





1 example is Underground System Renewal, which has had minimal investment since 2023 –  
 2 and no investment planned in 2026 – due to the need for Elexicon to balance other  
 3 competing priorities, including the execution of mandatory, non-discretionary System  
 4 Access investments, as well as critical Substation Growth investments to provide the  
 5 essential capacity to connect new customers and support continued system growth. As a  
 6 result of constraints on planned System Renewal activities, the level of Reactive Capital has  
 7 increased due to a growing proportion of assets in deteriorated condition and operating  
 8 beyond their Typical Useful Life, which contributes to higher equipment failure rates and  
 9 declining reliability performance. Within Grid Enhancements, this program in-serviced  
 10 below the planned budget in 2024 due to the deferral of feeder enhancement projects to  
 11 manage budget constraints as Elexicon prioritized other programs to manage system  
 12 growth and reliability. Within Voltage & System Conversions, this program in-serviced  
 13 below the planned budget in 2024 primarily due to the deferred phases 3 and 4 of the  
 14 Cavan South Voltage Conversion projects in 2024, due to the prioritization of other critical  
 15 programs. The deferral of grid enhancements and voltage conversion projects has  
 16 contributed to reduced reliability and resiliency, and higher reactive and restoration costs.

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 18 b) Below in Table 1 is a list of ICM funding requested and the amounts approved by the Board  
 19 over the deferred rebasing period. Overall, the OEB approved 44% of the total costs  
 20 Elexicon sought for recovery.

21 **Table 1: Summary of ICM Funding Requests**

| File #       | Project Name               | Effective Date | Funding         |                |            |
|--------------|----------------------------|----------------|-----------------|----------------|------------|
|              |                            |                | Requested (\$M) | Approved (\$M) | % Approved |
| EB-2021-0015 | Seaton Transformer Station | January 1 2022 | 40.8            | 40.8           | 100%       |
| EB-2021-0015 | Bus Rapid Transit          | January 1 2022 | 3.4             | 3.4            | 100%       |
| EB-2022-0024 | Whitby Smart Grid          | April 1 2025   | 36.7            | 8.8            | 24%        |
| EB-2022-0024 | Sustainable Brooklin       |                | 26.7            | N/A            | 0%         |
| EB-2025-0046 | Sandy Beach Station        | January 1 2026 | 9.7             | 6.6            | 68%        |
| EB-2025-0046 | Belleville DESN 2          |                | 18.4            | N/A            | 0%         |
| <b>Total</b> |                            |                | <b>135.6</b>    | <b>59.5</b>    | <b>44%</b> |

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**RESPONSES TO POWER WORKERS UNION INTERROGATORIES**

**INTERROGATORY E1-PWU-03**

Exhibit 1/Tab 5/Schedule 2/Page 2 of 26

Table 1: Materials and Equipment Price Increase Summary

| Materials and Equipment         | 2021      | 2024      | 2021-2024 Increase | CAGR   |
|---------------------------------|-----------|-----------|--------------------|--------|
| <b>Hardware/Connectors (\$)</b> | 58.57     | 78.70     | 34.38%             | 10.35% |
| <b>Wire &amp; Cable (\$)</b>    | 7.42      | 24.43     | 229.24%            | 48.77% |
| <b>Wood Poles (\$)</b>          | 1,737.08  | 2,561.90  | 47.48%             | 13.83% |
| <b>Arresters (\$)</b>           | 83.51     | 106.69    | 27.76%             | 8.51%  |
| <b>Switches (\$)</b>            | 1,316.16  | 1,780.17  | 35.25%             | 10.59% |
| <b>Switchgear (\$)</b>          | 21,454.73 | 23,164.36 | 7.97%              | 2.59%  |
| <b>Transformers (\$)</b>        | 1,551.52  | 2,690.48  | 73.41%             | 20.14% |

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Table 2: Station Equipment Increases

| Station Equipment                    | Price (Reference Year) | Price (Most Recent Year) | Total Price Increase | CA GR |
|--------------------------------------|------------------------|--------------------------|----------------------|-------|
| <b>15/20/25 MVA Transformer (\$)</b> | 782,407 (2020)         | 1,750,167 (2024)         | 123.7%               | 22.3% |
| <b>LV Switchgear (\$)</b>            | 50,684 (2021)          | 124,321 (2025)           | 145.3%               | 25.1% |
| <b>HV Switchgear (\$)</b>            | 126,979 (2020)         | 257,600 (2025)           | 102.9%               | 19.3% |
| <b>1000MCM 28kV Cable (\$)</b>       | 73.42 (2020)           | 176.58 (2025)            | 140.5%               | 24.5% |
| <b>750MCM 46kV Cable (\$)</b>        | 81.81 (2020)           | 212.00 (2025)            | 159.1%               | 26.9% |

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1 Question(s):

2 a) Please discuss the impacts, if any, of the significant increase in material cost over the 2021-2024  
3 period on Elexicon's ability to invest in Asset Renewal and its contribution to the significant  
4 deterioration of assets presented in the current Application. Also, please confirm if any investment  
5 plans were deferred or cancelled as a result.

6 b) For the asset categories in Tables 1 and 2 above, please provide the projected  
7 contribution/share (%) of increase in material cost in the year over year capital expenditures  
8 planned for the 2027-2031 period.

9 c) What is the contribution/share (%) of increase in material cost to the year over year increase in  
10 capital expenditure on System Renewal for the 2027-31 period provided in Ref (2)?

11 d) Has Elexicon conducted any forecasting as to (or otherwise considered) the likelihood of material  
12 costs increasing faster than inflation during the 2027-31 period? If so, what is Elexicon's plan to  
13 manage this scenario?

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16 **RESPONSE:**

17 a) Over the 2020-2024 period, the persistence of historically high inflation for materials and  
18 equipment impacted Elexicon's costs and has compromised Elexicon's ability to make necessary  
19 investments – including asset renewal – and increased the baseline cost of doing business for  
20 Elexicon. The material and equipment cost increases shown in Tables 1 and 2 of the referenced  
21 exhibit clearly highlight the significant escalation experienced during the historical period,  
22 directly affecting the overall cost of completing distribution and station project work. These  
23 significant material and equipment cost increases when combined with a high rate of system and  
24 customer growth placed additional strain on available capital investment capacity across  
25 multiple investment categories. Although no system renewal programs were canceled directly  
26 as a result of material cost increases, certain programs experienced reduced scope or were  
27 deferred as part of prudent capital and execution work planning.

28

1 b) The capital inflation rates for the materials identified in Table 1 and Table 2 in the referenced  
2 exhibit informed the capital inflation rates that were applied at the program level associated  
3 with those materials. For the materials and equipment identified within Table 1 of the referenced  
4 exhibit, material inflation rates between 2-5% were applied to the associated investment  
5 programs between 2027-2031. For the materials and equipment identified within Table 2,  
6 material inflation rates of 10% were applied to the associated investment programs between  
7 2027-2031 (specifically Substation Renewal and Substation Growth). Additionally, although  
8 inflation assumptions vary based on the nature of the DSP program, that same rate of inflation  
9 is used in each year of the plan. Please see Exhibit 1, Tab 5, Schedule 2, Section 6.2, Page 24-25  
10 for further details.

