



September 18, 2025

Ritchie Murray  
Acting Registrar  
Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street  
Toronto ON  
M4P 1E4

Dear Mr. Murray,

**Re: EB-2025-0046 Elexicon Energy Inc. 2026 IRM Distribution Rate Application  
Interrogatories of CCMBC**

Attached are the interrogatories of the Coalition of Concerned Manufacturers and Businesses of Canada (CCMBC) to the applicant in the EB-2025-0046 Elexicon Energy Inc. 2026 IRM Distribution Rate Application proceeding.

Respectfully submitted on behalf of CCMBC.

Tom Ladanyi  
TL Energy Regulatory Consultants Inc.

cc. Catherine Swift (CCMBC)  
Parties to the Proceeding

**EB-2025-0046 Elexicon Energy Inc.  
2026 IRM Distribution Rate Application**

**Coalition of Concerned Manufacturers and Businesses of Canada**

**Interrogatories to the Applicant**

**September 18, 2025**

**CCMBC-1**

**Reference:** 3.1 Application Introduction, Page 4

**Preamble:** *"In the Decision and Order in Elexicon Energy Inc.'s Mergers, Acquisitions, Amalgamations and Divestitures ("MAADs") Application (EB-2018-0236), dated December 20, 2018, the Ontario Energy Board ("OEB" or the "Board") granted approval for Whitby Hydro Electric Corporation and Veridian Connections Inc. to amalgamate and continue operations as a single electricity distribution company."*

**Question:**

Please confirm that the OEB in its EB-2028-0236 decision ordered Elexicon to file a consolidated Distribution System Plan (DSP) which Elexicon filed on April 1, 2021.

**CCMBC-2**

**Reference:** 3.1 Application Introduction, Page 5

**Preamble:** *"As described in Appendix A, Elexicon Energy is requesting Incremental Capital Module ("ICM") approval to fund two investments: rebuild the Sandy Beach Substation at its current location ("Sandy Beach Station"); and fund the capital contribution to Hydro One Networks Inc. ("HONI") for the installation of a new Dual Element Spot Network ("DESN") at Belleville Transformer Station ("TS") ("Belleville DESN 2"). The total estimated capital expenditures for the Sandy Beach Station and Belleville DESN 2 are \$9.7M and \$18.4M, respectively."*

**Questions:**

- a) Was the project to rebuild the Sandy Beach Substation listed in the consolidated DSP filed on April 1, 2021. If the answer is yes, please file the information on the project that was included in the consolidated DSP. If the answer is no, please explain why not.
  
- b) Was the project to install DESN 2 at the Belleville TS listed in the consolidated DSP filed on April 1, 2021. If the answer is yes, please file the information on the

project that was included in the consolidated DSP. If the answer is no, please explain why not.

**CCMBC- 3**

**Reference:** Appendix A, ICM Requests: Sandy Beach Station & Belleville DESN 2  
Page 8 *Table 2 - Sandy Beach Project Cost Estimates*

**Questions:**

- a) Please file a more detailed Sandy Beach project cost estimates table that separately shows the costs of Contractor and Elexicon Energy for each category: Labour, Trucks/Vehicles, Equipment Installations/Removal/ Construction.
- b) The table does not show any direct or indirect overhead costs. Will overhead costs be charged to the Sandy Beach Project?

**CCMBC- 4**

**Reference:** ICM Requests: Sandy Beach Station & Belleville DESN 2  
Page 8, *Table 3- Sandy Beach Project Implementation Plan*

**Preamble:** Table 3 indicates that the procurement and delivery of transformers was expected to take place in August 2025.

**Questions:**

- a) What was the actual cost?
- b) How does that cost compare with the estimated cost? Please explain any variance.

**CCMBC- 5**

**Reference:** Appendix A, ICM Requests: Sandy Beach Station & Belleville DESN 2  
Page 9, Paragraph 19

**Preamble:** *“The Sandy Beach project, which was identified and planned in 2023, is a renewal project that was deemed unsuitable for consideration of a NWS. The purpose of the project is to completely replace a deteriorating asset that serves existing load.”*

**Question:**

Please explain why the Sandy Beach Project was not identified prior to 2023.

**CCMBC- 6**

**Reference:** Appendix A, ICM Requests: Sandy Beach Station & Belleville DESN 2  
Page 9, Paragraph 25

**Preamble:** *“In the part of the Belleville region served by Elexicon, capacity constraints were identified during the IESO’s regional planning process. The projected peak load in 2025 for this part of Elexicon’s service territory is expected to exceed the current capacity available (approximately 110 MW for Elexicon only) for the region.”*

**Questions:**

- a) When was the IESO’s regional planning process mentioned in the quoted sentence?
- b) Please explain why Elexicon was not aware of capacity constraints in the Belleville region prior to that time.
- c) How does Elexicon monitor capacity constraints on its system?

