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April 2, 2026

EB-2025-0312 Elexicon Energy Inc. (Elexicon Energy) 2027-2031 Custom Rate Application
Pollution Probe Interrogatories to the Applicant

Dear Mr. Murray

Please find attached Pollution Probe's Interrogatories to the Applicant. As discussed with OEB Staff, this document is being filed in advance of the April 10, 2026 deadline to avoid scheduling conflicts in April and to assist all parties.

Respectfully submitted on behalf of Pollution Probe.

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Cc: All Parties (via email)
Richard Carlson, Pollution Probe (via email)

EB-2025-0312

ONTARIO ENERGY BOARD

Elexicon Energy Inc. (Elexicon Energy)

2027-2031 Custom Rate Application

POLLUTION PROBE INTERROGATORIES

April 2, 2026

Submitted by: **Michael Brophy**

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1-PP-1

Reference: Elexicon asked for input broadly from its customers, and received feedback from nearly 14,000 customers. This customer feedback was used by Elexicon's planning and operating experts to identify programs and projects necessary for customer-driven outcomes. This iterative process resulted in a plan that customers agreed balances priorities with costs, receiving 79% customer support. [1/2/1, page 3]

a) Please provide the specific survey questions and responses that were used to derive the conclusions noted above.

b) Were any customer survey questions and responses pertaining to the specific budgets included in the application? If yes, please provide the specific materials used in the survey and where they reside in the application.

1-PP-2

Reference: Over the last six years, Elexicon has experienced a high pace of customer and load growth its service area, sharp increases in costs for grid assets (i.e. materials, equipment specific to the sector), and increased need to invest in order to repair and replace equipment due to failures and severe weather damage. Elexicon has also experienced weather events which have driven the need to replace damaged infrastructure. [1/2/1, page 4]

a) Please explain why Elexicon was not able to consider the potential for load and costs growth when it applied for its approved 10 year deferred rebasing period.

b) Storm events (particularly major events causing significant damage) are sporadic and not predicted to occur annually. Please explain why historical storm events should be extrapolated to set an annual budget on a go-forward basis. How would that annual funding be used if there are no severe weather events impacting infrastructure in one or more years of the new rate term?

c) Was Elexicon aware of the state, needs and required investments for each of the separate entities prior to filing for the merger? If yes, please explain what is different now compared to that assessment. If not, why was this assessment not undertaken.

1-PP-3

Reference: The acceleration of growth in Elexicon's service territory is driven by the unprecedented growth occurring across the communities Elexicon serves. For example, Durham Region, which accounts for approximately 82% of Elexicon's customer base, is projected to double its population to approximately 1.3 million over the next 25 years. In North Whitby and North Pickering, the local municipalities have plans for new communities with over 30,000 homes in 'greenfield' areas which have no or limited infrastructure to serve them, nor capacity to connect future load growth. [1/2/1, page 8]

Please detail the DER (including DSM, solar, battery, etc.) programs and solutions Elexicon is leveraging to influence the local DER opportunities that come with this greenfield growth. Please provide the demand mitigation and services that would be available if this local DER opportunity is maximized?

1-PP-4

Reference: Table 1: DER Connections from 2020 to 2024 by Type of Device [1/2/1, page 9]

a) Please provide a copy of Table 1 with the following added:
    - Following the totals column ending 2024, add the forecasted numbers in columns for 2027 to 2031.
    - Total capacity by year included at the bottom for each year
    - A column per technology to indicate the current total for Elexicon's service territory (i.e. not just over the term).
    - A column to indicate the maximum potential for each DER technology (total customer numbers and estimated kW capacity)

b) Please explain why BESS, PV and Rooftop Solar penetration is so low over the 2021 to 2024 term and

c) Please provide details on all the activities Elexicon has undertaken from 2020 to 2024 to try to increase the number of DERs and please provide how this will change over the 2027 to 2031 term (if it will).

