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RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY 1-SEC-1

[Ex.1] Please provide a copy of all materials provided to Elexicon’s Board of Directors in seeking approval of the Application and the underlying budgets.

RESPONSE:

Please see Attachment 1 which provides materials presented to Elexicon’s Board of Directors in September 2025 seeking approval of the final plan and granting Elexicon approval to finalize and file its rebasing application. Note that information on slide 13 constitutes advice from counsel regarding the application and has been permanently redacted, as outlined in the confidentiality letter filed with these interrogatory responses.

The same materials were presented to the Board of Directors of Elexicon Energy and the Board of Directors of Elexicon Corporation (holding company).



Board Meeting

Report Title	4.1 - Early Rebasing Application - Investment Plan Approval
Submission Date	September 8, 2025
Meeting Date	September 16, 2025
Submitted By	Stephen Vetsis, Vice President Regulatory Affairs & Stakeholder Relations

REQUESTED ACTION:

For Recommendation/Approval

PURPOSE

Elexicon has prepared its final 2027-2031 Investment Plan ("the Final Plan"). The Final Plan will form the basis for Elexicon's early rebasing application ("ERA").

The purpose of this report is to obtain approval from the Elexicon Energy ("EE") Board of the Final Plan along with approval for management to finalize, file and prosecute the ERA.

In late Q2/early Q3 2025, Elexicon revised its 2027-2031 investment plan to reflect latest assumptions/information, and in consideration of the feedback it received Phase 2 of its customer engagement which was undertaken in Q2 2025. The proposed plan will deliver the same outcomes as the draft plan that was reviewed by the EE Board during the December 2024 Board cycle at similar cost to customers.

Further details regarding the final investment plan are provided in Attachment 1.

APPENDICES

- Attachment 1: Early Rebasing Application – Investment Plan Approval

Early Rebasing Application - Investment Plan Approval

Presented by Elexicon & Torys

September 16/18, 2025

Privileged and Confidential

Objectives

Board Approval of:

- 2027-2031 investment plan to be filed with the OEB
- Management to finalize, file, and prosecute application



Draft Plan: Recap

Draft plan balances reliability, capacity, and other system outcomes with customer affordability.

Customer Dx Rate
Impacts
<10% Per Year

Ensuring Sufficient Capacity to Meet
Projected Growth
+
Restoring Reliability to Historical
Levels of Performance

Balancing Investment
and Customer Impacts

Five Year Capital

\$637.8M

Five Year OM&A

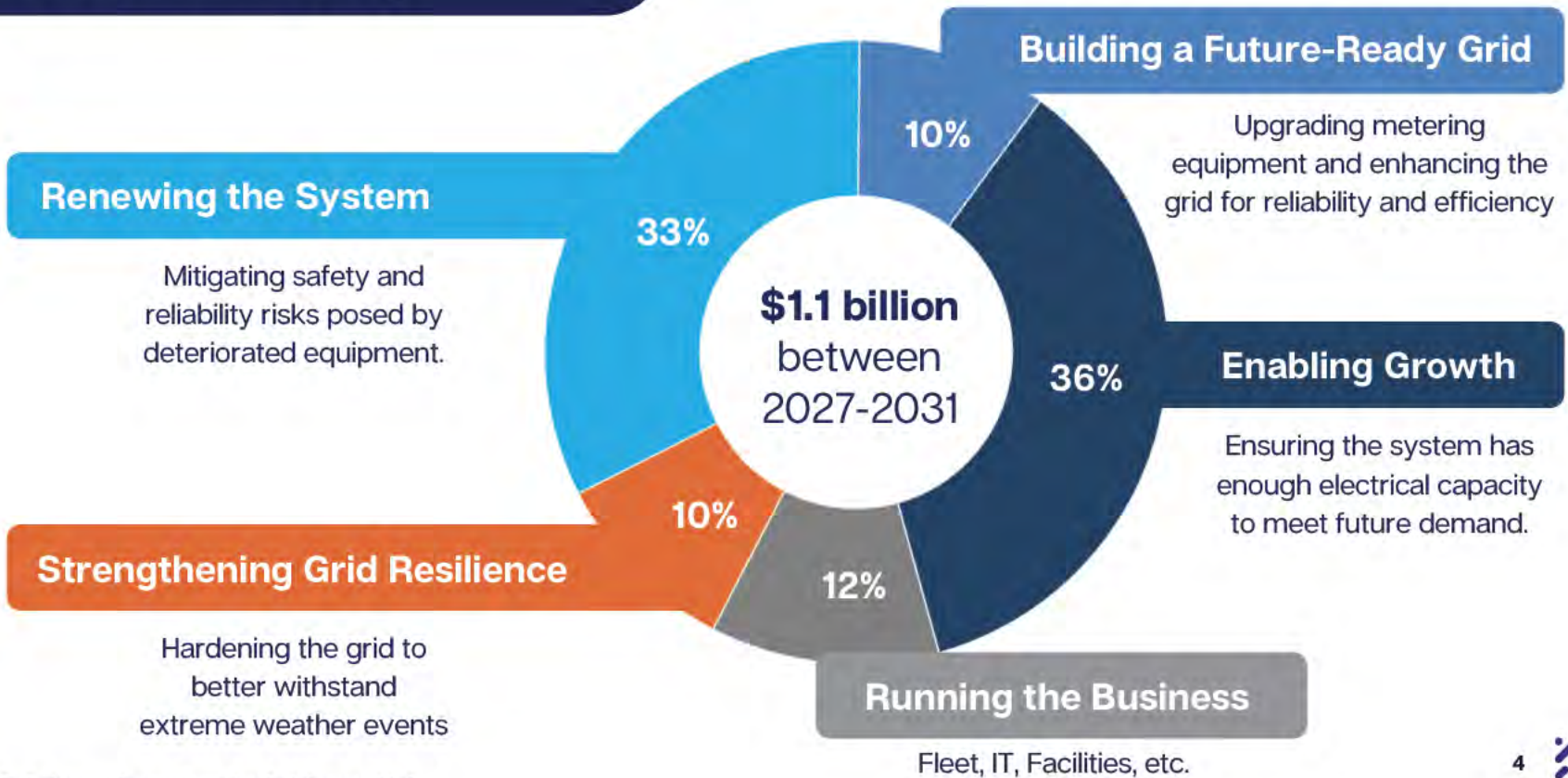
\$433.4M

Avg. DX Rate Impact/Year

~9.2%



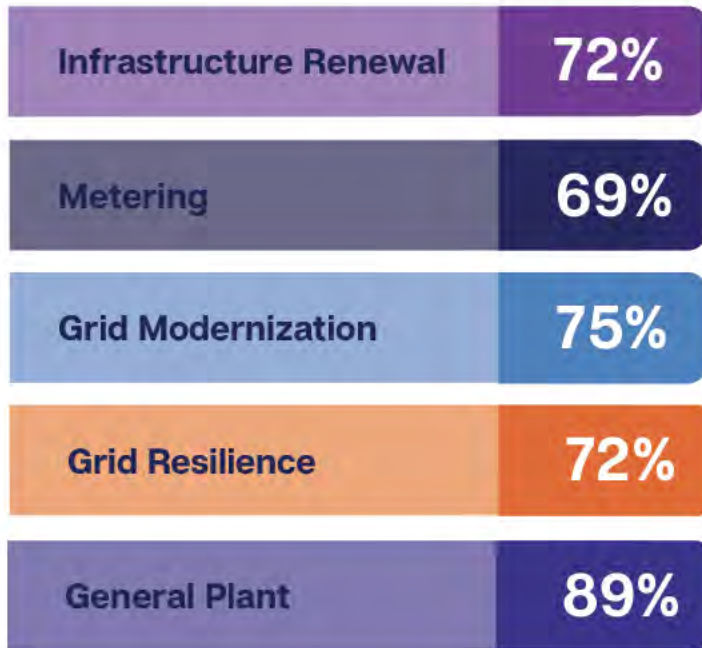
Draft Plan: Recap



NOTE: Draft plan spending was lower than final plan, see slide 8.

Customer Feedback

Customer Support of Draft Investments in 5 Key Areas



Customers supported the outcomes of the draft investment plan



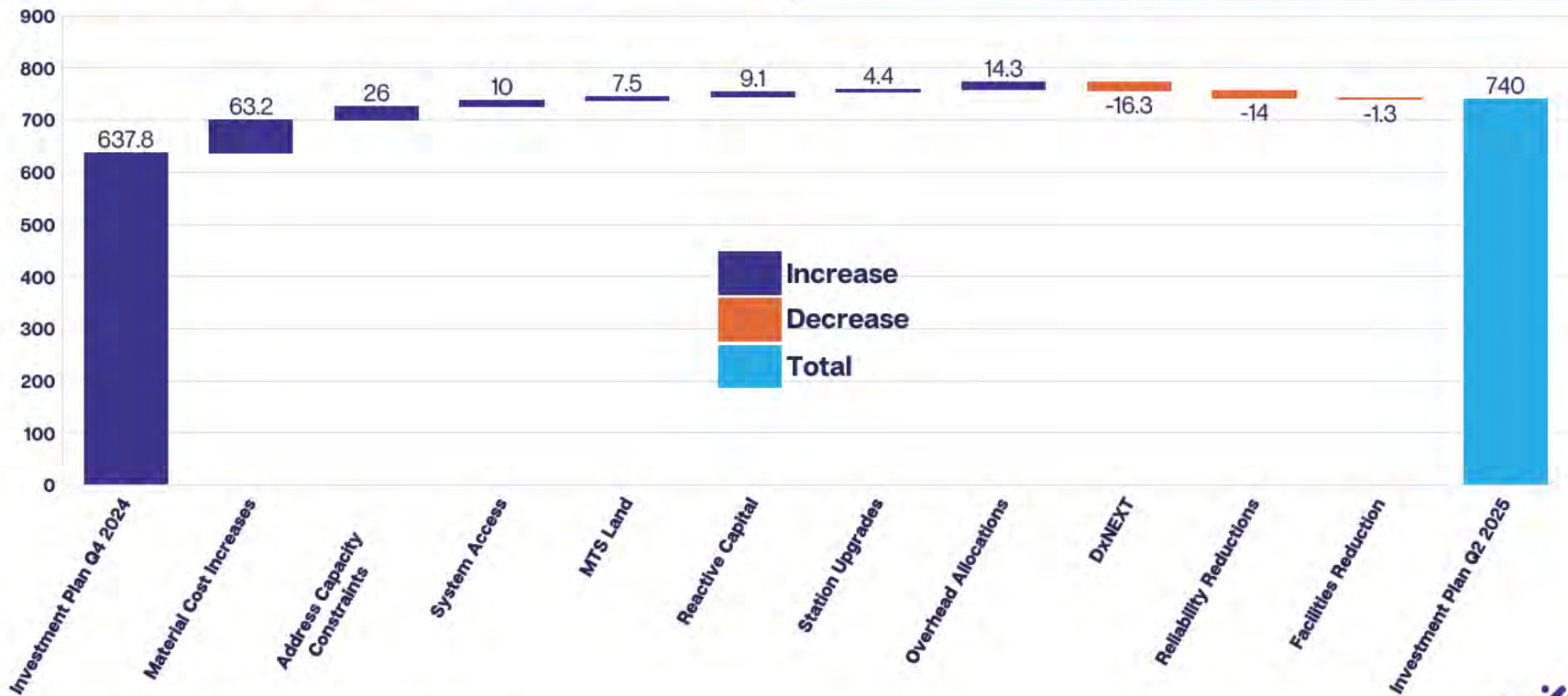
Customer Support of Draft Investment Plan





Adjustments to Draft Plan – 2027-2031 Capital (\$M)

Increases predominantly driven by updates to cost of materials and growth needs; offset by reductions in reliability investments



* Dx Next costs reclassified from capital to OM&A.

2027-2031: Final Plan Summary

Final plan will deliver same outcomes as draft plan at similar cost (< \$4.20/year)

Draft Plan

Final Plan

Capital Expenditure	\$637.8M
OM&A*	\$433M
Average Distribution Rate Increase**/Year	Veridian: 9.2% Whitby: 8.9%
Avg. Residential Monthly Increase/Year** by 2031	\$4.54 Veridian \$4.32 Whitby

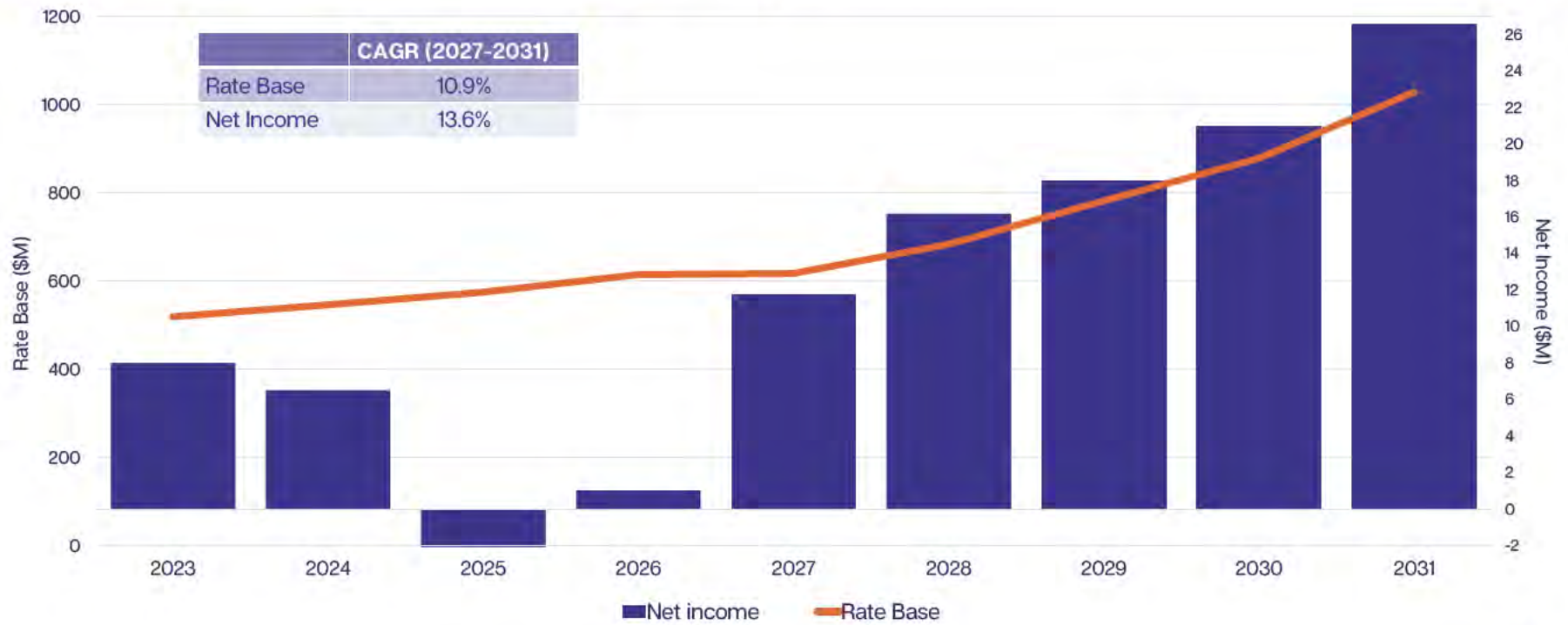
\$740M	Capital Expenditure
\$448M	OM&A*
Veridian: 9.3% Whitby: 7.9%	Average Distribution Rate Increase**/Year
\$4.19 Veridian \$3.68 Whitby	Avg. Residential Monthly Increase/year** by 2031

* Presented on IFRS basis. Final plan OM&A includes reclassification of Dx Next costs from capital to OM&A.

** All bill impact calculations are for a typical residential customer. Revised plan harmonizes rates in 2027 whereas, draft plan phased in harmonization over 2027-2031.

Financial Outlook

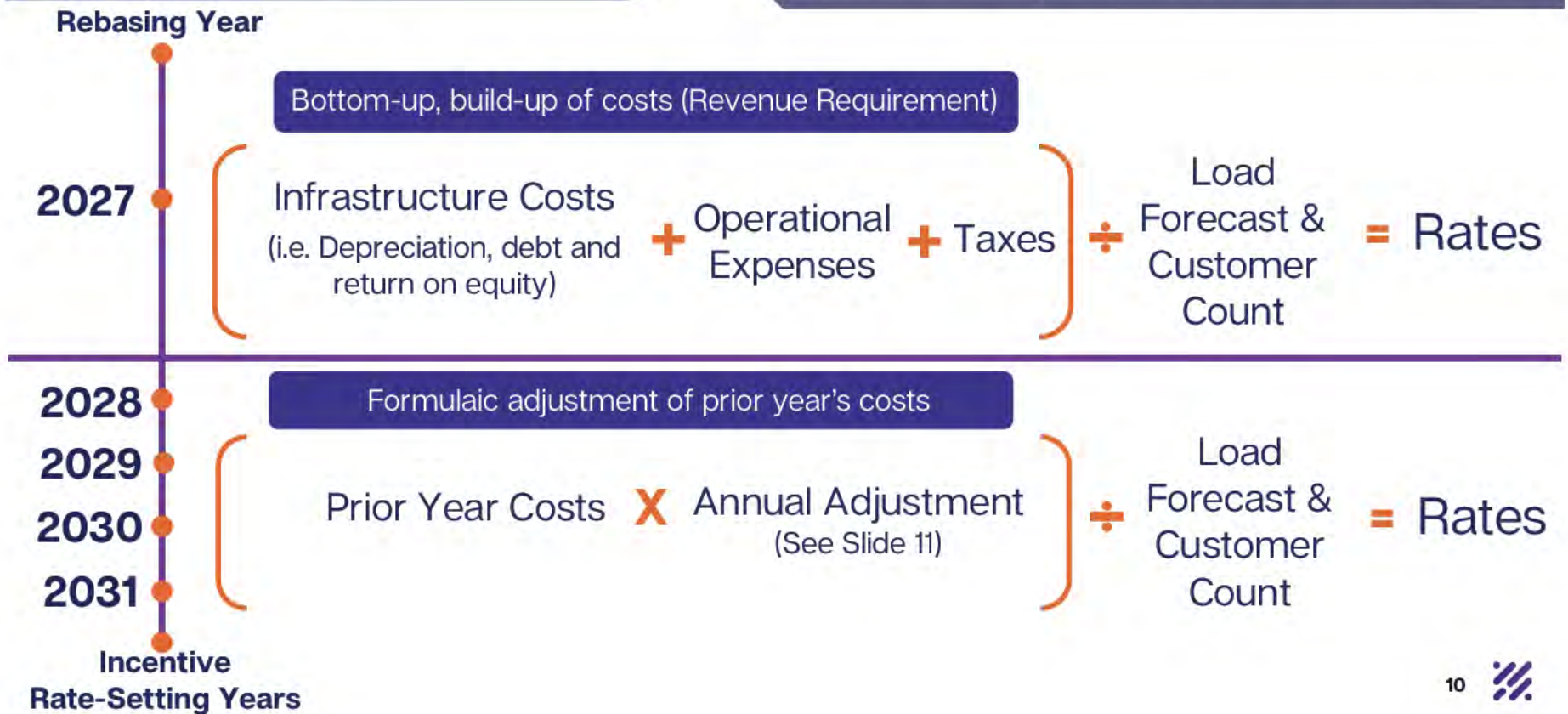
Final plan will increase the long-term value of Elexicon



* Illustrative values only. Compound Annual Growth Rate (CAGR)

Rate Setting 101

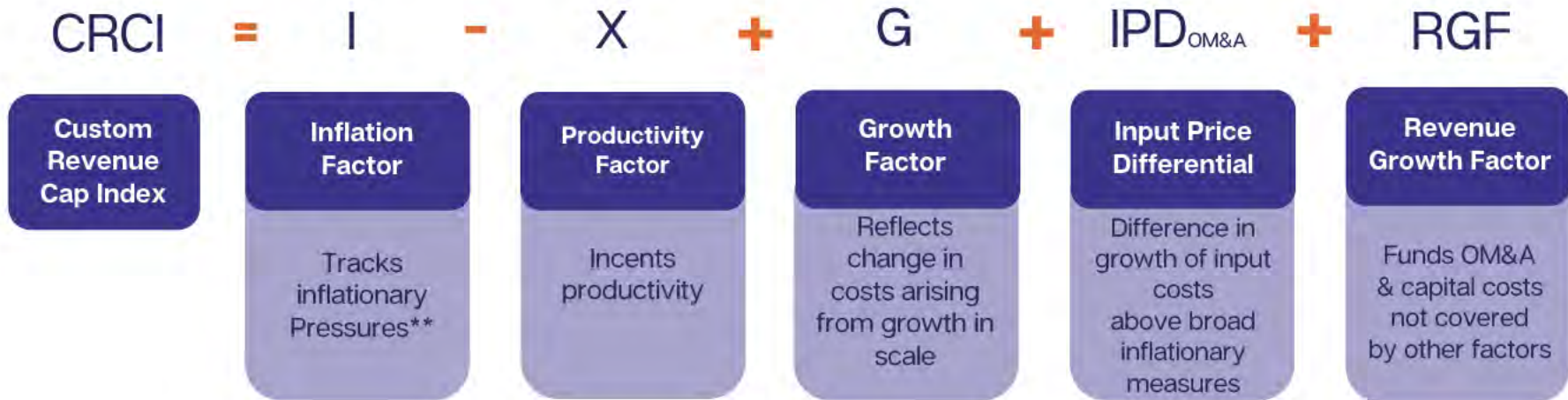
First-year rates based on bottom-up costing; mechanistic adjustments in subsequent years



Proposed Rate Setting Framework

Exelicon will be incented to find significant productivity savings over 2028-2031 (~\$3M*).

Per slide 10, costs recovered in rates during incentive years adjusted using the formula below



* Calculations illustrative. Numbers to be finalized prior to filing application.

