RESPONSES TO POLLUTION PROBE INTERROGATORIES

INTERROGATORY 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.

RESPONSE:

a) Please see page 19 of Exhibit 1, Tab 7, Schedule 1, Appendix A (the "Innovative Report").

b) Please see pages 351-353, 436-438, 518-519, and 595-597 of Exhibit 1, Tab 7, Schedule 1, Appendix A (the "Innovative Report").

RESPONSES TO POLLUTION PROBE INTERROGATORIES

INTERROGATORY 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

RESPONSE:

a) Elexicon made its decision to request a 10-year deferred rebasing based on the circumstances and information available at the time of merger. When the former Verdian Connections and Whitby Hydro were contemplating rebasing, the utilities were projecting a relatively stable level of capital investment in the future years and were in a stable period of low inflation. Since merger, the circumstances in Elexicon's service territory have materially changed from those pre-merger with an acceleration in growth and a deterioration in reliability performance,

among other factors. These factors and their impacts are further described in Exhibit 1 – Tab 4 – Schedule 1.

b) Elexicon has not extrapolated major historical storm events into a fixed annual budget on go-forward basis. As described in Exhibit 2B, Tab 4, Schedule 3, Appendix H, the Reactive Capital forecast was developed based on historical reactive capital expenditures and the anticipated benefits of forecasted capital and maintenance investments. In establishing the 2027 forecast, Elexicon used recent historical expenditures excluding extraordinary storm-related costs as the baseline. Accordingly, the forecast does not assume the major storm events will occur annually at historical peak levels. Rather, it reflects that Reactive Capital is an event-driven, non-discretionary program that must remain available to respond to unforeseen failures and weather-related events as they arise. If severe weather-related damage is lower in a given year, actual Reactive Capital spending will reflect the mix of reactive needs that arise in that year across the system.

c) The circumstances regarding system reliability performance and economic growth have materially changed since the time of Elexicon's merger. The legacy utilities developed their asset and investment plans in a materially different operating context and could not anticipate the scale of growth experienced by Elexicon in the post-merger period. The pace of population and economic expansion across Elexicon's service territory has been significant. Elexicon's customer growth rate was 75% higher than the provincial rate between 2020-2024. This high rate of growth and demand – in which the number of connection requests over 1MW increased nearly 150% and the total load requirements associated with those requests (i.e. capacity needed for connections) increased by nearly 500% - resulted in a significant increase in Elexicon's System Access expenditures between the period pre-merger in 2018 and the average annual spend 2019-2024 to address this mandatory customer-driven work. When coupled with electrification and changing customer preferences (such as distributed energy resources), this sustained growth and demand for electricity has resulted in widespread capacity utilization, resulting in 76% of Elexicon's municipal stations having less than 1,000 KVA of available

capacity in 2025. Furthermore, successful consolidation and overall improvement of asset data quality have generated more complete asset condition assessments (ACA) and asset past typical useful life (TUL) results. These results revealed that the utility's asset health is in a deteriorating state requiring System Renewal investments. For additional details, please see Elexicon's Early Rebasing Business Case in Exhibit 1, Tab 4, Schedule 1.

RESPONSES TO POLLUTION PROBE INTERROGATORIES

INTERROGATORY 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?

RESPONSE:

Elexicon maintains a comprehensive on-line directory of rebates and programs available through the IESO and Enbridge to make energy efficiency projects more affordable including the Energy Affordability Program, Enbridge Rebates & Energy Conservation, Durham Greener Homes, Save on Energy, and the Industrial Conservation Initiative. These public sources help direct customers in their search for solutions to reduce consumption, shift demand and save money. Elexicon also provides resources to facilitate the connection of customer-owned generation equipment as either net metering, load displacement, and backup generation.

Elexicon continues to offer secure access to Green Button Data services including the facility to download their usage and billing data in industry standard XML format. Elexicon customers can use Green Button Connect My Data (CMD) to share their data with registered third-party vendors, and a list of authorized vendors. These services enable customers to access vendors who can analyze

their data to provide insights to help customers improve energy efficiency, reduce energy costs, and participate in energy conservation to reduce their carbon footprint and protect the environment.

Additionally, Elexicon facilitates local DER opportunities across its service territory, including greenfield developments, by maintaining a dedicated and experienced DER Connections group to guide proponents through the connection process; engaging Key Account representatives to discuss DER options with customers; remaining current on DER technologies, funding programs, and industry best practices; providing clear and accessible DER connection requirements on its website; participating in industry DER working groups (including OEB, IESO, and Utilities Standards Forum); and implementing all applicable requirements of the Distribution System Code and the Distributed Energy Resources Connection Procedures.

Over the 2027–2031 period, it is unknown at this time the degree to which DER programs and services will mitigate demand in new developments; however, Elexicon will leverage the activities described above to further facilitate DER penetration across its service territory.

RESPONSES TO POLLUTION PROBE INTERROGATORIES

INTERROGATORY 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).

RESPONSE:

a) Please refer to Excel file 1-PP-04(1) DER Connections.

A maximum potential has not been established for individual DER technologies. DER connections are customer-driven initiatives, not planned or controlled by Elexicon. Generation and storage projects result from individual customer and developer applications and are influenced by factors beyond the utility's control, including customer economics, site-specific conditions, incentives, costs, and project timelines. Historical data supports estimating expected DER connections based on past trends; however, establishing a maximum potential would require assumptions about future customer decisions, project viability, and market conditions that Elexicon cannot reliably predict. Moreover, the ability to accommodate DER connections is constrained by system capacity limitations, including feeder-level and station-level restrictions, which vary by location. These constraints may impact the size, timing, or feasibility of customer-proposed projects. Consequently, DER planning is based on forecasted connection activity informed by historical evidence, rather than on a defined maximum potential for each technology.

b) As noted with the Customer and Generations investment narrative, Elexicon saw a relatively low uptake in DERs in the years immediately following the conclusion of the Feed-in-Tarriff (FIT) program in 2018. However, a growing interest in net-metering rooftop solar was observed over the historical period, particularly post COVID-19, accounting for 87% of the number of connections. Please refer to Exhibit 2B, Tab 4, Schedule 3, Appendix B, Section 3.2 (pages 19-20) for more information.

c) Please see responses to 1-PP-03 and 2-Staff-37 for Elexicon's past and future planned activities related to DER growth.