11

12 c) Within the System Renewal investment category over the 2027-2031 period, an inflation rate of  
13 5% associated with materials was applied to the Overhead System Renewal and Underground  
14 System Renewal investment programs; an inflation rate of 10% associated with materials was  
15 applied to the Substation Renewal investment program; and an inflation rate of 2% associated  
16 with materials was applied to the Reactive Capital investment program.

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18 d) Yes, Elexicon has considered the risk that material costs could increase at a rate exceeding  
19 general inflation over the 2027–2031 period, informed by recent experience of elevated demand  
20 and cost pressures across the electricity distribution sector. While recent history has yielded  
21 double-digit cost increases for certain materials and equipment, Elexicon has adopted capital  
22 inflationary assumptions that balance these recent trends with affordability and efficiency  
23 considerations by aligning more closely with the lower end of recently observed cost increases  
24 rather than assuming sustained peak conditions. Elexicon intends to mitigate the risk of material  
25 cost increases exceeding forecast levels through prudent capital planning and competitive  
26 procurement practices. This includes the anticipated procurement-related benefits of Dx  
27 NEXT(see Exhibit 4, Tab 1, Schedule 6, Appendix A – Attachment 1, Page 28), which will better  
28 position Elexicon to assess long-term requirements, establish more structured vendor

1 relationships, and secure more favourable agreements with key external partners. The  
2 investments Elexicon is making in its ERP system (Dx NEXT) are critical for ensuring Elexicon can  
3 obtain greater capital productivity to sufficiently offset such inflationary risk and effectively  
4 execute its work program.





1 In summary, the results of the BCA analysis performed on these three projects indicate that  
2 NWS are either not technically feasible or cost-effective alternatives to the planned wires  
3 investments for either the Bradshaw MS needs, or the Feeder Capacity and Undersized  
4 Conductor portfolio needs. The projects proposed by Elexicon remain the best alternatives to  
5 address system needs.

6

7 b) Yes, the three projects, Bradshaw MS – Substation Growth (approx. \$8.47M), Feeder Capacity  
8 Enhancements – Grid Enhancements (approx. \$14.83M), and Undersized Conductors – Grid  
9 Enhancements (approx. \$ 11.28M), are capital investments included Elexicon’s 2027-2031 DSP.



1 execution feasibility, resource availability, and system constraints, while also balancing  
2 investment requirements with other programs such as System Access (including new customer  
3 connections), Grid Modernization, and System Service (Substation Growth) aimed at addressing  
4 existing capacity constraints. Rate impacts to customers were also considered, informed by  
5 customer engagement survey results which better align with the balance investment option. The  
6 balanced investment plan, together with investments in Overhead Asset Renewal and Substation  
7 Renewal programs, will help Elexicon to restore system reliability to the targeted historical  
8 performance levels while mitigating asset failure risks through the prioritization of poor and very  
9 poor condition assets over the 2027–2031 rate period. Please refer to Exhibit 2B, Tab 4, Schedule  
10 3, Page 36-39 for more details on investment pacing and prioritization and pages 41-49 for  
11 options analysis and summary of different investment plans considered for the Underground  
12 System Renewal investments.



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**RESPONSE:**

a) A breakdown of OM&A cost drivers is provided below. It includes an estimated OM&A baseline using Elexicon’s actual OM&A costs from the year 2020 and escalating this amount for inflation and customer growth. The baseline is developed by escalating 2020 actuals to the 2027 test year, consistent with the proxy OM&A methodology in Exhibit 1 - Tab 4 - Schedule 1, Figure 9 and further described in the response to 4-SEC-84, which also provides supporting detail on the interest and growth assumptions applied.

The baseline increase reflects the amount that OM&A expenditures have increased because of inflationary effects and customer-driven growth. Additional increases in OM&A expenditures are attributable to incremental externally-driven business requirements, customer and capacity-related growth, among other cost drivers as described in Table 1 below.

**Table 1: Breakdown of Total OM&A Increases (2020-2027)**

|                    | \$M    | %     | Key Drivers   |
|--------------------|--------|-------|---|
| Baseline Increase  | \$13.2 | 34.2% | Change under normal operating conditions based on inflation and customer growth adjustments   |
| Finance            | \$1.2  | 4.7%  | Additional staff to support: <ul style="list-style-type: none"> <li>• Growth of capital and external demand related projects</li> <li>• Increased executive and business unit support</li> <li>• Evolving complexity of business and regulatory environment and requirements</li> <li>• Establishment of a Treasury function</li> <li>• Refer to Exhibit 4 - Tab 1 - Schedule 6, Section 4.3 for further information on Finance segment’s cost drivers</li> </ul> |
| People and Culture | \$3.1  | 12.4% | Supporting and enabling organizational growth: <ul style="list-style-type: none"> <li>• Development of a sustainable and scalable workforce required to support core operations</li> <li>• Increase in training investment aligned with workforce size and evolving needs, including safety training, trades training and certification and to support effective leadership and communication</li> </ul>  |

|                                 | \$M   | %     | Key Drivers  |
|---------------------------------|-------|-------|--|
|                                 |       |       | <ul style="list-style-type: none"> <li>Refer to Exhibit 4 - Tab 1 - Schedule 6, Section 3.4 for further information on the People and Culture segment's cost drivers</li> </ul>  |
| Regulatory Affairs              | \$2.3 | 9.0%  | <p>Growth in regulatory and policy obligations:</p> <ul style="list-style-type: none"> <li>The need for internal, consulting, and legal resources to support incremental rate application activity arising from deferred rebasing and ICM filings associated with increased investment needs</li> <li>Increased volume of regulatory consultations and policy changes, and compliance requirements which have required an increasing role for regulatory affairs in supporting lines of business</li> <li>Refer to Exhibit 4 - Tab 1 - Schedule 6, Section 6.4 for further information on the Regulatory Affairs segment's cost drivers</li> </ul>   |
| Technology and Cyber Security   | \$6.1 | 24.1% | <p>Changes to the requirements, expertise, and costs needed of delivering an enterprise technology program:</p> <ul style="list-style-type: none"> <li>Increased enterprise IT complexity and modernization requirements</li> <li>Enhanced cybersecurity readiness driven by IESO Project Lighthouse</li> <li>Additional software licenses aligned with workforce growth, evolving operational needs and increased costs for existing and new licenses</li> <li>Investments in operational technology tools to support real-time monitoring, outage management, and grid optimization</li> <li>Refer to Exhibit 4 - Tab 1 - Schedule 6, Section 2.4 for further information on the Technology segment's cost drivers</li> </ul>      |
| Legal and Corporate Secretariat | \$2.9 | 7.4%  | <p>Greater operational complexity and volume of activities requiring increased oversight to maintain compliance and accountability:</p> <ul style="list-style-type: none"> <li>Establishment of dedicated internal expertise in legal, privacy and information management to align with growing complexity of business environment and regulatory requirements</li> <li>Aligning insurance coverage with the utility's evolving risk profile</li> <li>Enhanced governance associated with a changing risk profile and increasing scale and complexity of organization</li> <li>Refer to Exhibit 4 - Tab 1 - Schedule 6, Section 8.4 for further information on the Legal and Corporate Secretariat segment's cost drivers</li> </ul> |