** Updated annually over rate term.

Proposed Rate Setting Framework

Deferral/variance accounts will provide appropriate incentives and manage uncertainty*

Incentives

Earning Share Mechanism (ESM)

Any earnings 100 BPS above the deemed ROE are shared with rate payers

Capital-Related Revenue Requirement Variance Account

Unspent revenue is returned to rate payers in future cycle

Non-Wires Solutions (NWS)

Recover costs of future NWS projects to seize opportunities

Managing Uncertainty

Customer Demand-Related Variance Account

Protects for variability in external, customer-driven work (e.g. connections, and road relocations)

New Stations Deferral Account

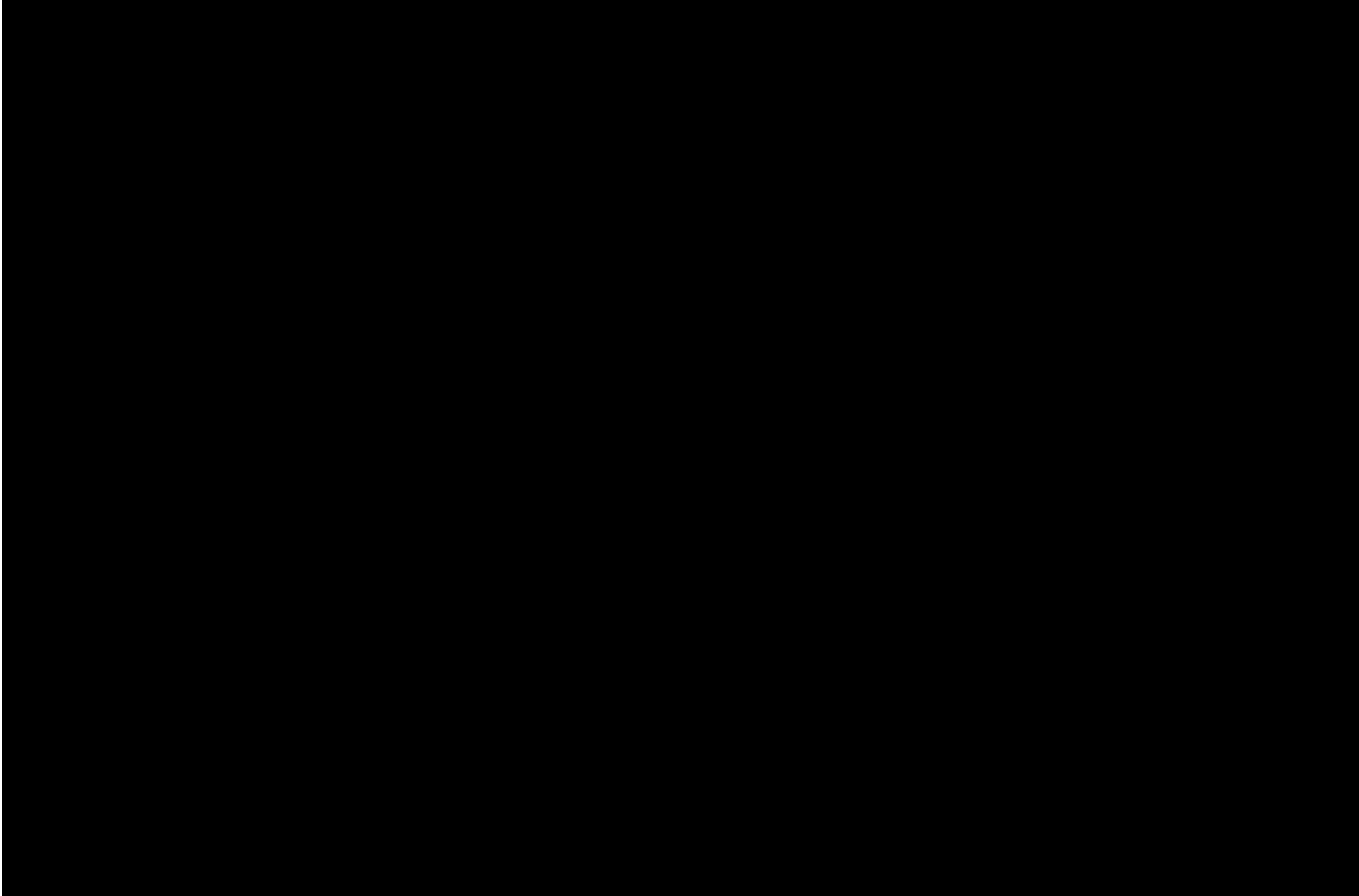
Enables unforeseen stations projects necessary to address capacity constraints

Connection Cost Recovery Variance Account

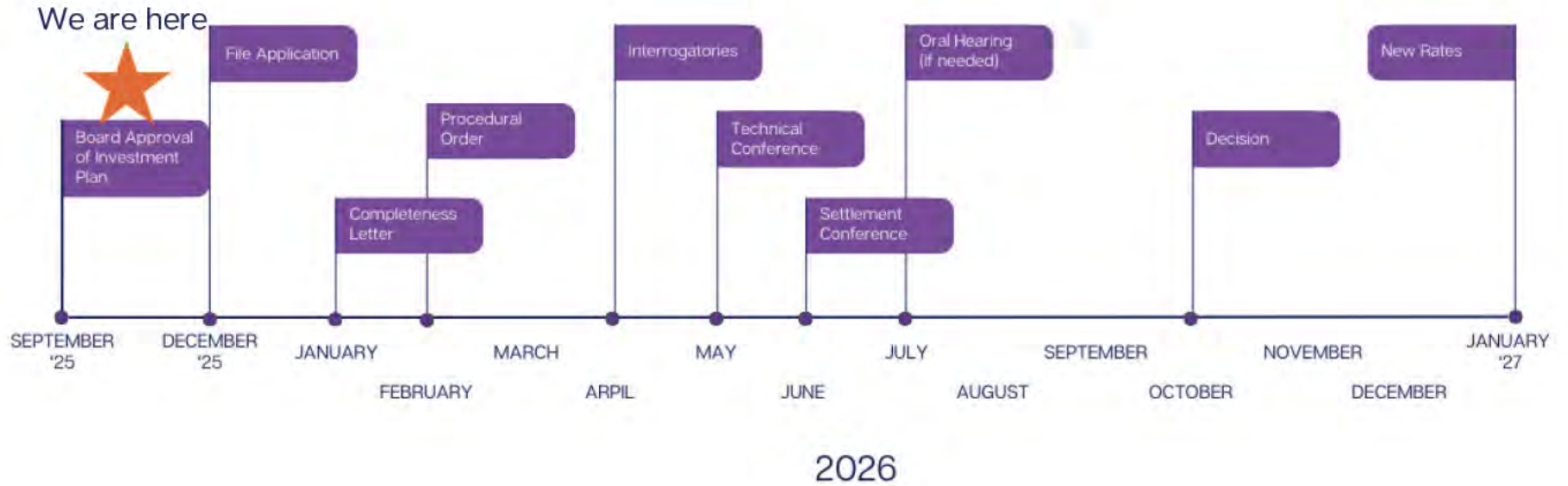
Protects for Hydro One capital contributions due to load variations

* The proposed list of deferral accounts is illustrative and not final. Specific deferral/variance accounts will be finalized prior to filing of application.





Application Hearing Timeline



* Timeline is illustrative. Actual deadlines to be determined by OEB through Procedural Order expected in Q1 2026.



Resolution: 2025-EE47

BE IT RESOLVED THAT the Board of Directors hereby approves the Early Rebasing Investment Plan and associated regulatory filing for Elexicon, substantially as presented and discussed at the meeting held on September 16, 2025, and as contained in the meeting materials, and authorizes management to proceed with submission and prosecution of its Early Rebasing Application (once ready) to its regulator, the Ontario Energy Board.

2027 Cost of Service Customer Engagement Program SERVICES AGREEMENT

This Services Agreement is made on the 8th day of January 2024 (the "Effective Date") between:

Between:

Elexicon Energy Inc. ("ELEXICON")

and

Innovative Research Group Inc. ("INNOVATIVE")
("Consultant")

(known collectively as the "parties" and individually as a "party")

WHEREAS, Consultant will design, execute, and document activities contained within a customer engagement program to support ELEXICON's 2027 cost of service rate application ("the Scope of Services") which the Consultant will make available to ELEXICON;

WHEREAS, ELEXICON desires to retain the Consultant, and the Consultant is willing to furnish to ELEXICON customer engagement services to ELEXICON at such times and in the timelines agreed upon; and

WHEREAS, the parties have agreed to the services that are governed by the general terms and conditions as below

NOW THEREFORE Consultant, in consideration of the mutual covenants hereinafter contained and for other good and valuable consideration, the receipt and sufficiency which is acknowledged by the parties, hereby agree as follows:

1. DEFINITIONS:

In this Agreement, the following capitalized terms have the following meanings:

"Agreement" means: (i) this services agreement, and all statements of work made pursuant to this agreement, as they may be amended from time to time.

"Deliverables" means any products, documents, materials, and other assets of any kind, including any documents and materials in either printed or electronic form, to be delivered, or provided to ELEXICON by Consultant in connection with this Agreement.

"Confidential Information" shall mean the confidential, secret or proprietary information of ELEXICON including background intellectual property, foreground intellectual property, technical information, supplemental confidential information, current and future projects, current and future finances, member information, products, and services or plans that has been or may hereafter be disclosed, directly or

indirectly, to the Consultant either orally, in writing or in any other material form pursuant to and in connection with this Agreement. For greater clarity, the confidential information of ELEXICON shall include, without limitation, all data, information, and products provided by ELEXICON to the Consultant and all products created for ELEXICON by Consultant under this Agreement.

"Milestone Deliverables" means any products, documents, materials, and other assets of any kind, including any documents and materials in either printed or electronic form, to be delivered, or provided to ELEXICON by Consultant in connection with this Agreement for which payment will be made by ELEXICON to the Consultant.

2. **TERMS.** This Agreement shall be effective commencing January 8, 2024 and shall continue until terminated at the completion of the Services which shall occur no later than September 30, 2025 or by either party as otherwise provided herein.
3. **SCOPE OF WORK.** The Consultant shall carry out services, the content and scope of work which is further specified in the work estimate analysis attached hereto as Schedule "A" (Customer Engagement Program). ELEXICON shall obtain all deliverables under this Agreement from Consultant as outlined in Schedule "A".
4. **CHANGES.** If at any time during the term of this Agreement, a change in the scope of work results in a material increase or decrease in the cost or time for completion of the services, the parties shall negotiate in good faith an equitable adjustment to the fees and schedule. Consultant shall not implement such change, and ELEXICON shall not be liable for any change to the scope of the services or the related compensation, unless the parties have agreed in writing to such change and the related compensation. Consultant shall not incur any individual obligations or provide any significant services for ELEXICON without first obtaining approval from a duly authorized representative of ELEXICON. In order to obtain such approval, Consultant shall submit written proposals containing descriptions of any proposed changes or work and itemized estimates of all related costs.
5. **PERIOD OF PERFORMANCE.** The Work shall be completed as indicated in Schedule A, unless the period of performance is extended by mutual written agreement or terminated in accordance with the terms of this Agreement.
6. **PAYMENT.** The Consultant shall invoice ELEXICON for the Work in accordance with the fee set forth in Schedule A, respectively. The Consultant will submit an invoice to ELEXICON at each of the following milestones:

Phase 1 (estimate [REDACTED])

- Invoice 1:** Commencement of Phase 1
- Invoice 2:** Qualitative Reports Delivered
- Invoice 3:** Quantitative Reports Delivered
- Invoice 4:** Placemat Finalized and Delivered



Phase II (estimate [REDACTED])

- Invoice 5:** Commencement of Phase II
- Invoice 6:** Workbook Development & Testing Complete
- Invoice 7:** Workbook Reports Delivered
- Invoice 8:** Final Reports & Executive Summary Delivered & Reviewed



Approved invoices will be paid by ELEXICON upon forty-five (45) days of receipt. The maximum value of this Agreement shall not exceed CAD [REDACTED] plus HST without written approval and an amendment to this Agreement. Consultant agrees to receive payment by Electronic Funds Transfer (EFT).

Both parties agree that timely delivery of the deliverables is crucial to the success of the project. Expected delays, if any will have to be brought to the attention of either party and strategies for addressing the delays would require to be agreed upon.

The Consultant must receive written authorization in advance from ELEXICON for any out-of-pocket expenses.

- 7. CONSULTANT AS INDEPENDENT CONTRACTOR.** It is understood that in agreeing to provide services under this Agreement, Consultant shall be acting and shall act at all times as an independent contractor, and not as an employee of ELEXICON for any purpose whatsoever, including without limitation, for purposes relating to taxes, workplace safety insurance, payments required by statute or any other withholdings or remittances to any governmental agency or authority. Neither this Agreement, the relationship created between the parties pursuant to this Agreement, nor any course of dealing between the parties is intended to create, or shall create, an employment relationship, a joint venture, partnership, or any similar relationship. Consultant does not have, nor shall Consultant hold Consultant out as having, any right, power or authority to create any contract or obligation, either express or implied, on behalf of, in the name of, or binding upon ELEXICON. Consultant shall retain sole and absolute discretion in the manner and means of carrying out their activities and responsibilities under this Agreement.
- 8. RELEASE.** The parties intend that the relationship between ELEXICON and the Consultant will be a true contractual and or consulting relationship. Notwithstanding the foregoing, in the event the relationship between ELEXICON and the Consultant is misconstrued as an employee/employer relationship, the Consultant agrees to release and discharge ELEXICON from any and all actions, claims and demands which the Consultant may have against ELEXICON arising out of or in any way connected with this Agreement.
- 9. TAXES.** Consultant shall be solely responsible for the payment and remittance of all provincial and federal taxes and related amounts, including without limitation, goods and services taxes, harmonized sales taxes, income taxes, source deduction payments, non-resident withholding taxes and contributions, and agrees to defend, indemnify and hold harmless ELEXICON (including its affiliates, trustees, officers, directors, employees, and agents) with respect to any demand or claim related in any way to any failure to declare, collect, remit and/or pay on a timely basis all such taxes and related amounts.
- 10. CONFIDENTIALITY, NON-DISCLOSURE OF TRADE SECRETS AND OTHER PROPRIETARY INFORMATION.**

 - a. All Confidential Information concerning ELEXICON and obtained by the Consultant during the performance of their services under this agreement shall be treated as confidential. During dealings hereunder, ELEXICON may disclose Confidential Information to Consultant in reliance upon Consultant's assurance that they will not disclose or share this information with anyone, without ELEXICON's prior written consent. This confidentiality requirement applies to information obtained by Consultant through writings, oral commentary and any other means.
 - b. Confidential Information shall not include (1) information already available to the public, (2) information which becomes available to the public through no fault of Consultant, (3)

- information that is already in possession of a third party, or (4) information received by Consultant from a person who is under no obligation of confidentiality to Client.
- c. Consultant will take whatever steps necessary to safeguard ELEXICON's property in or under Consultant's custody or control and will forthwith notify ELEXICON in writing if any such disclosure occurs or if Consultant has any reason to believe same has occurred. Upon completion of the delivery of services, Consultant will return all Confidential Information and all copies thereof to ELEXICON, unless otherwise directed by ELEXICON in writing.
 - d. Consultant understands that any breach of this provision, or that of any other Confidentiality Agreements, is a material breach of this Agreement.

11. INTELLECTUAL PROPERTY. Consultant acknowledge and agree that ownership of all intellectual property and work product including, without limitation, data collected and/or processed, models and/or processes, information and data in any form, designs or materials, works, papers, materials, notes, documents, reports and copies thereof prepared, developed or created by Consultant, its employees or agents during the performance of and/or pursuant to this Agreement shall be the property of ELEXICON. Consultant will ensure their employees and agents shall execute such documentation as may be required by ELEXICON, including without limitation, assignments, to give effect to the foregoing. This includes, but is not limited to, assignments of copyright and waivers of the moral rights of the author(s) or creator(s) of the work product. Consultant acknowledges and agrees that ELEXICON owns all proprietary rights in respect of any trademarks and any associated goodwill generated by use of such property. Notwithstanding anything to the contrary contained in this Agreement, it is understood and agreed that the Consultant shall retain all of their respective rights in their know-how, including methodologies and methods of analysis, ideas, concepts, expressions, techniques, skills, knowledge and experience possessed by the Consultant and any of their employees or representatives.

12. OWNERSHIP AND DELIVERY OF MATERIALS AND INFORMATION. The Consultant agrees that, unless otherwise stated in this Agreement, all information and material of any kind whatsoever provided to or acquired or prepared by or for the Consultant pursuant to this Agreement shall, both during and following the terms of this Agreement, be the property solely of ELEXICON. Upon receipt of a written request from ELEXICON, the Consultant shall deliver forthwith to ELEXICON all material and information specified in the request that is the property of ELEXICON and is in the possession or under the control of the Consultant without the prior written approval of ELEXICON. The Consultant further agrees not to destroy any material or information that is the property of ELEXICON without ELEXICON's prior written approval. This provision shall survive the expiration or termination of this Agreement. The Consultant shall not use such property without the prior written approval of ELEXICON.

13. RETURN OF PROPERTY. Upon termination of this Agreement, or whenever requested by the parties, each party shall immediately deliver to the other party all property in its possession, or under its care and control, belonging to the other party to them, including but not limited to, computers, equipment, tools, documents, plans, recordings, software, and all related records or accounting ledgers.

14. CONFLICT OF INTEREST

Consultant represents and warrants the following:

- a. No Current or Prior Conflict of Interest. That Consultant has no business, financial, professional, personal, or other interest, direct or indirect, including, but not limited to, the representation of

other clients, that would conflict in any manner with the Consultant's performance of their obligations under this Agreement or otherwise create the appearance of impropriety with respect to this Agreement.

- b. **Notice of Potential Conflict.** If any such actual or potential conflict of interest arises under this Agreement, Consultant shall immediately inform ELEXICON in writing of such conflict.
- c. **Termination for Material Conflict.** If, in the reasonable judgment of ELEXICON, such conflict poses a material conflict to and with the performance of Consultant's obligations under this Agreement, then ELEXICON may terminate the Agreement immediately upon written notice to the Consultant; such termination of the Agreement shall be effective upon the receipt of such notice by the Consultant. In such circumstance, ELEXICON shall only be responsible for the Consultant's fees up to the effective date of termination.

15. LEGAL COMPLIANCE. Consultants are encouraged to treat all ELEXICON employees, customers, clients, business partners and other affiliates with respect. Consultants are required to comply with all laws, ethical codes, and ELEXICON policies, procedures, rules or regulations, including those forbidding sexual harassment, discrimination, and unfair business practices.

16. REPRESENTATION. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any party hereto, or anyone acting on behalf of any party hereto, which are not embodied herein, and that no other agreement, statement or promise not contained in this Agreement shall be valid or binding. Any modification of this Agreement shall be effective only if it is in writing, signed and dated by all parties hereto.

17. INDEMNIFICATION. The Consultant shall indemnify and hold harmless ELEXICON, its employees and agents from any and all third-party claims, demands, actions or costs (including legal costs on a solicitor-client basis) for which the Consultant is legally responsible, including those arising out of negligence or willful acts by the Consultant, or the Consultant's employees or agents.

18. LIABILITY. Except as otherwise provided in this Agreement:

- a. Each party assumes its own liability for any costs, suits or claims on account of injuries (including death) to persons participating in the Work or damage to property to the extent that such injuries or damage arise out of its activities in the course of the Work or the activities of those for whom in law it is responsible;
- b. No party or its trustees, directors, officers, employees and agents (the "first party") shall be liable to any other party (the "second party") for any costs, suits or claims made by the second party or made against the second party except to the extent caused by the negligence or willful misconduct of the first party, or to the extent that such costs, suits or claims arise from a breach of the confidentiality provisions of this Agreement (including, for greater certainty, any unauthorized or unlawful disclosure of personal information of Elexicon employees or customers); and
- c. No party shall be responsible for any lost profits, lost opportunities, or other indirect or consequential damages suffered by another party.

19. INSURANCE. The Consultant shall for the duration of this Agreement, without limiting its obligations or liabilities herein and at its' own expense, purchase and maintain the following insurance coverage: Commercial General Liability in an amount not less than \$2,000,000 per occurrence, insuring against bodily injury, personal injury and property damage including loss of use thereof; Professional Liability

in an amount not less than \$2,000,000 insuring against errors and omissions in their performance of professional services under this Agreement, and for at least two (2) years after the completion of services. All such insurance shall include ELEXICON as an additional insured and be endorsed to provide ELEXICON with thirty (30) days advance written notice of cancellation, including cancellation for non-payment of premium. The Consultant shall promptly provide ELEXICON with acceptable written evidence of all required insurance in the form of a Certificate of Insurance at the time of execution of this Agreement and at any time as may reasonably be requested by ELEXICON.

20. CONTAINMENT OF ENTIRE AGREEMENT. This Agreement is an independent document and supersedes any and all other Agreements, either oral or in writing, between the parties hereto, except any Confidentiality, Trade Secret, Non-Compete, Non-Disclosure, or Indemnification Agreement. This Agreement contains all of the covenants and Agreements between the parties, except for those set forth in a Confidentiality, Trade Secret, Non-Compete, Non-Disclosure, or Arbitration Agreement.

21. NO ASSIGNMENT. Neither this Agreement, nor any duties or obligations under this Agreement, may be assigned by either party without the consent of the other.

22. TERMINATION.

- a. This agreement shall be deemed terminated and the Consultant discharged from any further liability to perform services when the Deliverables, as mutually agreed, have been received and accepted in writing by ELEXICON.
- b. This Agreement may be terminated prior to the completion or achievement of the Scope of Work by either party without cause upon ten (10) business days written notice without penalty or damages.
- c. In the event of a termination prior to completion of the Work, Consultant shall only be entitled to payment of such fees as are expressly contemplated in this Agreement for incomplete Work. Such termination shall not prejudice any other remedy to which the terminating party may be entitled, either by law, in equity, or under this Agreement.
- d. The obligations set forth in Sections 11, 12, 13, 15 and 18 shall survive the termination or expiration of this Agreement.

23. Notice. Any notice or other communication, which either party desires or is required to give to the other party, shall be delivered by email to:

Attn:

Stephen Vetsis
svetsis@elexiconenergy.com
Vice President Regulatory Affairs and Stakeholder Relations
Elexicon Energy Inc.

-and-

Jason Lockhart
jlockhart@innovativeresearch.ca
Vice President
Innovative Research Group, Inc.

24. Dispute Resolution ("Dispute"). If a dispute arises out of or in relation to this Agreement or the services, the parties agree to first attempt to settle the dispute in an amicable manner through direct discussions. If the parties are unable to resolve the Dispute within thirty (30) business days, either party may submit the matter to final and binding arbitration.

25. GOVERNING LAW. This Agreement shall be governed by, and construed under, the laws of the Province of Ontario.

26. AMENDMENT. Any amendment to this Agreement must be in writing and signed by both parties hereto.

This Agreement may be executed in counterparts, including counterparts by facsimile, and each such counterpart will constitute an original document and such counterparts, taken together, will constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

Ellexicon Energy Inc.



Name: Indrani Butany
Title: President & CEO
Date: 8/01/2024

Innovative Research Group, Inc.



Name: Greg Lyle
Title: President, Innovative Research Group Inc.
Date: 8/01/2024

Schedule A

Scope of Service

Terms of the Project	
CLIENT:	Elexicon Energy Inc. (ELEXICON)
DESCRIPTION OF PROJECT:	Customer Engagement program to support the Elexicon's 2027 Cost of Service Rate Application.
OWNERSHIP:	Proprietary (All data, reports, and questionnaires will be property of ELEXICON)
TYPE OF PROJECT:	Consulting Services (<i>qualitative and quantitative research, as well as advisory support</i>)
DELIVERABLES:	<p>PHASE I: Valued Outcomes and Priorities</p> <ul style="list-style-type: none"> Identify customer needs and preferences to help inform the design of Elexicon's draft DSP. <p>PHASE II: Trade-offs and Refinement</p> <ul style="list-style-type: none"> Collect customer feedback on the draft DSP and refine rate application to reflect customer identified outcomes. <p>See "Detailed Program Deliverable" below for additional detail.</p>
TIMING:	January 2024 to end of September 2025
ESTIMATED COST*	████████ plus HST
BILLING SCHEDULE:	<p>Phase I (estimate: ██████████)</p> <p>Invoice 1: Commencement of Phase I ██████████</p> <p>Invoice 2: Qualitative Reports Delivered ██████████</p> <p>Invoice 3: Quantitative Reports Delivered ██████████</p> <p>Invoice 4: Placemat Finalized and Delivered ██████████</p> <p>Phase II (estimate: ██████████)</p> <p>Invoice 5: Commencement of Phase II ██████████</p> <p>Invoice 6: Workbook Development and Testing Complete ██████████</p> <p>Invoice 7: Workbook Reports Delivered ██████████</p> <p>Invoice 8: Final Reports and Executive Summary Delivered and Reviewed ██████████</p>
CONFIDENTIALITY	Each party agrees that during the term of this agreement and following the date of any termination hereof, it will cause all of its employees involved with the work hereunder, to keep confidential and not disclose to any other party any information regarding any of the other's plans, projects, or other confidential data. Each party agrees not to use any such information for any purpose unrelated to the services to be provided pursuant to this agreement.
Conditions of Agreement	
*Please note that the cost of this customer engagement program includes the deliverables as stated below. This price excludes applicable taxes and are subject to change based on written approval from ELEXICON.	

Net due on receipt

Interest will be charged at 1.5% per month on all overdue accounts. Please make payments payable to Innovative Research Group Inc.

Detailed Program Deliverables

The Ontario Energy Board's (OEB) "consumer-centric" approach to rate applications contained in the *RRFE* requires Local Distribution Companies (LDCs) to demonstrate that their services are provided in a manner that responds to identified customer needs and preferences.¹ LDCs are required to provide an overview of customer engagement activities that they have undertaken with respect to their plans and how customer needs and preferences have been reflected in the LDCs' application. The Handbook for Utility Rate Applications notes the following: "*The OEB expects a utility's rate application to provide an overview of customer needs, preferences and expectations learned through the utility's customer engagement activities.*"² These requirements have the effect of bringing customers feedback data to bear on utility planning.

The OEB does not specify how customer engagement should be conducted or how customer feedback should be received. However, it has encouraged utilities to use "*both existing and new processes.*"³ Our proposed Elexicon customer engagement program will be designed with this in mind, where customer feedback is collected using multiple methodologies, including: an online customer feedback portal, focus groups, one-on-one interviews, telephone surveys and online surveys. The following proposal outlines INNOVATIVE's approach to customer engagement designed to support utility rate filings.

Below is an overview of INNOVATIVE's proposed two-phased customer engagement approach. This is an iterative approach that will feed into Elexicon's **DSP, Business Plan** and ultimately its **2026 Cost of Service rate application**.

PHASE I: Valued Outcomes and Priorities

Phase I can be considered the "strategy" phase. In this phase, we want to provide planners and application architects with a summary of customer needs, preferences, and high level trade-offs between utility investment and cost. Here, the consultation will focus on understanding the range of views that exist within the customer base, how different types of customers perceive certain issues, and ultimately deliver a summary or "placemat" that can be used to set priorities and principles within the draft DSP and Business Plan.

INNOVATIVE, in conjunction with Elexicon will achieve these objectives through both qualitative focus groups, as well as quantitative telephone and online surveys.

PHASE II: Trade-offs and Refinement

Wherein Phase I of the customer engagement focuses on the high level "strategy" of the application and helps align it with customer priorities and expectations, Phase II moves to the "tactics" of the application. *What specific decisions does Elexicon actually have to make in order to finalize its DSP, Business Plan and Rate Application?*

Here, INNOVATIVE and Elexicon will work closely together to understand the utility's plans, where there is optionality within the plan, and what implications these decisions will have for customers, including to service levels and overall cost. For instance, the pace of overhead pole replacement is often an area that could be sped up or slowed down, which could impact the level of service customers receive. This is the type of investment alternative that could be presented to customers for feedback.

¹ OEB Renewed Regulatory Framework for Electricity Sections 2.4.2, 5.0, and 5.0.4.

² Handbook for Utility Rate Applications, p. 12 (October 13, 2016)

³ Handbook for Utility Rate Applications, p. 12 (October 13, 2016)

Phase II for the customer engagement is further broken down into several stages, including developing a “workbook” narrative, which will form the connective tissue between the entire consultation, focus groups and surveys will all types of customers. The details of this phase are further detailed below.