RESPONSES TO POLLUTION PROBE INTERROGATORIES

INTERROGATORY 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.

RESPONSE:

a) Elexicon's legacy distribution environment consists of multiple aging and stand-alone systems, outdated communication infrastructure and basic applications with limited functionality. Early integration of modern digital technologies into legacy systems would have required ongoing integration with legacy platforms, increasing system complexity and operational risk over time. Elexicon's approach to a coordinated and programmatic modernization approach was therefore required to deploy digital technologies as part of a coherent architecture designed to support interoperable, scalable and secure systems.

Elexicon also notes that its historical investment profile was influenced by limited funding availability, including deferred rebasing. As a result, technology investments were prioritized by safety-critical and reliability-driven needs, constraining the ability to fund large-scale OT modernization.

The proposed investments reflect a deliberate and phased modernization strategy aligned with system needs, regulatory expectations, and affordability considerations and do not represent a rate shock. By consolidating investments into a coordinated program rather than pursuing incremental, piecemeal upgrades, the utility has mitigated long-term cost escalation and operational risk while positioning the distribution system to meet evolving regulatory, customer, and operational requirements.

b) If Elexicon is successful at making these investments over the 2027-2031 rate term, these would not result in rate decreases for the next rate term. The 2027 – 2031 investments represent foundational enablement rather than full digital transformation, establishing core architecture such as modern communications, data platforms, and baseline Operational Technology capabilities required to support future grid intelligence and customer-focused use cases. Completion of foundational systems does not eliminate the need for future investment, as the realization of customer and system benefits depends on evolving regulatory requirements, DER penetration, cyber security standards, and the emergency of new operational and market use cases. As regulatory frameworks mature and expectations around DER integration, flexibility and grid services expand, additional investments will be required to deploy advanced applications, analytics and automation tools that operationalize the foundational infrastructure for customer benefit. Absent these investments, cost pressures and operational risk are expected to persist or increase over time. Accordingly, while foundational investments may moderate future deployment risk and improve capital efficiency, they are not expected to result in a material reduction in investment levels in the subsequent rate term, but rather enable more targeted, scalable, and value driven investments over time.

c) In addition to the OEB scorecard performance measures (which includes a metric tracking distribution system plan implementation progress, amongst other metrics), Elexicon has developed a Custom Performance Scorecard for the 2027-2031 period with several performance measures corresponding to Elexicon's objectives of addressing capacity constraints, enabling growth, and restoring reliability to historical levels of performance, while also setting appropriate measures for cost control, customer experience, and safety. Please refer to Exhibit 1 - Tab 6 - Schedule 1 (page 1 -5) for the custom performance scorecard, Exhibit 1 - Tab 6 - Schedule 2 (page 1) for the OEB performance scorecard, and the Distribution System Plan Performance Measurement for Continuous Improvement within Exhibit 2B - Tab 2 - Schedule 2 (pages 1 - 57) for further details.

RESPONSES TO POLLUTION PROBE INTERROGATORIES

INTERROGATORY 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 residual gaps and explain why system integration and upgrades need to occur again if they were already addressed during the deferred rebasing period.

RESPONSE:

a) To clarify, the referenced passage discusses the cyber security challenges Elexicon faces as a result of a disparate set of applications (i.e., "unintegrated applications and systems") that are part of its IT infrastructure; the quote does not relate to integration activities after the merger.

   In any event, Elexicon disagrees with the question's characterization of its integration activities. At the time of merger, Elexicon undertook appropriate consolidation initiatives based on the IT systems in place at the time. These initiatives removed duplicative systems,

integrated systems and provided system upgrades to the greatest extent possible in order to enable Elexicon to operate efficiently as a larger, consolidated entity. Elexicon continued to successfully operate with these systems for multiple years as a merged entity.

As Elexicon has grown and the cyber-risks associated with its legacy systems have intensified, the need for a comprehensive review of its existing systems emerged and was undertaken through the DxNEXT initiative. This need is separate from the initial integration activities performed following the merger.

b) Capital-related transition costs associated are shown in response 1-SEC-16, part c). The undepreciated cost of these investments is immaterial at rebasing. Therefore, the net benefits of the merger are the sustained OM&A savings that will be provided to customers at rebasing as outlined in 1-CCC-05.

c) Elexicon confirms that some system consolidation activities were undertaken during the merger and deferred rebasing period, including the alignment of customer, financial, and IT systems. These efforts focused on enabling the legacy systems to operate cohesively in support of the newly merged utility.

However, these activities were primarily transitional in nature and did not include full system replacement or modernization. In many cases, the approach involved adapting and consolidating existing legacy platforms—such as through data alignment, configuration changes, and the addition of new data elements—to meet immediate operational requirements.

As a result, while the number of systems was reduced and processes were aligned, the underlying technologies are not equipped to support the long-term needs of a larger, more complex utility and have limitations with respect to scalability, automation, and vendor support. As noted in part a), as Elexicon has grown and as the operating environment has become increasingly complex, customer expectations have increased, and the cyber

security landscape has become more perilous, the demands placed on Elexicon's IT systems have grown as well. Elexicon's existing customer, financial and IT systems are no longer sufficient to meet the needs of the utility.

