

To the Board of Directors and Management of Horizon Holdings Inc. (“Horizon”)

Scope of our engagement

We have carried out a limited assurance engagement in relation to selected performance indicators in Horizon’s Global Reporting Initiative™ Filing (the “Report”) for the year ending 31 December 2009. Our assurance engagement has been planned and performed in accordance with the International Standard on Assurance Engagements ISAE 3000 “Assurance Engagement other than Audits or Reviews of Historical Financial Information”, and accordingly, consisted primarily of inquiry and analytical procedures related to information provided by Horizon.

The scope of our engagement, as agreed with management, was as follows:

- ▶ to obtain a limited level of assurance on the fair presentation of the following selected performance indicators reported by Horizon in its Report (“Subject Matter”) in accordance with the Global Reporting Initiative G3 Sustainability Reporting Guidelines and the Electric Utility Sector Supplement (collectively “GRI G3 Guidelines”):
 - ▶ EN3 - Direct energy consumption by primary energy source;
 - ▶ EN8 - Total water withdrawal by source;
 - ▶ EN16 - Total direct and indirect greenhouse gas emissions by weight;
 - ▶ EN23 - Total number and volume of significant spills;
 - ▶ EC3 - Coverage of the organization’s defined benefit plan obligations;
 - ▶ LA2 - Total number and rate of employee turnover by age group, gender, and region;

- ▶ LA7 - Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities by region;
 - ▶ LA13 - Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity;
 - ▶ EU27 - Number of residential disconnections for non-payment, broken down by duration of disconnection and by regulatory regime; and
 - ▶ EU28 - Power outage frequency (or EU29 - Average power outage duration).
- ▶ to obtain a limited level of assurance that Horizon's Report has achieved the Application Level of B+ in accordance with the Application Level Criteria set out in the GRI G3 Guidelines.

Subject matter and criteria

The Subject Matter consists of selected performance indicators relating to social, health, safety, environmental and economic indicators as defined by the GRI G3 Guidelines. The selected performance indicators were chosen by the management of Horizon primarily on the basis of stakeholder interest.

The criteria used to evaluate the Subject Matter consisted of the relevant guidance contained within the GRI G3 Guidelines.

Horizon management responsibilities

The Report was prepared by the management of Horizon, who is responsible for the Subject Matter in the Report. In addition, management is responsible for maintaining adequate records and internal controls that are designed to support the reporting process. There are currently no legislative or regulatory requirements requiring the preparation, publication and verification of sustainability reports.

Level of assurance

Our procedures were designed to obtain a limited level of assurance on which to base our conclusions. The procedures conducted do not provide all the evidence that would be required in a reasonable assurance engagement and accordingly, we do not express a reasonable level of assurance. While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our limited assurance engagement was not designed to provide assurance on internal controls.

Work performed

In order for us to provide a conclusion in relation to the above scope of work, we have considered the following questions:

Completeness

- ▶ Has Horizon fairly presented the Subject Matter with respect to the organizational and operational boundaries and time period defined in the Report?
- ▶ Has Horizon accurately collated corporate data relating to the Subject Matter from all material entities in its defined boundary?
- ▶ Has Horizon collated corporate data relating to the Subject Matter from all relevant operations level data?

Accuracy

- ▶ Is the Subject Matter accurate and sufficiently detailed for stakeholders to assess Horizon's performance?

Our procedures included, but were not limited to:

- ▶ Interviewing selected personnel to understand the key sustainability issues related to the data and processes for the collection and accurate reporting of the Subject Matter
- ▶ Where relevant, performing walkthroughs of systems and processes for data aggregation and reporting
- ▶ Inquiring of management regarding key assumptions and the evidence to support the assumptions
- ▶ Validating the accuracy of calculations performed, on a sample basis, primarily through inquiry and analytical procedures
- ▶ Validating that data and statements had been correctly transcribed from corporate systems and/or supporting evidence into the Report through observation

Limitations of our work performed

Our procedures did not include providing conclusions in relation to:

- ▶ The completeness or accuracy of data sets or information relating to areas other than the Subject Matter, and any sub-entity information
- ▶ Information reported by Horizon other than in its Report, such as information contained on its website
- ▶ Management's forward looking statements

- ▶ Any comparisons made by Horizon against historical data
- ▶ The Report being in accordance with requirements of the GRI G3 Guidelines other than those contained within the scope of our work, as set out above

Our conclusions

Subject to the limitations of our scope noted above, and based on our work as described in this report, we provide the following conclusions:

Completeness and accuracy

- ▶ Nothing has come to our attention that cause us to believe that the Subject Matter is not, in all material respects, fairly presented in accordance with the GRI G3 Guidelines for the year ending 31 December 2009.

Application level

- ▶ Nothing has come to our attention to cause us to believe that the Report prepared by Horizon does not, in all material respects, achieve the application level B+ in accordance with the Application Level Criteria set out in the GRI G3 Guidelines for the year ending 31 December 2009.

Ernst & Young LLP

Calgary, Canada

7 May 2010