Phase 1: Identify Customer Needs and Preferences

Step 1: Planning

Before engaging directly with Elexicon customers, INNOVATIVE will look internally, within the utility, by reviewing existing research related to customer needs, preferences and outcomes. A review of relevant research would help to better understand the potential issues Elexicon customer care about and what they want from their utility.

Step 2: Exploratory Customer Focus Groups & In-depth Interviews

Building off the results from Elexicon’ extensive previous customer engagement work, exploratory focus groups would be conducted amongst low-volume (**residential** and **small business**) while in-depth interviews would be conducted with **GS>50kW** and **Key Accounts** – to better understand customer needs and priorities.

This phase of the engagement will focus on understanding the gap between the services and experience customers want and the services and experience customers are receiving.

Step 3: Parallel Baseline Surveys

The next phase of the customer engagement would feature two concurrent surveys; one using a telephone and the other an online methodology.

To reduce costs and expand the ways in which we can present information, INNOVATIVE recommends shifting from a pure telephone approach, to a mixed telephone and online methodology.

To gather feedback and insights from low-volume customers, we would run two parallel online and telephone baseline surveys.

- The two parallel online and telephone baseline surveys would serve as a weighting study and include a set of core questions (including key outcomes, as well as demographics). These surveys would provide the baseline results to be used for weighting in subsequent online surveys.
- The online survey would include the full set of questions (including the core questions asked in the baseline surveys). It would allow to gather richer feedback, as we can include visuals in the presentation of information.
- To make sure that the results from the online survey are representative of the broader customer base, we would use the baseline surveys to weight the online results.

Both surveys would include a core set of questions, including key outcomes identified in the exploratory research and demographics to better understand the composition of Elexicon low-volume customers.

Running parallel telephone and online surveys serve two primary purposes:

1. **To gather feedback and insights on priorities, preferences and needs from low-volume customers.** Feedback from these surveys will help Elexicon’ planners and engineers inform the design of the utility’s DSP and Business Plan, which will be shared in draft with customers in Phase II of this engagement.
2. **To establish baselines and develop weights that allow Elexicon to move to an online methodology for its low-volume customer engagement program.** Establishing a baseline and

understanding the difference between customers with known email addresses (email sample) and the broader customer base is a critical step for utilities that wish to migrate to representative online survey methodologies in the second phase of their customer engagement. Where significant differences exist between the email sample and the broader customer base (e.g. demographics, firmographics, attitudes, and opinions), the insights gained from these parallel surveys can be used to develop weights, which can minimize these differences.

In addition to the “**low-volume**” customer surveys, we will conduct online “Needs & Preference” surveys with **GS>50kW** and **Key Account** customers.

Step 4: Customer Analysis and Modeling

Determine whether Elexicon customers who respond to the online survey are different than those who respond via telephone, including in both demographics and key utility outcomes.

Develop a series of weights to be used both in Phase II of the consultation, and when conducting future online studies.

Step 5: Summary Planning “Placemat”

Using results from Parallel Baseline Surveys, INNOVATIVE would develop a planning “placemat” to be used in development and refinement of Business and Distribution System Planning to ensure alignment with customer needs and preferences. This placemat would arm Elexicon staff with an overview of key customer needs and preferences, which will ultimately need to be linked back to the utility’s plans.

Phase 2: Trade-offs and Refinement

Step 6: Workbook Narrative Development

Working with Elexicon staff, we will develop a cohesive workbook narrative to be used throughout the remaining steps of the engagement.

A key challenge in getting customer feedback on Elexicon’ DSP (and spending decisions) is the lack of customer knowledge about Ontario’s electricity system and Elexicon’ role in the system. The business plan and DSP are very detailed and extensive documents that often use technical language. Our challenge is to cover key issues and to frame meaningful questions to determine customer priorities, needs, and preferences. Engineering, finance and regulatory language is not new to INNOVATIVE, and we have a step up when it comes to understanding and translating a DSP into easy-to-understand customer choices.

INNOVATIVE and Elexicon staff would begin the workbook development process by reviewing the draft distribution system plans, capital budgets and other relevant information.

Based on previous customer consultation work with Ontario-based electricity distributors, the consultation workbooks will likely include six distinct sections:

- a) **What’s this About?** the purpose of the customer consultation, where the discussion fits in the bigger picture.
- b) **Electricity 101:** how the overall system works and the players involved in operating and regulating the system.
- c) **Elexicon’s Distribution System Today:** a discussion of the structure and key elements of Elexicon’s distribution system past, including current and past reliability.
- d) **Challenges and Trade-offs:** a discussion of the various challenges facing the system (e.g. electrification, climate action, aging infrastructure, moderatization, rate harmonization across legacy utilities, etc.) and an overview of the initiatives being considered to manage these challenges.

- e) **Final Thoughts:** an opportunity for customers to provide feedback on general aspects of the consultation process, including what they found useful and where improvements could be made.

Although the knowledge “starting point” for all customers is likely to vary, the same core workbook would be used to form the basis of both qualitative and quantitative phases of engagement.

The key change in the material between rate classes would be the bill references to reflect the details of that specific customer group. As customers go through the workbook – either independently (online) or through a facilitated session – they would be prompted with questions related to needs, preferences, and expectation on the direction of Elexicon’s proposed plans.

Step 7: Workbook Narrative “Testing”

Conduct focus groups with low-volume customers to determine whether the workbook narrative is clear and provides the information needed.

Conducted with randomly selected low-volume customers to determine what customers are looking for in the engagement process and what they need to know in order to provide meaningful feedback on Elexicon’s plans.

- *What’s the best way to present information to you as a customer?*
- *Is the information clear? Is there a better way of explaining the information?*
- *Does Elexicon have the right set of options for you to consider?*
- *Does the criterion to assess the options make sense?*
- *Is anything missing?*

The focus groups would be randomly recruited to ensure they are not attended by special interest advocacy groups and represent the “average customer”. The workbook would be used as the “roadmap” for these groups. Participants would be provided an incentive for their time commitment and to ensure that we have a representative mix of customers.

Based on feedback from the testing focus group, the workbook would be refined where necessary to address areas that were unclear or needed additional information. Again, we want to do whatever we can to avoid surprises.

In addition to the “**low-volume**” customer focus groups, we recommend 6-8 in-depth interviews with **GS>50kW** and **Key Account** customers.

Validating the Process

As an option, Elexicon may consider a preliminary workshop or “technical conference” with intervenors and other key stakeholders such as the OEB and representatives from municipalities that the utility serves. The purpose of this workshop would be to present Elexicon’s proposed customer consultation process, share the draft workbook, solicit stakeholder feedback and answer questions.

INNOVATIVE could help with the workshop design, group discussion and documenting feedback. Stakeholder input from this workshop would be collected and potential changes to the consultation process and workbook narrative would be considered (where appropriate).

This step can be useful in demonstrating transparency and building process credibility with key stakeholders.

Step 8: Low-Volume Online Workbook

Invite all low-volume customers to participate in a detailed online workbook which in addition to the core questions from Phase I, sets out to understand specific customer needs and preferences as they relate to

Elexicon's proposed investment and spending plan. Results to be weighted based on results from Phase I to ensure a representative sample of low-volume customers.

Essentially, this phase would turn the hardcopy workbook and turn it into an interactive portal that can both educate customers on Elexicon's distribution system plan, as well as identify participants' needs and preferences through a series of questions embedded throughout. The online workbook would likely be promoted through traditional print advertising, bill inserts, social media and Elexicon's website. The online workbook would be available to any Elexicon customer who wants to participate.

For an LDC the size of Elexicon, we would aim to complete n=8,000+ residential and n=750 GS<50kW customer surveys. That said, we will not place any limits on the number of completed surveys (nor will this impact project cost).

Step 9: GS>50kW and Key Account Online Workbooks

Invite all remaining business customers and key accounts to provide detailed feedback on Elexicon's proposed plan – including investment trade-offs and other core elements of the utility's business plan.

Getting a group of key accounts in one room on a particular date and time for a workshop would likely present challenges. Furthermore, each of these customers likely has unique and different needs when it comes to their electricity service requirements from Elexicon – so a group workshop is likely not the best forum for soliciting feedback from important rate-class.

Scheduling and conducting one-on-one meetings with larger customers can be time-consuming. As such, we would suggest conducting an online survey with these customers. The survey would be designed to collect feedback on needs, preference, and expectations as well as trade-offs related to the DSP and specific projects (material investment decisions) brought forward for the purposes of the rate application.

Links to the online survey will be customized for each customer representative and only be accessible to the intended respondent. To promote participation in the online survey, INNOVATIVE will administer a series of reminder emails and Elexicon key account staff would be encouraged to follow-up by telephone with key accounts to emphasize the importance of participation.

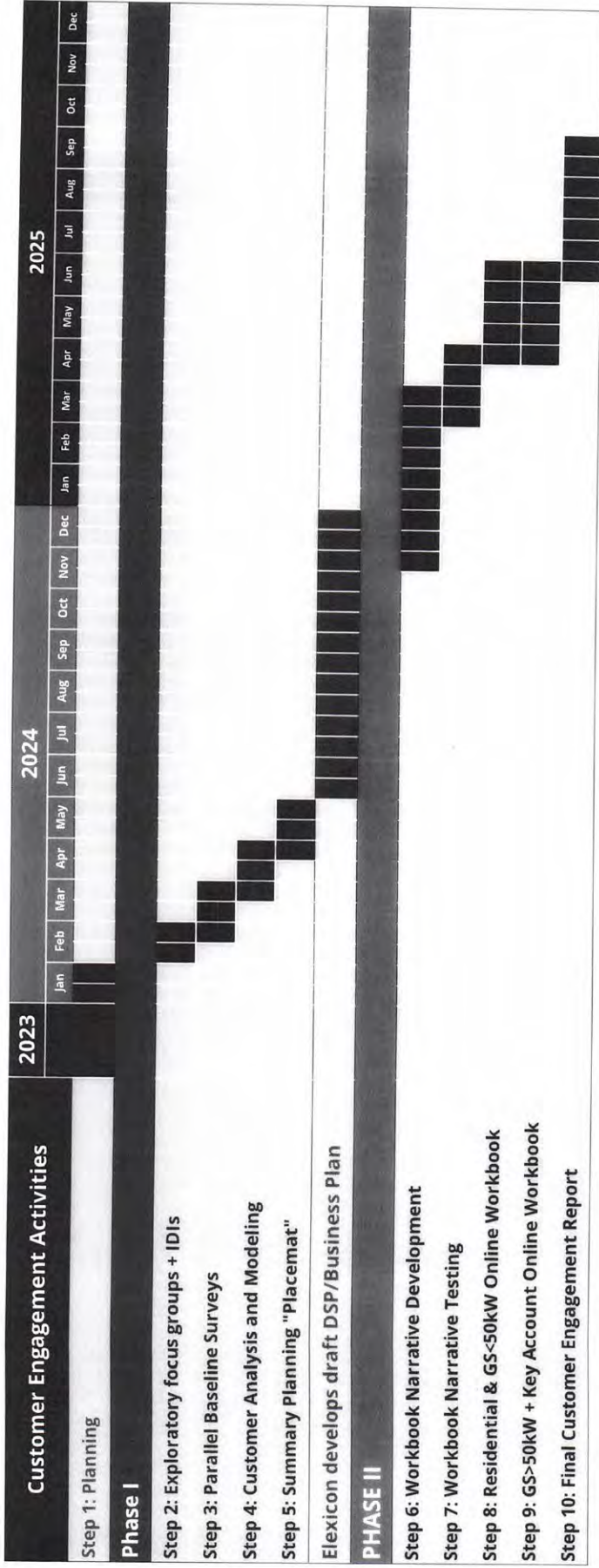
Step 10: Final Customer Engagement Report

INNOVATIVE to draft an independent, evidence-based customer engagement report which summarizes the various phases of the consultation process and provides insights to assist in business and distribution system planning.

By following a rigorous, well-documented process, INNOVATIVE focuses on providing each LDC with actionable, defensible information that can easily be incorporated and referenced in any Application. This can often be a tedious, time-consuming process for an LDC, and INNOVATIVE tries to make this process run as smoothly as possible, while still being agile in response to customer feedback and preferences. INNOVATIVE is confident that this process works, and the final report is intended to take some of burden off Elexicon when preparing the final rate application.

Work Plan (Estimate)

The overall project timetable is estimated to be approximately 22 months from the time the project commences in December 2023 to completion by September 2025. A finalized timeline will be worked out during the project initiation meeting with Elexicon staff.



Estimated Costs

Customer Engagement Activities

The following is an estimate that separates **variable** and **fixed** consultation activities. Pricing estimates also use a blended hourly consultant rate of [REDACTED]

Cost Category	Estimate	Notes
PHASE I: Customer Needs and Preferences		
Project Management (Phase I)		Bi-monthly meetings to include 80 hours x blended rate of \$325/hour. Billed back based on actual hours, should customer engagement fees exceed 30hrs/month. BHI will be informed and permission to bill in excess sought from the client project manager.
Customer Exploratory Focus Groups		4 nights of online exploratory groups; Total of 8 focus groups (2 focus groups w/ residential and GS-50kW customers)
GS>50kW + Key Account In-Depth Interviews		20 in-depth interviews w/ GS-50KW (10) + Key Accounts (10) via Zoom with Key Accounts, includes scheduling, interviews conducted by senior staff, and reporting. Includes \$100 incentive (donation to charity of participant's choosing)
Low-Volume Telephone Reference Surveys		20 question survey; total telephone sample of 1,400 (n=1,000 residential + n=400 GS-50KW)
Low-Volume "Needs & Preferences" Online Surveys		Online Needs & Preference surveys with residential and small business customers; approximately 45 questions
GS>50 kW + Key Accounts "Needs & Preferences" Online Survey		Online Needs & Preference surveys with GS>50KW customers; approximately 45 questions
Customer "Intelligence" Placemat		Design and summary of "Placemat"
Total Phase I estimated costs		
PHASE II: Trade-offs & Refinement		
Project Management (Phase II)		Bi-monthly meetings to include 80 hours x blended rate of \$325/hour. Billed back based on actual hours, should customer engagement fees exceed 30hrs/month. BHI will be informed and permission to bill in excess sought from the client project manager.
Customer Engagement Narrative ("Workbook") Development		Develop workbooks for each rate class (variable cost based on 200 development hours and meetings with planners/engineers/finance)
Customer Engagement Narrative "Testing" Focus Groups or IDJs		2 nights of online testing groups; Total of 4 focus groups (2 focus groups w/ residential and GS-50KW customers); 6 in-depth interviews with GS-50KW and Key Accounts; include incentives.
Residential & GS-50kW Online Workbooks		Design, testing, data analysis, coding and reporting (sample size estimated to be n=8,000+). Online workbook to contain representative survey stream and voluntary survey stream.
GS>50kW + Key Account Online Workbooks		Online workbook design, programming, testing, analysis and reporting (sent out to all GS>50KW and Key Account customers)
Report, Appendices, and Executive Summary		Assemble reports and incorporate feedback
Total Phase II estimated costs		
ESTIMATED TOTAL COST		
OEB Stakeholder Session		Facilitated workshop at OEB with intervenors and board staff to solicit feedback on customer engagement design

Corporate Rate Card

While INNOVATIVE generally charges clients a fixed rate for customer engagement services, below are the hourly rates for key personnel proposed to support activities such as interrogatory responses, settlement conference support, and oral hearing support. For greater clarity, INNOVATIVE will assist ELEXICON as required in supporting activities such as interrogatory responses, settlement conference support, and oral hearing support.

Key Resource	Hourly Rate
Jason Lockhart, Vice President	
Julian Garas, Vice President	
Vanessa Agrawal, Director	
Vanna McDonald, Director	
Senior Consultant Support Staff	
Consultant Support Staff	

Budgetary Notes

- HST not included
- Required travel and accommodation billed back to client at cost
- In-person focus group facility rentals and printing costs not included (although we recommend conducting focus groups virtually to keep costs down)

FORM A

EB-2025-0312

Elexicon Energy Inc.-- 2027 electricity

Proceeding: distribution rates, cost of service

ACKNOWLEDGMENT OF EXPERT'S DUTY

1. My name is Jason Lockhart Toronto (name). I live at (city), in the ...province.. (province/state) ofOntario..... .
2. I have been engaged by or on behalf of Elexicon Energy Inc. (name of party/parties) to provide evidence in relation to the above-noted proceeding before the Ontario Energy Board.
3. I acknowledge that it is my duty to provide evidence in relation to this proceeding as follows:
 - (a) to provide opinion evidence that is fair, objective and non-partisan;
 - (b) to provide opinion evidence that is related only to matters that are within my area of expertise; and
 - (c) to provide such additional assistance as the Board may reasonably require, to determine a matter in issue.
4. I acknowledge that the duty referred to above prevails over any obligation which I may owe to any party by whom or on whose behalf I am engaged.

Date 2026-04-29

Jason Lockhart
Signature



79 Wellington St. W., 30th Floor
Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada
P. 416.865.0040 | F. 416.865.7380
www.torys.com

Jonathan Myers
jmyers@torys.com
P. 416.865.7532

BY EMAIL

CONFIDENTIAL — PRIVILEGED

June 13, 2024

Attention: Mr. Steven Fenrick
Clearspring Energy Advisors, LLC
1050 Regent St., Suite L-3
Madison, WI 53715

Re: Retainer Letter Agreement – Elexicon Energy Inc. – Econometric Benchmarking Study

Dear Mr. Fenrick:

Torys LLP (“Torys” or “we”) represents Elexicon Energy Inc. (“Elexicon”) in connection with its planned distribution rate application to the Ontario Energy Board (the “Board”) for the 2027-2031 period (the “Application”).

We confirm that, on behalf of and to assist us in providing legal advice to Elexicon in connection with the Application, Torys has agreed to retain Clearspring Energy Advisors, LLC (the “Consultant” or “you”), effective as of the date first written above (the “Effective Date”), to provide consulting services as herein described. By signing back a copy of this letter, the Consultant agrees that this letter contains the agreed-upon terms and conditions of its retainer with Torys effective on the Effective Date, subject to amendment by written agreement between the parties (the “Retainer Agreement”).

1. No Conflict

The Consultant does not have any conflict of interest or other constraints on its ability to provide expert advice in connection with this Retainer Agreement. You confirm that you are free to provide your services to Torys in connection with Torys’ representation of Elexicon in the Application. You agree that during this engagement you will not provide, directly or indirectly, any services to any other party in connection with any matters at issue in the Application.

2. Consultant Expertise

The Consultant has been selected to provide consulting services to Torys in connection with the Application as further described in Section 3 below. The sponsor of the work of the Consultant and the persons who have the relevant expertise will be Mr. Steven Fenrick (the “Sponsor”).

3. **Scope of Services and Work Product**

The Consultant will:

- (a) perform an econometric total cost benchmarking study of Elexicon 's total costs, initially using data up to 2023 and subsequently updated to 2024, based on traditional variables consistent with comparable studies included in recent Custom Incentive Rate applications to the Board, with benchmarks derived from econometric modelling (the "Study");
- (b) discuss the findings and preliminary results of the Study with Torys and Elexicon on a date and either virtually or at a location to be agreed upon (the "Discussion of Findings"), which shall be no later than December 12, 2024, unless otherwise agreed to by the parties;
- (c) if requested by Torys, produce a draft and/or final written report(s) detailing the Study's methodology, analysis performed and the Consultant's findings and recommendations (the "Report(s)"), which (i) shall be delivered to Torys no later than: June 1, 2025 for the draft Report and August 1, 2025 for the final Report (updated for 2024 data), unless otherwise agreed to by the parties and (ii) may be filed by Torys with the Board in connection with the Application; and
- (d) If requested by Torys, provide support during the hearing of Application ("Application Support Services" and, together with the Study, the Discussion of Findings and the Report(s), the "Services"), which may include:
 - (i) assistance in responding to interrogatories applicable to the Report;
 - (ii) appearance at a technical conference to respond to oral questions on the Report;
 - (iii) testifying about the Report as an expert witness either orally or in writing;
 - (iv) responding to undertakings (i.e., written questions during a hearing) on the Report; and
 - (v) assistance in connection with the preparation of argument and reply argument (oral or written) on the issues addressed in the Report.

4. **Fees and Invoices**

By entering into this Retainer Agreement, the Consultant acknowledges that:

- (a) the price for the Consultant to perform the Study and participate in the Discussion of Findings shall be determined based on the hourly rates set forth in paragraph (c) below and in no event exceed [REDACTED] (net of HST) without prior written approval from Torys;

- (b) the price for the Consultant to prepare and deliver the Report(s) (if requested by Torys) shall be determined based on the hourly rates set forth in paragraph (c) below and in no event exceed [REDACTED] for the draft Report and [REDACTED] for the final Report (net of HST) without prior written approval from Torys;
- (c) the price for the Consultant to provide Application Support Services (if requested by Torys) will be charged at the following hourly rates:
- Steve Fenrick, *Project Manager* [REDACTED]
 - Matt Sekeres, *Economist* [REDACTED]
 - Data Analyst [REDACTED]

For greater certainty, the prices in (a) and (b) are based on the assumption that no new variables will be explored. If Torys requests that any new variables are to be explored, the Consultant will provide an estimate of the incremental costs, which shall require approval by Torys before the Consultant proceeds with any such incremental work.

All amounts stated herein are in U.S. dollars. The Consultant will convert each invoice to Canadian dollars based on the applicable monthly average exchange rate published by the Bank of Canada,¹ and all invoices will be paid in Canadian dollars, based on the converted amount. For greater certainty, each invoice will show the amounts owing in U.S. dollars and in the equivalent amount converted to Canadian dollars.

The Consultant shall direct all invoices relating to Services performed by it under this Retainer Agreement to Elexicon, to the attention of:

Ms. Erin Stevens
Manager, Regulatory Applications and Accounting
Elexicon Energy Inc.
55 Taunton Road East
Ajax, Ontario L1T 3V3
estevens@elexiconenergy.com and
accounts.payable@elexiconenergy.com

with a copy to Torys, to the attention of:

Mr. Jonathan Myers
Torys LLP
79 Wellington St. W., 30th Floor
Box 270, TD South Tower
Toronto, Ontario M5K 1N2
jmyers@torys.com

¹ Bank of Canada, Monthly Average Exchange Rate <<https://www.bankofcanada.ca/rates/exchange/monthly-exchange-rates/>>.

Any disbursements for additional incidentals incurred by the Consultant in relation to this Retainer Agreement must be pre-approved by Torys or Elexicon in writing. Elexicon reserves the right to deduct any applicable non-resident withholding taxes from any amounts owing to the Consultant under this Retainer Agreement and remit such amounts to the applicable taxation authority.

5. Confidentiality

All work performed by the Consultant in connection with this Retainer Agreement, including all findings, opinions and conclusions the Consultant reaches in relation to this Retainer Agreement, and any communications relating thereto, are strictly privileged and confidential and shall not be disclosed to any other person or party without the prior written consent of Torys or Elexicon. The Consultant agrees to designate all written communications and material accordingly. The Consultant further agrees to promptly notify Torys in the event that the Consultant receives a request to disclose information relating to this matter, and agrees to cooperate with Torys, to the fullest extent permitted by law, to prevent or limit the disclosure of such material or otherwise preserve the privileged and confidential status of such material.

The Consultant agrees to hold in confidence: (a) all information provided to the Consultant, and (b) the Consultant's opinions to Torys and to Elexicon as they relate to the information, whether the information or opinions are documentary or oral (collectively, the "Confidential Information"). The Consultant will not disclose the Confidential Information to any person unless Torys or Elexicon authorizes you in writing to do so. All documents given to the Consultant in connection with this Retainer Agreement remain the property of Torys or of Elexicon and are held in trust by the Consultant as agent. The Consultant agrees to return these documents on request.

The Consultant will not refer to Torys or to Elexicon, directly or indirectly, in connection with the promotion of its services, without obtaining the prior written consent of Torys or Elexicon, as the case may be.

6. Intellectual Property

Nothing in this Retainer Agreement shall be deemed to transfer, license, assign, permit the use of, or otherwise convey an interest in whole or in part to the Consultant of any intellectual property belonging to Elexicon or any of its representatives or any third party whose intellectual property is in Elexicon's custody or control, and the use by the Consultant of any such intellectual property shall be subject to the prior written approval of Elexicon.

Torys and Elexicon shall at all times have full rights and title to all works prepared, generated or created by the Consultant pursuant to this Retainer Agreement, including without limitation any reports or other documents created by the Consultant, and any related works, modifications or additions thereto (the "Work Product"), and may at all times take possession of or use any completed or partially completed Work Product, notwithstanding any provision, express or implied, to the contrary. Without limiting the generality of the foregoing, Elexicon shall own all intellectual property rights in all Work Product, and the Consultant hereby waives and assigns to Elexicon any such rights, and agrees to give Elexicon and its representatives all assistance as may be reasonably required to perfect such rights including, without limitation, obtaining waiver of moral rights from any of the Consultant's employees, partners or other representatives.