|                         | \$M           | %           | Key Drivers  |
|-------------------------|---------------|-------------|--|
| Customer Experience     | \$1.7         | 4.5%        | Measures implemented in response to more diverse customer service needs, and evolving regulatory requirements, including: <ul style="list-style-type: none"> <li>• Adoption of updated platforms to improve service delivery and address legacy system limitations</li> <li>• Expanded use of data analytics to support customer interactions</li> <li>• Establishment of a dedicated key account team</li> <li>• Refer to Exhibit 4 - Tab 1 - Schedule 5, Section 3.4 for further information on the Customer Experience segment's cost drivers</li> </ul>                              |
| Sustainment             | \$2.7         | 6.9%        | <ul style="list-style-type: none"> <li>• Locates: Increased work volume driven by GOCA, requiring a dedicated locates team and higher contractor rates.</li> <li>• Restoration: Higher costs from storm-related emergency restoration activity and increasing rates of equipment failures causing outages.</li> <li>• Maintenance &amp; Vegetation Management: Expanded programs to address declining reliability, including LiDAR</li> <li>• Refer to Exhibit 4 - Tab 1 - Schedule 4, Sections 2.5 and 3.5 for further information on the Sustainment program's cost drivers</li> </ul> |
| System Control Centre   | \$2.8         | 7.3%        | Revised resourcing strategy driven by competitive labour market conditions for highly specialized system operator roles to facilitate growing work volumes and ensure safe operations: <ul style="list-style-type: none"> <li>• Hiring required to establish a sustainable workforce pipeline</li> <li>• Establishment of an internal training program required to develop and retain qualified staff</li> <li>• Refer to Exhibit 4 - Tab 1 - Schedule 3, Sections 2.4 further information on the System Control Centre segment's cost drivers</li> </ul>                                |
| Remaining OM&A Segments | \$2.6         | 6.8%        |  |
| <b>Total</b>            | <b>\$38.6</b> | <b>100%</b> |  |

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2 Over the historical period, activities across the utility were primarily focused on maintaining service  
 3 levels in response to deteriorating assets, high growth, increasing compliance obligations, and  
 4 reactive workload. This increase in operating scale also required the establishment of necessary  
 5 governance, functions, processes, and oversight to ensure effective execution in an increasingly  
 6 complex environment. The forecast period includes costs for initiatives introduced primarily in the

1 bridge period and test year, including enhanced and expanded maintenance programs and the  
2 implementation of standardized, structured systems and processes to effectively finance and deliver  
3 a growing investment portfolio, proactively manage emerging risks and keep pace with evolving  
4 policy and compliance requirements.

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6 b) Please refer to part (a).

7

8 c) During the historical period, additional investments in staffing and non-labour OM&A exceeded  
9 what was funded in rates, as such investments were imperative for Elexicon's continued operations,  
10 meeting evolving compliance obligations, enabling Elexicon's ability to plan its systems and address  
11 capacity constraints, and build its processes and workforce to accommodate the execution of a  
12 growing capital and maintenance work program necessary to address critical system needs. Elexicon  
13 views all prior OM&A investment as necessary.



1 **RESPONSE:**

2 a) Table 1 below shows the FTE level for each segment in the Common Corporate OM&A  
 3 program for the period of 2020-2031.

4 **Table 1: FTE by Common Corporate Segment (2020 to 2031)**

| Common Corporate                | 2020<br>(A) | 2021<br>(A) | 2022<br>(A) | 2023<br>(A) | 2024<br>(A) | 2025<br>(A) | 2026<br>(F) | 2027<br>(F)  | 2028<br>(F)  | 2029<br>(F)  | 2030<br>(F)  | 2031<br>(F)  | %<br>Change |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|-------------|
| Technology                      | 10.0        | 11.7        | 15.7        | 16.9        | 16.4        | 17.7        | 22.3        | 23.0         | 22.0         | 22.0         | 22.0         | 22.0         | 55%         |
| People and Culture              | 6.9         | 7.1         | 8.2         | 10.8        | 11.8        | 11.8        | 13.0        | 13.0         | 13.0         | 13.0         | 13.0         | 13.0         | 47%         |
| Finance                         | 26.2        | 22.6        | 22.4        | 22.0        | 24.7        | 25.5        | 27.6        | 28.6         | 29.6         | 31.6         | 32.6         | 32.6         | 20%         |
| Procurement and Facilities      | 11.7        | 12.6        | 12.8        | 11.7        | 11.9        | 12.0        | 16.8        | 17.0         | 18.0         | 18.0         | 18.0         | 18.0         | 35%         |
| Regulatory Affairs              | 4.0         | 3.9         | 2.6         | 3.1         | 5.2         | 6.2         | 6.0         | 7.0          | 8.0          | 8.0          | 8.0          | 8.0          | 50%         |
| Stakeholder Relations           | 3.0         | 4.3         | 5.6         | 4.7         | 6.0         | 5.1         | 6.0         | 6.0          | 7.0          | 8.0          | 8.0          | 8.0          | 63%         |
| Legal and Corporate Secretariat | 3.5         | 3.7         | 4.9         | 6.0         | 8.7         | 7.5         | 7.0         | 8.0          | 8.0          | 11.0         | 11.0         | 11.0         | 68%         |
| <b>Total</b>                    | <b>65.3</b> | <b>65.9</b> | <b>72.4</b> | <b>75.2</b> | <b>84.7</b> | <b>85.8</b> | <b>98.8</b> | <b>102.6</b> | <b>105.6</b> | <b>111.6</b> | <b>112.6</b> | <b>112.6</b> | <b>42%</b>  |

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6 With respect to the second half of this question, Elexicon has interpreted this as seeking  
 7 external contractor costs expressed on an FTE basis. Elexicon does not track contractor costs  
 8 on an FTE basis. Contractor costs are recorded and reported as non-labour dollar  
 9 expenditures.

10

11 b) Drivers of OM&A in Common Corporate segments are included in specific responses for each  
 12 segment; please refer to the responses as described in Table 2 below.

13

**Table 2: Segment-specific OM&A Interrogatories**

| Segment                         | IR Reference |
|---------------------------------|--------------|
| Technology                      | 4-CCC-50     |
| People & Culture                | 4-CCC-52     |
| Finance                         | 4-CCC-53     |
| Procurement and Facilities      | 4-CCC-54     |
| Regulatory Affairs              | 4-Staff-123  |
| Stakeholder Relations           | 4-Staff-127  |
| Legal and Corporate Secretariat | 4-CCC-56     |

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- c) Over the historical period, Elexicon made targeted Common Corporate investments to build the organizational capabilities required to operate as a growing and increasingly complex regulated distributor with a significantly expanding capital program. This involved establishing more robust governance frameworks to: ensure effective planning, oversight, and execution of Elexicon’s operations; ensure compliance with evolving regulatory obligations; and identify, monitor and develop plans to address an increasingly complex risk profile. Cost increases also reflect higher workloads and obligations in employee and workforce support, stakeholder and customer communications, regulatory and legal activity, and finance and treasury functions driven by capital investment to enable growth, replace aging assets, and regulatory requirements. In the forecast period, incremental Common Corporate costs are expected due to the continued growth in capital and maintenance activity and the evolving regulatory and business environment. Further details are provided in Exhibit 4 – Tab 1 – Schedule 1, Section 4.5.
  
