

September 18, 2025

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

Dear Mr. Murray:

**EB-2025-0046 – Elexicon Energy Inc. - 2026 IRM Application – ICM Requests**

Please find, attached, the interrogatories of the Consumers Council of Canada pursuant to the above-referenced proceeding.

Please feel free to contact me if you have questions.

Yours truly,

**Julie E. Girvan**

Julie E. Girvan

CC: All parties

**INTERROGATORIES FOR ELEXICON ENERGY INC.**

**FROM THE CONSUMERS COUNCIL OF CANADA**

**RE: 2026 IRM APPLICATION AND ICM REQUESTS**

**EB-2025-0046**

**CCC-1**

**Reference: Application**

Please provide all materials provide to Elexicon Energy's Board of Directors and Senior Management regarding the two ICM requests. Please indicate when these two requests were approved by the Board of Directors. Please describe the relative roles of Elexicon Energy Inc.'s Board of Directors and Elexicon Corporation. Please describe the extent to which Elexicon Corporation's Board of Directors has been involved in this Application.

**CCC-2**

**Reference: Application, p.8**

Please explain the extent to which Elexicon considered rate impacts in developing its Application. If rate impacts were considered, please explain how they were considered.

**CCC-3**

**Reference: Application, p. 8**

Please provide the 2026 distribution rate increases for the Residential Class in each rate zone including the impacts of the ICMs and Group 2 and Group 1 rate riders. How much of the increase is related to each of the ICM riders and how much is related to the Group 2 and Group 1 riders? How much is related to the inflationary adjustment?

**CCC-4**

**Reference: Appendix A, p. 7**

Elexicon had intended to replace the Sandy Beach station in 2023 but because lead times for transformers are two to three years Elexicon did not. Please describe the RFP process that Elexicon undertook.

**CCC-5**

**Reference: Appendix A, p. 8**

Table 2 sets out the projected cost estimate for the Sandy Beach Project:

- a) Is this the most updated cost estimate? If not, please provide the most current estimate;
- b) Did Elexicon develop this cost estimate internally or did Elexicon rely on external consultants? If Elexicon relied on consultants please provide any relevant reports;
- c) For each cost item please specify how each of those cost estimates were derived;
- d) For each of the cost items what is the range of variability?

#### **CCC-6**

**Reference: Appendix A, p. 8**

Table 3 sets out the implementation plan for the Sandy Beach Project. Is this the most updated implementation plan? If not, please provide the most current plan. Specifically have the transformers been delivered? If not, when are they expected to be delivered? Please indicate all factors that could lead to an in-service date beyond Q4 2026.

#### **CCC-7**

**Reference: Appendix A, p. 10**

The evidence states that, “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.” In addition, “There is an immediate need for additional transformation capacity at Belleville TS to ensure Elexicon can service the commercial load for the region.”:

- a) When, specifically, were the capacity constraints identified by the IESO?;
- b) How was the 110 MW derived?

#### **CCC-8**

**Reference: Appendix A, p. 10**

With respect to the Belleville DESN 2 Project please indicate which regional planning process determined that the DESN station is “the most cost-effective solution”.

#### **CCC-9**

**Reference: Appendix A, p. 11**

Table 6 sets out the Belleville DESN 2 Project Implementation Plan. Is this the most updated implementation plan? If not, please provide the most current plan. Please list all of the factors that could impact the construction completion and the project in-service date.

**CCC-10****Reference: Appendix A, p. 16**

Of the total capital forecast for 2026, Elexicon's combined ICM in-service additions total \$28.1 million which accounts for approximately 40% of Elexicon's 2026 capital in-service additions and has significant influence on Elexicon's operations. In light of this significant request, why did Elexicon not request a rebasing for 2026? Why should ratepayers continue to fund incremental capital requests that are so significant without simultaneously sharing in consolidation benefits?

**CCC-11****Reference: Appendix A, p. 18**

The evidence states that proceeding with the Sandy Beach rebuild in 2026 was deemed the most prudent option given the station's operational risks will persist until replacement. Why did Elexicon not bring an application for an ICM for this project earlier? Was it solely because of the lead time to get transformers?

**CCC-12****Reference: Appendix A, p. 19**

Please explain how the two ICM projects that were not identified in Elexicon's 2021 DSP can suddenly emerge as "immediate priorities".

**CCC-13****Reference: Appendix A, p. 21**

Elexicon provided a letter to the OEB on April 15, 2025, that it would be filing a rebasing application for rates effective January 1, 2027:

- a) Please file that letter;
- b) What would be Elexicon's filing date if it were not pursuing an early rebasing?;
- c) What are Elexicon's current plans with respect to its rebasing Application?;
- d) Please list all of the reasons that Elexicon is filing an early rebasing application;
- e) Please provide Elexicon's approved and actual ROE for the past 5 years (2020-2024)

**CCC-14****Reference: Appendix A, p. 22**

Please explain why it is appropriate for Elexicon to apply the full-year rule for 2026 if the OEB does not approve the proposal for early rebasing. Please explain the accounting proposed for the interim rate riders. When would the interim rate riders become final under Elexicon's proposal?

## **SANDY BEACH PROJECT**

### **CCC-15**

**Reference: Appendix B, p. 4**

What was the condition of the assets in 2022 when the Sandy Beach station experienced multiple failures? Have there been any other failures since 2022?

### **CCC-16**

**Reference: Appendix B, p. 5**

The total cost of the project is estimated to be \$9.7 million. This has been characterized as a Class 3 Estimate. Please explain what a Class 3 estimate is. Will there be another estimate provided? If not, why not?