The current ERP initiative is therefore not a duplication of prior efforts, but a necessary next step to replace existing platforms with a modern, fully integrated solution. This will enable standardized processes, improved data integrity, and operational efficiencies that could not be achieved through the interim consolidation activities undertaken during the merger period.

Accordingly, the prior consolidation work addressed immediate post-merger requirements, while the proposed system investments are intended to deliver a sustainable, long-term solution for the organization.

RESPONSES TO POLLUTION PROBE INTERROGATORIES

INTERROGATORY 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.

RESPONSE:

Not confirmed. The MAADs forecast is not OEB-approved, as the OEB does not adjust rates or approve expenditures in MAADs proceedings. As Elexicon has operated in a deferred rebasing since its 2019 merger, there are no OEB approved values for 2020 to 2026. See Figure 2 of Exhibit 1 – Tab 4 – Schedule 1 – Appendix A for an estimate of the level of capital funding in rates.

RESPONSES TO POLLUTION PROBE INTERROGATORIES

INTERROGATORY 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).

RESPONSE:

Not confirmed. The column provides actual and forecast OM&A. As Elexicon is in a deferred rebasing period there are no OEB-approved OM&A amounts. See Figure 1 in Exhibit 1 – Tab 4 – Schedule 1 – Appendix A for an estimate of the level of OM&A funding in rates.

RESPONSES TO POLLUTION PROBE INTERROGATORIES

INTERROGATORY 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.

RESPONSE:

At time of merger, the legacy utilities previous rebasing year was 2011 and 2014 for Whitby and Veridian, respectively. The merger application did not entail "approving" OEB-capital budgets. In Exhibit 1, Tab 4, Schedule 1, Appendix A, at Figure 2, and Table 2, Elexicon compares capital funded in rates to actual capital spent.

RESPONSES TO POLLUTION PROBE INTERROGATORIES

INTERROGATORY 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.

RESPONSE:

a) As described in in the Customer & Generation Connections program (Exhibit 2B, Tab 4, Schedule 3, Appendix B, Section 2.2, Pg. 4 Line 26-27, Pg. 5 Line 1-25), Elexicon defines DERs

as generation and energy storage facilities connected to the distribution system. These include renewable (solar photovoltaic (PV), wind turbine, and bio-gas generators), non-renewable (includes natural gas generators and combined heat and power technologies (CHP)), and energy storage technologies (includes technologies to capture energy such as batteries, compressed air and pumped). The narrative also notes that DER installations range from small rooftop solar systems to large-scale PV, battery energy storage systems (BESS), synchronous generator systems (SG), and CHP systems for commercial and industrial customers.

This definition is consistent with the National Standard Practice Manual (NSPM) definition referenced in this interrogatory. Both definitions focus on resources located on the distribution system that can reduce demand or provide supply or other system benefits. Elexicon's application of the DER definition reflects the OEB framework, including the distinction between micro-embedded generation (≤10 kW) and non-micro generation (>10 kW), as outlined in Section 2.2 and governed by the Distribution System Code and DER Connection Procedures.

b) Elexicon Energy's peak load and capacity forecast represents a gross demand forecast and does not explicitly model the incremental impacts of DERs (see Exhibit 2B, Tab 3, Schedule 1, Page 14-27 for further details on the process). The forecast starting point is developed using historical actual system peak demand, which inherently reflects the net effect of existing DERs, including embedded generation and conservation measures that were in place during the historical period. Therefore, the forecast starting point incorporates the persisted impacts of historical DERs.

With respect to the impact of DERs on the forecast peak load, consistent with the Ontario electricity planning framework, the Independent Electricity System Operator (IESO) applies adjustments to distributor gross forecasts to account for incremental future DER impacts as part of the development of the net demand forecast used for provincial and regional planning. These adjustments include:

- Electricity Demand Side Management (eDSM): Modeled by the IESO as reductions to gross demand based on program participation, policy assumptions, and long-term conservation frameworks.
- Embedded (distribution-connected) generation: Accounted for by the IESO as a reduction to net system load, including distribution-connected wind, solar, and other non-utility generation.

Accordingly, Elexicon's forecast assumes persistence of existing DER impacts embedded in historical demand, the net impact of incremental future DERs is determined and applied by the IESO at the regional and provincial planning level in accordance with its published demand forecast methodology.

c) Please see answer b) above. Elexicon does not explicitly model individual DER resources in its peak load and capacity forecast. The forecast starting point is based on historical actual peak demand, which reflects the aggregated and persisted effects of DERs that existed during the historical period. Elexicon does not maintain a separate inventory of DERs within the demand model.

d) As described in the response to part b), Elexicon Energy's demand forecast represents a gross demand forecast and does not explicitly model DERs. The historical peak demand data that is used to develop the forecast starting point already incorporates the persisted impacts of existing DERs, including embedded generation and conservation measures.

For regional planning purposes, Elexicon provides its gross forecast to the Independent Electricity System Operator (IESO). The IESO then develops the net demand forecast used as the baseline for the Integrated Regional Resource Plans by applying centralized adjustments for future DER impacts, including:

- Electricity Demand Side Management (eDSM) savings; and
- Embedded (distribution-connected) generation.

As a result, while Elexicon's gross forecast assumes the persistence of historical DER impacts, future DER reductions are reflected directly in the net demand forecast used for regional planning, rather than being treated as incremental or optional resources. Accordingly, DERs are fully incorporated into the regional planning baseline through IESO's net demand forecast, consistent with Ontario's established planning methodology and roles.

RESPONSES TO POLLUTION PROBE INTERROGATORIES

INTERROGATORY 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.