- d) Elexicon applies cost management measures across the Common Corporate program through ongoing process improvements, standardized workflows, and leveraging its post-merger scale to leverage internal resources where most cost-effective than external consultants. The Common Corporate program also provides core processes that support other segments across the utility, including workforce management and training, financial administration and reporting support, technology enablement, and broader, more efficient customer communications. The program also plays a critical role in ensuring legal and regulatory compliance. Continued improvements in these areas generate efficiency benefits across the utility. Further details on cost management and productivity measures by segment are provided in Exhibit 4 – Tab 1 – Schedule 6.

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**RESPONSES TO POWER WORKERS UNION INTERROGATORIES**

**INTERROGATORY 4.1-PWU-9**

Ref:

- (1) Exhibit 4, Tab 2, Schedule 1, pp. 16-17 of 45
- (2) Exhibit 4, Tab 1, Schedule 6, Appendix A, including Table 7, p. 26.
- (3) Exhibit 9, Tab 3, Schedule 5, p. 15

Preamble:

Ellexicon identifies the Dx NEXT ERP program as a key driver of OM&A and a source of expected productivity improvements. According to Reference (2), p. 1, the total cost of the Dx NEXT program is forecast to be \$42M and that this cost is not capitalizable.

Questions:

- a) Is the \$42 million cost expressed in nominal dollars or constant dollars for a base year (adjusted for inflation)?
- b) What is the total aggregate OM&A cost for the Dx NEXT program over the life of the program?
- c) What is the total amount of the Dx NEXT-related implementation costs that will be placed in the Cloud Computing Implementation Costs Deferral Account for each year of the ten-year recovery period, commencing in 2027 (as described in Ref (3), p. 15)?
- d) Please quantify the OM&A impact of the program for each year 2025-2031 (or from the time the program spending started).
- e) Expanding on Table 7 in Ref (2), please quantify the expected annual OM&A savings attributable to Dx NEXT for each year from 2027 to 2031.
- f) Please explain how the OM&A forecast incorporates both:
  - incremental costs
  - efficiency offsets.

1

2 **RESPONSE:**

3 a) The \$42 million Dx NEXT program cost is primarily expressed in nominal dollars. External  
4 program costs, including system implementation services and software licensing are based  
5 on contracted amounts. Inflationary adjustments apply only to internal labour costs.

6

7 b) The total forecast OM&A costs for the life of the Dx NEXT program is \$61.6M.

8

9 c) The implementation costs for Dx NEXT are captured in the table below.

|                      | 2025         | 2026 (Forecast) | 2027 (Forecast) |
|----------------------|--------------|-----------------|-----------------|
| Implementation Costs | \$12,211,112 | \$10,300,753    | \$19,492,916    |

10

11 Ellexicon is seeking approval to recover its implementation costs, plus interest, on a forecast  
12 basis through a rate rider commencing January 1, 2027. As explained on page 15, of Exhibit  
13 9 – Tab 3- Schedule 5, in light of the timing and cost of implementation, Ellexicon is seeking  
14 a ten-year deferral period, with forecast interest collected during this period, to account for  
15 cost to the utility of commencing this investment in advance of its rebasing term, and  
16 recovering the amount over a longer period of time to mitigate the bill impact for rate  
17 payers.

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19 Ellexicon calculated the interest portion of the implementation costs by using an assumed  
20 interested rate of 2.55% for the period of January 1 2026, to the end of the recovery period  
21 (December 2036). The methodology used to calculate the forecast interest also assumes  
22 Ellexicon’s implementation costs are incurred monthly, with the final amount in December  
23 of 2027. Ellexicon has attached the underlying calculations in excel format to this IR response,  
24 as 4.1-PWU-09 “Attachment 1”. Please note, Ellexicon detected that in its April 2, 2026  
25 evidence update, the calculation of forecast interest had not been revised to reflect the  
26 removal of costs from Account 1511 in November of 2025 (\$626,259). Ellexicon has since  
27 revised its projected interest calculation, which results in a balance requested for disposition

1 of \$47,092,350.94, which is \$21,436 less than the amount requested for disposition in its  
2 April 2, 2026 evidence update.

3

4 d) The implementation costs over 2025-2027 are shown in part c) above. Ongoing sustainment  
5 and licensing costs included in 2027-2031 are shown in the table below.

|                                 | <b>2027</b> | <b>2028</b> | <b>2029</b> | <b>2030</b> | <b>2031</b> |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|
| Sustainment and Licensing Costs | [Redacted]  | [Redacted]  | [Redacted]  | [Redacted]  | [Redacted]  |

6

7 e) Please refer to the response in 4-CCC-51 j) for quantified OM&A savings related to Dx NEXT.

8

9 f) The incremental costs are captured in response to the above, and are reflected in the  
10 Technology segment forecast OM&A costs. The implementation costs are being recovered  
11 over a ten-year period starting in 2027 through the Cloud Computing DVA as detailed in  
12 Exhibit 9 - Tab 3 - Schedule 5, section 7.1. Ellexicon has quantified the efficiency offsets  
13 related to OM&A expenditures in 4-CCC-51 j); but for the investment in Dx NEXT, Ellexicon  
14 forecasts its OM&A expenditures would be higher than presented in the revised Appendix 2-  
15 JC, attached to the response to 1-SEC-13. The OM&A costs savings are detailed in the  
16 response to 4-CCC-51 j).