Notwithstanding the foregoing, the Consultant shall retain sole and exclusive ownership of any pre-existing Consultant tools, methodologies, proprietary research and data, together with all intellectual property rights therein (the "Consultant Property"). Consultant grants to Torys and Elexicon a fully paid up, irrevocable, perpetual, non-exclusive, royalty-free license to use the Consultant Property contained within the Work Product for the purposes intended in this Retainer Agreement.

The Consultant expressly warrants that the delivery, sale or use of the Consultant's Services will not infringe any Canadian or foreign patents, trademarks, copyrights, industrial design or other intellectual property rights and the Consultant shall indemnify and save Elexicon harmless from all claims, judgments and decrees that may be entered against Elexicon or its representatives and against all damage, liability, costs and expenses (including legal fees and other attendant costs and expenses) Elexicon incurs by reason of any infringement or claim thereof.

7. Termination

Torys may terminate this Retainer Agreement at any time on written notice to the Consultant. Torys will pay, or will cause Elexicon to pay, for work performed up to the date of the notice of termination. Upon the termination or expiration of this Retainer Agreement, the Consultant shall return to Torys and delete any and all electronic copies the Consultant may have of all documents and materials in its possession relating to the Services or this Retainer Agreement, including all Confidential Information (defined above) and Work Product, whether completed or not. The Consultant shall, upon request, provide Torys with a certificate of an officer of the Consultant certifying such deletion of electronic copies.

8. Limitation of Liability

Except for breach of confidentiality obligations under section 5, gross negligence, willful misconduct, fraud, breach of privacy laws, and the Consultant's obligation to indemnify under section 6 (Intellectual Property), the Consultant's total liability for any claim arising out of the performance of the Services, regardless of the form of claim, will in no event exceed total fees paid to Consultant hereunder and under no circumstances will either party be liable for any damages in respect of any incidental, punitive, special, indirect or consequential loss, even if that party had been advised of the possibility of such damages including, but not limited to, loss of profits, loss of revenues, failure to realize expected savings, loss of data, loss of business opportunity, or similar losses of any kind.

9. Independence

By entering into this Retainer Agreement, the Consultant acknowledges and agrees that the Sponsor has received a copy of Rule 13A of the Board's *Rules of Practice and Procedure* concerning expert evidence, and agree to accept the responsibilities that are or may be imposed on them by that rule with respect to testimony before the Board. A copy of the rule and the relevant form are attached as Schedules 'A' and 'B' hereto.

10. Responsibility Statement

The Consultant agrees that the Services provided for herein will be performed in a timely, competent, professional manner in accordance with recognized professional consulting standards for similar services to be performed by a leading consulting advisory firm, and that adequate qualified personnel will be assigned for that purpose. If, during the performance of the Services or prior to the Board's issuance of final, non-appealable order(s) disposing of all relevant relief sought in the Application, such Services prove to be faulty or defective by reason of a failure to meet such standards, the Consultant agrees that upon prompt written notification from Torys, such faulty or defective portion of the Services will be redone at no cost to Torys or Elexicon, up to a maximum amount equivalent to the cost of the Services rendered under this Retainer Agreement, or, at Torys' request, the Consultant will refund an amount equal to the amount paid for the faulty or defective portion of the Services.

11. Entire Agreement


This Retainer Agreement, together with all Schedules attached hereto and any agreements and other documents to be delivered pursuant to this Retainer Agreement, constitute the complete agreement between Torys and the Consultant or their respective agents with respect to the subject matter hereof and supersedes any and all prior agreements and understandings. This Retainer Agreement may be amended only in a written agreement that refers to this Retainer Agreement and is signed by both parties.

12. Governing Law

This Retainer Agreement shall be construed and otherwise governed pursuant to the laws of the Province of Ontario and the federal laws of Canada applicable therein.

Sincerely,

TORYS LLP

Per: 
Name: Jonathan Myers

Accepted and agreed to by Clearspring Energy Advisors, LLC

Signed 

Name (please print) Steve Fenrick

(I have the authority to bind the Consultant)

SCHEDULE "A"

Rule 13A of the Board's Rules of Practice and Procedure

13A. Expert Evidence

13A.01 A party may engage, and two or more parties may jointly engage, one or more experts to give evidence in a proceeding on issues that are relevant to the expert's area of expertise.

13A.02 An expert shall assist the Board impartially by giving evidence that is fair and objective.

13A.03 An expert's evidence shall, at a minimum, include the following:

- (a) the expert's name, business name and address, and general area of expertise;
- (b) the expert's qualifications, including the expert's relevant educational and professional experience in respect of each issue in the proceeding to which the expert's evidence relates;
- (c) the instructions provided to the expert in relation to the proceeding and, where applicable, to each issue in the proceeding to which the expert's evidence relates;
- (d) the specific information upon which the expert's evidence is based, including a description of any factual assumptions made and research conducted, and a list of the documents relied on by the expert in preparing the evidence;
- (e) in the case of evidence that is provided in response to another expert's evidence, a summary of the points of agreement and disagreement with the other expert's evidence; and
- (f) an acknowledgement of the expert's duty to the Board in **Form A** to these Rules, signed by the expert.

13A.04 In a proceeding where two or more parties have engaged experts, the Board may require two or more of the experts to:

- (a) in advance of the hearing, confer with each other for the purposes of, among others, narrowing issues, identifying the points on which their views differ and are in agreement, and preparing a joint written statement to be admissible as evidence at the hearing; and
- (b) at the hearing, appear together as a concurrent expert panel for the purposes of, among others, answering questions from the Board and others as permitted by the Board, and providing comments on the views of another expert on the same panel.

13A.05 The activities referred to in **Rule 13A.04** shall be conducted in accordance with such directions as may be given by the Board, including as to:

- (a) scope and timing;

- (b) the involvement of any expert engaged by the Board;
- (c) the costs associated with the conduct of the activities;
- (d) the attendance or non-attendance of counsel for the parties, or of other persons, in respect of the activities referred to in paragraph (a) of **Rule 13A.04**; and
- (e) any issues in relation to confidentiality.

13A.06 A party that engages an expert shall ensure that the expert is made aware of, and has agreed to accept, the responsibilities that are or may be imposed on the expert as set out in this **Rule 13A** and **Form A**².

² Attached as Schedule 'B' herein.

SCHEDULE "B"

FORM A

Proceeding:

ACKNOWLEDGMENT OF EXPERT'S DUTY

1. My name is (*name*). I live at (*city*), in the (*province/state*) of
2. I have been engaged by or on behalf of (*name of party/parties*) to provide evidence in relation to the above-noted proceeding before the Ontario Energy Board.
3. I acknowledge that it is my duty to provide evidence in relation to this proceeding as follows:
 - (a) to provide opinion evidence that is fair, objective and non-partisan;
 - (b) to provide opinion evidence that is related only to matters that are within my area of expertise; and
 - (c) to provide such additional assistance as the Board may reasonably require, to determine a matter in issue.
4. I acknowledge that the duty referred to above prevails over any obligation which I may owe to any party by whom or on whose behalf I am engaged.

Date.....

Signature


FORM A

Proceeding: EB-2025-0312

ACKNOWLEDGMENT OF EXPERT'S DUTY

1. My name is Steve Fenrick (name). I live at Louisville (city), in the State (province/state) of Kentucky.
2. I have been engaged by or on behalf of Elexion Energy (name of party/parties) to provide evidence in relation to the above-noted proceeding before the Ontario Energy Board.
3. I acknowledge that it is my duty to provide evidence in relation to this proceeding as follows:
 - (a) to provide opinion evidence that is fair, objective and non-partisan;
 - (b) to provide opinion evidence that is related only to matters that are within my area of expertise; and
 - (c) to provide such additional assistance as the Board may reasonably require, to determine a matter in issue.
4. I acknowledge that the duty referred to above prevails over any obligation which I may owe to any party by whom or on whose behalf I am engaged.

Date 4/29/2026


Signature



79 Wellington St. W., 30th Floor
Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada
P. 416.865.0040 | F. 416.865.7380
www.torys.com

BY EMAIL

CONFIDENTIAL – PRIVILEGED

As of June 20, 2025

Toyin Akin-Johnson
Mercer (Canada) Limited
120 Bremner Blvd., Suite 800
Toronto, ON M5J 0A8

Re: Retainer Letter Agreement – Elexicon Energy Inc. – Compensation Benchmarking

Dear Mr. Akin-Johnson:

Torys LLP (“Torys” or “we”) represents Elexicon Energy Inc. (“Elexicon”) in connection with its planned distribution rate application to the Ontario Energy Board (the “Board”) for the 2027-2031 period (the “Application”).

We confirm that, on behalf of and to assist us in providing legal advice to Elexicon in connection with the Application, Torys has agreed to retain Mercer (Canada) Limited (the “Consultant” or “you”), effective as of the date first written above (the “Effective Date”), to provide consulting services as herein described (the “Services”). By signing back a copy of this letter, the Consultant agrees that this letter contains the agreed-upon terms and conditions of its retainer with Torys effective on the Effective Date, subject to amendment by written agreement between the parties (the “Retainer Agreement”).

1. No Conflict

The Consultant does not have any conflict of interest or other constraints on its ability to provide expert advice in connection with this Retainer Agreement. You confirm that you are free to provide your services to Torys in connection with Torys’ representation of Elexicon in the Application. You agree that during this engagement you will not provide, directly or indirectly, any services to any other party in connection with the matters at issue in the Application.

2. Consultant Expertise

The Consultant has been selected to provide consulting services to Torys in connection with the Application as further described in Section 3 below. The sponsors of the work of the Consultant and the person who has the relevant expertise will be Mr. Akin-Johnson and others, including a project manager and analytical resource (the “Sponsors”).

3. Scope of Services and Work Product

The Consultant will:

- (a) perform an independent review and benchmarking assessment of Elexicon's non-executive compensation costs (the "Study");
- (b) discuss the findings and preliminary results of the Study at a time to be agreed upon;
- (c) if requested by Torys, produce a written report detailing the Study's methodology, analysis performed and the Consultant's findings (the "Report"), which may be filed with the Board in connection with the Application; and
- (d) If requested by Torys, provide support during the hearing of the Application ("Application Support Services"), which may include:
 - (i) assistance in responding to interrogatories applicable to the Report;
 - (ii) appearance at a technical conference to respond to oral questions on the Report;
 - (iii) testifying about the Report as an expert witness; and
 - (iv) responding to undertakings (i.e., written questions during a hearing) on the Report.

4. Fees and Invoices

The fees for the Consultant's Services shall be:

- (a) the fee for the Consultant to perform the Study and discuss the findings will be based on the hourly rates in (c) below, and will be a maximum of [REDACTED] in total (which total will in no circumstances be exceeded without prior written consent from Torys and Elexicon), not including HST and any direct out of pocket expenses;
- (b) the fee for the Consultant to prepare the Report (if requested to do so) will be based on the hourly rates in (c) below, and will be a maximum of [REDACTED] in total (which total will in no circumstances be exceeded without prior written consent from Torys and Elexicon), not including HST and any direct out of pocket expenses;
- (c) the Consultant will provide any Application Support Services (if requested by Torys) at the following customary hourly rates:
 - Toyin Akin-Johnson, Senior Principal [REDACTED] per hour
 - Project Manager [REDACTED] per hour
 - Analyst(s) [REDACTED] per hour

The above hourly rates are for 2025 and shall be inflation adjusted on January 1st each year as measured by the published changes in the Canadian Consumer Price Index over the previous year.

All amounts stated herein are in Canadian dollars.

The Consultant shall direct all invoices relating to Services performed by it under this Retainer Agreement to Elexicon, to the email addresses below and the attention of:

Erin Stevens
Director, Regulatory Affairs
Elexicon Energy Inc.
55 Taunton Road E.
Ajax, ON L1T 3V3
estevens@elexiconenergy.com

accounts.payable@elexiconenergy.com

with a copy to Torys, to the attention of:

Arlen Sternberg
Torys LLP
79 Wellington St. W., 30th Floor
Box 270, TD South Tower
Toronto, ON M5K 1N2
asternberg@torys.com

Invoices are due and payable within thirty (30) days of the date of the invoice. Any disbursements for additional incidentals incurred by the Consultant in relation to this Retainer Agreement must be pre-approved by Elexicon in writing. Elexicon reserves the right to deduct any applicable non-resident withholding taxes from any amounts owing to the Consultant under this Retainer Agreement and remit such amounts to the applicable taxation authority.

Elexicon, Torys and the Consultant shall enter into a third-party payor addendum ("Payor Addendum") to this Retainer Agreement, as set forth in Schedule 'C', whereby Elexicon assumes payment responsibility for the Services. In the event Elexicon does not execute the Payor Addendum, Torys shall be the liable party for the fees and expenses of the Consultant set forth in this Retainer Agreement.

5. Confidentiality

All work performed by the Consultant in connection with this Retainer Agreement, including all findings, opinions and conclusions the Consultant reaches in relation to this Retainer Agreement, and any communications relating thereto, are strictly privileged and confidential and shall not be disclosed to any other person or party without the prior written consent of Torys or Elexicon. The Consultant agrees to designate all written communications and material accordingly. The Consultant further agrees to promptly notify Torys in the event that the Consultant receives a request to disclose information relating to this matter, and agrees to cooperate with Torys, to the fullest extent permitted by law, to prevent or limit the disclosure of such material or otherwise preserve the privileged and confidential status of such material.

The Consultant agrees to hold in confidence: (a) all information provided to the Consultant, and (b) the Consultant's opinions to Torys and to Elexicon as they relate to the information, whether the information or opinions are documentary or oral (collectively, the "Confidential Information"). The Consultant will not disclose the Confidential Information to any person unless Torys or Elexicon authorizes you in writing to do so. All documents given to the Consultant in connection with this Retainer Agreement remain the property of Torys or of Elexicon and are held in trust by the Consultant as agent. The Consultant agrees to return these documents on request.

The Consultant will not refer to Torys or to Elexicon, directly or indirectly, in connection with the promotion of its services, without obtaining the prior written consent of Torys or Elexicon, as the case may be.

6. Intellectual Property

Nothing in this Retainer Agreement shall be deemed to transfer, license, assign, permit the use of, or otherwise convey an interest in whole or in part to the Consultant of any intellectual property belonging to Elexicon or any of its representatives or any third party whose intellectual property is in Elexicon's custody or control, and the use by the Consultant of any such intellectual property shall be subject to the prior written approval of Elexicon.

Torys and Elexicon shall at all times have full rights and title to all works prepared, generated or created by the Consultant specifically and exclusively for Torys and Elexicon pursuant to this Retainer Agreement, including without limitation any reports or other documents created by the Consultant, and any related works, modifications or additions thereto (the "Work Product"), and may at all times take possession of or use any completed or partially completed Work Product, notwithstanding any provision, express or implied, to the contrary. Without limiting the generality of the foregoing, Elexicon shall own all intellectual property rights in all Work Product, and the Consultant hereby waives and assigns to Elexicon any such rights, and agrees to give Elexicon and its representatives all assistance as may be reasonably required to perfect such rights including, without limitation, obtaining waiver of moral rights from any of the Consultant's employees, partners or other representatives. Notwithstanding the foregoing, the Consultant shall retain sole and exclusive ownership of all copyright and intellectual property rights in the tools, methodologies, know-how, techniques, skills, knowledge and proprietary research and data owned or possessed by Consultant before the commencement of the Services or developed or acquired by Consultant during but unrelated to the performance of the Services (the "Consultant Property"). Consultant grants to Torys and Elexicon a fully paid up, irrevocable, perpetual, non-exclusive, non-transferable, royalty-free license to use the Consultant Property contained within the Work Product for the purposes intended in this Retainer Agreement. Consultant shall have no liability for any modifications to the Work Product made by any other person.

The Consultant expressly warrants that the delivery, sale or use of the Consultant's Services will not infringe any Canadian or foreign patents, trademarks, copyrights, industrial design or other intellectual property rights and the Consultant shall indemnify and save Elexicon harmless from all claims, judgments and decrees that may be entered against Elexicon or its representatives and against all damage, liability, costs and expenses (including legal fees and other attendant costs and expenses) Elexicon incurs by reason of any infringement or claim thereof. Consultant shall have no liability with respect to any modifications to the Work Product made by any other person.

7. Termination

Torys may terminate this Retainer Agreement at any time on written notice to the Consultant. Torys will pay, or will cause Elexicon to pay, for work performed up to the date of the notice of termination. Upon the termination or expiration of this Retainer Agreement, the Consultant shall return to Torys and delete any and all electronic copies the Consultant may have of all documents and materials in its possession relating to the Services or this Retainer Agreement, including all Confidential Information (defined above) and Work Product, whether completed or not. The Consultant shall, upon request, provide Torys with a certificate of an officer of the Consultant certifying such deletion of electronic copies.

The Consultant shall, upon request, provide Torys with a certificate of an officer of the Consultant certifying such deletion of electronic copies. Notwithstanding the foregoing, the Consultant may (i) retain copies of Confidential Information that are required to be retained by law or regulation; (ii) retain copies of Work Product that contain Confidential Information for archival purposes or to defend its Work Product; and (iii) in accordance with legal, disaster recovery and records retention requirement, store such copies and derivative works in an archival format (e.g. tape backups), which may not be returned or destroyed. Any Confidential Information that is not returned or destroyed shall be held confidentially in accordance with the terms of this Agreement.

8. Limitation of Liability

Except for breach of confidentiality obligations under section 5, gross negligence, willful misconduct, fraud, breach of privacy laws, and the Consultant's obligation to indemnify under section 6 (Intellectual Property), the Consultant's total liability for any claim arising out of the performance of the Services, regardless of the form of claim, will in no event exceed total fees paid to Consultant hereunder and under no circumstances will either party be liable for any damages in respect of any incidental, punitive, special, indirect or consequential loss, even if that party had been advised of the possibility of such damages including, but not limited to, loss of profits, loss of revenues, failure to realize expected savings, loss of data, loss of business opportunity, or similar losses of any kind. The Consultant's total liability for a breach of confidentiality obligations under Section 5 will not exceed \$1,000,000.

9. Independence

By entering into this Retainer Agreement, the Consultant acknowledges and agrees that the Sponsors have received a copy of Rule 13A of the Board's *Rules of Practice and Procedure* concerning expert evidence, and agree to accept the responsibilities that are or may be imposed on them by that rule with respect to testimony before the Board. A copy of the rule and the relevant form are attached as Schedules 'A' and 'B' hereto.

10. Responsibility Statement

The Consultant agrees that the Services provided for herein will be performed in a timely, competent, professional manner in accordance with recognized professional consulting standards for similar services to be performed by a leading consulting advisory firm, and that adequate qualified personnel will be assigned for that purpose. If, during the performance of the Services or prior to the Board's issuance of final, non-appealable order(s) disposing of all relevant relief sought in the Application, such Services prove to be faulty or defective by reason of a failure to meet such

SCHEDULE "A"

Rule 13A of the Board's Rules of Practice and Procedure

13A. Expert Evidence

13A.01 A party may engage, and two or more parties may jointly engage, one or more experts to give evidence in a proceeding on issues that are relevant to the expert's area of expertise.

13A.02 An expert shall assist the Board impartially by giving evidence that is fair and objective.

13A.03 An expert's evidence shall, at a minimum, include the following:

- (a) the expert's name, business name and address, and general area of expertise;
- (b) the expert's qualifications, including the expert's relevant educational and professional experience in respect of each issue in the proceeding to which the expert's evidence relates;
- (c) the instructions provided to the expert in relation to the proceeding and, where applicable, to each issue in the proceeding to which the expert's evidence relates;
- (d) the specific information upon which the expert's evidence is based, including a description of any factual assumptions made and research conducted, and a list of the documents relied on by the expert in preparing the evidence;
- (e) in the case of evidence that is provided in response to another expert's evidence, a summary of the points of agreement and disagreement with the other expert's evidence; and
- (f) an acknowledgement of the expert's duty to the Board in **Form A** to these Rules, signed by the expert.

13A.04 In a proceeding where two or more parties have engaged experts, the Board may require two or more of the experts to:

- (a) in advance of the hearing, confer with each other for the purposes of, among others, narrowing issues, identifying the points on which their views differ and are in agreement, and preparing a joint written statement to be admissible as evidence at the hearing; and
- (b) at the hearing, appear together as a concurrent expert panel for the purposes of, among others, answering questions from the Board and others as permitted by the Board, and providing comments on the views of another expert on the same panel.

13A.05 The activities referred to in **Rule 13A.04** shall be conducted in accordance with such directions as may be given by the Board, including as to:

- (a) scope and timing;
- (b) the involvement of any expert engaged by the Board;
- (c) the costs associated with the conduct of the activities;
- (d) the attendance or non-attendance of counsel for the parties, or of other persons, in respect of the activities referred to in paragraph (a) of **Rule 13A.04**; and
- (e) any issues in relation to confidentiality.

13A.06 A party that engages an expert shall ensure that the expert is made aware of, and has agreed to accept, the responsibilities that are or may be imposed on the expert as set out in this **Rule 13A** and **Form A**¹.

¹ Attached as Schedule 'B' herein.

SCHEDULE "B"

FORM A

Proceeding:

ACKNOWLEDGMENT OF EXPERT'S DUTY

1. My name is (*name*). I live at (*city*), in the (*province/state*) of
2. I have been engaged by or on behalf of (*name of party/parties*) to provide evidence in relation to the above-noted proceeding before the Ontario Energy Board.
3. I acknowledge that it is my duty to provide evidence in relation to this proceeding as follows:
 - (a) to provide opinion evidence that is fair, objective and non-partisan;
 - (b) to provide opinion evidence that is related only to matters that are within my area of expertise; and
 - (c) to provide such additional assistance as the Board may reasonably require, to determine a matter in issue.
4. I acknowledge that the duty referred to above prevails over any obligation which I may owe to any party by whom or on whose behalf I am engaged.

Date.....

Signature

SCHEDULE "C"

Third-Party Payor Addendum


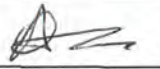
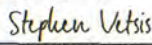
This is an addendum ("Addendum") to the Retainer Agreement between Torys LLP ("Torys") and Mercer (Canada) Limited ("Mercer") dated as of June 20, 2025 (the "Retainer Agreement").

This Addendum is entered into as of June 20, 2025 by and between Mercer, Torys and Elexicon. For purposes of this Addendum, each of Mercer and Elexicon and Torys may also be referred to individually as "Party" and collectively as the "Parties."

The Parties hereby agree to the following additions, modifications and deletions to the payment terms and obligations of the Retainer Agreement. All terms not defined herein shall have the meaning set forth in the Retainer Agreement, as the same may be modified or amended from time to time.

1. Each Party agrees that all Fees for the Services provided to Torys under the Retainer Agreement shall be paid by Elexicon, as directed by Torys and in accordance with the terms of this Addendum.
2. Except for the payment obligations in the Retainer Agreement, Torys acknowledges and agrees that all of the remaining terms and conditions of the Retainer Agreement shall remain in full force and effect and Torys shall continue to comply with them.
3. In the event Elexicon does not pay for the Services after Mercer's good faith attempts to collect, Torys shall pay for the Services.
4. This Addendum shall have a term consistent with the term of the Retainer Agreement. Except as expressly modified by this Addendum, the terms of the Retainer Agreement shall remain in full force and effect.

The Parties have hereby executed this Addendum by their duly authorized representatives on the date set forth above:

Accepted for:	Torys LLP	Mercer (Canada) Limited	Elexicon Energy Inc.
Signature:			DocuSigned by: 
Print Name:	Arlen Sternberg	Troyin Alen-Johnson	Stephen Vetsis
Title:	Partner	Senior Principal	Vice President Regulatory Affairs and Stakeholder Relations

FORM A

Proceeding: **EB-2025-0312**.....

ACKNOWLEDGMENT OF EXPERT'S DUTY

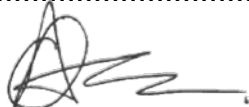
1. My name is Toyin Akin-Johnson.....(*name*). I live at Cambridge..... (*city*), in the Ontario..... (*province/state*) of Canada..... .

2. I have been engaged by or on behalf of Elexicon Energy Inc. (*name of party/parties*) to provide evidence in relation to the above-noted proceeding before the Ontario Energy Board.

3. I acknowledge that it is my duty to provide evidence in relation to this proceeding as follows:
 - (a) to provide opinion evidence that is fair, objective and non-partisan;
 - (b) to provide opinion evidence that is related only to matters that are within my area of expertise; and
 - (c) to provide such additional assistance as the Board may reasonably require, to determine a matter in issue.

4. I acknowledge that the duty referred to above prevails over any obligation which I may owe to any party by whom or on whose behalf I am engaged.

Date April 28th 2026.....



Signature

1 **RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES**

2

3 **INTERROGATORY 1-SEC-4**

4

5

6 Please provide a copy of all third-party benchmarking analyses, studies, reports, and/or similar
7 documents, undertaken for, by, or that include Elexicon, since 2020, that are not already included
8 in this Application, regarding any aspect that directly or indirectly relates to a material aspect of
9 Elexicon’s budget, or aspect of its business.

