

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*,
being Schedule B to the Energy Competition Act, 1998, S.O.
1998, c.15;

AND IN THE MATTER OF an Application by Elexicon Energy
Inc. (Elexicon) to the Ontario Energy Board for an Order or
Orders approving or fixing just and reasonable rates and other
service charges for the distribution of electricity as of January 1,
2026;

INTERROGATORIES

ON BEHALF OF THE

SCHOOL ENERGY COALITION

SEC-1

[Application Summary] Distribution only impacts for the GS> 50 kW and Large Use classes are greater than 35% for the Veridian Rate Zone (“VRZ”).

- a) Please explain why the impact for these classes is significantly greater than for the other classes.
- b) Elexicon provided a Customer Engagement Report as part of its EB-2021-0015 application. Did Elexicon do any further customer engagement with respect to this current application? If so, please provide. If not, please agree that Appendix B of the EB-2021-0015 application can be placed on the record of this proceeding.

SEC-2

[Manager’s (Mgr.’s) Summary] Please provide a copy of all material provided to Elexicon’s Board of Directors regarding the proposed Incremental Capital Modules (“ICMs”) for the rebuild of the Sandy Beach Substation, and to fund the capital contribution to Hydro One Networks Inc. (“HONI”) for the installation of a new Dual Element Spot Network (“DESN2”) at the Belleville Transformer Station (“Belleville TS”).

SEC-3

[Appendix A, Table 3 and 6; Appendix C, p.20]

- a) Please provide an update on the Sandy Beach Project Implementation Plan. Specifically, have the transformers been delivered and if not, when are they expected?
- b) Please provide an update on the Belleville DESN2 Implementation Plan, including the scheduled delivery of the power transformers and circuit breakers in September 2025, the PCT in June 2024, Capacitor Banks in March 2025, and Switches in August 2025.

SEC-4

[Appendix A, p.6] Elexicon refers to the OEB’s Letter Re: Incremental Capital Modules During Extended Deferred Rebasing Periods, issued February 10, 2022 (“The letter”). The letter lists four requirements a utility that selects an extended deferred rebasing period (beyond five years) must demonstrate to qualify for an ICM. Please explain how Elexicon has demonstrated:

- a) A history of good utility practice in capital planning, capital program management and asset maintenance.
- b) How Elexicon has exhausted other available options to manage its costs within the envelope provided by the existing price cap or another applicable formula.

SEC-5

[Appendix A, p.11-12]

- a) Elexicon states that the 2021 Peterborough to Kingston IRRP determined that non-wires alternatives should not be assessed for the Belleville TS. Has this decision been revisited in the last four years?
- b) If not, please explain why not, given the changes in the energy sector.

SEC-6

[Appendix A, p.17]

- a) Please provide the calculations for the 2024 Return on Equity ("ROE") of 5.39 %.
- b) What is Elexicon's forecast for its 2025 ROE?
- c) Please provide the achieved ROE 2014-2024 for the Veridian Rate Zone ("VRZ").
- d) Please provide the achieved ROE 2011-2024 for the Whitby Rate Zone ("WRZ").

SEC-7

[Appendix A, Table 9] Table 9 shows revised in-service additions, not including the ICMs, for 2026 of \$43,951,699.

- a) Please confirm that including the two ICMs this amount would increase to $\$43,951,699 + \$9,700,047 + \$18,378,106 = \$72,029,852$.
- b) Please reconcile the amount in part a. to the \$77,199,088 used in the calculation of the amount in cell M94 on Tab 9b in both ICM models.
- c) Please provide a breakdown of the 2025 amount of \$53,303,668 and the 2026 amount of \$43,951,699 in a similar manner as provided in Tables 1 to 3 of EB-2022-0024 filed on January 24, 2023.
- d) Please provide a breakdown of the \$43,951,699 in-services additions in 2026, by project, including showing capital contributions separately.
- e) Tables 1 to 3 of EB-2022-0024 show no capital contributions for either rate zone in 2025 and 2026. Please explain why there are no capital contributions for these years when historically there has been.

SEC-8

[Appendix A, p.22 and Mgr.'s Summary Tables 9.1 and 9.2] Elexicon has requested that the OEB approve moving its rebasing from 2029 to 2027.

- a) Please provide an update on Elexicon's request for early rebasing.
- b) Please explain how Elexicon's LRAMVA requests for 2027 and 2028 would be affected should the OEB approve the early rebasing.

SEC-9

[Appendix A, p.22] "Elexicon notes that it has not reflected the recent changes to Capital Cost Allowance ["CCA"] tax rules, resulting from Bill C-97, in its ICM calculations." Please provide the calculations and impact on the ICMs revenue requirement if changes to CCA were included.