- 1
- 2 • Exhibit 4 – Tab 1 – Schedule 1 – Section 2.1 describes Elexicon’s business planning  
3 process for determining prudent staffing forecasts reflective of productivity  
4 measures and cost efficiency. This process entailed an initial bottom-up needs  
5 assessment that was balanced against strategic parameters that encompassed  
6 customer feedback, asset conditions and system needs. Forecast staffing needs were  
7 adjusted based on expected productivity savings from the implementation of Dx  
8 NEXT, as described in 4-1-1 Section 2.3, Exhibit 4 – Tab 1 – Schedule 6 – Appendix A,  
9 and in Elexicon’s response to 4-CCC-51.
  - 10 • Elexicon’s OM&A segment narratives, available at Exhibit 4 – Tab 1 – Schedules 2 to  
11 6, each include descriptions of how Elexicon integrated productivity initiatives and  
12 cost control considerations into its staffing forecasts. For example, see Exhibit 4 –  
13 Tab 1 – Schedule 3 – section 3.4 for a description of productivity savings from  
14 workforce consolidation in the Operations segment.
  - 15 • Elexicon’s benchmarking analysis evidence available at Exhibit 1 – Tab 5 – Schedule  
16 3 provides benchmarking analysis of Elexicon in comparison to its peers. Section  
17 5.3.2 of this evidence highlights a trend of increasing cost-effectiveness and  
18 throughput in Elexicon’s labour force as its capital investments scale substantially  
19 over the forecast period, with Elexicon’s capital work plan forecast to grow 170%  
20 over the forecast period, contrasted against forecast workforce growth of  
21 approximately 16%. Further details on this trend are discussed in Exhibit 4 – Tab 2 –  
22 Schedule 1 – Section 1.1.
  - 23 • As described in Exhibit 1 – Tab 4 – Schedule 2, and further elaborated in Elexicon’s  
24 response to 1-CCC-05, the merger of legacy utilities generated \$2.9M of labour  
25 synergies by 2025 for Elexicon through headcount reductions achieved through  
26 natural attrition.
  - 27 • As described in Exhibit 4 – Tab 2 – Schedule 1 – section 2, approximately 14% of  
28 Elexicon’s workforce comprises part-time, temporary, co-op and student positions,  
29 which Elexicon uses to flexibly and cost-effectively manage fluctuating volumes of  
work at the utility. Elexicon will continue to draw upon the use of co-op positions

1                   over the forecast period as a cost-effective input to staffing requirements, with 24%  
2                   of positions in its AM/DO program to be added over the upcoming forecast period  
3                   designed as co-op placements, as described in Exhibit 4, Tab 2, Schedule 1, page 29.



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**Table 1: Temporary FTE Level by Year (2020 to 2031)**

| Year                 | Actual |      |      |      |      |      | Forecast |      |      |      |      |      |
|----------------------|--------|------|------|------|------|------|----------|------|------|------|------|------|
|                      | 2020   | 2021 | 2022 | 2023 | 2024 | 2025 | 2026     | 2027 | 2028 | 2029 | 2030 | 2031 |
| <b>Temporary FTE</b> | 5.8    | 4.1  | 10.5 | 8.2  | 25.9 | 30.7 | 26.6     | 30.8 | 28.8 | 29.8 | 30.8 | 30.8 |

b) The table below outlines the temporary positions identified in part (a) on an FTE and divisional basis. Please note, temporary positions may perform functions across more than one division.

**Table 2: Temporary FTE Level by Position (2020 to 2031)**

| Year   | 2020       | 2021       | 2022        | 2023       | 2024        | 2025        | 2026 (F)    | 2027 (F)    | 2028 (F)    | 2029 (F)    | 2030 (F)    | 2031 (F)    |
|--|------------|------------|-------------|------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Asset Management and Distribution Operations | 1.3        | 0.2        | 1.8         | 3.9        | 11.2        | 12.7        | 11.2        | 17.2        | 19.2        | 20.2        | 21.2        | 21.2        |
| Customer Experience                          | 2.7        | 0.8        | 4.0         | 3.2        | 11.2        | 12.8        | 10.8        | 9.0         | 8.0         | 8.0         | 8.0         | 8.0         |
| Digital and Innovation                       |            |            |             |            | 0.6         | 1.2         | 3.0         | 3.0         | 0           | 0           | 0           | 0           |
| Finance                                      | 1.2        | 1.1        | 2.4         | 1.1        | 1.8         | 2.2         | 1.6         | 1.6         | 1.6         | 1.6         | 1.6         | 1.6         |
| HR & Corporate Services                      | 0.4        | 2.0        | 1.2         |            |             | 0.4         |             |             |             |             |             |             |
| Corporate Secretariat                        | 0.2        |            | 1.0         | 0.1        | 1.0         | 1.3         |             |             |             |             |             |             |
| Regulatory Affairs and Stakeholder Relations |            |            |             |            |             |             |             |             |             |             |             |             |
| <b>Sum of FTE</b>                            | <b>5.8</b> | <b>4.1</b> | <b>10.5</b> | <b>8.2</b> | <b>25.9</b> | <b>30.7</b> | <b>26.6</b> | <b>30.8</b> | <b>28.8</b> | <b>29.8</b> | <b>30.8</b> | <b>30.8</b> |

- c) Elexicon utilizes temporary positions (both part time and full time) to allow the business to scale its workforce to address peak work demand and seasonality in work program requirements. Using Customer Care as an example, temporary positions are utilized during annual disconnection moratorium lifting, and to provide support during peak vacation periods and anticipated increases to call volumes.
- d) To determine optimal resourcing approach for OM&A programs, Elexicon assesses its existing workforce capacity, as well as the type of work that is needed, whether or not there are specialized skills required for the work, the duration of the work, and availability of third-party vendors that could be deployed if the work is more suitably delivered by an external resource. Where possible, Elexicon uses student and co-op placements which are both cost-effective resources and a source of future talent for near-term postings.



1 **RESPONSE:**

2 a) Distribution Systems maintenance cost drivers in the historical period are described in  
3 Exhibit 4, Tab 1, Schedule 4, p.23 (ln 20) to p.24 (ln 22). In the bridge and forecast period,  
4 costs increase for the reasons described in Exhibit 4 -Tab 1 - Schedule 4, p.24 (ln 22) to p.25.  
5 Further details are provided 4-CCC-41.

6  
7 Substation maintenance segment cost drivers are described in Exhibit 4 - Tab 1 - Schedule 4,  
8 p.37 (ln 7) to p.40 (ln 4). Over the bridge and forecast periods, costs are expected to increase  
9 for the reasons described in Exhibit 4 - Tab 1 - Schedule 4, p.44, (lns 11-21). Further details  
10 are provided in 4-CCC-42.

11  
12 Restoration segment cost drivers are described in Exhibit 4 - Tab 1 - Schedule 4, p.47 (ln 8)  
13 to p.48 (ln 16). Over the bridge and forecast periods, costs are expected to increase for the  
14 reasons described in Exhibit 4 - Tab 1 - Schedule 4, p.50, (lns 12-21). Further details are  
15 provided in 4-CCC-43.

16  
17 Vegetation Management segment cost drivers are described in Exhibit 4 - Tab 1 - Schedule  
18 4, p.55 (ln 2) to p.57 (ln 28). Over the bridge and forecast periods, costs are expected to  
19 increase for the reasons described in Exhibit 4 - Tab 1 - Schedule 4, p.59, (ln 16) to p.50, (ln  
20 2). Further details are provided in 4-CCC-44.

21  
22 Locates segment cost drivers are described in Exhibit 4 - Tab 1 - Schedule 4, p.63 (ln 6) to  
23 p.65 (ln 18). Over the bridge and forecast periods, costs are expected to increase for the  
24 reasons described in Exhibit 4 - Tab 1 - Schedule 4, p.67, (ln 21) to p.68, (ln 6). Further details  
25 are provided in 4-CCC-45.

26 The relationship to asset condition and reliability for each segment in the Sustainment  
27 Program (Reference 2) is identified in Table 1 below.

