ONTARIO ENERGY BOARD NOTICE TO CUSTOMERS OF ELEXICON ENERGY INC.

Elexicon Energy Inc. has applied to raise its electricity distribution rates effective January 1, 2023.

Learn more. Have your say.

Elexicon Energy Inc. has applied to the Ontario Energy Board to raise its electricity distribution rates, effective January 1, 2023, in the Veridian and Whitby rate zones. If the application is approved as filed, a typical residential customer and a typical general service customer of Elexicon Energy Inc. in each of the rate zones would see the following increase:

Veridian Rate Zone

| Rate Class | Monthly Bill Impact |
|--|---------------------|
| Residential 750 kWh | \$0.78 per month |
| General Service less than 50kW (2,000 kWh) | \$4.95 per month |

Whitby Rate Zone

| Rate Class | Monthly Bill Impact |
|--|---------------------|
| Residential 750 kWh | \$3.85 per month |
| General Service less than 50kW (2,000 kWh) | \$8.23 per month |

The requested rate increases are set using an OEB-approved formula which is tied to inflation and other factors intended to promote efficiency.

Elexicon Energy Inc. has also applied for other approvals which are further described below. Please review the application for the complete list of approvals and to determine whether you will be affected by the changes proposed in the application.

Elexicon Energy Inc. has applied to dispose of the balances in certain deferral and variance accounts and to make adjustments to Account 1595 - Disposition and Recovery of Regulatory Balances Control Account, to correct for an error related to the recording of balances.

Elexicon Energy Inc. has applied for incremental capital funding for the construction of two 27.6 kilovolt feeders and associated equipment, that will connect a new development in North Brooklin to the Whitby Transformer Station. Elexicon Energy Inc. states that the feeders are needed to accommodate forecasted demand within North Brooklin, in the Whitby Rate Zone. The request is part of the first phase of the Sustainable Brooklin Project, where Elexicon Energy Inc. is working with a group of property developers interested in building new homes with built-in distributed energy resource enabling features, such as rough-ins for solar panels, battery storage and electric vehicle charging. Elexicon Energy Inc. has applied for an exemption from section 3.2 of the Ontario Energy Board's Distribution System Code, which if approved, will exempt the developers from contributing towards the cost of constructing the feeders. The project is expected to be in service in 2023 and its impact is reflected in the above-noted bill impacts.

Elexicon Energy Inc. has also applied for incremental funding for the installation of smart grid technologies as part of the Whitby Smart Grid Project. The Whitby Smart Grid Project is expected to be in service in 2025 and Elexicon Energy Inc. has applied for pre-approval for funding to deploy a combination of smart grid technologies, including an Advanced Distribution Management System and a Supervisory Control and Data Acquisition system, in the Whitby and Veridian rate zones. Elexicon Energy Inc. states that it is applying for pre-approval because of the long lead times for construction of the project and to have certainty that it will be authorized to recover the cost of the project from its customers. In this application, Elexicon Energy Inc. has proposed illustrative Rate Riders to recover the cost of the project, which if approved, will be updated in a future rate application, and applied to customer bills beginning January 1, 2025.

THE ONTARIO ENERGY BOARD WILL HOLD A PUBLIC HEARING

The Ontario Energy Board (OEB) will hold a public hearing to consider Elexicon Energy's application. We will determine whether the company has used the applicable models and formulas required by the OEB and consider Elexicon Energy's request for incremental capital funding. We will also hear questions and arguments from individuals that have registered to participate (called intervenors) in the OEB's hearing. At the end of this hearing, the OEB will decide what, if any, rate increases will be allowed.

The OEB is an independent and impartial public agency. We make decisions that serve the public interest. Our goal is to promote a financially viable and efficient energy sector that provides you with reliable energy services at a reasonable cost.

BE INFORMED AND HAVE YOUR SAY

You have the right to information regarding this application and to be involved in the process.

- You can review Elexicon Energy's application on the OEB's website now
- You can file a letter with your comments, which will be considered during the hearing
- You can become an intervenor. As an intervenor, you can ask questions about Elexicon Energy's
 application and make arguments on whether the OEB should approve Elexicon Energy's request.
 Apply by September 2, 2022, or the hearing will go ahead without you and you will not receive any
 further notice of the proceeding
- · At the end of the process, you can review the OEB's decision and its reasons on our website

The OEB intends to consider cost awards in this proceeding that are in accordance with the *Practice Direction on Cost Awards* and only in relation to Elexicon Energy's requests for incremental capital funding and the proposed adjustments to Account 1595.

LEARN MORE

These proposed charges relate to Elexicon Energy's distribution services. They make up part of the Delivery line - one of the line items on your bill. Our file number for this case is **EB-2022-0024**. To learn more about this hearing, find instructions on how to file a letter with your comments or become an intervenor, or to access any document related to this case, please enter the file number **EB-2022-0024** on the OEB website: www.oeb.ca/participate. You can also phone our Public Information Centre at 1-877-632-2727 with any questions.

ORAL VS. WRITTEN HEARINGS

There are two types of OEB hearings – oral and written. The OEB intends to proceed by way of a written hearing in this case. If you think an oral hearing is needed, you can write to the OEB to explain why by **September 2, 2022**.

PRIVACY

If you write a letter of comment, your name and the content of your letter will be placed on the public record and the OEB website. However, your personal telephone number, home address and email address will be removed. If you are a business, all your information will remain public. If you apply to become an intervenor, all information will be public.

This rate hearing will be held under section 78 of the Ontario Energy Board Act, 1998, S.O. 1998, c.15, Schedule B.

