



MILTON HYDRO DISTRIBUTION INC.

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February 10, 2014

By RESS and Courier

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

**Re Milton Hydro Distribution Inc., Distribution Licence ED-2003-0014
Notice of Intent to File a Z-Factor Application
December 2013 Ice Storm**

Milton Hydro Distribution Inc. ("Milton Hydro") is writing to advise the Ontario Energy Board that Milton Hydro intends to file a Z-Factor Application for recovery of costs incurred to restore electricity service to approximately 15,000 customers in the Town of Milton after a severe ice storm.

On December 21st and 22nd an ice storm went through southern and eastern Ontario resulting in downed trees and power lines leaving over 600,000 customers province wide without electricity. Milton Hydro sustained significant damage to its distribution system which was not fully restored until December 28th. At the height of the ice storm approximately 15,000 customers were without electricity. Milton Hydro had over 70 linemen and 30 line trucks from other distributors and contractors assisting in restoring power. Restoration costs are estimated to be in excess of \$1.2 million.

Milton Hydro submits that the Province wide ice storm and the extensive damage to Milton Hydro's distribution system meets the Z-Factor Eligibility Criteria as set out in Section 2.6 of the Board's Report on 3rd Generation Incentive Regulation for Ontario's Electricity Distributors issued July 14, 2008 and Chapter 3 of the Filing Requirements for Electricity Distribution Rate Applications, Section 3.2.2, issued July 17, 2013.

Yours truly,

Original signed by

Cameron McKenzie, CGA
Director, Regulatory Affairs