10

11

12 **RESPONSE:**

13 This interrogatory response addresses both 1-SEC-4 and 1-SEC-6. Elexicon has interpreted these
14 interrogatories as requesting third-party benchmarking analyses, studies, reports, reviews,
15 assessments, and similar documents undertaken since 2020 that are relevant to the foundational
16 planning and contextual elements of this Application. Those reports and materials that have
17 specifically been relied upon to develop the filed evidence, have been provided already as part of
18 the Application. The additional reports listed in the following table were not relied upon to develop
19 the filed evidence but are responsive based on our interpretation of these interrogatories set out
20 above, such as being related to Elexicon’s strategic direction, business planning, organizational
21 effectiveness, risk management, and governance. Because these materials were not directly relied
22 upon for this proceeding and/or contain sensitive information to the organization, Elexicon has only
23 listed these studies and provided summaries of them at this stage. When multiple studies, reports,
24 reviews, or assessments have been conducted on the same topic over several years, Elexicon cites
25 only the most recent document, as earlier documents are outdated and thus not relevant. To the
26 extent that further discovery is sought with respect to any of these reports, Elexicon respectfully
27 requests that, in light of the sensitive information contained within them, only those reports that are
28 necessary to complete the record be requested, and Elexicon will then consider its position in respect
29 of any such follow-up request.

Document	Description
Asset Condition Assessment 2024	This report provides an assessment of the condition of Elexicon's assets from March 2024
Castle Presentation – Cyber Security Defense In-Depth 2022	This report discusses Elexicon's cybersecurity controls and ways to respond to various categories of risks
Elexicon Rate Report 2024	This report discusses Elexicon's credit rating
ERM Current State Assessment 2020	This report assesses the maturity of Elexicon's ERM function and identifies areas of opportunity to further advance the program
Elexicon Energy Collections Process Review 2022	This report reviews Elexicon's Collections processes, including its active and final credit control processes, arrears management program, voided moves process, failure to contract, budget review, deposit review, and reporting
IBM Dx NEXT Discovery Read-Out	This report was produced as part of Dx NEXT discovery to inform NRFP requirements, see 4-CCC-51
IBM AMI Assessment	This report assesses Elexicon's current state and options with respect to AMI
Memo on Dx NEXT Accounting Treatment	This report assesses the appropriate accounting treatment for Dx NEXT costs, assessed to be OM&A
Insurance Program Review 2025	This report reviews Elexicon's insurance programs, discussing coverage, policy limits, and terms
M365 Services Roadmap and Strategy 2024	This report reviews Elexicon's IT infrastructure within the context of a roadmap to M365
M365 Zero Trust Planning 2024	This report contains a security assessment and planning framework for Elexicon's M365 environment
Privacy Current State Assessment 2021	This report assesses privacy and information governance risks and mitigation opportunities
Building Condition Assessments 2025	These reports are BCAs conducted by Brown & Beattie, see 2-Staff-65 part (c).
Executive Compensation 2025	This report reviews the market competitiveness of Elexicon's executive compensation and is disclosed in 4-CCC-58.
CEO Compensation 2025	This report reviews the market competitiveness of Elexicon's CEO compensation and is disclosed in 4-CCC-58.
Board Director Compensation 2025	This report reviews the market competitiveness of Elexicon's director compensation
Governance Review 2022	This report reviews the governance structure and proposes revisions to same.

1 **RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES**

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3 **INTERROGATORY 1-SEC-5**

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6 [Ex.1] Please provide summaries of all internal audit reports (either undertaken by internal staff or a third-party) conducted since the merger,
 7 related to any aspect that directly or indirectly relates to Elexicon’s business, their findings, recommendations, and the status of any actions that
 8 have or are to be taken.

9

10 **RESPONSE:**

11 Please see Table 1 below for a summary of audits from 2021 through 2026. While several audits have action plans that are “In Progress”, no action
 12 plans have been identified as late or lagging.

13 **Table 1: Summary of Audits**

Report Issue Date	Internal Audit Report Name	Summary of Findings and/or Recommendations	Status of Actions
March 2026	2025 DxNext Financial Controls Review I	The audit confirmed that the accounting treatment of costs incurred and expected to be incurred under the Master Service Agreement (MSA) and Statements of Work (SOWs) entered into with Capgemini Canada Inc. aligns with IAS 38 <i>Intangible Assets</i> , and that the accounting conclusions reached are reasonable.	No recommendations
March 2026	2025 Corporate Scorecard Review	The audit verified and did not find any errors in the calculation of key performance metrics in the 2025 Corporate Scorecard, and made one minor recommendation on improving processes re: reporting on these metrics.	In Progress
March 2026	Revenue Controls Review	The audit identified opportunities to further strengthen the design of Elexicon’s controls that support the reporting of electricity distribution revenue.	In Progress

Report Issue Date	Internal Audit Report Name	Summary of Findings and/or Recommendations	Status of Actions
December 2025	Cybersecurity Compliance Assessment	The audit identified opportunities to improve Elexicon’s readiness in meeting the OEB’s cybersecurity requirements in preparation for Elexicon’s submission to the OEB of its independent cybersecurity assessment report by January 2027.	In Progress
December 2025	DxNext Audit – Customer Information Systems	The audit reviewed the Phase 1 implementation of the DxNext project (i.e., the Customer Information System built on the SAP S/4HANA Utilities platform), and concluded that the implementation is satisfactory while identifying recommended areas of focus to ensure a smooth implementation.	In Progress
May 2025	Employee Expense Audit	The audit identified opportunities for improvement relating to employee expense and approval processes, both with respect to purchase cards and employee expenses submitted through expense reports.	Completed
March 2025	Health & Safety Reporting Audit	The audit identified opportunities for improvement in Elexicon’s health and safety reporting processes.	In Progress
December 2024	DxNext: Internal Audit Review	This audit evaluated the DxNext RFP process and the selected vendor contractual documents (e.g. SOWs), and concluded that the RFP process was well-managed and executed, and also that nothing came to their attention to indicate that the SOWs are not in alignment with the RFP. Some minor recommendations were made about implementation of the various phases of the DxNext project. Provided in response to 4-CCC-51.	In Progress (to be implemented at each phase of the DxNext implementation)
May 2024	Dx Next RFP Review – Phase 1	The audit evaluated the RFP document and associated appendices, and found that the RFP was a collaborative and thorough product of a well-managed process. Provided in response to 4-CCC-51.	No recommendations
February 2024	Payroll & HR Audit	Following implementation of the Ceridian Dayforce Human Resource and Payroll systems, this audit identified areas in which the design and operation of key internal controls within such systems could be enhanced.	Completed
August 2023	Asset Management Current State Assessment and Recommendations	The audit identified opportunities to improve the design and operational effectiveness of processes and controls used to facilitate asset condition reporting at Elexicon.	In Progress
November 2022	Meter-to-Cash Review (Focused on Collections)	This audit examined applicable Accounts Receivable and Credit Management processes, with specific focus on collections management procedures in the period of Sept 2021-Aug 2022, and deemed them to generally be satisfactory.	Completed

Report Issue Date	Internal Audit Report Name	Summary of Findings and/or Recommendations	Status of Actions
November 2022	Health & Safety Program Audit	The audit determined that Elexicon’s health and safety incident response and corrective action planning processes and controls were generally satisfactory	Completed
September 2022	Procurement Card Processes and Controls	The audit identified opportunities for improvement in Elexicon’s procurement card processes and controls.	Completed
August 2022	Incident Response Program Assessment	The audit identified opportunities for improvement in Elexicon’s cybersecurity documentation, including its plan, policy, incident response playbook, and ransomware playbook.	Completed
January 2022	Environmental Compliance and Management System Audit	The audit identified opportunities for improvement in environmental compliance.	Completed
November 2021	SMTS Project Management Processes and Controls	This audit reviewed Elexicon’s controls surrounding the project management of the Seaton Municipal Transformer Station project, and identified areas for improvement for the (at-the-time new) Strategic Delivery Office to focus on.	Completed
November 2021	Health & Safety System Review	The audit determined that Elexicon’s Health & Safety System was satisfactory, that the controls that were evaluated were adequate, and no high or medium priority observations were identified and no significant design gaps were noted.	Completed
July 2021	Cybersecurity Strategic Roadmap Assessment	The audit identified opportunities for improvement in cybersecurity and related threat assessments.	Completed
March 2021	Procurement Through Payables Review (Including Contracting)	The audit identified opportunities for improvement in Elexicon’s controls over its purchasing through payables process.	In Progress (vendor management program deferred to align with timing of DxNext implementation)
March 2021	Review of Elexicon’s Corporate Giving Policy	The audit identified areas to strengthen the Corporate Giving Policy and the strategy more broadly.	Completed

1
 2 It should be noted that after the 2019 merger, no internal audits were completed until 2021. This was because of a focus on post-merger activities
 3 in 2019, and then the selection process for the internal auditor and planning of the internal audit program continuing into 2020.

1 **RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES**

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3 **INTERROGATORY 1-SEC-6**

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6 Please provide a copy of all third-party reviews or assessments of any material aspect of Elexicon's
7 business or processes since 2020.

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10 **RESPONSE:**

11 Please see the response to 1-SEC-4.

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RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY 1-SEC-7

[Ex.1] Please provide a copy of Elexicon Energy’s corporate scorecard, for each year since the merger.

RESPONSE:

The following are Elexicon’s corporate scorecards from 2019 to 2025. The final scores based on weightings of each objective are summarized in the table below.

Table 1: Weighted final scores for corporate scorecards

Year	Weighted Final Score
2019	102.5%
2020	100%
2021	115%
2022	106.25%
2023	117.5%
2024	78.75%
2025	89%

1 Figure 1: 2019 Scorecard Results

Performance Area	Category	Measure	Threshold	Target	Stretch	Q4 Actual
Financial Performance	Financial results	Net income	>\$10.2M	>\$10.2M	>\$12.0M	\$10.8M
	Cost control	OM&A per customer	<\$280	<\$280	<\$270	\$269
	Merger Integration	Integration Cost	<Business case	<Business case	<Business case - 10%	\$6.9M
Customer Experience	Customer Satisfaction	Service Quality Index	>85%	>90%	>95%	91.0%
	System Reliability	SAIDI	<1.5 hours	<1.34 hours	<1.2 hours	1.33
		SAIFI	<1.3 outages	<1.17 outages	<1.0 outages	1.03
Operational Effectiveness	Health and Safety	Lost time incident rate	2.0 incidents	0.0 incidents	0.0 incidents	2.0
	Planning and Implementation	Distribution capital completion rate	>85%	>90%	>95%	95%
	Merger Integration	Integration milestones met	3 of 4 on time, on budget	4 of 4 on time, on budget	Ahead of schedule, under budget	100%

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1 **Figure 2a and 2b: 2020 Scorecard Results**

Performance Area	Category	Measure	Threshold	Target	Stretch	Q4 Results
Financial Performance	Financial results	Net income	>\$11.0M	>\$12.0M	>\$13.0M	\$15.2M
	Cost control	OM&A per customer	<\$279.0	<\$272.8	<\$265.0	\$259.9
	Merger Integration	Transition Cost	<\$2.4M	<\$2.13M	<\$2.0M	\$0.98M

2

Performance Area	Category	Measure	Threshold	Target	Stretch	Final Results
Customer Experience	Customer Satisfaction	Service Quality Index	>85%	>90%	>95%	94%
	System Reliability	SAIDI	<1.5 hours	<1.3 hours	<1.2 hours	1.37
		SAIFI	<1.3 outages	<1.2 outages	<1.0 outages	1.01
Operational Effectiveness	Health and Safety	Risk Assessment and completion of moderate and high risk tasks	>80% completion	>90% completion	100% completion	96%
	Planning and Implementation	Distribution capital completion rate	>85%	>90%	>95%	94.5%
	Merger Integration	Integration milestones met	2 of 3 on time, on budget	3 of 3 on time, on budget	Ahead of schedule, under budget	2 of 3 on time & on budget

3

1 **Figure 3: 2021 Scorecard Results**

Performance Area	Category	Measure	Threshold	Target	Stretch	Q4 Final
Financial Performance	Financial results	Net income	>\$13.1MM	>\$14.1MM	>\$15.1MM	\$15.8MM
	Cost control	OM&A per customer	<\$274.0	<\$268.2	<\$262.4	\$257.0
Customer Centricity	Customer Satisfaction	Service quality index	>85%	>90%	>95%	99%
	System Reliability	SAIDI	<1.5 hours	<1.3 hours	<1.2 hours	1.17
		SAIFI	<1.3 outages	<1.2 outages	<1.0 outages	1.12
Embedding the Strategy and Culture	Customer Centricity and Operational Excellence	Progress on delivery of Customer Centricity and Operational Excellence strategic initiatives	>75% completion	>85% completion	>90% completion	91%
Operational Excellence	Health and Safety	Health and safety risk assessment and completion of controls	>80% completion	>90% completion	>95% completion	100%
	Planning and Implementation	Capital completion rate	>85%	>90%	>95%	87%
	Enterprise Risk Management and Internal Audit	ERM and internal audit completion rate	7/11 completed tasks	9/11 completed tasks	>9/11 completed tasks	11/11

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1 **Figure 4: 2022 Scorecard Results¹**

Measure	Weight		Metrics	Metric Achieved	Score Achieved	
	Stretch	Target			Stretch	Target
Net income	Stretch	18.75%	>\$12.0MM	\$12.0MM	Target	15%
	Target	15%	>\$11.0MM			
	Threshold	7.5%	>\$10.0MM			
OM&A per customer	Stretch	12.5%	<\$278.1	\$266.2*	Stretch	12.5%
	Target	10%	<\$283.3			
	Threshold	5%	<\$289.5			
Service quality index	Stretch	12.5%	>95%	97.44%	Stretch	12.5%
	Target	10%	>90%			
	Threshold	5%	>85%			
SAIDI	Stretch	12.5%	<1.2 hours	1.7	Below Threshold	0%
	Target	10%	<1.3 hours			
	Threshold	5%	<1.5 hours			
SAIFI	Stretch	12.5%	<1.0 outages	1.18	Target	10%
	Target	10%	<1.2 outages			
	Threshold	5%	<1.3 outages			
Completion of 2022 committed deliverables for priority projects that advance one or more strategic initiatives	Stretch	25%	>90% complete	97%	Stretch	25%
	Target	20%	>85% complete			
	Threshold	10%	>75% complete			
Completion of assigned corrective and preventative actions	Stretch	18.75%	>100% complete	100%	Stretch	18.75%
	Target	15%	>95% complete			
	Threshold	7.5%	>90% complete			
Capital completion rate	Stretch	12.5%	>95%	95.1%	Stretch	12.5%
	Target	10%	>90%			
	Threshold	5%	>85%			
TOTAL						106.25%

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¹ 2022 Scorecard was not changed following completion of external audit.

1 **Figure 5: 2023 Corporate Scorecard Results**

Measure	Weight		Metrics	Metric Achieved	Score Achieved	
Net income	Stretch Target Threshold	18.75% 15% 7.5%	> \$10.7 MM > \$9.7 MM > \$8.7 MM	\$13.6M	Stretch	18.75%
OM&A per customer	Stretch Target Threshold	12.5% 10% 5%	< \$287.90 < \$293.80 < \$299.70	\$270.8	Stretch	12.5%
Service quality index	Stretch Target Threshold	12.5% 10% 5%	> 95% > 90% > 85%	96%	Stretch	12.5%
SAIDI	Stretch Target Threshold	12.5% 10% 5%	< 1.2 hours < 1.3 hours < 1.5 hours	1.38	Threshold	5%
SAIFI	Stretch Target Threshold	12.5% 10% 5%	< 1.0 outages < 1.2 outages < 1.3 outages	0.97	Stretch	12.5%
Completion of 2023 committed deliverables for priority projects that advance strategic initiatives in all four strategic pillars	Stretch Target Threshold	25% 20% 10%	> 90% completion > 85% completion > 75% completion	98%	Stretch	25%
Completion of safe work practice training hours and of assigned corrective and preventative actions as identified through: near miss medical incidents, and the risk assessment committee	Stretch Target Threshold	18.75% 15% 7.5%	> 100% completion > 95% completion > 90% completion	100%	Stretch	18.75%
Capital completion rate	Stretch Target Threshold	12.5% 10% 5%	> 95% > 90% > 85%	95.1%	Stretch	12.5%
TOTAL SCORE						117.5%

2

3 **Figure 6: 2024 Corporate Scorecard Results**

Measure	Weight		Metrics	Metric Achieved	Score Achieved	
Net income	Stretch Target Threshold	18.75% 15% 7.5%	> \$12.6 MM > \$11.6 MM > \$10.6 MM	\$8.9M	Did Not Meet Threshold	0%
OM&A per customer	Stretch Target Threshold	12.5% 10% 5%	< \$296.20 < \$302.20 < \$308.12	\$310.09	Did Not Meet Threshold	0%
Service quality index	Stretch Target Threshold	12.5% 10% 5%	> 95% > 90% > 85%	98.08	Stretch	12.5%
SAIDI	Stretch Target Threshold	12.5% 10% 5%	< 1.2 hours < 1.3 hours < 1.5 hours	1.71	Did Not Meet Threshold	0%
SAIFI	Stretch Target Threshold	12.5% 10% 5%	< 1.0 outages < 1.2 outages < 1.3 outages	< 1.2 Outages	Target	10%
Completion of 2024 committed deliverables for priority projects that advance strategic initiatives in all four strategic pillars	Stretch Target Threshold	25% 20% 10%	> 95% completion > 85% completion > 75% completion	ERA: 96% Dx NEXT: 100%	Stretch	25%
Completion of safe work practice training hours and of assigned corrective and preventative actions as identified through: near miss medical incidents, and the risk assessment committee	Stretch Target Threshold	18.75% 15% 7.5%	> 100% completion > 95% completion > 90% completion	100%	Stretch	18.75%
Capital completion rate	Stretch Target Threshold	12.5% 10% 5%	> 95% > 90% > 85%	99%	Stretch	12.5%
TOTAL SCORE						78.75%

4

1 **Figure 7: 2025 Corporate Scorecard Results**

Performance Area	Category	Measure	Weight		Threshold	Target	Stretch	2025 Y/E Results	Y/E Attainment Outcome
			Stretch Target	Threshold					
Financial Performance	Financial Results	Net income	Stretch Target	18.75% 15% 7.5%	≥(\$2.1M) net loss	≥(\$1.6M) net loss	≥(\$0.6M) net loss	\$2.5M	18.75%
	Cost Control	OM&A per customer	Stretch Target	6.25% 5% 2.5%	≤\$367.00	≤\$363.35	≤\$356.22	\$346.89	6.25%
	Financial Forecasts	In-Year Forecast Optimization	Stretch Target	6.25% 5% 2.5%	+/- 20%	+/- 15%	+/- 10%	121%	0.00%
Customer Centricity	Customer Satisfaction	Service quality index	Stretch Target	12.5% 10% 5%	>85%	>90%	>95%	96%	12.50%
	System Reliability	SAIDI	Stretch Target	12.5% 10% 5%	<1.90	<1.65	<1.36	2.01	0.00%
		SAIFI	Stretch Target	12.5% 10% 5%	<1.3 outages	<1.2 outages	<1.0 outages	1.55	0.00%
Strategic Plan Implementation	Customer Centricity, Operational Excellence, Economic Development and Strategic Investment	Completion of 2025 committed deliverables for priority projects that advance strategic initiatives in all four strategic pillars	Stretch Target	25% 20% 10%	>75% completion	>85% completion	>95% completion	92%	23.50%
Operational Excellence	Health and Safety	Completion of assigned corrective and preventative actions	Stretch Target	18.75% 15% 7.5%	>90% completion	>95% completion	>100% completion	96%	15.50%
	Planning and Implementation	Capital completion rate	Stretch Target	12.5% 10% 5%	≥75%	≥80%	≥85%	98.60%	12.50%

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1 **RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES**

2

3 **INTERROGATORY 1-SEC-8**

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6 [Ex.1-2-1, p.21-22] Please provide all underlying calculations used to derive Figures 9 and 10.

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8

9 **RESPONSE:**

10 Please see response to 4-SEC-84 for the data underlying Figure 10. The calculations for Figure 9 are
11 provided in the response to 1-CCC-04.

1 **RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES**

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3 **INTERROGATORY 1-SEC-9**

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6 [Ex.1-2-1, p.25] With respect to Elexicon’s three “top-down strategic parameters”:

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8 a. For the purpose of “restor[ing] reliability to historic levels of performance”, please explain
9 how historic performance was defined.

10 b. Please explain how and why “maintain[ing] a five-year annual average distribution rate
11 impact of less than 10%” was the appropriate bill impact threshold.

12

13

14 **RESPONSE:**

15 a) Historical levels of performance for reliability are the most recent 5-year averages for SAIDI and
16 SAIFI, excluding major event days (MEDs) and loss of supply (LOS). Please see the response to
17 4.1-PWU-13 c) for the most recent 5-year averages between 2021 – 2025.

18

19 b) Elexicon set an approximate 10% annual average distribution rate threshold based on factors
20 and considerations including: (i) the magnitude and pace of rate impacts on customers, (ii) the
21 \$24M¹ “catch-up” in rates in 2027 due to the length of time since Elexicon’s rates were last
22 rebased and the levers available to mitigate that impact (e.g. advancing Group 2 account
23 disposition to its 2026 IRM application), (iii) the state of Elexicon’s assets and the need to
24 address declining reliability performance, and (iv) the investments necessary to address
25 projected growth and existing capacity constraints. Elexicon challenged itself to find that
26 minimum distribution rate increase that could balance these factors. Assumptions used at the

¹ Which reflects roughly 62% of the revenue deficiency in 2027. This is quantified in response to 1-SEC-11.

1 time included that Elexicon would successfully clear its Group 2 balances and receive ICM
2 funding for the critical projects in its 2026 rate application.

1 **RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES**

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3 **INTERROGATORY 1-SEC-10**

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5

6 [Ex.1-2-1, p.25] Please explain how the company changed, if at all, its business or strategic planning
7 as a result of the start of its current CEO in spring 2025.

8

9

10 **RESPONSE:**

11 The 2027-2031 Investment Plan which underpins this application and corporate strategy which
12 informed the development of the application did not change as a result of the start of Elexicon’s CEO
13 in May 2025.

14

15 Since this time, Elexicon has focused on making progress to enhance structures, processes and
16 governance to enable the safe and effective execution of the 2027-2031 Investment Plan, and long-
17 term delivery of safe, reliable electricity to Elexicon’s growing communities. These enhancements
18 include ensuring that Elexicon builds the capabilities and capacity required to deliver sustainable and
19 scalable operational excellence, ensuring rigorous and systematic approaches to forecasting and
20 planning, establishing management control and reporting structures to provide greater visibility and
21 risk-management over implementation activities, and evolving performance management
22 frameworks to better align individual, divisional, and corporate objectives, track performance, and
23 enhance accountability.

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RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY 1-SEC-11

[Ex.1-2-1, p.26] Elexicon discusses the “catch-up of rates at rebasing” as a result of the significant time since its last rebasing. Please provide the 2027 revenue requirement impact and bill impact driven solely by the impact of opening rate base. Please provide all calculations.

RESPONSE:

To determine a more precise revenue requirement impact of 2027 opening rate base, Elexicon has calculated the capital-related revenue requirement (“CRRR”) associated with 2026 rate base (inclusive of Incremental Capital Module assets), based on year-end figures (as opposed to average rate base), applied against the 2027 cost of capital parameters relied upon in its application. Depreciation and Amortization expense are assumed to be equal to 2026 values, while the Working Capital Allowance assumed is equal to the proposed 2027 working capital allowance.

Table 1 below presents the CRRR of 2027 opening rate base, and compares this to the total CRRR requested for recovery in this application.

Table 1: 2027 Opening Rate Base CRRR vs. 2027 CRRR

CRRR based on 2027 Opening Rate Base	(\$ millions)
Depreciation & Amortization	\$25.72
Interest Expense	\$17.96
Return on Equity	\$23.26
PILs	\$0
CRRR based on 2027 Opening Rate Base	\$66.94
Proposed 2027 CRRR	\$68.35
Incremental 2027 CRRR from 2027 In-Service Additions	\$1.40
% of 2027 CRRR relating to 2027 Opening Rate Base	97.9%

1 Table 2 below demonstrates the portion of 2027 OM&A which is incremental to 2027. This is
2 established by comparing 2027 OM&A to 2026 OM&A, escalated by cost increases driven by
3 inflation¹ and growth.²

4 **Table 2: Incremental 2027 OM&A**

Incremental 2027 OM&A	(\$ millions)
2026 OM&A (Escalated by Inflation & Growth Costs)	\$67.96
2027 OM&A	\$81.68
Incremental 2027 OM&A	\$13.72

5
6 Table 3 below notionally allocates Elexicon’s 2027 revenue deficiency as amongst ‘catch-up’
7 amounts, pertaining to both CRRR and OM&A, and incremental amounts, pertaining to both CRRR
8 and OM&A.