28

29 **Table 1: Relationship to Asset Condition and Reliability for each Sustainment Segment**

| Sustainment Segment   | Relationship to Asset Condition  | Relationship to Reliability   |
|-----------------------|--|---|
| Distribution Systems  | Addresses wear, deterioration, and emerging defects on distribution assets through planned and enhanced maintenance.   | The maintenance segments support reliability by reducing outage frequency through inspections and preventative maintenance that identify and address asset deterioration and emerging deficiencies before in-service failure.   |
| Substations           | Aging and deteriorating stations (many at/near end-of-life) require more frequent and more extensive maintenance; routine work can uncover deficiencies requiring corrective action. | Maintenance also limits outage duration by maintaining assets in a condition that enables faster, more manageable repairs rather than full asset replacement. For the Substations segment, protection and control maintenance ensures SCADA communication and automated distribution devices operate as intended and enables the affected assets to be isolated, confining outages to smaller portions of the system and supporting faster restoration with minimal customer impact. Expanded maintenance scope across both segments supports risk-based prioritization, reduces unplanned outage frequency, duration and customer impact, and limits reliance on reactive or emergency repairs as the asset base grows and ages. |
| Restoration           | Aging and deteriorating assets contributes to more frequent equipment-related outages that must be restored.   | This segment supports reliability by limiting outage duration through timely, coordinated response to unplanned outages, particularly during severe weather and other emergency events. Effective restoration practices—including outage assessment, crew deployment, and access to specialized equipment—enable service to be restored as quickly and safely as possible, minimizing customer minutes interrupted.   |
| Vegetation Management | Vegetation contacts (which is mitigated by vegetation management) damage equipment and accelerate deterioration on overhead infrastructure, increasing corrective work needs.        | Vegetation is one of the primary drivers for unplanned interruptions. Planned clearing cycles, targeted trimming on higher-risk feeders, and program enhancements are reliability-focused measures to reduce tree-contact outages and related restoration activity.   |
| Locates               | Damage-prevention reduces third-party strikes that physically harm underground assets and drive unplanned repair work.   | Improved locate compliance and oversight reduces line strikes, safety incidents, and unplanned outages; increasing volumes reflect construction intensity and system expansion, which elevate reliability and risk exposure if not managed.   |

1           b) Sustainment spending over the historical period reflects actual costs incurred to address  
2           asset condition risks and failures, compliance requirements, and operational experience,  
3           with funding prioritized toward critical and higher-risk activities, particularly in light of  
4           COVID-19-related constraints. During the bridge years, planned sustainment spending  
5           reflects the reinstatement and normalization of activities adjusted in the historical period,  
6           consistent with risk-based prioritization in the historical period. In the forecast period,  
7           planned sustainment spending is driven by asset condition, system growth, and aging  
8           infrastructure, and is set to address current reliability needs and proactively manage  
9           emerging risks as the asset base expands. Additionally, in building its 2027-2031 investment  
10          plan, Ellexicon paced some OM&A spending and temporarily accepted near-term risk in order  
11          to mitigate larger rate increases in 2027. In the Sustainment Program, approximately \$1M  
12          in incremental annual funding for necessary maintenance programs (e.g. vegetation  
13          management, maintenance – distribution system) was deferred to 2028. For additional  
14          information about sustainment segments, see Exhibit 4 - Tab 1 - Schedule 4, p.2, (ln 17) to  
15          p.4, (ln 22).

16

17          c) Vegetation Management and Locates work is primarily delivered by external contractors,  
18          while the remainder of the Sustainment Program is primarily delivered by internal staff, with  
19          third-party contractors used selectively to support specialized activities and manage peak  
20          workload demands in other segments. For additional information about activities performed  
21          by external contractors in the Vegetation Management and Locates segments, see Exhibit 4  
22          – Tab 1 -Schedule 4, p.55, (lines 2-23), and Exhibit 4 – Tab 1 -Schedule 4, p.60, (line 14) to  
23          p.62 (line 3), respectively.

24

25          With respect to providing a breakdown of the number of resources, third-party contractors  
26          and temporary resources are not tracked on a headcount basis. Costs attributable to internal  
27          resources (including full-time employees and temporary employees) are tracked together,  
28          while third-party contractor costs are tracked separately, and the resulting OM&A cost  
29          breakdowns for the 2020–2031 period are provided in responses to the following

1 interrogatories: Distribution Systems (4-CCC-41 Part d), Substations (4-CCC-42 Part a),  
2 Restoration (4-CCC-43 Part a), Vegetation Management (4-CCC-44 Part a), and Locates  
3 (4-CCC-45 Part a). For the Locates segment, LSP and other third-party locate costs reflect  
4 externally contracted field locate services, while Internal Supervision, Administration, and  
5 Vehicles costs relate to Elexicon's internal oversight, coordination, and support of locate  
6 activities.

7

8 d) Please refer to Part (c).



1 targets for SAIDI and SAIFI, as described in Refs (2) and (3), and continue meeting  
2 them. .

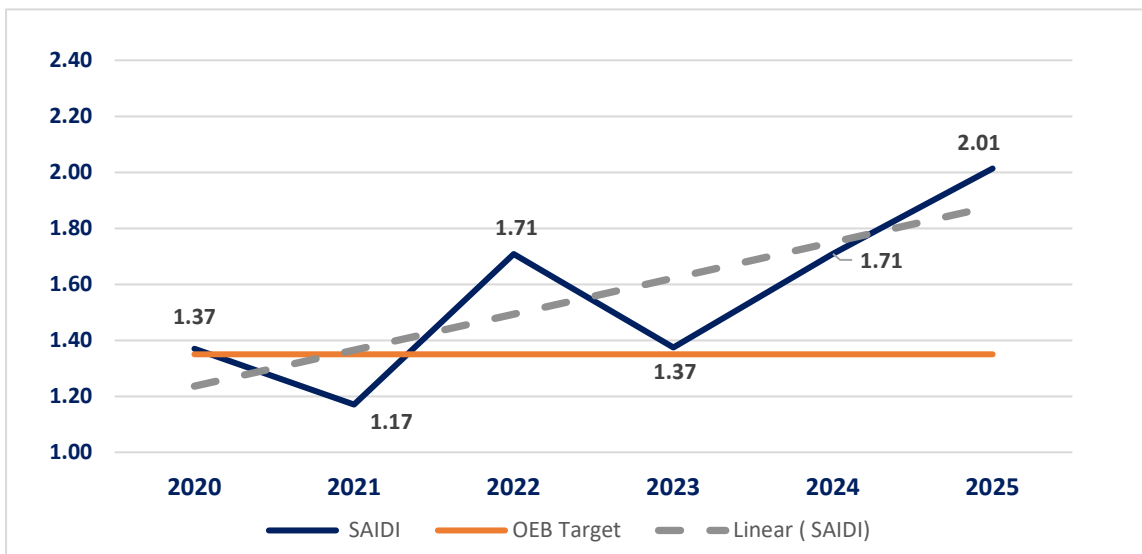
3 e) Elaborating on Ref (3), the Consequences of Inaction, describe risks to reliability if  
4 OM&A is not approved. .