RESPONSE:

a) Elexicon is investing in a comprehensive portfolio of grid modernization technologies, including both field devices and the enabling operational technology investments such as Distributed Energy Resource Management System (DERMS) upgrades. These investments will improve service reliability and strengthen system resilience, while also supporting the broader transformation driven by electrification and changing customer behavior (such as customer-owned DER installations). Please refer to Elexicon's Grid Modernization Plan (Exhibit 2B, Tab 3, Schedule 2, Appendix A), along with A2 Customer and Generation Connections (Exhibit 2B, Tab 4, Schedule 3, Appendix B), S2 Grid Enhancements (Exhibit 2B, Tab 4, Schedule 3, Appendix J), and P5 OT Systems (Exhibit 2B, Tab 4, Schedule 3, Appendix P) for further details on specific investment plans that support DERs during the 2027 – 2031 period.

b) Yes, Elexicon has denied DER connection requests over the current rate term. All DER connection denials are attributed to short circuit capacity restrictions on certain feeders that are part of the Elexicon distribution system. For more information regarding where these constraints are, please refer to DER hosting capacity on the OEB Centralized Capacity Information Map (CCIM)[1] and the Elexicon Restricted Feeder List[2]. Please see Table 1 below for list of DER connection rejections. Additionally, as described in the Restricted Feeders Section 3 of Exhibit 2B, Tab 3, Schedule 4, Page 2, Elexicon is currently exploring options and potential solutions for increasing the available short circuit capacity to enable the connection of additional DER projects.

[1] Ontario Capacity Map – Ontario Energy Board
[2] Elexicon-Energy-Restricted-Feeders.pdf

Table 1: DER Connection Denials (2020-2026)

Request Year	Denied (#)	Size (kW)	Technology	Type of Connection
2020	4	10	Solar (Micro)	Net Meter
2021	10	7 to 10	Solar (Micro)	Net Meter
2022	34	3.84 to 10	Solar (Micro)	Net Meter
	2	30	Solar (Non-Micro)	Net Meter
2023	6	8.16 to 10	Solar (Micro)	Net Meter
2024	13	5 to 10	Solar (Micro)	Net Meter
	5	50 to 7500	Solar (Non-Micro)	Net Meter
2025	1	6	Solar (Micro)	Load Displacement
	2	10	Solar (Micro)	Net Meter
	4	16.6 to 750	Solar (Non-Micro)	Net Meter
	1	6000	BESS (Non-Micro)	Load Displacement
2026	1	10	Solar (Micro)	Load Displacement
	1	100	Solar (Non-Micro)	Load Displacement
	1	8	BESS (Micro)	Load Displacement
	3	80 to 150	BESS (Non-Micro)	Load Displacement

RESPONSES TO POLLUTION PROBE INTERROGATORIES

INTERROGATORY 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.

RESPONSE:

a) Not confirmed. What the table shows is that rate base (i.e. Elexicon's asset base) grew by $197.1M from 2020 to 2027. It is not a measure of over/under spending of capital. Elexicon did not have an OEB-Approved Rate Base in 2020. The OEB-Approved Rate Base can only be established in a Cost of Service proceeding. The 2019 proceeding being referenced in Footnote #3 is a MAADs proceeding where rates are not established.

b) See response to part a).

RESPONSES TO POLLUTION PROBE INTERROGATORIES

INTERROGATORY 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).

RESPONSE:

Elexicon has not performed peer group analysis for 2025 and beyond. There is no available data for the peer group from 2025 and beyond on which to base such an analysis. As noted, the benchmarking Elexicon produced utilized the OEB's Open Data source. The latest available data is 2024.

RESPONSES TO POLLUTION PROBE INTERROGATORIES

INTERROGATORY 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.

RESPONSE:

a) Please see response to CCC-05, part j).

b) Please see response to CCC-05, part j).

RESPONSES TO POLLUTION PROBE INTERROGATORIES

INTERROGATORY 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.

RESPONSE:

The Merger Forecast (MF) provided in the MAADs application (EB-2018-0236) did not include a breakdown of investments by category. Please refer to Table 1 in Exhibit 2B, Tab 4, Schedule 1, Pages 3-4, which presents an in-service additions (ISA) variance analysis comparing proposed spending from EB-2022-0024 to actual ISA results.

RESPONSES TO POLLUTION PROBE INTERROGATORIES

INTERROGATORY 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.

RESPONSE:

Details on how Elexicon developed the custom performance scorecard metrics for SAIDI and SAIFI can be found within the Exhibit 2B, Tab 2, Schedule 2, Pages 7 – 11.

Elexicon has established targets for SAIDI and SAIFI, excluding major event days (MEDs) and loss of supply (LOS), at the end of the 2031 rate term to align with the implementation of the planned capital and maintenance investments in the 2027-2031 DSP period. Specific targets for the other years of the rate term were not assigned. Additionally, please see 4.1-PWU-13 c) for updated 2025 SAIDI and SAIFI values, and the updated 5-Year averages for these two metrics.

Elexicon considered the OEB's Reliability and Power Quality Review (RPQR) annual performance targets and selected annual performance targets that meet or exceed annual reliability benchmarking targets established for Elexicon within its peer group. Elexicon incorporated the cumulative benefit of these annual performance targets into the end of 2031 targets for SAIDI and SAIFI.

Using the OEB RPQR peer grouping, Table 1 below has the most recent (2024) SAIDI and SAIFI results for "Southern Large with High Undergrounding" peer utilities and the calculated average for the group.

Table 1: 2024 SAIDI & SAIFI Results for Southern Large with High Undergrounding Peer Utilities

Utility	SAIFI (2024)	SAIDI (2024)
Milton Hydro Distribution Inc.	0.887	0.978
Oakville Hydro Electricity Distribution Inc.	1.181	0.462
Burlington Hydro Inc.	1.537	2.204
Enova Power Corp.	1.102	0.959
GrandBridge Energy Inc.	1.502	1.042
Niagara Peninsula Energy Inc.	1.051	1.651
Oshawa PUC Networks Inc.	0.319	0.287
Elexicon Energy Inc.	1.160	1.709
Newmarket-Tay Power Distribution Ltd.	0.745	1.303
Average	1.054	1.177

RESPONSES TO POLLUTION PROBE INTERROGATORIES

INTERROGATORY 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).