9 **Table 3: Notional Allocation of 2027 Revenue Deficiency**

Notional Allocation of 2027 Revenue Deficiency	(\$ millions)	% of Deficiency
CRRR Catch-Up	\$9.54	24%
OM&A Catch-Up ³	\$14.44	37%
Total Catch Up	\$23.98	61%
Incremental 2027 CRRR	\$1.40	4%
Incremental 2027 OM&A	\$13.72	35%
Incremental Revenue Requirement	\$15.12	39%
Total Revenue Deficiency	\$39.09	100%

10

¹ Combined inflationary increase of 2.25%, comprised of Elexicon’s forecast 2.00% inflation factor and 0.25% Input Price Differential specific to OM&A

² Growth-driven cost escalation of 2.48%, equal to Elexicon’s proposed Growth Factor

³ Based on 2026 OM&A escalated for inflation and growth costs (\$67.97M), less assumed OM&A funding in rates. Assumed OM&A funding in rates in 2027 is equal to \$51.0 in 2026 (as provided in Exhibit 1, Tab 4, Schedule 1, Appendix A, Table 1), escalated by assumed revenue growth of 1.5% and non-rebasing Price Cap Index of 3.4% (\$53.52M)

1 Tables 4 and 5 present bill impacts excluding CRRR Catch-Up, and Tables 6 and 7 present bill impacts
 2 excluding both CRRR and OM&A Catch-Up, in each case showing the difference relative to the
 3 updated bill impacts in 1-Staff-1.

4

5 Table 4 below provides 2027 bill impacts excluding CRRR Catch-Up (\$9.54 million), and the difference
 6 between this scenario and the updated bill impacts provided in 1-Staff-1.

7

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Table 4: 2027 Bill Impacts of CRRR Catch-Up

Rate Zone	Rate Class	Sub-Total A Bill Impact				CRRR Catch-Up Impact	
		As Filed		Excluding CRRR Catch-Up		Difference	
		\$	%	\$	%	\$	%
Veridian	Residential	10.81	30.2%	7.71	21.5%	3.10	8.6%
	GS <50 kW	19.51	27.5%	13.91	19.6%	5.60	7.9%
	GS 50 - 2,999 kW	265.64	26.3%	186.23	18.5%	79.42	7.9%
	GS 3,000 - 4,999 kW	4,894.96	23.8%	3,368.56	16.4%	1,526.40	7.4%
	Large Use >5MW	13,340.17	24.4%	9,488.99	17.3%	3,851.18	7.0%
	Street Light	(718.86)	-4.0%	(1,940.09)	-10.7%	1,221.23	6.7%
	Sentinel	1.92	19.3%	1.13	11.3%	0.79	7.9%
	USL	5.05	25.2%	3.36	16.8%	1.70	8.5%
	Seasonal Residential	16.96	26.0%	11.40	17.5%	5.56	8.5%
Whitby	Residential	7.10	18.0%	4.00	10.1%	3.10	7.9%
	GS <50 kW	8.19	9.9%	2.59	3.1%	5.60	6.7%
	GS 50 - 2,999 kW	83.04	7.0%	3.63	0.3%	79.42	6.6%
	GS 3,000 - 4,999 kW	3,923.29	18.0%	2,396.89	11.0%	1,526.40	7.0%
	Street Light	(35,194.50)	-66.5%	(36,547.07)	-69.1%	1,352.57	2.6%
	Sentinel	2.30	23.9%	1.51	15.7%	0.79	8.2%
	USL	(5.23)	-17.6%	(6.93)	-23.2%	1.70	5.7%

9

10 Table 5 below provides average 2027-2031 bill impacts excluding CRRR Catch-Up (\$9.54 million) in
 11 each year.

1 **Table 5: 5-Year Average Bill Impacts of CRRR Catch-Up**

Rate Zone	Rate Class	Sub-Total A Bill Impact				CRRR Catch-Up Impact	
		As Filed		Excluding CRRR Catch-Up		Difference	
		\$	%	\$	%	\$	%
Veridian	Residential	5.28	11.7%	4.70	10.6%	0.58	1.1%
	GS <50 kW	11.34	12.5%	10.23	11.5%	1.11	1.0%
	GS 50 - 2,999 kW	139.72	11.1%	124.70	10.1%	15.02	1.0%
	GS 3,000 - 4,999 kW	1,510.17	6.5%	1,279.76	5.6%	230.41	0.9%
	Large Use >5MW	3,899.17	6.3%	3,354.11	5.5%	545.06	0.8%
	Street Light	1,103.52	5.5%	865.30	4.4%	238.22	1.1%
	Sentinel	1.63	12.7%	1.46	11.6%	0.17	1.0%
	USL	3.25	12.6%	2.91	11.5%	0.35	1.1%
	Seasonal Residential	10.77	12.8%	9.65	11.7%	1.12	1.1%
Whitby	Residential	4.53	9.5%	3.95	8.5%	0.58	1.0%
	GS <50 kW	8.88	8.9%	7.77	8.0%	1.11	1.0%
	GS 50 - 2,999 kW	99.92	7.2%	84.90	6.3%	15.02	1.0%
	GS 3,000 - 4,999 kW	1,236.57	5.1%	1,006.16	4.2%	230.41	0.9%
	Street Light	(5,443.69)	-13.5%	(5,708.49)	-14.4%	264.80	0.9%
	Sentinel	1.69	13.4%	1.53	12.4%	0.17	1.1%
	USL	1.28	4.0%	0.93	2.9%	0.35	1.0%

2

3 Table 6 below provides 2027 bill impacts excluding CRRR and OM&A Catch-Up (\$23.98 million).

4 **Table 6: 2027 Bill Impacts of CRRR & OM&A Catch-Up**

Rate Zone	Rate Class	Sub-Total A Bill Impact				CRRR & OM&A Catch-Up Impact	
		As Filed		Excluding CRRR & OM&A Catch-Up		Difference	
		\$	%	\$	%	\$	%
Veridian	Residential	10.81	30.2%	3.03	8.5%	7.78	21.7%
	GS <50 kW	19.51	27.5%	5.03	7.1%	14.48	20.4%
	GS 50 - 2,999 kW	265.64	26.3%	66.04	6.5%	199.61	19.8%
	GS 3,000 - 4,999 kW	4,894.96	23.8%	1,057.76	5.2%	3,837.20	18.7%
	Large Use >5MW	13,340.17	24.4%	3,661.93	6.7%	9,678.24	17.7%
	Street Light	(718.86)	-4.0%	(3,793.77)	-21.0%	3,074.91	17.0%
	Sentinel	1.92	19.3%	(0.11)	-1.1%	2.03	20.3%
	USL	5.05	25.2%	0.80	4.0%	4.25	21.2%
	Seasonal Residential	16.96	26.0%	2.98	4.6%	13.98	21.5%
Whitby	Residential	7.10	18.0%	(0.68)	-1.7%	7.78	19.7%

Rate Zone	Rate Class	Sub-Total A Bill Impact				CRRR & OM&A Catch-Up Impact	
		As Filed		Excluding CRRR & OM&A Catch-Up		Difference	
		\$	%	\$	%	\$	%
	GS <50 kW	8.19	9.9%	(6.29)	-7.6%	14.48	17.4%
	GS 50 - 2,999 kW	83.04	7.0%	(116.56)	-9.8%	199.61	16.7%
	GS 3,000 - 4,999 kW	3,923.29	18.0%	86.09	0.4%	3,837.20	17.6%
	Street Light	(35,194.50)	-66.5%	(38,585.83)	-73.0%	3,391.33	6.4%
	Sentinel	2.30	23.9%	0.27	2.8%	2.03	21.1%
	USL	(5.23)	-17.6%	(9.48)	-31.8%	4.25	14.3%

1

2 Table 7 below provides average 2027-2031 bill impacts excluding CRRR and OM&A Catch-Up (\$23.98
3 million) in each year.

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Table 7: 5-Year Average Bill Impacts of CRRR & OM&A Catch-Up

Rate Zone	Rate Class	Sub-Total A Bill Impact				CRRR & OM&A Catch-Up Impact	
		As Filed		Excluding CRRR & OM&A Catch-Up		Difference	
		\$	%	\$	%	\$	%
Veridian	Residential	5.28	11.7%	3.81	8.9%	1.46	2.8%
	GS <50 kW	11.34	12.5%	8.48	9.8%	2.85	2.6%
	GS 50 - 2,999 kW	139.72	11.1%	101.99	8.5%	37.74	2.6%
	GS 3,000 - 4,999 kW	1,510.17	6.5%	931.28	4.2%	578.89	2.3%
	Large Use >5MW	3,899.17	6.3%	2,534.67	4.3%	1,364.50	2.0%
	Street Light	1,103.52	5.5%	520.82	2.7%	582.70	2.7%
	Sentinel	1.63	12.7%	1.20	9.8%	0.43	2.8%
	USL	3.25	12.6%	2.39	9.8%	0.86	2.8%
	Seasonal Residential	10.77	12.8%	7.94	10.0%	2.83	2.8%
Whitby	Residential	4.53	9.5%	3.07	6.8%	1.46	2.7%
	GS <50 kW	8.88	8.9%	6.02	6.4%	2.85	2.6%
	GS 50 - 2,999 kW	99.92	7.2%	62.18	4.7%	37.74	2.5%
	GS 3,000 - 4,999 kW	1,236.57	5.1%	657.68	2.9%	578.89	2.3%
	Street Light	(5,443.69)	-13.5%	(6,087.02)	-15.7%	643.33	2.3%
	Sentinel	1.69	13.4%	1.26	10.6%	0.43	2.8%
	USL	1.28	4.0%	0.42	1.4%	0.86	2.6%

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RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY 1-SEC-12

[Ex.1-2-1, p.28] Elexicon states: “The net impact of the changes made to cost assumptions post-customer engagement had no material impact on rates and the anticipated average annual distribution bill impact, which remained less than 10%, ensuring that the updated plan was delivering the same outcomes as the balanced plan presented to customers at similar cost. As a result, Elexicon finalized its plan reflecting these updated assumptions.”

- a. Please provide the specific changes to the cost assumptions, by category, and provide the information on a revenue requirement basis for each year of the plan term.
- b. Please provide the bill impact changes as a result of the changes in cost assumptions.

RESPONSE:

- a) Table 1 below provides a summary of the changes made to Elexicon’s plan, accompanied by revisions to capital expenditures and operational expenditures, as well as other changes made which do not directly relate to Elexicon’s proposed expenditures but do impact rates. Table 2 provides the revenue requirement relied upon to forecast the rates used in customer engagement, Table 3 provides the revenue requirement initially filed with this application, and Table 4 shows the variance between Tables 2 and 3.

1 **Table 1: Changes Made from Customer Engagement to Application Filing**

Capital Plan Changes	Capital Expenditure Revision (\$ millions)
Material Cost Increases	\$63.2
Capacity Constraint Investments	\$26.0
System Access Investments	\$10.0
GTA East Land Acquisition	\$7.5
Reactive Capital	\$9.1
Station Upgrades	\$4.4
Overhead Allocations	\$14.3
Dx Next Cloud Implementation	-\$16.3
Reliability Investments	-\$14.0
Facilities	-\$1.3
Total Capital Variance	\$102.9
OM&A Plan Changes	OM&A Revision (\$ millions)
One-Time Application Costs	\$1.3
Facility Security Costs	\$5.1
Governance	\$2.8
Audit Costs	\$1.1
Dx Next Cost Refinement	-\$8.0
Ineligible Donations	-\$2.5
Other Changes	-\$2.5
Total OM&A Variance	-\$2.5
Other Changes and Updates	Change / Impact
Updated PILs Estimate	\$0 PILs in rates 2027 to 2031
Rate Framework Finalization	e.g. final assumptions for inflation, X-Factor, G-Factor, Input Price Differential
Cost of Capital Update	Revised from 9.00% to 9.11%; updated Long-Term Debt rates
Load Forecast Update	Updated for most recent data
Deferred Revenue and Derecognition	Recognized deferred revenue and derecognition as a direct offset to depreciation and amortization
Working Capital Allowance	Reduced from 7.50% to 6.62%

2

3 **Table 2: Revenue Requirement used for Customer Engagement Bill Impacts**

(\$ millions)	2027	2028	2029	2030	2031	Total
OM&A	\$78.8	\$85.3	\$87.2	\$89.8	\$92.3	\$433.4
Depreciation & Amortization	\$33.2	\$36.1	\$40.0	\$45.3	\$52.0	\$206.6
Interest	\$16.7	\$17.8	\$19.7	\$22.4	\$25.9	\$102.5
Return on Equity	\$22.0	\$23.4	\$25.9	\$29.4	\$34.1	\$135.0

(\$ millions)	2027	2028	2029	2030	2031	Total
PILs	\$0.8	\$0.8	\$0.3	\$5.3	\$5.8	\$12.9
Service Revenue Requirement	\$151.6	\$163.4	\$173.1	\$192.2	\$210.1	\$890.3

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Table 3: Revenue Requirement Filed with Application

(\$ millions)	2027	2028	2029	2030	2031	Total
OM&A	\$78.1	\$84.9	\$86.9	\$89.3	\$91.7	\$430.8
Depreciation & Amortization	\$28.5	\$29.1	\$33.6	\$37.4	\$43.3	\$172.0
Interest	\$17.4	\$19.2	\$22.0	\$24.7	\$28.9	\$112.2
Return on Equity	\$22.5	\$24.9	\$28.5	\$32.0	\$37.5	\$145.4
PILs	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Service Revenue Requirement	\$146.5	\$158.1	\$170.9	\$183.5	\$201.4	\$860.4

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Table 4: Variance in Revenue Requirement from Customer Engagement to Application Filing

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(\$ millions)	2027	2028	2029	2030	2031	Total
OM&A	-\$0.8	-\$0.4	-\$0.4	-\$0.5	-\$0.5	-\$2.5
Depreciation & Amortization	-\$4.7	-\$7.0	-\$6.4	-\$7.8	-\$8.7	-\$34.6
Interest	\$0.6	\$1.4	\$2.3	\$2.3	\$3.0	\$9.7
Return on Equity	\$0.5	\$1.5	\$2.6	\$2.6	\$3.3	\$10.4
PILs	-\$0.8	-\$0.8	-\$0.3	-\$5.3	-\$5.8	-\$12.9
Service Revenue Requirement	-\$5.1	-\$5.2	-\$2.2	-\$8.7	-\$8.7	-\$29.9

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As discussed in Exhibit 1 – Tab 2 – Schedule 1, Elexicon reclassified all Dx NEXT implementation costs as OM&A which would be tracked through the Cloud Computing Implementation Account and are not reflected in the revenue requirement shown in Table 3 above. During customer engagement these amounts were anticipated to be a mix of capital and OM&A costs and formed part of the revenue requirement. These amounts are quantified in Table 1.

b) The table below compares the total distribution rate change (Subtotal A) from 2027-2031 shown in customer engagement with the proposals in Elexicon’s application, as filed. The bill impacts presented to customers as part of Elexicon’s customer engagement are provided in Exhibit 1 – Tab 7 - Schedule 1, Appendix A, Appendix 00, Page 19 (Exhibit 1 PDF page 273)

1 and shown on the basis of 5-year total distribution bill impacts. These distribution rate
 2 changes are compared with the distribution bill impacts provided in Table 43 in Exhibit 8 –
 3 Tab 1 – Schedule 1.

4 **Table 5: Bill Impacts Comparison**

Rate Zone	Rate Class	Customer Engagement Sub-Total A Bill Impacts – 5-year Total Increase	Application Plan Sub-Total A Bill Impacts– 5-year Total Increase
Veridian	Residential	\$22.71	\$20.96
	Seasonal	\$45.53	\$48.14
	GS < 50 kW	\$39.95	\$45.29
	GS > 50 kW	\$447.96	\$417.78
Whitby	Residential	\$21.60	\$18.62
	GS < 50 kW	\$35.55	\$36.27
	GS > 50 kW	\$418.86	\$326.22

5
 6 In addition to the revenue requirement changes described in part a, the changes in bill
 7 impacts were influenced by refinements to the customer and load forecast and Group 2 DVA
 8 balances, which included recovery of Dx NEXT costs through separate DVAs in the
 9 “Application Plan” column. The customer and load forecast refinements increased
 10 cumulative forecast 2027-2031 revenue (at 2026 rates) by 5.1%. The increase was driven
 11 primarily by increasing Residential customer counts following an update to Durham Region’s
 12 household forecast and including updated information regarding new and expanding large
 13 customer loads that were added to the load forecast.

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RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY 1-SEC-13

Please update the following with 2025 actuals:

- a. Appendix 2-AA, 2-AB, 2-BA, 2-C
- b. Appendix 2-H
- c. Appendix 2-JA, 2-JB, 2-JC, 2-K

RESPONSE:

- a) Please refer to the attached Excel file 1-SEC-13(1)_OEB App.2-AA-AB-BA-C for the updated versions of Chapter 2 Appendices: 2-AA, 2-AB, 2-BA, 2-C.
- b) Please refer to the attached Excel file 1-SEC-13(2)_OEB App.2-H Other Operating Revenue for an updated version of Chapter 2 Appendix 2-H. This includes 2027-31 updated Late Payment Charges, please refer to 6.0-VECC-63.
- c) Please refer to the attached Excel file 1-SEC-13(3)_OEB App.2-JA-JB-JC-K OM&A Programs & Employee Costs for an updated version of Chapter 2 Appendices: 2-JA, 2-JB, 2-JC and 2-K.

1 **RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES**

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3 **INTERROGATORY 1-SEC-14**

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6 [Ex.1-3-1A, Figure 2] Please provide a list of all positions within Elexicon Corporation that provide
7 services to Elexicon.

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10 **RESPONSE:**

11 The sole position within Elexicon Corporation that provides services to Elexicon Energy and has / will
12 have their time allocated to Elexicon Energy is the President/CEO (1 FTE).

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RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY 1-SEC-15

[Ex.1-3-1B, p.2] With respect to the Service Revenue Requirement included in Table 1:

- a. Please confirm the ‘OEB Approved 2020’ amount is in fact not approved, but simply reflects the company’s actual costs each year.
- b. Please provide the actual last approved values for each category of expenditures for each of Elexicon’s predecessor utilities.

RESPONSE:

- a) Confirmed.
- b) The approved service revenue requirement for the legacy utilities, as approved in their last cost of service applications, is shown in Table 1 below.

Table 1: Approved Service Revenue Requirement for Legacy Utilities

Category	Veridian (2014) (EB-2013-0174)	Whitby Hydro (2011) (EB-2009-0274)
Return on Rate Base (\$M)	8.91	2.93
Distribution Expenses (\$M)	26.28	8.88
Deemed Interest Expenses (\$M)	6.79	2.40
Depreciation (\$M)	10.65	4.80
Income Taxes (Grossed Up) (\$M)	1.22	1.19
Service Revenue Requirement (\$M)	53.86	20.20

1 **RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES**

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3 **INTERROGATORY 1-SEC-16**

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6 [Ex.1-4-2] With respect to consolidation:

7 a. Please provide a table that shows for each year since 2019, a) the total costs (OM&A and
8 capital), b) savings, and c) net savings as a result of the merger.

9

10 b. Please provide the impact on the ROE for each year between 2019 and 2026, if the merger had
11 not occurred (i.e. excluding costs and savings).

12

13 c. Please provide a table that shows all consolidation-related capital expenditures since 2019
14 driven by the merger (for example, but not limited to, the need to integrate or consolidate systems
15 as described in EB-2018-0236 DSP, p.212-213).

16 For each, please provide,

17 i) the project/expenditure name,

18 ii) description of the expenditure,

19 iii) in-service date,

20 iv) undepreciated cost at December 31, 2026, and

21 v) forecast undepreciated cost at December 31, 2028.

22

23

24 **RESPONSE:**

25 a) See Table 1 for the costs and savings as a result of the merger.

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Table 1: Merger Costs and Net Savings Estimate¹ (\$M)

	2019	2020	2021	2022	2023	2024	2025	2026	Total
OM&A Synergy Savings (M)	2.74	3.46	4.00	5.25	4.42	4.62	4.82	4.98	34.29
OM&A Transitional Costs (M)	7.03*	0.98	0.29						8.3
Capital Transitional Costs (M)	0.95	0.91	0.95						2.81
Net Savings									23.18

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*2019 transitional costs also include some costs incurred in Q3-Q4 2018.

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b) Elexicon is unable to provide a response to this subpart as it is entirely speculative in nature and would require several assumptions to produce the analysis, in addition to requiring significant time and resources to generate such analysis. The information to estimate the ROE of the predecessor utilities had the utilities not merged does not exist as Elexicon has no certainty on what actions the prior utilities would have taken between 2019 and 2026 had they not merged, making any analysis purely speculative in nature. Producing even a single illustrative scenario would require significant effort and complex disaggregation of consolidated financial statements to reconstruct legacy utility financials and ROE. The premise of the question, that the merger did not occur, is entirely speculative and outside the scope of the issues under review before the OEB in this proceeding.

14

15

c) Capital-related transition costs are captured in Table 2 below.

16

Table 2: Capital Transitional Expenditures

Asset Name/Description	In-Service Date	Acquisition Cost	Undepreciated Cost, as of 12/31/2026	Undepreciated Cost, as of 12/31/2028
New Domain & Network Server	12/01/2019	289,629		

¹ Figures may not sum due to rounding.

Asset Name/Description	In-Service Date	Acquisition Cost	Undepreciated Cost, as of 12/31/2026	Undepreciated Cost, as of 12/31/2028
Cyber Security Framework	12/01/2019	20,719		
Fleet Mgmt Software	12/01/2019	21,490		
Furniture	12/01/2019	96,948	24,203	4,830
GIS Consolidation	12/01/2019	324,671		
SCADA Workstation & hardware	12/01/2019	195,721	110,904	85,497
Greate Plains Upgrade - Finance System	12/01/2020	663,660		
Doc-Link - Finance System	12/01/2020	84,409		
Prophix - Finance System	12/01/2020	137,223		
Distribution System Communication Platform	05/01/2020	22,663	11,310	
Customer Information System Merge Project	05/01/2021	952,671		
Total		2,809,809	146,419	90,327

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1 **RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES**

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3 **INTERROGATORY 1-SEC-17**

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6 [Ex.1-5-1] For each year between 2027 and 2031, please provide the total distribution revenue and
7 the revenue deficiency, based on

8

9 a) 2026 base rates,

10 b) 2026 base rates and 2026 ICM riders.

11

12

13 **RESPONSE:**

14 Please see below:

15 **Table 1: Total Distribution Revenue and Revenue Deficiency 2027-2031**

	2027	2028	2029	2030	2031
Distribution Revenue at 2026 Distribution Rates based on 2027-2031 Load Forecast	\$106.0	\$108.1	\$109.9	\$111.4	\$112.9
2026 ICM Rider Revenue based on 2027-2031 Load Forecast	\$6.0	\$6.2	\$6.3	\$6.4	\$6.4
Total Revenue at 2026 Rates based on 2027-2031 Load Forecast	\$112.0	\$114.3	\$116.2	\$117.7	\$119.3
Distribution Revenue at Proposed Rates	\$145.1	\$156.1	\$168.5	\$180.1	\$197.5
Variance: Revenue @ 2026 Rates vs. Proposed Rates (excl. ICM Revenue)	-\$39.1	-\$48.0	-\$58.6	-\$68.7	-\$84.6
Variance: Revenue @ 2026 Rates vs. Proposed Rates (incl. ICM Revenue)	-\$33.1	-\$41.8	-\$52.3	-\$62.3	-\$78.1

16

17 The figures are based on the updated revenue requirement and rates noted in 1-Staff-1 and the

18 updated load forecast files as 3-SEC-68 Attachment 1.

1 **RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES**

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3 **INTERROGATORY 1-SEC-18**

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6 [Ex.1-5-1] With respect to the proposed rate framework:

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8 a. For each year between 2027 and 2031, assuming an OEB inflation factor of 2%, please
 9 provide the total distribution revenue collected each year based on the proposed load forecast.

10

11 b. For each year between 2027 and 2031, assuming an OEB inflation factor of 3%, please
 12 provide the total distribution revenue collected each year based on the proposed load forecast

13

14 **RESPONSE:**

15 The calculations below are based on the most up-to-date revenue requirement provided in response
 16 to 1-Staff-1.

17

18 a) Please see below:

19 **Table 1: Total Distribution Revenue Based on Proposed Load Forecast (2% Inflation)**

(\$ millions)	2027	2028	2029	2030	2031
Service Revenue Requirement	\$150.0	\$161.2	\$173.7	\$185.5	\$203.0
Other Revenue	-\$4.9	-\$5.1	-\$5.2	-\$5.4	-\$5.6
Base Revenue Requirement	\$145.1	\$156.1	\$168.5	\$180.1	\$197.5

20

21 b) Please see below:

22 **Table 2: Total Distribution Revenue Based on Proposed Load Factor (3% Inflation)**

(\$ millions)	2027	2028	2029	2030	2031
Service Revenue Requirement	\$150.0	\$162.7	\$177.0	\$190.7	\$210.7
Other Revenue	-\$4.9	-\$5.1	-\$5.2	-\$5.4	-\$5.6
Base Revenue Requirement	\$145.1	\$157.6	\$171.8	\$185.3	\$205.1

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RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY 1-SEC-19

[Ex.1-5-1, p.13] With respect to the proposed Custom Revenue Cap Index (CRCI):

- a. Please confirm that if the IPD and Growth Factor were set to zero, the RGF would be increased by the same amount to offset the change.

- b. If (a) is confirmed, please explain the purpose of the IPD and Growth Factor.

RESPONSE:

- a) Confirmed.

