



CAMBRIDGE AND NORTH DUMFRIES HYDRO INC.

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March 5, 2014

Ms. Kirsten Walli, Board Secretary
Ontario Energy Board
P.O Box 2319
2300 Yonge Street
Toronto, Ontario
M4P 1E4

Dear Ms. Walli:

**Re: Cambridge and North Dumfries Hydro Inc.,
Distribution Licence ED-2002-0574
Notice of Z-Factor Event -December 21 and 22, 2013 Ice Storm**

On December 21st and 22nd, 2013 a severe ice storm hit southern and eastern Ontario, including the service territory of Cambridge and North Dumfries Hydro Inc. ("CND"). In accordance with Chapter 3 of the Filing Requirements for Electricity Distribution Rate Applications dated July 17, 2013 (the "Filing Requirements") and the Report of the Board on 3rd Generation Incentive Regulation for Ontario's Electricity Distributors dated July 14, 2008, as supplemented (the "Report"), CND, by way of this letter, is notifying the Board of this Z-Factor event.

CND intends to file a Z-Factor application for the recovery of the costs incurred in 2013 to restore electricity service to approximately 5,500 customers in the City of Cambridge and the Township of North Dumfries pursuant to the Report and the Filing Requirements.

CND understands that "distributors are expected to report events to the Board promptly and to apply to the Board for any amounts claimed under Z-factor treatment with the next rate application."

CND's 2014 rate application was filed well before the occurrence of this Z-factor event and CND is not seeking to adjust its 2014 test year amounts as a result of this Z-factor event. CND's next rate application will be for 2015

In light of this, CND intends to submit its Z-Factor application to recover costs related to this event, as part of its next IRM Rate Application, anticipated to be filed under the Board's Chapter 3 Filing Requirements for 4th Generation Incentive Rate setting ('IRM4') and identified by the OEB as EB-2014-0060.

CND understands that the Board may want applicants to take a different approach given the same Z-factor event likely affected multiple utilities. Please advise if the Board or staff would prefer CND to take a different approach than what is outlined in this letter.

This notification has been submitted via RESS and two copies have been forwarded by courier. If you require any additional information or clarification, please contact Grant Brooker, Manager, Regulatory Affairs, at (519) 621-8405, ext. 2340.

Yours truly,



Ian Miles
President and CEO