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May 2, 2014

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

Dear Ms. Walli:

**Re: Notice of Intent to File an Application for Z-factor Recovery of December 2013 Ice Storm Costs  
Veridian Connections Inc., Electricity Distribution Licence No. ED-2002-0503**

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In accordance with section 3.2.2.3 of the Ontario Energy Board's Filing Requirements For Electricity Distribution Rate Applications, Veridian Connections Inc. ("Veridian") hereby provides notice of its intent to file an application for Z-factor recovery of a portion of costs incurred to restore electricity service to customers following a severe ice storm that occurred on December 21 and 22, 2013.

The December ice storm had unprecedented impacts on Veridian's electricity distribution system, and the costs incurred to restore service to customers were significant and unavoidable. In its application, Veridian will exhibit that the Z-factor amounts sought for recovery satisfy the board's eligibility criteria of causation, materiality and prudence.

During its power restoration efforts, Veridian incurred total operating expenses of approximately \$1,200,000. This amount includes both internal costs (labour, vehicle and materials) and external costs related to the deployment of third party resources such as tree trimming and lines services contractors. In its application, Veridian will be seeking recovery of only its external costs, which totaled approximately \$750,000. The remaining costs will be absorbed by Veridian.

Veridian's Z-factor cost amounts have been recorded in Account 1572 (Extraordinary Event Costs) and monthly carrying costs will be applied in accordance with the Board's requirements.

Yours truly,

*Original signed by*

George Armstrong  
Vice President, Corporate Services

The power to make your community better.

Veridian Connections is a wholly owned subsidiary of Veridian Corporation