- b) The IPD and Growth Factor are included in the CRCI to align with economic theory. The economic theory is described in Section 4 of the Clearspring report (Exhibit 1, Schedule 5, Tab 1 – Appendix A). While the mathematical outcome of setting those parameters to zero in the CRCI may be as articulated in part a), their inclusion is appropriate to accurately capture inflationary changes and reflect the impact of a growth on costs; as supported by the Clearspring benchmarking analysis.

1 **RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES**

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3 **INTERROGATORY 1-SEC-20**

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5 [Ex.1-5-1, p.13] Please explain what aspects of the rate framework Ellexicon considers incentive
6 rate-setting.

7

8 **RESPONSE:**

9 The CRCI will establish an envelope of funding over a five-year period and will decouple rates from
10 costs over that period. By establishing a funding envelope that is not rebased each year for changing
11 circumstances, Ellexicon will be incented to find productivity savings and efficiencies. A non-
12 exhaustive list of incentives built into Ellexicon’s proposed rate framework and rate-setting approach
13 is provided below:

14

- 15 • **Productivity and Stretch Factor (“X”):** The combined stretch and productivity factor
16 proposed by Ellexicon will reduce distribution revenue below forecast costs, requiring the
17 utility to locate and execute on operational efficiencies to achieve its OEB-approved Return
18 on Equity (“ROE”).
- 19 • **Asymmetrical Management of Capital Expenditures:** The proposed Capital In-Service
20 Additions Variance Account (“CISAVA”) applies to the majority of Ellexicon’s capital program
21 over the 2027 to 2031 period, and functions to ensure that if applicable in-service additions
22 over the 5 year term are more than 2% below the OEB-approved forecast, funds in excess of
23 the 2% will be returned to ratepayers. Conversely, should relevant in-service additions
24 exceed OEB-approved forecasts, no funding relief will be provided to Ellexicon. The result is
25 a strong incentive for the utility to ensure in-service additions do not exceed the OEB-
26 approved forecast, coupled with a strong incentive to achieve planned outcomes.
- 27 • **Facilitate Growth and Improve Reliability:** The proposed Demand-Related Variance Account
28 (“DRVA”) applies to Customer & Generation Connections, Externally Initiated Plant
29 Relocation, and System Expansion in-service additions (“Demand-Related Capital

- 1 Programs”), and functions as a symmetrical variance account to ensure neither the utility,
2 nor ratepayers, pay more or less for Demand-Related Capital Programs than is actually
3 incurred. The consequence of this construct is that Elexicon can execute on mandatory
4 Demand-Related Capital Programs to support public policy priorities related to economic
5 growth without an incentive (or requirement) to re-allocate funds away from other
6 necessary works; notably including System Renewal. As such, the DRVA provides appropriate
7 incentives for Elexicon to execute on its externally-driven Demand-Related Capital Programs
8 while preserving its ability to progress reliability-driven capital programs (among others).
- 9 • **Managing OM&A within Approved Funding:** On receipt of OEB-approval in this proceeding,
10 Elexicon will be responsible for managing OM&A expenditures within its approved OM&A
11 funding, as provided for by the proposed Custom Revenue Cap Index (“CRCI”). The
12 consequence of this approach is that Elexicon will be responsible for self-funding any OM&A
13 expenditures in excess of approved amounts; providing a strong incentive to manage
14 operational expenditures within budget.
 - 15 • **Asymmetrical Earnings Sharing Mechanism (“ESM”):** The proposed ESM provides a
16 deadband of 100bps, which provides Elexicon the opportunity to earn an ROE in excess of its
17 OEB-approved ROE rate. This construct provides Elexicon an incentive to find incremental
18 cost efficiencies beyond those required to mitigate the impact of funding reductions driven
19 by the X-factor, while simultaneously protecting customers from earnings in excess of
20 100bps above OEB-approved ROE. Further, when paired with the CISAVA and DRVA,
21 Elexicon’s proposal ensures any overearnings are not driven by reduction to, or delay of, the
22 necessary capital investments outlined in Exhibit 2 of its application but rather through
23 efficiencies.
 - 24 • **Load Forecast Risk:** With the exception of new large load customers, Elexicon has proposed
25 a rate-setting approach in which the utility bears the risk of variances in billed customer
26 count, consumption, and demand relative to its forecast while providing customers with the
27 upfront benefit of growth in charge determinants on rates over the test period.

1 **RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES**

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3 **INTERROGATORY 1-SEC-21**

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6 [Ex.1-5-1, p.20-21] With respect to the DVA Accounts proposed to be included as part of the Rate
7 Framework:

8 a. Please provide the 2027 to 2031 in-service additions, by program, that would be the baseline for
9 the Demand Related Work Variance Account.

10 b. Please provide the 2027 to 2031 in-service additions, by program, that would be the baseline for
11 the Connection and Cost Recovery Agreement Variance Account.

12 c. [Ex.9-4-2, p.28] With respect to the Large Load Revenue Variance Account, for each year
13 between 2027 and 2031, please provide the total revenue forecast with respect to new large load
14 customers.

15

16 **RESPONSE:**

17 a) Please refer to the response in 9-CCC-69.

18

19 b) Please refer to the response in 9-CCC-69.

20

21 c) Total forecast revenue from the large load customers is provided below. This revenue
22 forecast is based on the updated list of large load customers reflected in the revised load
23 forecast model filed as an attachment to 3-SEC-68, and updated proposed distribution
24 charges provided in 1-Staff-1. An updated Table 4 is also provided.

25

26 For clarity, the customer count used to forecast fixed charge revenue and individual number
27 of customers are provided separately. The customer count is used in rate design to reflect
28 the expected number of fixed charges that will be applied to these customers, which differs
29 from the number of individual customers because of connection timing adjustments,

1 likelihood adjustments, and the half-year rule to account for the expectation that customers
 2 will connect at different times throughout the year and not only at the start of the year.
 3 Variable revenues are calculated with the assumption that all customers will receive the
 4 transformer ownership allowance.

5 **Table 1: Total Forecast Use from Large Load Customers**

	GS 3,000 to 4,999 kW			Large Use		
	Customer Count	Individual Customers	Billed kW	Customer Count	Individual Customers	Billed kW
2026	1.3	4	36,411	-	-	-
2027	3.4	5	90,518	0.2	1	39,375
2028	4.4	6	120,396	0.4	1	115,500
2029	4.7	6	137,794	0.5	1	160,125
2030	4.8	6	147,304	0.5	1	168,000
2031	4.8	6	152,831	0.5	1	168,000

6

7 **Table 2: Total Forecast Revenue from Large Load Customers**

	GS 3,000 to 4,999 kW	Large Use	Total
2027	\$592,572	\$232,382	\$824,954
2028	\$758,084	\$605,902	\$1,363,987
2029	\$868,181	\$817,105	\$1,685,286
2030	\$948,035	\$894,787	\$1,842,822
2031	\$1,034,994	\$967,135	\$2,002,130

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RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY 1-SEC-22

[Ex.1-5-1, p.21] With respect to the New Stations Deferral Account, based on Elexicon’s planning and participation in regional planning, please provide details regarding the potential new stations that could be required to be put in-service between 2027 and 2031. Please provide any estimated costs, even if preliminary at this point.

RESPONSE:

At this time, Elexicon is not aware of any potential new municipal substation or transformer substations that could be required to be put in-service between 2027 and 2031 other than those that are included in the Substation Growth Program of the DSP (as listed in Exhibit 9, Tab 4, Schedule 2, Page 21). That said, as noted in the reference, station projects are material, non-discretionary investments which require substantial upfront capital deployment to serve mid-to-long term system needs. Because Elexicon is not yet aware of any potential new stations, it is premature to provide a preliminary cost estimate for any such work. To this end, Elexicon notes that the costs of new substations can vary as can be seen in the project level costs identified in Exhibit 2B, Tab 4, Schedule 3, Appendix I, Table 7.

1 calculation for each year between 2027 and 2031. Please provide references to OM&A information
2 included in the Application.
3 i. [p.27, 38] Please provide a copy of each of the Handy Whitman North Atlantic Index
4 (adjusted for Canadian dollars) and implicit capital stock index measure, for each year between
5 2002 and 2025.

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7

8 **RESPONSE:**

9 [Response provided by Clearspring]

10 a) Clearspring was not asked to opine on all components of, or the entire proposed Custom IR
11 framework. Clearspring was asked to provide an opinion on what parameters a proper
12 revenue escalation formula would include, in respect of the components addressed in the
13 Clearspring Report. The mathematical basis of those opinions is provided in Section Four of
14 the Clearspring Report.

15

16 b) The U.S. dataset includes a far better comparator group for Elexicon than an Ontario
17 dataset can provide. Please see Clearspring's response to 1-CCC-7 part (d) for more details
18 on the comparability issue. Furthermore, the Ontario dataset would present several cost
19 definition and variable deficiencies relative to the U.S. dataset. These include the inability
20 to subtract pensions and benefits from the cost definition and a far larger inaccuracy in
21 calculating capital costs due to the imputations necessary prior to 2013 (in contrast the
22 U.S. dataset capital cost data begins in 1947) and not including important variables, such as
23 percent forestation, service area, and the standard deviation of elevation. Additionally, the
24 dataset and methodology are the same as in the Alectra study and wholly similar to recent
25 Clearspring benchmarking studies. This consistency of sample and methodology from study
26 to study provides assurance to stakeholders that the Clearspring sample and models are
27 not being "cherry picked" or modified but are being consistently provided from study to
28 study.

29

- 1 c) The methodology is the same between the Alectra and Elexicon Clearspring studies.
2
- 3 d) The methodology for the G-Factor and IPD is the same between the Alectra and Elexicon
4 Clearspring studies.
5
- 6 e) Clearspring only produced a total cost model and can, therefore, only provide the cost
7 elasticity estimates for total costs. A 1% growth in customers has a cost elasticity estimate
8 of 0.5163%. A 1% growth in peak demand has a cost elasticity estimate of 0.4564%.
9
- 10 f) [Response from Clearspring]
11 The adjustments to OM&A are consistent with prior Clearspring studies.
12
- 13 [Response from Elexicon]
14 The 2025-2031 capital in-service additions used in the Clearspring model are identical to the values
15 shown in the "Additions" column of the fixed asset continuity schedules provided in Exhibit 2A –
16 Tab 1 – Schedule 1 – Attachment 1, in the row labeled "Total PP&E for Rate Base Purposes".
17
- 18 The Table below provides the OM&A for Elexicon used in each year of the Clearspring model. The
19 OM&A for the Clearspring model subtracts out pensions & benefits, community relations (5405 to
20 5425), bad debt expense (5335), and street lighting and signal systems and sentinel lights (5165,
21 5170, 5172). Elexicon did not have projections of OM&A by UsoA when the model was prepared so
22 OM&A expenditures were based on trial balance data through 2023 and then escalated based on
23 the OM&A projections. As these adjustments are on a UsoA basis, they cannot be directly
24 reconciled with OM&A evidence on the record.
25

Year	OM&A
2025	\$48,067
2026	\$51,060
2027	\$63,660

2028	\$69,217
2029	\$70,821
2030	\$72,826
2031	\$74,792

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g) The table below provides the forecasts as of March 19, 2026. At the time of Clearspring putting this response together, these are the latest forecasts. As can be seen, the forecasts now increase the IPD value for Elexicon to 0.36%.

From March 19, 2026 Download Signal49				
Year	GDP-IPI	Growth Rate	AWE	Growth Rate
2026	1.338731		1401.39888	
2027	1.358163	1.45%	1434.48875	2.36%
2028	1.38052725	1.65%	1466.273328	2.22%
2029	1.406724	1.90%	1502.470198	2.47%
2030	1.430614	1.70%	1539.058543	2.44%
2031	N/A	1.70%	N/A	2.44%
2028-2031		1.74%		2.39%
Difference =	0.65%			
Labour Weight =	84.9%			
Labour Weight - 30% =	54.9%			
IPD = 54.9% * 0.65% =	0.36%			

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h) The calculations for the labour proportion can be found in Clearspring’s working papers. Please see the Excel dataset titled, “Dataset Elexicon” and the calculations can be found in the worksheet titled, “IPD”.

i) Please see Excel file 1-SEC-23(1)_Asset Price Inflation Indexes.

1

2 b) Clearspring can confirm that the above equation does not include an RGF term. The RGF, like
3 the stretch factor term, goes beyond the “steady state” cost escalation expectation of a
4 utility and is based on the Company’s stated spending needs.

5

6 c) A G Factor can be an appropriate addition to either or both OM&A and Capital. The
7 application of the G-factor depends on how the company has decided to reflect this
8 consideration in its rate framework.

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RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY 1-SEC-25

[Ex.1-5-3] Please provide a copy of the underlying data and tables used to derive the benchmarking in Figures 1 to 10, and Tables 1 to 5 included in this schedule.

RESPONSE:

Please find attached the underlying data/tables for the requested figures/tables:

Figure 1: Elexicon vs. Peer Group Rural Service Area (2024)

	Service Area (Rural)	Service Area Total	Rural Service Area %
Enova Power Corp.	905	1108	82%
GrandBridge Energy Inc.	458	636	72%
Elexicon Energy Inc.	456	751	61%
Hydro Ottawa Limited	662	1116	59%
London Hydro Inc.	245.3	423	58%
Burlington Hydro Inc.	90	188	48%
Oakville Hydro Electricity Distribution Inc.	28	139	20%
Alectra Utilities Corporation	16	1912	1%
ENWIN Utilities Ltd.	0	121	0%
Toronto Hydro-Electric System Limited	0	630	0%

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Figure 2: Elexicon vs. Peer Group Customers per Total Service Area (2024)

	Customer per Total Service Area
Enova Power Corp.	147
GrandBridge Energy Inc.	181
Elexicon Energy Inc.	238

	Customer per Total Service Area
Hydro Ottawa Limited	333
Burlington Hydro Inc.	370
London Hydro Inc.	398
Oakville Hydro Electricity Distribution Inc.	564
Alectra Utilities Corporation	568
ENWIN Utilities Ltd.	760
Toronto Hydro-Electric System Limited	1263

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Figure 3: Elexicon vs. Peer Group: Total Customers (2024)

	Number of Customers (excluding connections)
Alectra Utilities Corporation	1,086,177
Toronto Hydro-Electric System Limited	795,394
Hydro Ottawa Limited	371,749
Elexicon Energy Inc.	179,017
London Hydro Inc.	168,224
Enova Power Corp.	163,409
GrandBridge Energy Inc.	115,319
ENWIN Utilities Ltd.	92,004
Oakville Hydro Electricity Distribution Inc.	78,367
Burlington Hydro Inc.	69,561

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Figure 4: Elexicon vs. Ontario Average: Customer Growth (2020-2024)

Year (2020-2024)	Elexicon Energy	Alectra Utilities	Burlington Hydro	Enova Power	ENWIN Utilities	GrandBridge Energy	Hydro Ottawa Limited	London Hydro	Oakville Hydro	Toronto Hydro
2019	1.8%	0.7%	0.4%	0.8%	0.7%	1.3%	1.3%	1.0%	1.4%	0.7%
2020	1.1%	0.7%	0.5%	1.2%	0.6%	1.2%	1.9%	1.0%	1.2%	0.2%
2021	1.2%	0.7%	0.3%	0.8%	0.5%	1.2%	2.0%	1.2%	1.5%	0.8%
2022	1.5%	0.6%	0.2%	1.1%	0.6%	1.6%	1.6%	1.2%	1.0%	0.6%
2023	1.5%	0.6%	0.4%	1.0%	0.4%	1.8%	1.5%	0.6%	1.0%	0.3%

Year (2020-2024)	Elexicon Energy	Alectra Utilities	Burlington Hydro	Enova Power	ENWIN Utilities	GrandBridge Energy	Hydro Ottawa Limited	London Hydro	Oakville Hydro	Toronto Hydro
2024	1.3%	0.3%	0.6%	0.9%	0.6%	2.0%	2.0%	0.7%	2.2%	0.3%
2020-2024 Customer Growth	5.6%	2.3%	1.4%	3.8%	2.1%	6.8%	7.3%	3.8%	5.9%	2.1%
2020-2024 CAGR	1.4%	0.6%	0.4%	0.9%	0.5%	1.7%	1.8%	0.9%	1.4%	0.5%

1 Ontario averages are average of the peer groups excluding Elexicon Energy.

2

3 **Figure 5: Elexicon vs. Ontario and Peer Group CAPEX per Customer with Elexicon’s Customer**
 4 **Growth (2020-2024)** - Not provided as the figure already has the underlying data table attached.

5

6 **Figure 6: Elexicon vs. Ontario and Peer Group OM&A Costs Per Customer with OEB Inflation (2020-**
 7 **2024)** - Not provided as the figure already has the underlying data table attached.

8

9 **Figure 7: Elexicon vs. Ontario and Peer Group OM&A per CAPEX (2020-2024)** - Not provided as the
 10 figure already has the underlying data table attached.

11

12 **Figure 8: Elexicon vs. Ontario and Peer Group FTE per 1,000 Customers (2020-2024)** - Not provided
 13 as the figure already has the underlying data table attached.

14

15 **Figure 9: Elexicon vs. Ontario and Peer Group FTE per \$1M CAPEX (2020-2031)** - Not provided as
 16 the figure already has the underlying data table attached.

17

18 **Figure 10: Elexicon vs. Peer Group FTE per \$1M CAPEX (2024)** - Not provided as the figure already
 19 has the underlying data table attached.

20

21 **Table 1: Benchmarking Peer Groups** - Not provided as no calculation done. The data is directly
 22 sourced from RRR.

23

1 **Table 2: Summary Table of Benchmarking Results** - Not provided. The tables/figures used to
2 interpret are already shared in the exhibit.

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4 **Table 3: Summary Table of Customer Growth 2020-2024** - Please see Figure 4.

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6 **Table 4: Summary Table of Supplemental Benchmarking Results (Cumulative 2020-2024)** - Not
7 provided. The tables/figures used to interpret are already shared in the exhibit.

8

9 **Table 5: Elexicon vs. Peer Group Customer Growth (2020-2024)** - Please see Figure 4.

1 **RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES**

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3 **INTERROGATORY 1-SEC-26**

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6 [Ex.1-5-3] Please provide a list of productivity and efficiency initiatives undertaken by Elexicon each
7 year since 2019. For each, please quantify the savings, broken down by capital and OM&A. Please
8 provide all underlying calculations, an explanation of the calculation methodology and any
9 assumptions made.

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11

12 **RESPONSE:**

13 Elexicon did not maintain a detailed written tracker of productivity and efficiency initiatives in the
14 indicated period as it was focused on delivering merger synergies and responding to the pressing
15 challenges the company faced in scaling for growth and delivering improvement in operational
16 effectiveness.

17

18 Following the 2019 merger of Veridian and Whitby Hydro, Elexicon focused on achieving the
19 potential synergies as merged entity. As outlined in Exhibit 1 – Tab 4 – Schedule 2, and further
20 detailed in 1-CCC-05, Elexicon achieved the majority of its projected synergy savings despite
21 navigating the challenges of the COVID-19 pandemic. These are the savings which Elexicon is able to
22 quantify.

23

24 Around 2022 Elexicon began experiencing material changes to business conditions which intensified
25 and required the organization to pivot from a focus on synergies and cost reductions to continuous
26 improvement in order to scale the organization to respond to growing demands from external
27 factors. The factors are discussed in Exhibit 1 – Tab 4 – Schedule 1 and include accelerating growth,
28 declining system reliability performance and increasing regulatory and compliance obligations driven
29 by a period of heightened policy activity and change. These factors drove the need for Elexicon to

1 deploy greater infrastructure investment which in turn required growth in workforce and
2 establishment of the foundational functions (e.g. enhanced asset management, establishment of
3 program delivery group), systems (e.g. cybersecurity investments), processes (e.g. business
4 continuity plans) and greater sophistication of governance (e.g. enterprise risk management) to align
5 with the increased risk profile. The cumulative impact of these investments is an improvement in the
6 way that Elexicon engages and understands the customers and communities it serves, understands
7 its system, plans for its needs, and oversees the execution of its work. It has resulted in tangible
8 benefits such as improvements in safety performance, keeping pace with one of the fastest rates of
9 customer connections in the province, the go-live of a new customer information system and portal
10 to modernize service offerings for customers, more than doubling the throughput of the
11 organization's capital program relative to pre-merger levels to keep up with evolving risks, and
12 significant improvements in cyber security. All of which have benefited from being built on the
13 foundation of the leaner, more efficient post-merger entity.

14

15 It is important to view Elexicon's historical benchmarking outcomes within the context of this post-
16 merger environment. During this transitional period, Elexicon continued to perform well in the OEB's
17 cost benchmarking and relative to its peers, as shown in Exhibit 1 – Tab 5 – Schedule 3, despite these
18 increased investments in its workforce and establishment of foundational functions.

19

20 Going forward, Elexicon anticipates that it will leverage the Dx Next initiative as a foundational means
21 of enabling further efficiencies while Elexicon continues to scale in order to meet the future needs
22 of its system and the communities its serves. See 1-SEC-27 and 4-CCC-51 for further details regarding
23 efficiencies from Dx Next.

24

1 **RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES**

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3 **INTERROGATORY 1-SEC-27**

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6 [Ex.1-5-3] Please provide a list of productivity and efficiency initiatives planned to be undertaken by
7 Elexicon between 2027 and 2031. For each initiative, please quantify the savings, broken down by
8 capital and OM&A. Please provide all underlying calculations, an explanation of the calculation
9 methodology and any assumptions made.

10

11

12 **RESPONSE:**

13 Outside of the Dx NEXT productivity and efficiency benefits which are detailed in 4-CCC-51 and 4-
14 SEC-78 part h), Elexicon has not developed a list of planned initiatives for the 2027-2031 rate term.
15 As noted in Exhibit 1 – Tab 5 – Schedule 1, the proposed X-factor included in custom rate framework
16 offers customers an initial rate reduction benefit of \$3M and incentivizes Elexicon to pursue
17 productivity and efficiency during the CIR term to manage the impact of this revenue reduction.
18 These efforts will be pursued throughout the rate term and Elexicon will report on its achievements
19 in the next rebasing application.

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RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY 2A-SEC-28

[Ex.2A-1-1, Appendix 2-AB, 2-BA] With respect to CWIP:

a. Please provide a breakdown of the assets/projects that make up the Construction Work in Progress (“CWIP”) in each year between 2025 and 2031.

b. SEC has prepared the following table. Please update with 2025 actuals and confirm that it is correct. If not, please correct and update.

	\$M	2025	2026	2027	2028	2029	2030	2031
a	Capex	59.8	77.2	123.3	129.7	149.7	149.0	188.1
b	CWIP	62.5	69.3	126.4	133.7	146.2	167.3	101.1
c	Net change in CWIP	1.1	-6.8	-57.1	-7.3	-12.5	-21.1	66.2
d	Disposals	-2.2	-1.8	-4.7	-2.8	-7.1	-6.8	-7.1
e=a+c+d	Calculated Additions	58.7	68.6	61.5	119.6	130.1	121.1	247.2
f	Gross PPE Open	629.7	680.8	807.6	869.3	988.9	1119	1240.1
g	Gross PPE Close	680.8	723	869.3	988.9	1119	1240.1	1487.4
h=g-f	Additions	51.1	42.2	61.7	119.6	130.1	121.1	247.3
	ICM Gross Close		84.7					
	ICM additions	7.5	26.5					
e-h	Variance	0.1	-0.1	-0.2	0.0	0.0	0.0	0.0

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RESPONSE:

a) Elexicon has provided the breakdown of the 2025 actual CWIP by OEB Project Category in Table 1. CWIP is not assessed and broken down into assets until a project has been completed and is classified as In-service Addition (ISA). For the forecast periods CWIP value is a function of prior year CWIP plus capital expenditures less In-service additions.

1

Table 1: 2025 Construction Work in Progress (CWIP)

Capital Expenditure Category	WIP Cost	WIP Contribution	WIP NET
SYSTEM RENEWAL	21.3	0.3	20.9
SYSTEM ACCESS	98.7	57.0	41.8
GENERAL PLANT	0.5	-	0.5
SYSTEM SERVICE	12.0	0.0	11.9
Total 2025 Actual CWIP	132.5	57.4	75.1

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b) Table 2 below has been updated with 2025 actuals. Elexicon confirms the rest of the table is correct.

4

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Table 2: 2025 Actuals as Requested

	\$M	2025 A	2026	2027	2028	2029	2030	2031
a	Capex	73.5	77.2	123.3	129.7	149.7	149.0	188.1
b	CWIP	75.1	83.9	140.9	148.3	160.8	181.9	115.7
c	Net change in CWIP	-11.5	-8.8	-57.0	-7.3	-12.5	-21.1	66.2
d	Disposals	-1.3	-1.8	-4.7	-2.8	-7.1	-6.8	-7.0
e=a+c+d	Calculated Additions	60.7	66.6	61.6	119.6	130.1	121.1	247.3
f	Gross PPE Open	629.7	684.3	807.6	869.4	989.0	1119.1	1240.2
g	Gross PPE Close	684.3	744.4	869.4	989.0	1119.1	1240.2	1487.5
h=g-f	Additions	54.6	60.1	61.6	119.6	130.1	121.1	247.3
	ICM Gross Close	56.9	63.4					
	ICM additions	6.1	6.5					
e-h	Variance	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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7

The Opening PPE balance in 2027 includes \$63.4 M of ICM Gross PPE which was recorded in account 1508. This is shown on tab "App.2-BA_Fixed Asset Cont (ICM)" in Attachment 1, 1-SEC-13. The balance is brought into asset base upon rebasing.