RESPONSE:

a) Elexicon confirms that it is able to evaluate and deploy non-wires solutions (NWSs), including Distributed Energy Resources (DERs), as part of its capital planning process, where such solutions are technically feasible, cost-effective, and consistent with applicable regulatory requirements.

Similar to other utilities in Ontario, Elexicon evaluates a range of alternatives – including traditional wires solutions and NWSs – when addressing identified system needs. As described in the Non-Wires Solutions to Address System Needs section of the application (Exhibit 2B, Tab 3, Schedule 5, Page 1-5), Elexicon engaged specialized expertise to develop a NWS pre-screening framework, which will be incorporated into the asset management planning process to ensure that NWS considerations are evaluated consistently and transparently in future distribution system investment decisions.

b) To clarify, Elexicon applied the NWS pre-screening framework referenced above to all capital investments within the 2027-2031 DSP that fall within the scope of the NWS Guidelines. Three investments, representing approximately $34.33M in capital spending, met the conditions necessary to warrant detailed benefit-cost analyses. For further details, please see Exhibit 2B, Tab 3, Schedule 5, pages 4-5, and Exhibit 2B, Tab 3, Schedule 5, Appendix B. The results of the BCAs for the three projects can be found in Exhibit 10, Tab 1, Schedule 1, Attachment 1: Elexicon 2027-2031 DSP Non-Wires Solutions Benefit Cost Analysis Report. The BCAs concluded that the projects already in the DSP were the best solution in those circumstances.

c) The need for the NWSDA is further described in Exhibit 9 – Tab 4 – Schedule 2, pages 24-27. As stated in that exhibit, the NWSDA ensures Elexicon has a means to recover costs associated with NWS opportunities as the costs of development, testing, deployment and tracking of specific NWS which were not incorporated in Elexicon's OM&A expenditures given the timing of the application.

RESPONSES TO POLLUTION PROBE INTERROGATORIES

INTERROGATORY 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.

RESPONSE:

The energy transition topic was explored across eight online focus groups conducted as part of the Phase I customer engagement. See Figures 1-5 below for the stimulus materials used.

Figure 1: Energy Transition slide – Groups 1 & 3 (Business Customers)

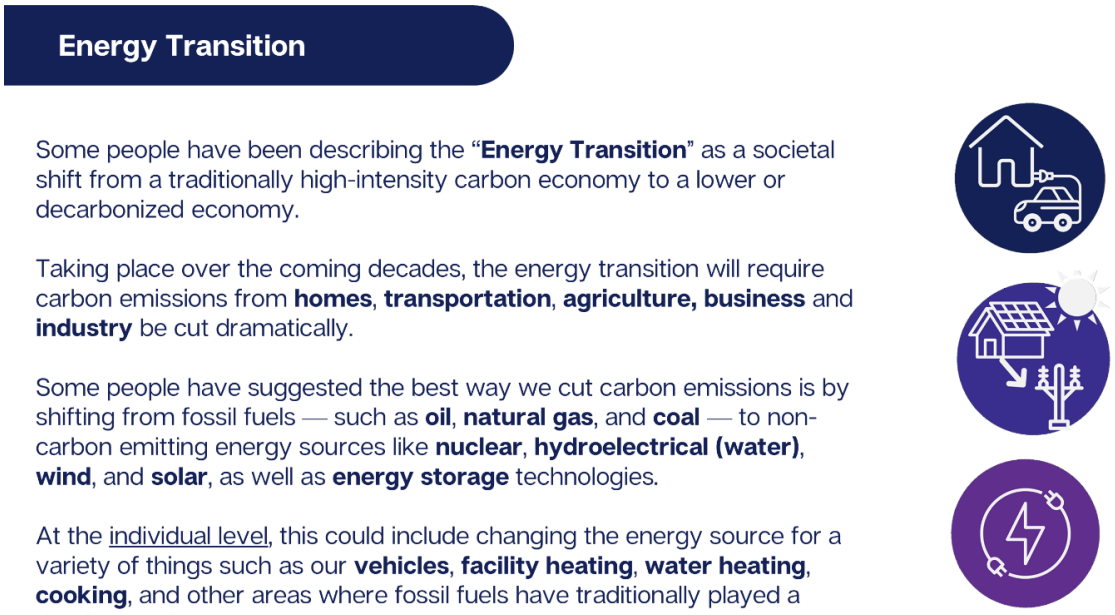


Figure 2: Energy Transition slide – Groups 2 & 4 (Residential Customers)