1-PP-5

Reference: Elexicon must invest in traditional infrastructure such as stations and feeders, as well as in digital technologies (Operational Technology like SCADA, and SCADA-enabled field devices) to manage the grid and ensure sufficient capacity is available to accommodate the increasing adoption of customer generation and storage. [1/2/1, page 9]

a) Please explain why Elexicon has not gradually made these types of investments over multiple rate terms like similar utilities which have attempted to avoid rate shocks.

b) If Elexicon is successful at making these investments over the 2027-2031 rate term, would that result in decreases for the next rate term?

c) What metrics and targets does Elexicon propose over the rate term to measure progress against each of these investment types and progress against DSP delivery overall? If there are no measurable metrics and targets for this over the rate term, please explain why.

1-PP-6

Reference: Elexicon has a suite of unintegrated applications and systems that individually served their purpose during their time, but most are either no longer supported, or unable to be integrated with other systems, posing the need for manual processes and data integrity issues. [1/2/1, page 17]

a) A normal approach during a utility merger is to mitigate and resolve issues related to the disparate and unintegrated systems. Why was this not part of the Elexicon merger activities?

b) Please explain how residual merger integration issues and costs have been treated for purposes of calculating and reporting against the net benefits promised from the merger.

c) Elexicon indicated that during the merger period it successfully addressed system consolidation (Customer, Financial, IT systems) per 1/5/2, page 2. Please reconcile the the residual gaps and explain why system integration and upgrades need to occur again if they were already addressed during the deferred rebasing period.

1-PP-7

Reference: Table 2: Elexicon's Capital Investments – MAADs forecast compared to Actual Expenditures, inclusive of ICMs ($M) 2020 to 2026 [1/5/2, page 2]

Please confirm that the row "MADDs Forecast" equals the OEB approved Capital amounts. If not, please add a row with the OEB approved Capital values.

1-PP-8

Reference: Table 7: OM&A Expenditures & Variances [1/3/1B, page 6]

Please confirm that the OM&A column represents the OEB approved annual amounts. If that is not correct, please provide a version of Table 7 indicating the OEB approved OM&A vs. actual spent for each year (i.e. actuals for 2020 to 2025 and the 2026 current estimate).

1-PP-9

Reference: Table 4: Summary of 2027 to 2031 Capital Expenditures [1/3/1B, page 4]

Please provide a copy of Tables 4 including historical annual Capital Expenditures back to 2020 and row to indicate the OEB approved Capital budget for each year.

1-PP-10

Reference: Distribution System Plan and DER definition from National Standard Practice Manual - NSPM (nationalenergyscreeningproject.org)

Distributed Energy Resources (DERs) are resources located on the distribution system that are generally sited close to or at customers' facilities. DERs include EE, DR, DG, DS, EVs, and increased electrification of buildings. DERs can either be on the host customer side of the utility interconnection point (i.e., behind the meter) or on the utility side (i.e., in front of the meter). DERs are mostly associated with the electricity system and can provide all or some of host and/or support the utility system by reducing demand and/or providing supply to meet energy, capacity, or ancillary services (time and locational) needs of the electric grid.

a) Please provide the definition of DER that Elexicon is using and explain how it differs (if at all) from the best practice NSMP definition noted above.

b) Please explain what DER resources from the list above are included in the Elexicon modeling and what the gross and net impact for each type of DER are.

c) Please provide the full list of local DERs included in Elexicon demand model.

d) Please explain how DERs forecasted in Elexicon's gross and net demand forecast are used as a baseline input into the Regional Planning process to reduce overall demand.

1-PP-11

Reference: Elexicon's DSP outlines an increase in capital investments compared to the historical period anchored on three primary objectives: [1/3/1B, page 3 and 2B]

- Address capacity constraints
- Enable growth
- Restore reliability to historical levels of performance

a) Please explain how DERs will be leveraged to meet each of the three primary DSP objectives above.

b) Has Elexicon denied any DER requests over the current rate term? If yes, please provide the details by year, including the size and type of DER connection requested.