SEC-10

[EE_2026_VRZ_Belleville_ACM_ICM_Model_20250715 and EE_2026_VRZ_Sandy Beach_ACM_ICM_20250715]

- a) Please provide details of the calculation of the amortization expense of \$242,501 for the Sandy Beach ICM.
- b) Please explain the use of 40 years (EE_2026_VRZ_Sandy Beach_ACM_ICM_20250715, Tab 9b, Cell N103) for the useful life of the project in part a.
- c) Please provide details of the calculation of \$735,124 for the Belleville TS ICM.
- d) Please explain the use of 25 years (EE_2026_VRZ_Belleville_ACM_ICM_Model_20250715, Tab 9b, Cell N103) for the useful life of the project in part c.
- e) Please detail Elexicon's policy on the calculation of depreciation in the year of going into service with respect to large projects, e.g. a transformer station or office building.
- f) Please confirm that the cost of the capital projects used in the two models are in-service additions, not capex.

SEC-11

[Appendix B and Appendix C]

- a) Please provide a copy of any internal business cases for the proposed ICM projects, if different from the business cases filed with the Application.
- b) Please provide any information used by the Applicant in benchmarking the costs for the Sandy Beach Substation project. If no benchmarking was done, please advise why not.
- c) Elexicon's cost for the Belleville DESN2 is \$32,065,600 to provide 32.5 additional MW. Has Elexicon or Hydro One done any benchmarking regarding the cost of approximately \$1M/MW? If so, please provide. If not, please explain why.

SEC-12

[Appendix B, p.13]

- a) Elexicon filed a Distribution System Plan ("DSP") for 2022-2026 as part of its 2022 Rate Application EB-2021-0015. Has Elexicon updated this DSP? If no, please agree that Appendix N of the EB-2021-0015 (the DSP) will form part of the record for this proceeding. If yes, please provide the updated DSP.
- b) For the assets listed in Table 3, please provide the replacement cost for each asset and its typical useful life.
- c) Was any of the work proposed as part of the Sandy Beach ICM included in a Capital Program(s) in the DSP, e.g. R1-Renewal Programs-Station Assets, R2-Renewal Programs-Rebuilds, R5-Renewal Programs- Switches and Switchgears? If not, please explain why not.

SEC-13

[Appendix C, Table 1] Based on actuals to date in 2025 and any new information received after information was submitted to Hydro One, please update Table 1 as required.

SEC-14

[Appendix C, p. 7, Attachment C-2 CCRA]

- a) Please provide a detailed breakdown of the total cost of the project of \$32M.
- b) Please provide details on the basis of the 51%/49% split of costs.

SEC-15

[Appendix D, p.15] Elexicon states “if the full balance of Account 1592 - CCA is disposed as a refund to ratepayers on its 2026 rates, and the resulting tax loss carry-forward is subsequently used to reduce PILs in the next rebasing, it would create a scenario in which customers will have inadvertently benefitted twice – first through a 1592 rate rider returning accumulated benefits in 2026, and again through lessened PILs in Elexicon’s next COS application.”

- a) Please explain why Elexicon would propose to use the balance of Account 1592 – CCA for both a refund and tax loss carry-forward?
- b) Given the uncertainty of whether Elexicon will rebase in 2027 or 2029, please explain why Elexicon would not apply the credits in Account 1592 – CCA to reduce the bill impacts in 2026?

SEC-16

[Appendix D, p.27] For the Veridian Lost Revenue from Collection of Account charge variance account, please provide detailed calculations showing the actual lost revenue, i.e. fee x number of accounts that would have had the collection of account charge applied, for each year.

SEC-17

[Appendix D, p.38 and 40] With respect to the Getting Ontario Connected Act (“GOCA”) variance account:

- a) How was the split between VRZ and WRZ for GOCA account determined?
- b) Please provide details of how the “Locate costs related to Bill 93” were determined.
- c) For each year since 2018, please provide the total number of locates.
- d) [[Decision and Order \(EB-2023-0143\), October 31, 2023](#)] As part of its approval of the GOCA Variance Account, the OEB stated that in the context of a request for disposition that it “agrees with OEB staff on the necessity for utilities to demonstrate that recorded amounts in their accounts are both incremental to the base rates and are a direct result of Bill 93.”[emphasis added] Please explain and provide evidence to substantiate how the entire variance in locate costs is a direct result of Bill 93.
- e) Please explain why Elexicon is proposing to dispose of the GOCA variance account now and not the Cloud Computing Implementation Costs Deferral Account, when it would make sense to assess the prudence of all of the costs incurred at the same time.

Respectfully, submitted on behalf of the School Energy Coalition on September 18, 2025.

Mark Rubenstein
Counsel for the School Energy Coalition