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6

7 **RESPONSE:**

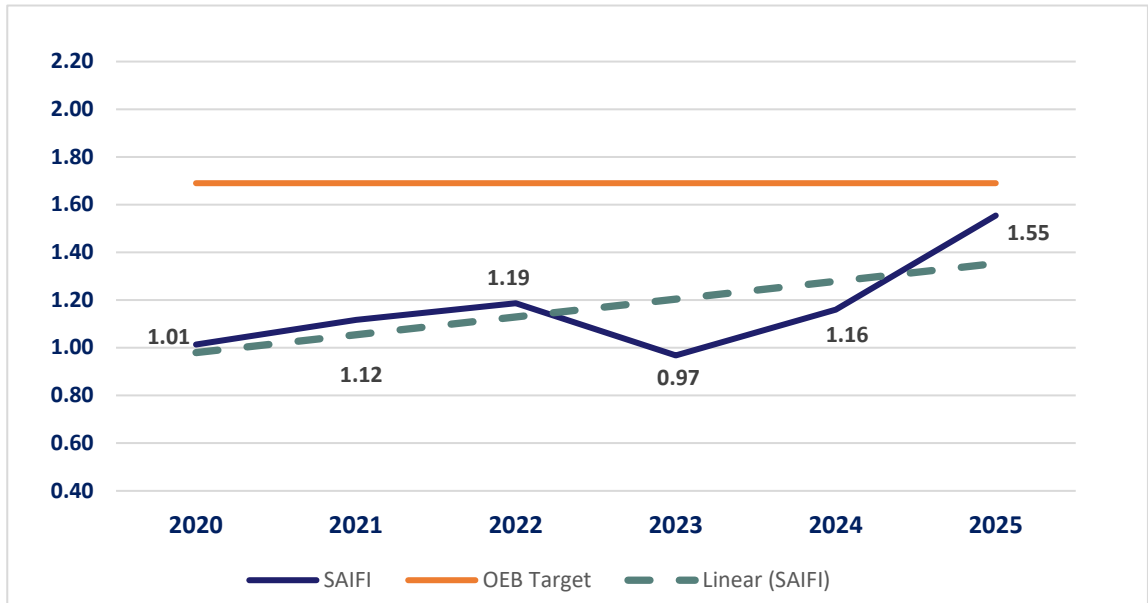
8 a) Confirmed. The SAIFI and the OEB Target line graphs in Figure 6 (Ref. (2)) have been mislabelled.  
9 Please see below revised Figure 6 and Figure 7 with updated 2025 actuals.

10 **Figure 6 (Revised): Elexicon's SAIDI (2020-2025)**



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1 **Figure 7 (Revised): Elexicon’s SAIFI (2020-2025)**



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b) Increasing maintenance and operational activities is a proactive approach to improve system reliability and is expected to have a direct benefit to both SAIDI and SAIFI metrics. Within OM&A, the Sustainment Program and specifically the Maintenance – Distribution System, Maintenance – Substations, and Vegetation Management programs have several investments planned to enhance and increase these programs to improve system reliability. Increasing funding for these programs will enable Elexicon operate and maintain its system in a manner that supports improvement in reliability performance. For example, additional vegetation management investments are planned to enhance the program and shift from the current area-based program to a systematic feeder-based program, while also adopting advanced technologies such as AI-powered vegetation analytics and Light Detection and Ranging (LiDAR) to enable accurate identification of clearance issues and prioritization of trimming activities. These investments will reduce tree contacts and improve both SAIDI and SAIFI performance, as tree contacts on overhead feeders is one of the leading cause of outages within Elexicon’s system. If OM&A amounts are not approved, this may result in further degradation of system reliability, and customers may experience more frequent and longer duration outages. This would also result

1 in more costly emergency repairs, impacting reliability, safety, delays in projects, and customer  
 2 and stakeholder confidence in the utility as a result. Using the vegetation management  
 3 investment example above, any decreases to this program would have a direct impact to SAIDI  
 4 and SAIFI through the result of increased tree contacts, which will result in more frequent and  
 5 longer duration outages for Elexicon’s customers. The custom performance scorecard metrics  
 6 referred to in the response c) would also need to be revised to reflect OM&A reductions and the  
 7 corresponding impact (deterioration) on reliability metrics. For clarity, the consequences of  
 8 inaction are described in Reference 4 above, not Reference 3.

9

10 c) Elexicon has developed a custom performance scorecard, and SAIDI and SAIFI have targets for  
 11 the end of 2031 to align with the planned capital and maintenance investments in the 2027-2031  
 12 DSP period which is discussed in Exhibit 2B - Tab 2 - Schedule 2, pages 7-12. Tables 4 and 6 below  
 13 detail the targets against the updated 5-Year Average (2021-2025) using 2025 year-end results,<sup>1</sup>  
 14 as outlined in Tables 3 and 5 below.

15

16 **Table 3: 2021 to 2025 SAIDI Values**

| Metric | 2021 | 2022 | 2023 | 2024 | 2025 | 5-Year Average |
|--------|------|------|------|------|------|----------------|
| SAIDI  | 1.17 | 1.71 | 1.37 | 1.71 | 2.01 | 1.60           |

17

18 **Table 4: SAIDI (Excluding MED and LOS), End of 2031 Target**

| Performance Measure           | 5-Year Average (2021-2025) | Target (End of 2031) |
|-------------------------------|----------------------------|----------------------|
| SAIDI (Excluding MED and LOS) | 1.60                       | 1.54-1.57            |

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<sup>1</sup> In Exhibit 2B - Tab 2 - Schedule 2, Section 1.2 (Pages 7 – 11), the 2025 SAIDI and SAIFI figures provided represented a forecast based on actual results through October 2025. These results have been updated based on 2025 year-end results.

1 **Table 5: 2021 to 2025 SAIFI Values**

| Metric | 2021 | 2022 | 2023 | 2024 | 2025 | 5-Year Average |
|--------|------|------|------|------|------|----------------|
| SAIFI  | 1.12 | 1.19 | 0.97 | 1.16 | 1.55 | 1.20           |

2

3 **Table 6: SAIFI (Excluding MED and LOS), End of 2031 Target**

| Performance Measure           | 5-Year Average (2021-2025) | Target (End of 2031) |
|-------------------------------|----------------------------|----------------------|
| SAIFI (Excluding MED and LOS) | 1.20                       | 1.18-1.20            |

4

5 d) Elexicon has developed a custom performance scorecard with SAIDI and SAIFI targets at the  
 6 end of 2031 to align with the planned capital and maintenance investments in the 2027-2031  
 7 DSP period. This approach is aligned with OEB guidance per its Reliability and Power Quality  
 8 Review, EB-2021-0307.<sup>2</sup>

9

10 Please see the response to c), above, for more information on the custom performance scorecard  
 11 metrics.

12

13 e) Refer to the response to part b).