1-PP-12

Reference: Table 6: Historical Rate Base v. 2027 Test Year Rate Base [1/3/1B, page 5]

	OEB-Approved[3]	Test Year	Change	
	2020	2027	$	%
Rate Base ($M)	420.2	617.3	197.1	47%

a) Please confirm that Elexicon overspent on Capital by $197.1 million over the current rate term. If not correct, please explain.

b) Please provide a summary by major category of the over-spending for the current rate term and include an explanation for each category overspent.

1-PP-13

Reference: Figure 2: Elexicon vs. Industry and Peer Group OM&A Costs Per Customer with OEB Inflation (2020-2024) [1/4/1, page 6]

Has Elexicon done any peer group analysis for 2025 and beyond, including for the OM&A request in this application? If no, why not. If yes, please provide the documentation and comparison results (and ideally a similar chart to Figure 2, if possible).

1-PP-14

Reference: Elexicon has generated annual sustained labour savings of $3.25 million dollars as of 2025, achieving 78% of the forecasted labour savings in the Merger Application. In addition to FTE reductions, Elexicon realized approximately $8.8 million dollars in non-labour synergies from 2019-2025 by consolidating key systems, avoiding duplicative software upgrades, and reducing redundant service costs. The non labour synergies translate to annual sustained savings of $1.9 million dollars as of 2025, achieving 100% of the forecasted non-labour savings in the Merger Application. Further detailed in Exhibit 1 - Tab 4 - Schedule 2, these savings are sustainable and have been incorporated into Elexicon's financial forecast for the period of 2027 to 2031. Elexicon's labour and non-labour synergies together meet 85% of its Merger Application forecast for 2025. The consolidated utility has realized $31M in synergies during the 2020 to 2025 portion of its deferred rebasing rate period. [1/4/1, page 5]

Elexicon is also contending with an aged IT ecosystem posing imminent security and operational risks including risks of a cyber security breach and inability to receive support or updates to end of life systems. [1/4/1, page 24]

a) Please explain why the labour savings are noted as sustained savings when the current application requests increased labour costs and FTEs.

b) Please explain why the non labour savings are noted as sustained savings when the current application requests increased costs related to systems and upgrades.

1-PP-15

Reference: Figure 3: Merger Forecast (MF) vs Actual (A) and Bridge (B) Capital Spend by Category ($k) [1/4/1, page 8]

Please provide a table of the numbers for forecasted vs. actual spending (including the breakdown by category), including the variance in $ and % for each year and over the term noted in Figure 3.

1-PP-16

Reference: Table 1: Elexicon's Custom Performance Scorecard 1 for 2027 to 2031 [1/6/1, page 2]

Please describe how Elexicon developed the SAIDI and SAIFI scorecard targets and explain why they are 2031 targets (i.e. what is used for the other years of the rate term). Also, please provide the most recent SAIDI and SAIFI results for the peer utilities and calculate the average.

1-PP-17

Reference: A Non-Wires Solutions Deferral Account ("NWSDA") is proposed to capture any incremental revenue requirement resulting from implementation of Non-Wires Solutions ("NWS") over the 2027 to 2031 period. At present, Elexicon has not included any NWS expenditures in its 2027 to 2031 plan. However, opportunities for NWS may evolve over the rate term due to various factors such as acceleration of customer demand which may cause new capacity constraints, as additional DERs are connected to the system, and as the capabilities of grid improve due to investments in grid modernization. The NWSDA ensures Elexicon can pursue NWS when and where it is in the best interest of ratepayers to do so. [1/5/1, page 22]

a) Please confirm that Elexicon is able to deploy NWSs (including DERs) as part of its Capital plan, similar to what other utilities in Ontario have done.

b) Please provide the analysis undertaken by Elexicon to consider NWSs in lieu of the proposed Capital solutions included in the DSP and explain why none were identified over the 2027-2031 term.

c) Please explain why the NWSDA is required to be established now rather than waiting until Elexicon has a NWS project ready to submit to the OEB for incremental funding (which could include a utility incentive).

