



March 18, 2014

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
27th Floor/ P.O. Box 2319
2300 Yonge St.
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Halton Hills Hydro Inc., Distribution Licence ED-2002-0552
Notice of Intent to File a Z-Factor Application in relation to the December 2013 Ice Storm**

Halton Hills Hydro Inc. ("HHHI") is writing to advise the Ontario Energy Board that HHHI intends to file a Z-Factor Application for recovery of costs incurred to restore electricity service to customers in the Town of Halton Hills after the December 2013 ice storm.

Beginning on December 21st, an ice storm affected hydro service within HHHI's distribution service territory. On December 22nd one hundred percent (100%) of HHHI's customers were without hydro services due to downed trees and power lines. Customers of HHHI experienced power outage of varying lengths.

At the height of the restoration efforts, HHHI had one hundred forty-eight (148) staff and external crews working directly on distribution system infrastructure. HHHI's distribution system was fully restored on December 29, 2013. The restoration cost resulting from this catastrophic ice storm is expected to exceed \$1.6 Million and is tantamount to approximately nineteen percent (19%) of HHHI's annualized distribution revenue and thus, the materiality of a Z-factor application has been exceeded.

HHHI submits that the December 2013 Ice Storm event, resulting in extensive damage to HHHI's distribution system, meets the Z-Factor Eligibility Criteria as set in Section 2.6 of the July 14, 2008 Board Report on 3rd Generation Incentive Regulation for Ontario's Electricity Distributors and Chapter 3 of the Filing Requirements for Electricity Distribution Rate Applications, Section 3.2.2, dated July 17, 2013.

Sincerely,

(Original signed)

Tracy Rehberg-Rawlingson
Regulatory Affairs Officer
Halton Hills Hydro Inc.

Cc: Arthur Skidmore, President & CEO
David Smelsky, CFO