### **CCC-17**

**Reference: Appendix B, pp. 5-6**

Elexcion has indicated that the Sandy Beach Project is essential for addressing critical factors affecting the existing substation's operational efficiency, safety and reliability. These factors include:

- a) Many assets are at or near end of life and are at risk of failure if replaced;
- b) The temporary Transformer T2 is currently installed on a temporary wood structure that is not ideal or sustainable for the substation's safety and long-term viability;
- c) Oil is weeping on the transformer which impacts the performance and condition of the asset and poses an environmental risk;
- d) The current configuration of the station, which is an open bus design poses a safety risk to staff;
- e) The spare transformer is undersized by 3MVA constraining capacity as well as requiring extra cooling;
- f) There are some components that are original assets which do not meet current standards;

- g) Maintenance costs are forecast to increase if the issues are not addressed;
- h) The substation is situated beneath HONI transmission lines, making it inaccessible for cranes and heavy machinery limiting Elexicon's ability to safely carry out maintenance and testing.

In light of all these factors did Elexicon consider replacing the station prior to the failures in 2022? If not, why not? If so, why was the station not replaced?

**CCC-18**

**Reference: Appendix B, pp. 5-6**

Does Elexicon have any other substations that are in relatively in the same state as the Sandy Beach Station? Does Elexicon plan on replacing any other stations in the near future? If so, please identify those stations.

**CCC-19**

**Reference: Appendix B, p. 24**

The HV switchgear RFP was issued on March 13, 2025, with bids received on April 10, 2025 and it is expected to be delivered by June 2026. Please describe the RFP process that Elexicon undertook with respect to the HV switchgear.

**BELLEVILLE DESN 2**

**CCC-20**

**Reference: Appendix C, p. 4**

The projected load in the Belleville region that is served by Belleville TS DESN 1 is expected to exceed the capacity available. Hydro One will construct a new DESN at Belleville TS that will be designated Belleville TS DESN 2. The need and impact of the project was developed through the third cycle of the Peterborough to Kingston Regional Planning process which began in September 2024. The station was projected to exceed its capacity as early as 2025. This includes committed large industrial load along with general customer growth and electrification initiatives. To ensure Elexicon can accommodate current and increasing commercial demand within its service territory, additional transformation capacity at Belleville TS was identified as being urgently needed.

- a) Has the station exceeded its capacity?;
- b) To what extent is this project driven by general customer growth and electrification?;
- c) To what extent is this project driven by the committed large industrial load?;

- d) To what extent is this project to accommodate current and increasing commercial demand?;
- e) How are the overall costs (\$18,749,256) for the capital contribution being allocated to each of the rate classes?

#### **CCC-21**

**Reference: Appendix C, pp. 4-5**

The estimated project cost for Elexicon's portion of the station as determined by Hydro One is \$32,065,600. With Elexicon required to fund a capital contribution of \$18,749, 256. Additionally, Elexicon will receive a capital contribution from one of its customers for \$371,150. Elexicon's capital contribution was determined by Hydro One as part of the connection and Cost Recovery Agreement signed between Elexicon and Hydro One:

- a) Please explain, in detail how the \$32.065 million was derived;
- b) Please explain, in detail, how the capital contribution amount was derived;
- c) Please explain, in detail, how the customer contribution was derived;
- d) Please provide the potential variability of the amounts;
- e) What factors could contribute to cost overruns?;
- f) Please explain how that true-up process is expected to work.

#### **CCC-22**

**Reference Appendix C, p. 5**

Please provide a complete list of all projects in the past 5 years in which Elexicon was required to pay Hydro One a capital contribution determined through a Connection and Cost recovery Agreement. For each project please provide the projected costs (set out in the CCRA) and the final costs incurred.

#### **CCC-23**

**Reference: Appendix C, p. 20**

To reduce any risks of delays Hydro One has ordered all long lead items. The power transformers and circuit breakers will be delivered in September 2025. The PCT was expected in June 2024. The capacitor banks were expected in March 2025 and the switches in August 2025. Have all of these items been delivered? If not, when will they be delivered. If not, how will this impact the projected in-service date of December 2026?

**CCC-24****Reference: Appendix D, p. 9**

All DVA balances are proposed to be disposed of over 1 year beginning January 1, 2026. Has Elexicon considered alternative (longer) recovery periods? If not, why not given the size of the amounts?

**CCC-25****Reference: Appendix D, pp. 38-40**

- a) Please provide the term(s) of the existing third-party Locate Service Provider contract(s) (e.g., 2022-2024, 2023-2025, etc.)
- b) Please explain what, if any, changes were made to the third-party Locate Service Provider contract(s) after Bill 93 was implemented.
- c) Please provide a specific reference to Veridian's 2014 application (EB-2013-0174) where the locates-related budget is set out.
- d) Please provide a specific reference to Whitby's 2010 application (EB-2009-0274) where the locates-related budget is set out.
- e) Please confirm that the locate costs for the April – December 2023 period set out in the columns "Locate Costs related to Bill 93" and "Locate Costs not related to Bill 93" are the actual locate costs for that period (i.e., not the full year locate costs adjusted by 9/12<sup>th</sup> of the year).
- f) Please provide a table, or tables, that shows the following with respect to the actual locate costs of the utility for each year during the 2019-2024 period:
  - i) Total Actual Costs
  - ii) Total Number of Locates
  - iii) Average Cost per Locate
  - iv) Third-Party Locate Costs
  - v) Internal Locate Costs
  - vi) Locate-related Administration costs shown separately in each of Third-Party and Internal costs
  - vii) Locate-related Supervision/Inspection shown separately in each of Third-Party and Internal costs