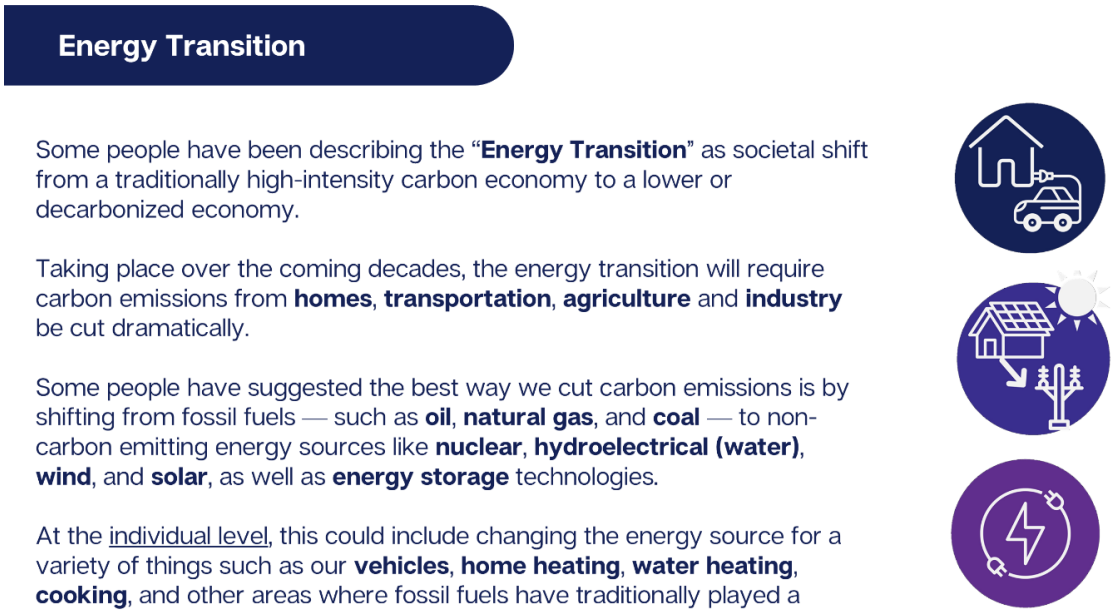


Figure 3: Energy Transition slide – Groups 5-8 (Business and Residential Customers)

