necessary adjustment to the CIVA. The 2015 expenditures
15 exceeded the planned levels; therefore, no adjustment to the CIVA is required.

16 **4. Efficiency Adjustment**

17 Horizon Utilities' OEB-approved Settlement Agreement included an Efficiency Adjustment
18 intended to incent Horizon Utilities to maintain or improve its cohort position based on the OEB's
19 Stretch Factor Assignment. The Efficiency Adjustment would operate as a proxy stretch factor,
20 in the event that Horizon Utilities is placed in a less efficient cohort than the starting point in any
21 year during the Custom IR term. Horizon Utilities' starting point was Cohort III. Horizon Utilities
22 identified in its Annual Filing that the latest version of the *Board's Empirical Research in Support*
23 *of incentive Rate-Setting: 2015 Benchmarking Update for Determination of Stretch Factor*
24 *Assignments for 2016* (the "Benchmarking Update"), issued on August 4, 2016, had placed
25 Horizon Utilities in Cohort III for the purposes of calculating stretch factors for 2017. Horizon
26 Utilities identified that no Efficiency Adjustment was to be made in the Annual Filing for 2017.

27 *Submissions of OEB Staff*

28 OEB Staff acknowledged that Horizon Utilities remains in Cohort III for the purpose of calculating
29 2017 stretch factors, and that no Efficiency Adjustment is required.

1 *Horizon Utilities' Reply*

2 Horizon Utilities agrees with the OEB Staff submission, and submits that no Efficiency Adjustment
3 is to be made for the purpose of electricity distribution rates effective January 1, 2017.

4 **5. Special Studies Deferral Account**

5 Horizon Utilities' OEB-approved Settlement Agreement included a deferral account to record
6 costs related to the development of a Specific Service Charge study to determine the
7 appropriateness of Horizon Utilities' Specific Service Charges.

8 *Submissions of OEB Staff*

9 OEB Staff acknowledged Horizon Utilities' confirmation that, at this time, no studies have
10 commenced and no costs have been recorded to date.

11 *Horizon Utilities' Reply*

12 Horizon Utilities again confirms that no studies have commenced and no costs have been
13 recorded.

14 **6. Continuation of New Distribution Rate Design**

15 Horizon Utilities indicated at page 33 of its Annual Filing that it has incorporated the second year
16 transition adjustment to fully fixed distribution rates for residential customers in its proposed rates
17 for 2017. It also indicated that it had conducted analysis on the 10th consumption percentile of
18 energy consuming customers (page 38) and followed the OEB's instructions to consider whether
19 rate mitigation was required if there was greater than a 10% cost of distribution service. Horizon
20 Utilities confirmed that the monthly service charge was not increasing by more than \$4, nor would
21 the customer at the 10th consumption percentile of electricity consumption have a bill impact of
22 10% or more.

23 *Submissions of OEB Staff and the Intervenors*

24 OEB Staff submitted that the methods used to calculate the fixed rate is in accordance with the
25 OEB policy, *A New Distribution Rate Design for Residential Electricity Customers*, issued April 2,
26 2015, and that no mitigation is required.

1 *Horizon Utilities' Reply*

2 Horizon Utilities considered customers at all consumption levels in filing for the implementation of
3 the second year transition adjustment to fully fixed distribution rates for residential customers in
4 its Annual Filing. Horizon Utilities has followed the OEB policy, *A New Distribution Rate Design*
5 *for Residential Electricity Customers*, issued April 2, 2015, to determine that no rate mitigation is
6 necessary. It has assessed the combined effects of the shift to fixed rates and other bill impacts
7 associated with changes in the cost of distribution for 2017. That impact is \$2.76 (or 2.32%) for
8 the 10th percentile customer at a consumption of 219 kWh/month, an amount well below the OEB's
9 \$4.00/month (or 10%) mitigation threshold. Horizon Utilities submits that it has implemented the
10 changes in a manner consistent with OEB policy and no mitigation is required.

11 **7. Street Lighting Class Revenue to Cost Ratio**

12 Horizon Utilities requested approval to reduce the 2017 Street Lighting Class Revenue to Cost
13 Ratio ("RCR") by 6.67% to 113% from the 2016 120%. The OEB directed Horizon Utilities, in its
14 last Custom IR Annual Filing, to reduce the 2017 RCR by 6.6% as a gradual change to have the
15 RCR at 100% in 2019. Horizon Utilities has also proposed to bring the LU(2) Class RCR within
16 the OEB acceptable range. Rate design is intended to adjust the RCR for each rate class, such
17 that it stays within the OEB-approved range. The RCR for the LU(2) has increased from 66.17%
18 to 85%.