1-PP-18

Reference: To begin with, the moderator shared a short description of energy transition. Participants. [example statement from 1-7-1 Appendix A, Page 35]

Please provide a copy of the energy transition description and materials related to the energy transition provide to each customer group.

1-PP-19

Reference: Elexicon further collaborates with municipalities' planning and sustainability teams to align electrification initiatives, goals and significant public infrastructure projects. Elexicon coordinates with municipalities on significant customer requests, fostering early collaboration to advance commercial and industrial developments well before the formal zoning stage [1/7/2, page 9]

Please explain how Elexicon included information from the municipal energy and/or emissions plans into its DSP and overall plan to ensure alignment on outcomes and objectives, including net zero.

1-PP-20

Reference: One of the strategic initiatives underway is the advancement of a Distribution Systems Operator (DSO) model and on May 20, 2025 the OEB issued a discussion paper on the move to the DSO model.

a) Please provide a summary of Elexicon's current DSO capabilities and how those are proposed to advance by the end of the rate term in 2031.

b) Does Hydro Ottawa have a specific plan to learn from the existing and ongoing success of other LDC's to reduce costs and increase results from DSO-related activities.

1-PP-21

Reference: A **Large Load Revenue Variance Account ("LLRVA")** is a symmetrical account proposed to track variances between the volume and timing of forecast revenues of new large commercial and industrial customers in Elexicon's forecast. [1/5/1, page 22]

a) Over the current rate term, has Elexicon encounter a problem with large load customers not using electricity in alignment with the Elexicon forecast? If yes, please provide the variances per customer that have led to this issue. If no, why does Elexicon believe that this situation is likely to change.

b) Please provide details on any contractual obligations Elexicon puts in place with large load customer to protect the utility from over-estimating a customers load forecast.

c) Does the Elexicon demand forecast over the rate term include large load customers which have not yet signed a firm commitment? If so, please provide a list, including the type of customer, demand forecast, what form of contract has been signed (if any) and the year the demand increase occurs.

d) Pleas describe the process Elexicon uses for large load connections and what portion of the forecasted load is added to the Elexicon load forecast as the application advances to become a firm agreement. Please provide a list of the large load projects currently in progress with the following information: customer type (e.g. data centre), Estimated demand, Estimated connection year, and Demand included in forecast.

2-PP-22

Elexicon has highlighted the severity and expanse of deteriorating infrastructure as a major factor to support its budget request. However, the 2025 Asset Condition Assessment Report indicates that "… the vast majority of Elexicon's assets are in Fair condition or better based on our assessment, with relative contributions of Poor, and relatively minor contributions of Very Poor not indicative of extensive deterioration across the system or any concerns with the manner in which assets have been managed in the past." [2B/3/2 Appendix B, page 10]

Pleas reconcile this these statements.

2-PP-23

Reference: Ontario Save on Energy eDSM Portfolio (Ontario Launches New Energy Efficiency Programs to Save You Money | Ontario Newsroom)

a) Please provide details related to Elexicon's level of commitment to promote the Provincial eDSM programs and undertake local eDSM programs. For the local programs, please provide a copy of the agreement with IESO to facilitate local eDSM actions.

b) Has Elexicon assessed the maximum portion of energy and demand savings possible over the rate term (and beyond if available) that could be achieved by eDSM? If no, please explain why not. If yes, please provide a copy of the analysis, reports, presentation and other related materials.

c) Compared to the maximum potential for eDSM in Elexicon's service territory, what portion of this is reflected in the Elexicon plan and forecast as filed?

d) Please explain how Elexicon plans to enable eDSM results in its service territory from the IESO's Save on Energy program portfolio and local eDSM initiatives.

2-PP-24

Please explain why the Distribution System Plan over the previous term has not been able provide a stable foundation to meet current and future needs in a more balanced manner across rate terms (i.e. rather than creating such a peak in spending during the 2027-2031 term), resulting in a large change to investments during the new term.