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<sup>2</sup> Enhanced performance targets calculated using the methodology described above will be used by the OEB in assessing a distributor's reliability and its planning and investments. However, in keeping with the current reliability scorecard mechanism, **a distributor may propose alternative targets to align with its proposed investment plans in their rebasing applications or when submitting a distribution system plan.** The OEB will consider evidence-based justifications for adjusted targets, which **can include a distributor's planned capital and operating expenditures**, as well as results from customer consultations. [emphasis added]  
 Ontario Energy Board, (January 28, 2025), RPQR Reliability Target Setting, pages 6 to 7.  
<https://www.rds.oeb.ca/CMWebDrawer/Record/881901/File/document>



1     **RESPONSE:**

2           a) The peer group utilities used in the internal benchmarking are set out in Footnote #3 within  
3           Exhibit 1, Tab 5, Schedule 3, page 1 of 24. For ease of reference, the footnote is replicated  
4           below:

5                     *Elexicon developed benchmarking from RRR data and selected a peer group with*  
6                     *relatively comparable customer size: Alectra Utilities Corporation, Burlington Hydro*  
7                     *Inc., ENWIN Utilities Ltd., Elexicon Energy Inc., Enova Power Corp., GrandBridge*  
8                     *Energy Inc., Hydro Ottawa Limited, London Hydro Inc., Oakville Hydro Electricity*  
9                     *Distribution Inc., Toronto Hydro-Electric System Limited.*

10          The same peer group was used to develop Ref (1) Figure 1.

11

12          b) The material differences between Elexicon and the peer group are its density and geography,  
13          and customer growth trends and projections relative to its peers.

14

15          c) Elexicon reviewed its OM&A plans (i.e. investment levels) through a lens of its benchmarking  
16          results to provide a reasonability check. The results of the benchmarking noted in the  
17          interrogatory's Reference 1, 2 3, and 4, affirm that Elexicon has been a good cost performer  
18          and support the reasonableness of the projected staffing increases, and OM&A expenses for  
19          the 2026-2031 period.

1                                   **RESPONSES TO POWER WORKERS UNION INTERROGATORIES**

2

3   **INTERROGATORY 4.1-PWU-15**

4

5   Ref:

6   (1) Exhibit 4, Tab 1, Schedule 6, pp. 2-3, 5 of 68

7   (2) Exhibit 4, Tab 1, Schedule 1, pp. 14-16 (Tables 2-4)

8   (3) Exhibit 4, Tab 1, Schedule 6, Appendix 2-M Regulatory Cost Schedule

9

10   Preamble:

11   Ellexicon indicates that regulatory and external costs vary over time and are driven by applications  
12   and compliance requirements. Moreover, Ellexicon emphasizes a growth in  
13   the volume of work related to regulatory affairs both in the historical and the forecast period due  
14   increased demand and electrification.

15

16   Ref (2) provides a cost breakdown for the Regulatory Affairs OM&A segment for 2020 to  
17   2031. Ref (3) provides One-Time Regulatory Costs for “Sum of Historical Years (1-  
18   2024)”, 2025 Bridge Year and 2026 Test Year.

19

20   Questions:

21   a) Please confirm that Ref (3) Col C, labelled “Sum of Historical Years (1-2024)”  
22   provides the total of one-time regulatory costs in each sub-segment (Rows 1-7) of Regulatory Costs  
23   for the years 2021-2024. If not, please explain.

24

25   b) Please confirm that the total Legal costs in Ref (3) (Col C, Row 2), were only \$27,737  
26   for the years 2021-2024. If not, please explain.

27   c) Please explain why the Legal costs in Ref (3) (Row 2) increased by more than 25  
28   times between total Legal costs for 2021-2024 (Col C, Row 2) and Legal costs in 2025 (Col D, Row  
29   2).

- 1 d) Please reconcile the OM&A Regulatory Affairs Costs in Ref (2) and the Regulatory  
2 Costs (One-Time) in Ref (3) and distinguish between recurring and one-time costs.  
3  
4 b) Please estimate the forecast one-time costs vs the recurring costs for 2027-2031,  
5 broken down into the same subsegments as Ref (3) (e.g. Expert witness costs, legal costs,  
6 Consultants' costs, etc.).  
7 c) Please describe cost control measures for the regulatory costs (historical and forecast).  
8  
9  
10

11 **RESPONSE:**

12  
13 Elexicon wishes to clarify the characterization of the various references in the preamble:  
14

15 Ref (1) Exhibit 4 – Tab 1- Schedule 6, beginning at page 44 of the exhibit provides a breakdown of  
16 the entire Regulatory Affairs segment, including the one-time costs associated with this application.  
17 Ref(2) Exhibit 4 – Tab 1 – Schedule 1, Tables 2-4 provide overall OM&A costs per segment including  
18 Regulatory Affairs. The value here aligns with the total in Ref(1).  
19 Ref(3) Appendix 2-M Regulatory Cost Schedule provides the total one-time regulatory costs  
20 associated with this rebasing application which are proposed to be amortized for recovery over the  
21 2027-2031 period.  
22

- 23 a) See response to Staff-130 for an updated Appendix 2-M. This exhibit provides the total  
24 one-time regulatory costs associated with this rebasing application which are proposed to  
25 be amortized for recovery over the 2027-2031 period.  
26 b) Confirmed. The \$27.7k costs shown for in column (C) are solely the legal costs incurred  
27 related to this application in the years 2021-2024.  
28 c) In 2024, Elexicon was still building its plan and required minimal support from external  
29 counsel. The increase in legal costs in 2025 reflect the greater need for external legal

1 support in those stages of the application process. Specifically, to support the development  
2 of evidence in 2025 and to support the hearing process that takes place in 2026.

3 d) The costs in Ref(3) are the total costs for this application. They are proposed to be  
4 amortized and recovered over five years during the 2027-2031 at \$1.575M per year. This is  
5 amounts in shown the cell labeled "1/5 of Total One-Time Costs" at Ref(3). In Table 8 at  
6 Ref(1) this amount (\$1.575M) is then added to the 2027-2031 OM&A for the Regulatory  
7 Affairs segment for those years (see line "Regulatory One-Time Costs (\$M)"). The costs in  
8 Ref(3) are not included in the historical costs for the regulatory affairs segment in Ref(1)  
9 and Ref(2). They are only reflected in the years 2027-2031 when they will be recovered.  
10 Further information on the one-time regulatory costs is provided in the response in 4-Staff-  
11 130.

12 e) *Note, this question was originally labeled as the second b) above.*

13 See response in part d) above. See response to 4-Staff-123 for a further breakdown of the  
14 costs in the Regulatory Affairs segment.

15 f) *Note, this question was originally labeled as the second c) above.*

16 About 29% of the total 2027 cost in the Regulatory Affairs segment is out of Elexicon's  
17 direct control (i.e. OEB costs and LEAP funds) consisting of externally determined fees and  
18 funding requirements. For the costs within its control Elexicon leverages a mix of internal  
19 and external resources in this segment to manage evolving needs and control costs. The  
20 application reflects the minimum staff complement necessary to meet expected demands.  
21 Please see response c) to 4-Staff-123 for a description of the growing volume and  
22 complexity the Regulatory Affairs segment has taken on.