19 *Submissions of OEB Staff*

20 OEB Staff submitted that the proposed rate design is consistent with the OEB's Decision and
21 Order and the OEB's policies.

22 *Horizon Utilities' Reply*

23 Horizon Utilities submits that it has implemented the changes to RCR as directed by the OEB in
24 its last Custom IR Annual Filing and that its implementation should be approved by the OEB.

25 **8. Remaining Balance of Stranded Meter Assets**

26 Horizon Utilities' is seeking approval, in its Annual Filing, for the recovery of the remaining balance
27 of stranded meter assets including a return on those assets equal to the short term debt rate as
28 established by the Board in its Cost of Capital parameter in 2017.

1 *Submissions of OEB Staff*

2 OEB Staff submitted that this method is consistent with the OEB-approved Settlement Agreement
3 made in the Custom IR proceedings.

4 *Horizon Utilities' Reply*

5 Horizon Utilities will revise the stranded meter recovery using a short term debt rate of 1.76% as
6 issued by the Board on October 27, 2016. Horizon Utilities will update the 2017 stranded meter
7 rate rider accordingly.

8 **9. Disposition of Group 1 Deferral and Variance Accounts ("DVA")**

9 Horizon Utilities included in its Annual Filing a request for the disposition of Group 1 accounts
10 over a one-year period in the amount of \$8,484,548 including carrying charges projected to
11 December 31, 2016. Horizon Utilities identified that the balance exceeds the disposition threshold
12 of \$0.001/kWh.

13 *Submission of OEB Staff*

14 OEB Staff submitted that the balances of the Group 1 DVAs reconciles to the OEB's *Electricity*
15 *Reporting and Record Keeping Requirements*. Further, the disposition is in accordance with the
16 *Electricity Distributors' Deferral and Variance Account Review Initiative* and the *Accounting*
17 *Procedures Handbook for Electricity Distributors*.

18 *Horizon Utilities' Reply*

19 Horizon Utilities submits that it has correctly computed its rate riders for recovery from Wholesale
20 Market Participants, RPP and non-RPP customers.

21 Horizon Utilities requests that the OEB approve the proposed disposition of its Group 1 DVA
22 balances.

23 **10. Disposition of Account 1598 RSVA – Global Adjustment ("GA")**

24 Horizon Utilities proposed in its Annual Filing that the six customers, who were formerly Class B
25 customers and qualified as Class A customers effective July 1, 2015, be allocated only their
26 portion of the GA account balance based on their percentage of non-RPP Class B volume during
27 the period that they were Class B customers.

1 *Submission of OEB Staff*

2 OEB Staff submits that this proposal is consistent with the methodology provided in the DVA Work
3 Form for customer specific bill adjustments.

4 *Horizon Utilities' Reply*

5 Horizon Utilities has calculated the portion of the GA account accrued, prior to the six customers
6 qualifying as Class A customers, as \$92,950 to be allocated through specific bill adjustments to
7 these six customers.

8 Horizon Utilities requests that the OEB approve the proposed allocation methodology for the
9 disposition of its GA account balance.

10 **Conclusion**

11 Horizon Utilities submits that the relief requested in this Annual Filing is just and reasonable. It
12 has adhered to the procedural steps, as defined by the OEB, in this proceeding. Horizon Utilities
13 requests that the OEB direct it to prepare a draft Rate Order that implements the requested relief
14 with an effective date of January 1, 2017.

15 Horizon Utilities filed its Annual Filing in advance of the cycle of Incentive Regulation Mechanism
16 applications for 2017. Horizon Utilities believes that there is sufficient time for the OEB to issue
17 the final Rate Order in advance of the requested January 1, 2017 effective date for electricity
18 distribution rates. In the event that the OEB is unable to issue a final Rate Order in time for the
19 implementation of rates effective January 1, 2017, Horizon Utilities respectfully requests that the
20 OEB declare Horizon Utilities' current rates interim and provide for a rate rider that would enable
21 Horizon Utilities to recover the forgone incremental revenue for the period between January 1,
22 2017 and the implementation date of the final Rate Order.

23 Horizon Utilities trusts that it will have the opportunity to make submissions on all Intervenor cost
24 claims in this proceeding.

25

1 **ALL OF WHICH IS RESPECTFULLY SUBMITTED THIS 25th DAY OF NOVEMBER, 2016.**

2 *Original Signed by Indy J. Butany-DeSouza*

3 Indy J. Butany-DeSouza, MBA

4 Vice-President, Regulatory Affairs

5 Horizon Utilities Corporation