**CCMBC- 7**

**Reference:** Appendix A, ICM Requests: Sandy Beach Station & Belleville DESN 2  
Page 10, Paragraph 27

**Preamble:** *“The estimated cost for Elexicon’s portion of the project was estimated by Hydro One to be \$32,065,600. It is expected that the Elexicon contribution to the project will be \$18,437,400. Elexicon will receive a capital contribution from one of its customers of \$371,150.”*

**Questions:**

- a) When was the \$32,065,600 estimate produced by Hydro One? Is there a more recent estimate? If the answer is yes, please file it. If the answer is no, please explain why not.
- b) Is the \$18,437,400 contribution a fixed amount or will it change once the actual cost is known?
- c) How much has Elexicon paid so far to Hydro One for the Belleville DESN 2 project?

**CCMBC- 8**

**Reference:** Appendix A, ICM Requests: Sandy Beach Station & Belleville DESN 2  
Page 11, *Table 5 – Belleville DESN 2 Project Costs Estimates*

**Questions:**

- a) Please provide more information on Elexicon's Project Management Costs of \$311,856.
- b) Are these the salaries of Elexicon employees assigned to the project?
- c) Are these salaries included in Elexicon's OM&A?
- d) How can the OEB be assured that there is no double recovery of these costs?
- e) Do the project cost estimates include an allocation of direct and indirect overhead costs?

**CCMBC- 9**

**Reference:** Appendix A, ICM Requests: Sandy Beach Station & Belleville DESN 2  
Page 12, Paragraph 31 and Page 22, Paragraph 69

**Preamble:** "Elexicon requests that the ICM rate riders become effective January 1, 2026, through to Elexicon's next re-basing (planned for January 1, 2027)."

- a) Please confirm that \$1,455,449 is the total amount that Elexicon will collect from its ratepayers with the ICM rate riders between January 1, 2026, and January 1, 2027?
- b) If the projects are not in service by January 1, 2026, but enter service several months later, will Elexicon refund to ratepayers the amounts collected between January 1 and the actual in-service date?

**CCMBC- 10**

**Reference:** Appendix A, ICM Requests: Sandy Beach Station & Belleville DESN 2 Pages 14 and 15, Paragraph 39 and *Table 7- Materiality Thresholds for Elexicon Energy (2026)*

**Preamble:** *“The first step requires that the ICM capital exceeds the ICM “materiality threshold formula”, which serves to define the level of capital expenditures that a distributor should be able to manage within current rates.”*

**Questions:**

- a) Please confirm that \$27,142,025 is the maximum amount of capital expenditure that Elexicon can fund with existing rates in 2026.
- b) Please provide a priority listing of capital projects that Elexicon will be funding in 2026 with the \$27,142,025.
- c) Are all these projects of higher priority than the ICM projects so that none of them could have been deferred until 2027 to mitigate the size of the ICM riders?
- d) Considering that if any of the projects included in the \$27,142,025 total will not be completed and in service in 2026, all of the money collected by Elexicon from ratepayers with ICM riders would not have been needed, will Elexicon refund it to ratepayers?

**CCMBC-11**

**Reference:** Appendix A, ICM Requests: Sandy Beach Station & Belleville DESN 2, Page 17, Paragraph 47

**Preamble:**

*“If a distributor’s most recently available regulated return on equity (“ROE”) exceeds 300 basis points above the deemed ROE embedded in the distributor’s rates, then funding for any incremental capital project would not be allowed.*

*Elexicon Energy’s 2024 ROE was as follows:*

*Achieved: 5.39 %*

*Deemed: 9.43 %*

*Difference: (4.04) %”*

**Questions:**

- a) What are the main reasons for the poor financial performance of Elexicon Energy?
- b) How would the ROE of Elexicon Energy be affected if the OEB approved its application for ICM rate riders?

**CCMBC- 12**

**Reference:** ICM Requests: Sandy Beach Station & Belleville DESN 2  
Page 19, Paragraph 56

**Preamble:** *“In its 2023 IRM application (EB-2022-0024), Elexicon included two ICM requests (“2023 ICM Request”), and provided a revised in-service addition (“ISA”) forecast as part of that request. 16 The revised forecast included updates to planned in-service additions from the previously submitted 2021 DSP. Paragraphs 59 to 65 below discuss the variances to Elexicon’s in-service forecast that have emerged since its previous ICM request (EB-2024-0024).”*

**Questions:**

- a) Please confirm that the in its EB-2022-0024 decision the OEB approved \$8.8M in ICM funding in 2025 for Elexicon’s proposed smart grid project.
- b) What is the current status of the smart grid ICM project?
- c) What are its actual costs to date and the total revenues Elexicon has collected so far in 2025 and expects to collect by the end of 2026 with the smart grid ICM project rate rider?