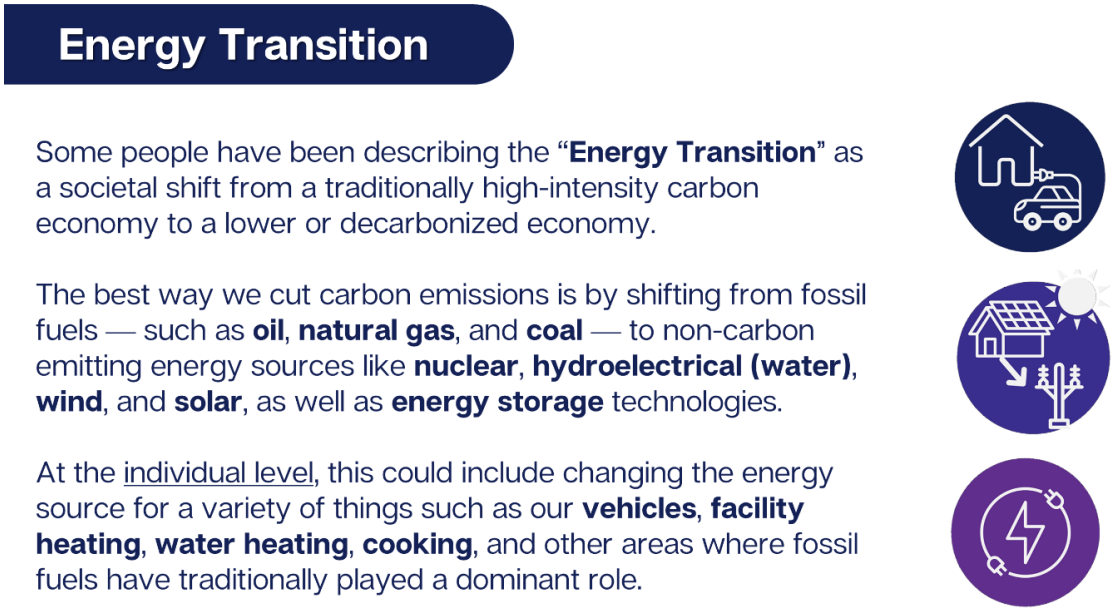


Figure 4: Today's Electrical Grid slide – Groups 1-8

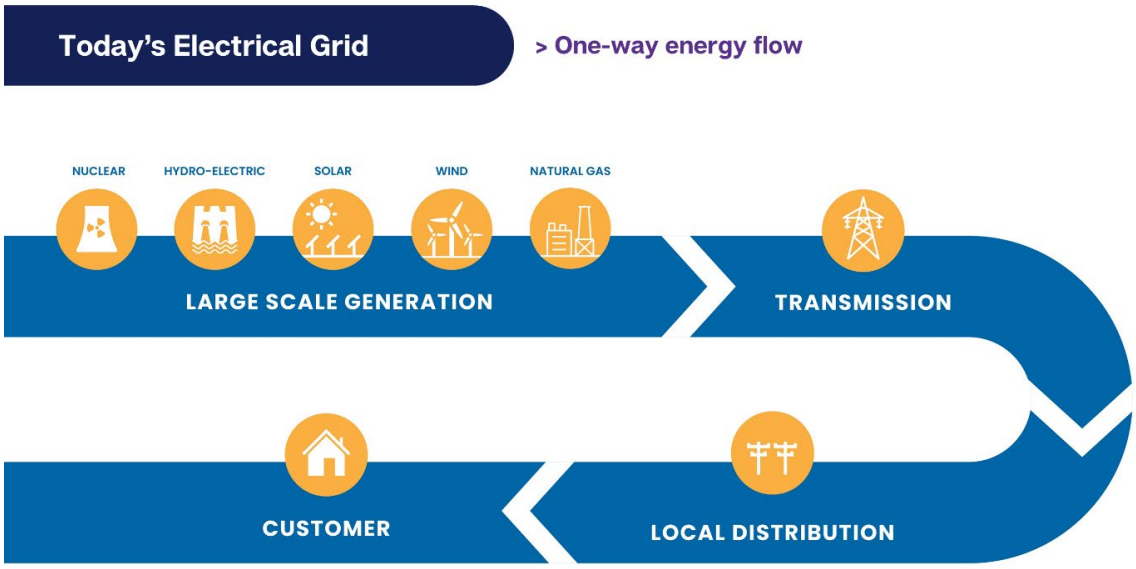
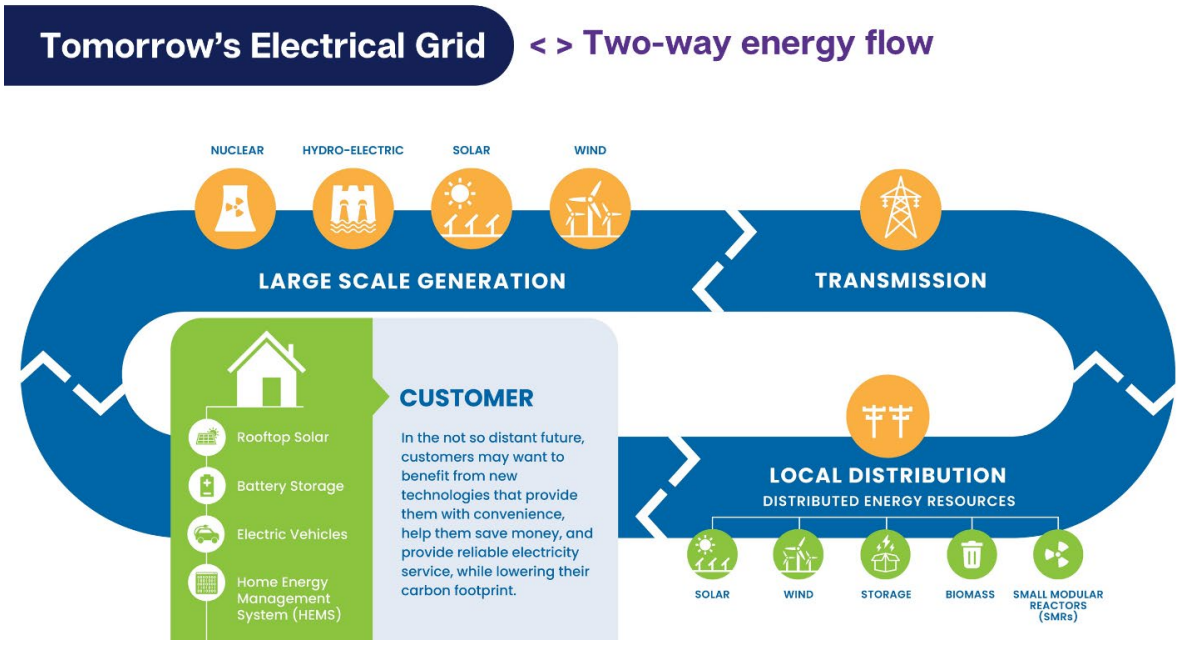


Figure 5: Tomorrow's Electrical Grid slide (Groups 1-8)



RESPONSES TO POLLUTION PROBE INTERROGATORIES

INTERROGATORY 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.

RESPONSE:

Elexicon incorporates information from municipal energy and emissions plans into its Distribution System Plan (DSP) through ongoing engagement with municipalities to understand local growth, electrification initiatives, and decarbonization objectives. These engagements help to refine the inputs from each municipality's respective plans and are considered in Elexicon's load forecasting and capacity planning process through a specific 'building electrification' growth input, outlined further in Exhibit 2B, Tab 3, Schedule 1, pp. 20.

Information from municipal plans is reflected in the DSP primarily through Elexicon's load forecasting and capacity planning process. Municipal electrification and net-zero targets inform the directional assumptions used to develop the low, medium, and high electrification scenarios, allowing Elexicon to assess the system impacts of accelerated electrification. These inputs inform the forecast capital investments, such as the Substation Growth program, with planned expenditures targeted at

addressing capacity constraints, enabling new customer connections, and supporting the energy transition.

RESPONSES TO POLLUTION PROBE INTERROGATORIES

INTERROGATORY 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.

RESPONSE:

a) Roles and responsibilities related to DSOs continue to evolve and an established regulatory regime, roadmap or methodology is not yet in place. Over the longer term, Elexicon intends to leverage OT investments planned over the rate term and beyond to advance grid modernization, including potential future DSO capabilities. In the meantime, as summarized in Exhibit 2B - Tab 3 - Schedule 2 - Appendix A, the deployment of AMI 2.0 is required to advance Elexicon's grid modernization objectives, as it lays a strong foundation for advanced and intelligent grid infrastructure. The abundance of data that accompanies the deployment of AMI 2.0 enables opportunities for enhanced grid observability and situational awareness. The increased granularity of data collected through advanced meters will enable more robust data analytics, unlock new possibilities for grid optimization, and promote proactive asset management, customer engagement, and the implementation of non-wires solutions such as DSO functionality.

b) While Elexicon does not have a specific plan, it participates in both OEB and industry forums related to DSO capabilities. Elexicon will continue these engagements as well as monitor developments, learnings and successes in relation to DSO implementation for consideration in the advancement of its own DSO journey.

RESPONSES TO POLLUTION PROBE INTERROGATORIES

INTERROGATORY 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.

RESPONSE:

a) Elexicon has not rebased its load forecast in more than 10 years. As shown in Exhibit 3 - Tab 1 - Schedule 1, Elexicon is forecasting the connection of a significant number of new large load customers within its service territory over the rate period. Given the small number of customers in these commercial and industrial customer rate classes and the large variability of energy needs depending on the customer, Elexicon cannot rely solely on historical patterns to forecast future demand. Therefore, Elexicon's load forecast includes manual adjustments to account for anticipated future loads, including instances where contractual commitments are not in place. The mix of economic uncertainty and evolving provincial mandates for economic growth create potential for variability in timing and likelihood of energization for these loads. As shown in response to 1-SEC-21, the revenue associated with these loads is significant. The LLRVA is more fully detailed in Exhibit 9 - Tab 4 - Schedule 2, p.27-31.

b) When a large load customer necessitates system expansion, Elexicon applies the Economic Evaluation (EE) model as per the Distribution System Code (DSC) to determine the customer's capital contributions, and Elexicon's net capital investment requirements. Elexicon's portion of the investment is secured through a letter of credit or surety bond over the defined connection horizon. Annual true-ups are conducted based on actual load realization, and if the forecasted load does not materialize by the end of the connection horizon, Elexicon is able to draw on its security. Contractual provisions are also in place to allow Elexicon to reallocate any unused assigned capacity to meet other system needs if the customer's actual demand is lower at the conclusion of the connection horizon. The Offer to Connect is the contractual mechanism by which these safeguards are put in place.

c) Yes. A portion of Elexicon's demand forecast over the 2027-2031 period includes large load customers which have not yet signed a firm commitment. Please refer to the Large Customer List attached as an excel file to 3-Staff-93 for further details.

d) Billed kW of large load connections are forecast based on the anticipated peak load of the customer, the anticipated connection year, a connection likelihood percentage, an average monthly billed to peak anticipated demand ratio, and timing adjustments. The connection likelihood percentage of 50%, 80%, or 100% is assigned based on assessment of the maturity of the connection process. The monthly billed to peak anticipated demand ratio of 70% is applied to recognize that customers do not always reach their maximum anticipated demands and do not reach their actual annual peak in each month. The connection timing adjustment is applied such that 25% of anticipated load does not materialize in the anticipated year, accounting for connection delays and delays in a customer reaching their maximum demand. Finally, a half-year adjustment is made such that customers are assumed to connect, on average, half way through the year. The same likelihood adjustment, connection timing adjustment, and half-year rule are applied to forecast customer counts. In the load forecast update, large load customers that connected in 2025 remain in the list but have anticipated added loads reduced by actual 2025 loads and are no longer assigned a connection timing adjustment or incremental customer count. The connection likelihood adjustments reduce peak loads to 72% of total anticipated load of all customers on the list.

The requested information by customer is provided in the Large Customer List attached as an excel file to 3-Staff-93.

RESPONSES TO POLLUTION PROBE INTERROGATORIES

INTERROGATORY 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]

Please reconcile this these statements.

RESPONSE:

The statement on Page 10 in the referenced exhibit indicating that the majority of Elexicon's assets are in Fair condition or better, with relative contributions from assets in Poor and Very Poor condition is not indicative of extensive deterioration across the system, represents a general observation made by the consultant who prepared the report and relates to the overall system Health Index (HI). The total system HI is influenced by asset classes with large population counts – such as wood poles – where the majority of assets are assessed as being in Very Good to Fair condition. However, when individual asset classes are assessed separately, the extent of asset deterioration across Elexicon's system becomes more evident. For example, Underground Cables and Substation Cables each exhibit a significant proportion of assets in Poor to Very Poor condition, at approximately 44% and 38%, respectively. Additional details on the Asset Condition Assessment (ACA) for each asset class are provided in Table 4 of Exhibit 2B, Tab 3, Schedule 2, Appendix B, page 22.

RESPONSES TO POLLUTION PROBE INTERROGATORIES

INTERROGATORY 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.

RESPONSE:

a) Elexicon is committed to eDSM programs and has secured resources to support promotion of the IESO's Save-on-Energy programs. Elexicon has not undertaken any specific analysis, modeling, or planning activities related to local programs at this time. Elexicon does not have an agreement with the IESO on local eDSM actions currently. We understand this will be developed as part of the eDSM Stream 2 IESO / LDC activities.

b) Elexicon has not assessed the maximum achievable eDSM savings at this time. Elexicon's eDSM team was recently onboarded in April 2026 with a focus of promoting existing IESO programs.

c) As no maximum achievable eDSM potential assessment has been completed, the requested comparison is not available.

d) Elexicon plans to promote the IESO's Save-On-Energy programs with its customers through both targeted and broad customer and community engagement. Activities are planned to include: in-person meetings and information sessions; website, online and social media posts; e-mail campaigns and handout materials.

RESPONSES TO POLLUTION PROBE INTERROGATORIES

INTERROGATORY 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.

RESPONSE:

Elexicon would like to clarify that the change in investment levels between the prior and upcoming Distribution System Plans (DSPs) does not stem from a failure to provide a stable foundation in the previous plan. Rather, the shift reflects evolving system needs and external pressures that have arisen over time, as discussed in detail in Exhibit 1, Tab 4, Schedule 1, pages 1-2 and Exhibit 2B, Tab 1, Schedule 1, pages 1-4. The circumstances Elexicon is facing require targeted and timely investment to enable economic growth, maintain safety, reliability, and service quality for customers.

As described in Exhibit 2B, Tab 1, Schedule 1, page 4, the 2027-2031 DSP is designed to address three core operational objectives: addressing capacity constraints, enabling continued customer and economic growth, and restoring reliability to historical levels of performance. These needs arise from significant growth in load demand, combined with existing constraints at key stations and feeders, as well as an increasing proportion of assets that have exceeded their typical useful life and are in deteriorated condition.

It should also be noted that, in addition to the external pressures Elexicon faces, the increase in capital in the 2027-2031 period reflects a shift in priorities and circumstances, rather than past underinvestment. As stated in Exhibit 2B, Tab 4, Schedule 1, page 1, spending in the 2020-2024 period was allocated to pressing, reactive needs such as equipment failures, storm restoration, and

incremental capacity projects to facilitate customer connections and maintain a safe and reliable system. Looking ahead, the investment profile shifts toward planned system renewal and grid enhancements to mitigate asset condition risks and ensure long-term system stability and efficiency. This includes major initiatives such as station and distribution renewal, voltage conversion, and targeted grid enhancements. These projects are necessary based on system performance and asset condition data.

Accordingly, the capital plan for 2027-2031 reflects the timing and scale of new system requirements and customer needs, as detailed throughout the DSP evidence.