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RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY 2A-SEC-29

[Ex.2A-2-1] Please provide a table that shows the weighted average depreciation rate for in-service additions in a given year, (e.g. the weighted average depreciate rate in 2027 for 2027 in-service additions only), by OEB category, for each year of the plan.

RESPONSE:

Table 1: Weighted average depreciation rate by year of addition by OEB Account category

Account	Description	2027	2028	2029	2030	2031
1609	Capital Contributions Paid					4.00%
1611	Computer Software (Formally known as Account 1925)	33.33%	33.33%	33.33%	33.33%	33.33%
1815	Transformer Station Equipment >50 kV					2.33%
1820	Distribution Station Equipment <50 kV	2.70%	2.41%	2.44%	2.46%	2.52%
1830	Poles, Towers & Fixtures	2.49%	2.48%	2.45%	2.41%	2.41%
1835	Overhead Conductors & Devices	2.02%	2.13%	2.20%	2.19%	2.39%
1840	Underground Conduit	1.67%	1.67%	1.67%	1.67%	1.67%
1845	Underground Conductors & Devices	2.82%	2.81%	2.79%	2.74%	2.69%
1850	Line Transformers	3.30%	3.25%	3.24%	3.25%	3.25%
1855	Services (Overhead & Underground)	2.24%	2.24%	2.25%	2.25%	2.25%

Account	Description	2027	2028	2029	2030	2031
1860	Meters	4.00%	4.00%	4.00%	4.00%	4.00%
1860	Meters (Smart Meters)	6.67%	6.67%	6.67%	6.67%	6.67%
1908	Buildings & Fixtures	6.35%	4.00%	6.67%	6.67%	6.67%
1915	Office Furniture & Equipment	10.00%				
1920	Computer Equipment - Hardware	22.33%	22.13%	21.36%	21.52%	21.44%
1930	Transportation Equipment	9.79%	9.75%	9.20%	9.96%	10.08%
1940	Tools, Shop & Garage Equipment	10.00%	10.00%	10.00%	10.00%	10.00%
1980	System Supervisor Equipment	6.67%	6.67%	6.67%	6.67%	6.67%
2440	Deferred Revenue	2.30%	2.32%	2.36%	2.36%	2.36%

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RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY 2A-SEC-30

[Ex.2A-6-1, p.3] With respect to the Seaton TS, please provide the full calculation for the actual ‘Annual Revenue Requirement’ for each year between 2020 and 2026 included in Table 4.

RESPONSE:

The approved annual revenue requirement of \$3,404,259 was based on a total approved forecast project cost for the Seaton TS of \$40,762,000. The actual annual revenue requirement of \$3,501,373 is based on the actual total completed project cost of \$43,191,280. However, as noted in Exhibit 2A - Tab 6 - Schedule 1 page 3, Elexicon is not proposing a rate rider recovery on the variance between approved and actual revenue requirement.

The table below provides the calculation of the ‘Annual Revenue Requirement’ updated to reflect the total completed project cost of \$43,191,280. Please note that this update is in alignment with the revised Chapter 2 Appendix of 2-BA attached to 1-SEC-13.

Table 1: Updated Annual Revenue Requirement

Incremental Capital Adjustment			
Current Revenue Requirement			
Current Revenue Requirement - Total		\$ 49,926,936	A
Eligible Incremental Capital for ACM/ICM Recovery			
	Total Claim	Eligible for ACM/ICM	
		(Full Year Prorated Amount)	
Amount of Capital Projects Claimed	\$ 43,191,280	\$ 43,191,280	B
Depreciation Expense	\$ 912,277	\$ 912,277	C
CCA	\$ 3,147,990	\$ 3,147,990	V

ACM/ICM Incremental Revenue Requirement Based on Eligible Amount in Rate Year				
Return on Rate Base				
Incremental Capital			\$ 43,191,280	B
Depreciation Expense (prorated to Eligible Incremental Capital)			\$ 912,277	C
Incremental Capital to be included in Rate Base (average NBV in year)			\$ 42,735,141	D = B - C/2
	<i>% of capital structure</i>			
Deemed Short-Term Debt	4.0%	E	\$ 1,709,406	G = D * E
Deemed Long-Term Debt	56.0%	F	\$ 23,931,679	H = D * F
	<i>Rate (%)</i>			
Short-Term Interest	2.11%	I	\$ 36,068	K = G * I
Long-Term Interest	4.94%	J	\$ 1,182,225	L = H * J
Return on Rate Base - Interest			\$ 1,218,293	M = K + L
	<i>% of capital structure</i>			
Deemed Equity %	40.00%	N	\$ 17,094,056	P = D * N
	<i>Rate (%)</i>			
Return on Rate Base -Equity	9.36%	O	\$ 1,600,004	Q = P * O
Return on Rate Base - Total			\$ 2,818,297	R = M + Q
Amortization Expense				
Amortization Expense - Incremental		C	\$ 912,277	S
Grossed up Taxes/PILs				
Regulatory Taxable Income		O	\$ 1,600,004	T
Add Back Amortization Expense (Prorated to Eligible Incremental Capital)		S	\$ 912,277	U
Deduct CCA (Prorated to Eligible Incremental Capital)			\$ 3,147,990	V
Incremental Taxable Income			-\$ 635,709	W = T + U - V
Current Tax Rate	26.5%	X		
Taxes/PILs Before Gross Up			-\$ 168,463	Y = W * X
Grossed-Up Taxes/PILs			-\$ 229,201	Z = Y / (1 - X)

Incremental Revenue Requirement				
Return on Rate Base - Total		Q	\$ 2,818,297	AA
Amortization Expense - Total		S	\$ 912,277	AB
Grossed-Up Taxes/PILs		Z	-\$ 229,201	AC
Incremental Revenue Requirement			\$ 3,501,373	AD = AA + AB + AC

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1 **RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES**

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3 **INTERROGATORY 2A-SEC-31**

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6 [Ex.2A-6-1, p.1] Please update Elexicon’s request based on the OEB’s decision in EB-2025-0046 in
7 which the OEB approved partial ICM funding of \$6.55 million in capital for the Sandy Beach Station
8 project, a reduction of \$3.25 million from the proposed \$9.70 million and denied ICM funding of
9 \$18.38 million in capital for a new Dual Element Spot Network at the Belleville Transformer Station.

10 [C. Chan][Lincoln FH]

11

12

13 **RESPONSE:**

14 Sandy Beach Station

15 The Sandy Beach Station project is still in progress and is not expected to be completed before the
16 fall of 2026. As a result, Elexicon cannot compare actual versus forecast costs, and provide a true-up
17 for revenue collected at this time. Any differences between forecasted and actual expenditures will
18 be reconciled in Elexicon’s next rebasing application. The OEB did not approve ICM funding for the
19 Belleville DESN2 project therefore there is no associated ICM true-up. The forecasted costs for Sandy
20 Beach Station and Belleville DESN 2 projects have been fully incorporated into the opening rate base
21 for this application and the associated capital-related revenue requirement in proposed rates.

22

23 Whitby Smart Grid True-Up

24 As per Exhibit 2A - Tab 6 - Schedule 1, Elexicon committed to providing an update regarding the
25 expenditures and revenue collected for its Whitby Smart Grid Project (WSG), as approved in EB-2022-
26 0024. Elexicon has incorporated the WSG projects into rate base in 2027.

27 The Whitby Smart Grid project involves the deployment of a suite of technologies to modernize

1 Elexicon’s distribution system. The Whitby Smart Grid includes an Advanced Distribution
2 Management System (ADMS) and Supervisory Control and Data Acquisition (SCADA) software, the
3 benefits of which are summarized as follows:

- 4 • ADMS: provides increased operational awareness, reduced restoration time, and
5 improved asset management of devices.
- 6 • SCADA: is a category of software applications for controlling processes, which is
7 the gathering of data in real time from remote locations to monitor and operate
8 equipment. SCADA provides utilities with the information and tools to make and
9 deploy data-driven decisions regarding their distribution system.

10
11 In its Decision and Order for EB-2022-0024, the OEB approved \$8.8M in ICM funding in 2025 for the
12 ADMS and SCADA aspects of the proposed Whitby Smart Grid project. The OEB found that the ICM
13 met the criteria of materiality, need and prudence for the ADMS and SCADA aspects of the proposed
14 project. The OEB determined that the ICM was outside the base upon which rates were derived; and
15 approved the funding for the project. Rate riders were approved, effective from April 1, 2025, to
16 Elexicon’s next rebasing application.

17
18 The OEB-approved amounts are provided in Table 1a) -1c) below.

19 **Table 1a: OEB-approved amounts for Veridian**

Description	OEB Approved
Capital Expenditure	\$ 6,431,567
Annual Revenue Requirement	\$ 1,161,935
Effective Date of Rate Rider	Apr 1 2025
Sunset Date of Rate Rider	Dec 31 2026

20
21 **Table 1b: OEB-approved amounts for Whitby**

Description	OEB Approved
Capital Expenditure	\$ 2,369,433
Annual Revenue Requirement	\$ 438,776
Effective Date of Rate Rider	Apr 1 2025
Sunset Date of Rate Rider	Dec 31 2026

1

Table 1c: Total OEB-approved amounts

Description	OEB Approved
Capital Expenditure (Net)	\$ 8,801,000
Annual Revenue Requirement	\$ 1,600,711
Effective Date of Rate Rider	Apr 1 2025
Sunset Date of Rate Rider	Dec 31 2026

2

3 Elexicon has tracked project costs and variances and is providing a summary of the variance between
 4 approved spending and actual expenditures in Table 2, below.

5

Table 2: Variance summary of spending vs actuals

Description	OEB Approved	Actual	Variance
Capital Expenditures (Net)	\$ 8,801,000	\$ 8,252,300	-\$ 548,700

6

7 Details of the variance between approved spending and actual expenditure are provided in Table 3
 8 below. Elexicon was able to fully secure the \$4M in funding associated with this project from NRCan.

9

Table 3: Variance between approved vs actuals

Costs	OEB Approved	Actual	Variance
WSG – SCADA	\$ 4,760,000	\$ 2,976,319	-\$ 1,783,681
WSG – ADMS	\$ 8,082,000	\$ 9,316,981	\$ 1,234,981
WSG – NRCan – Deferred Revenue	-\$ 4,041,000	-\$ 4,041,000	\$ -
Total	\$ 8,801,000	\$ 8,252,300	-\$ 548,700
			-6%

10

11 Elexicon was able to procure the SCADA hardware at a lower than anticipated cost. ADMS cost
 12 increase was due to the additional time and resources required to design and implement the solution
 13 as well as the integration and synchronization of the power system network model with the
 14 Geographic Information System (“GIS”).

15

16 Elexicon provides a comparison of the approved revenue requirement and the actual revenue
 17 requirement to the amounts collected from customers in Table 4 below.

1

Table 4: Approved vs Actual revenue requirement

Description	OEB Approved	Actual
Annual Revenue Requirement	\$ 1,600,711	\$ 2,234,258
Total Revenue Requirement April 2025-Dec 2026		\$ 3,909,952
Rate Rider Collected April 2025-Dec 2026		-\$ 2,937,420
Due from Ratepayers - Net		\$ 972,532

2

3 The actual Annual Revenue Requirement of \$2.2M is higher than the OEB approved Annual Revenue
 4 requirement of \$1.6M. This is because the assets installed through the WSG have a higher
 5 depreciation rate than what was used to establish the forecast revenue requirement. Elexicon has
 6 determined that given the nature of the SCADA investments it is more appropriate to treat them as
 7 1920 hardware, rather than 1980 SCADA. With that distinction comes different depreciation rates.
 8 The Kinetrics report gives computer hardware a useful live range of 3-5 years compared to SCADA
 9 which is a minimum useful life of 15 years and a typical useful life of 20 years.

10 A comparison of project to date revenue requirement indicates Elexicon under-recovered \$972,532
 11 from ratepayers. Elexicon is not proposing rate rider recovery of this amount. The amounts forecast
 12 to be recorded in the sub-accounts of Account 1508 - Regulatory Assets are captured in Table 5
 13 below.

14

Table 5: Amounts to be recorded in sub-accounts of Account 1508

Accounts	2026 YTD cumulative
1508 - Capital Expenditures (Net)	\$ 8,252,300
1508 - Capital Expenditures Carrying Charges	\$ 537,027
1508 - Depreciation	\$ 2,917,462
1508 - Accumulated Amortization	-\$ 2,917,462
1508 - Rate Rider Revenue	-\$ 2,937,420
1508 - Rate Rider Revenue Carrying Charges	-\$ 113,691

15

16 For carrying charges, Elexicon has used the rate of interest prescribed by the OEB for DVAs for the
 17 respective quarterly period as published on the OEB's website. Elexicon is proposing to add to rate
 18 base \$5,334,839 for the WSG, as per Table 6, below.

1

Table 6: Proposed addition to rate base

Description	WSG
Gross Fixed Assets	\$ 8,252,300
Accumulated Depreciation	-\$ 2,917,462
Net Fixed Assets	\$ 5,334,839

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RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY 2A-SEC-32

[Ex.2A-6-1, Table 3] With respect to the variance for Seaton TS:

a. Table 3 appears to be incomplete as the totals are not correct as shown in the table below.

Please correct Table

Cost	OEB Approved	Actual	Variance
		\$ 3,244,400	\$ 3,244,400
	\$ 1,186,000	\$ 3,841,402	\$ 2,655,402
	\$ 35,626,000	\$ 33,419,576	-\$ 2,206,424
	\$ 2,500,000	\$ 1,454,907	-\$ 1,045,093
Total	\$ 39,312,000	\$ 41,960,285	\$ 2,648,285

b. Please provide further details on the Hydro One true-up of the Connection and Cost Recovery Agreement between Elexicon and Hydro One, including the original calculation and the true-up calculation.

c. Please provide the in-service date of the Seaton TS.

RESPONSE:

a) Upon review, the totals in Table 3 in Exhibit 2A - Tab 6 - Schedule 1 are correct, but certain rows were unintentionally excluded. The complete table is provided below. This aligns with revised chapter 2 appendix BA found under the response in 1-SEC-13.

1

Table 1: Updated Table 3

Costs	OEB Approved	Actuals
Seaton TS - Miscellaneous Intangible H1 TS	\$ -	\$ 2,350,993
Seaton TS - Land Rights-Seaton MTS	\$ 1,186,000	\$ 3,841,402
Seaton TS - Transformer Station Equipment >50 kV	\$ 35,626,000	\$ 33,419,576
Seaton TS - Poles, Towers & Fixtures	\$ 550,000	\$ 1,140,142
Seaton TS - OH Conductor & Devices	\$ 400,000	\$ 876,138
Seaton TS - UG Conduit	\$ 250,000	
Seaton TS - UG Conductor & Devices	\$ 250,000	\$ 30,647
Seaton TS - SCADA	\$ 2,500,000	\$ 1,454,907
Seaton TS - Line Transformers-Padmout		\$ 60,628
Seaton TS - Line Transformers-Polemout		\$ 11,547
Seaton TS - Computer Hardware Other		\$ 5,299
Total	\$ 40,762,000	\$ 43,191,280

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3

b) Please refer to the response in 2-Staff-74, part (b) for details on the Hydro One true-up of the Connection Cost Recovery Agreement (CCRA), including original forecast assumptions and the actual cost reconciliation for the Seaton MTS connection. That response describes both the original CCRA construction cost estimate and the subsequent Actual Cost Reconciliation completed by Hydro One that resulted in the true-up.

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c) Please refer to the response in 2-Staff-76.

1 **RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES**

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3 **INTERROGATORY 2B-SEC-33**

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6 [Ex.2B] Please provide a table that shows, broken down by OEB category (system access, renewal,
7 service, and general plant) the Applicant's (or predecessor utilities') annual internal budgeted
8 amounts for each year since each of Whitby and Veridian's last rebasing test year.

9

10

11 **RESPONSE:**

12 This interrogatory will be addressed in the second round of interrogatories.

1 **RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES**

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3 **INTERROGATORY 2B-SEC-34**

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6 [Ex.2B] Please complete the attached Excel file.

7

8

9 **RESPONSE:**

10 Please refer to the attached Excel file 2B-SEC-34(1)_Total Capex ISA Conversion, for the requested
11 information. Note the in-service additions for each year may not tie with the ISA in Appendix 2-BA
12 because of pre-2027 closing spend conversion (CWIP) to ISA. Please refer to 2-CCC-11 d) for the
13 methodology for forecasting the timing of in-service additions.

1 **RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES**

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3 **INTERROGATORY 2B-SEC-35**

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6 [Ex.2B] Please provide revised versions of Appendix 2-AA, on both a capital expenditure and in-
7 service additions basis, that includes not just programs, but all underlying segment/sub-programs
8 on a net basis (i.e. individual programs/segments are shown inclusive of contributions).

9

10

11

12

13 **RESPONSE:**

14 Please refer to Excel file 2B-SEC-35(1)_OEB App.2AA-CapEx and ISA by Project.

1 **RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES**

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3 **INTERROGATORY 2B-SEC-37**

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6 [Ex.2B-1-1, p.1] With respect to the number of connections:

7 a. Please provide a list, for each year between 2022 and 2025, the number of applications and
8 inquiries over 1 MW indicating the forecasted load in each year (Note: that the customer does not
9 need to be identified).

10 b. Please indicate whether the application or inquiry listed above led to connection of load, and if
11 so, what amount of load and in what year.

12

13

14 **RESPONSE:**

15 a) Please refer to Table 1 below:

16 **Table 1: Number of Applications and Inquiries 2022-2025**

	2022	2023	2024	2025
Number of applications & inquiries received (> 1MW)	15	19	36	28
Cumulative Load requested (MW)	27.8	54.1	165.8	345.5

17

18 b) Please refer to Table 2 below, which represents the number of customers connected and the
19 load materialized from the applicants identified in part a. Note that these values in the table
20 below represent the applications and inquires that have thus far been connected, and future
21 connections of these applications and inquires will continue beyond 2025.

22 **Table 2: Number of Customers Connected and Load Materialized**

	2022	2023	2024	2025
Number of application & inquiries connected (> 1 MW)	4	6	12	13
Cumulative Load connected (MW)	9.6	12.0	36.1	34.3

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RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY 2B-SEC-38

[Ex.2B-1-1, p.2] With respect to the asset condition demographics:

- a. What was the comparable total percentage of assets rated fair, poor and very poor in the previous Distribution System Plan (“DSP”)?
- b. Please file the previous DSP from EB-2018-0236 filed April 26, 2021. (Note: It is sufficient for the Applicant to simply agree to deem the EB-2018-0236 DSP on the record for this proceeding and provide a link to the OEB’s Regulatory Document Search, as opposed to re-filing.)
- c. In a number of the material investment program appendices (2B-4-3), Elexicon has provided a forecast of the asset condition demographics in 2031 with and without the proposed investments. Please explain, in detail, how Elexicon forecast 2031 ACA results.

RESPONSE:

- a) The relative percentages of assets in Fair, Poor, and Very Poor are shown in Table 1 below for both the 2021 ACA – which was used in the previous Distribution System Plan – and the 2025 ACA used in the current DSP.

Table 1: 2021 and 2025 ACA Results

ACA Year	Fair	Poor	Very Poor
2021	16.3%	1.7%	1.5%
2025	24.0%	10.0%	1.5%

- b) It is unnecessary to file this information or deem it as part of the record in this proceeding. Parties are free to access the OEB public record as they see fit.

1 c) The 2031 ACA projections were developed by applying the existing Health Index methodology to
2 the 2025 asset population while incorporating assumptions regarding asset aging and planned
3 capital replacement programs over the 2027 to 2031 investment period.

4
5 At a high level, the projection approach first identified assets currently in Poor and Very Poor
6 condition that are expected to be addressed through the proposed capital investment plans of
7 Substation Renewal, Underground System Renewal, and Overhead System Renewal. For
8 projection purposes, these assets were treated as newly installed assets following replacement
9 and their Health Index values were set to 100% (i.e. Very Good condition).

10
11 For the remaining assets that are not expected to be replaced within the investment period,
12 these assets will continue to age. To estimate their condition in 2031, the Health Index for each
13 asset was recalculated using the same Health Index Formulation (HIF) applied in the 2025 Asset
14 Condition Assessment, with service age increased by six years. Other condition parameters such
15 as testing results, visual inspection outcomes, and infrared inspection results were held constant
16 in the absence of forecasted inspection data.

17
18 This approach allows the projected 2031 Health Index distribution to capture both the expected
19 improvement resulting from planned asset replacements and the progressive deterioration of
20 assets that remain in service.

1 **RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES**

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3 **INTERROGATORY 2B-SEC-39**

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6 [Ex.2B-1-1, p.4] With respect to the primary operational objectives of restoring reliability to
7 historical levels of performance:

8 a. Please provide the five-year average and targets for SAIDI and SAIFI at the time of merger.

9

10 b. Please provide the reference in the merger Application to the information provided in part a.

11

12 c. For each year since the merger up to 2024, please provide the five-year average and targets for
13 SAIDI and SAIFI.

14

15 **Response:**

16

17 a) Please see below the five-year average SAIDI and SAIFI values and targets at the time of the
18 merger (2014-2018 results):

19 **Table 1: Five-year Average SAIDI and SAIFI Values and Targets at Merger**

Metric*	Five-year Average	Target
SAIDI	1.39	1.35
SAIFI	1.48	1.69

**Excluding Loss of Supply (LOS) and Major Event Days (MEDs)*

20

21

22 b) The reference in the MAAD Application EB-2018-0236 is Section 5.1.1(b) Table 6 on page 25.
23 Please note the MAAD Application, which was filed in July of 2018, sets out the metrics as
24 reported from the 2016 OEB Distributor Scorecard and 2017 reliability metrics as reported to the
25 OEB, and includes the years 2012-2017.

26

1 c) Please see the table below for the annual historical five-year average SAIDI and SAIFI values and
2 targets since the merger:

3 **Table 2: Annual Historical Five-Year Average SAIDI and SAIFI Values and Targets**

Year	Five-year SAIDI Average*	SAIDI Target	Five-year SAIFI Average*	SAIFI Target
2019	1.39	1.35	1.48	1.69
2020	1.27	1.35	1.32	1.69
2021	1.24	1.35	1.12	1.69
2022	1.24	1.35	1.09	1.69
2023	1.38	1.35	1.11	1.69
2024	1.39	1.35	1.07	1.69

*Excluding Loss of Supply (LOS) and Major Event Days (MEDs)

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RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY 2B-SEC-40

[Ex.2B-2-2] With respect to reliability:

- a. For each year between 2020 and 2025, please provide a table that shows each asset type, and its respective failures contribution to SAIDI and SAIFI (excluding MEDs and LOS) (e.g. see Figure 18 and 19 at Exhibit 2B-4-3, Appendix F, p.31-32).
- b. For each year between 2020 and 2025, please provide in a table the SAIDI and SAIFI (excluding LOS and MED), by cause code. Please provide the information for each of the underground and overhead systems.

1 **RESPONSE:**

2 a) For each year between 2020 to 2025, Elexicon has prepared Tables 1-12 below showing the
3 contribution of each asset type to SAIDI and SAIFI, excluding Major Event Days (MEDs) and Loss
4 of Supply (LOS) events, for both overhead and underground asset types. These results are
5 consistent with the methodology presented in Exhibit 2B-4-3, Appendix F.

6 **Table 1: Overhead Assets Contribution to 2020 System SAIDI and SAIFI by Asset Class,**
7 **Excluding LOS and MED**

Asset Type	SAIFI Value	Y/E SAIFI Contribution (%)	SAIDI Value	Y/E SAIDI Contribution (%)
Defective Switches, cutout	0.026	3%	0.015	1%
Defective Insulators	0.032	3%	0.025	2%
Lightning Arrestor	0.002	0%	0.003	0%
Dist. Trans. O/H	0.001	0%	0.004	0%
Overhead Primary Connections, Sleeves, Taps, connector	0.007	1%	0.012	1%
Overhead Secondary service connections	0.001	0%	0.002	0%
Equipment Failure - other, Pole	0.044	4%	0.048	3%

8

9 **Table 2: Overhead Assets Contribution to 2021 System SAIDI and SAIFI by Asset Class,**
10 **Excluding LOS and MED**

Asset Type	SAIFI Value	Y/E SAIFI Contribution (%)	SAIDI Value	Y/E SAIDI Contribution (%)
Defective Switches, cutout	0.004	0%	0.007	1%
Defective Insulators	0.006	1%	0.021	2%
Lightning Arrestor	0.026	2%	0.026	2%
Dist. Trans. O/H	0.001	0%	0.005	0%
Overhead Primary Connections, Sleeves, Taps, connector	0.112	10%	0.074	6%
Overhead Secondary service connections	0.001	0%	0.001	0%
Equipment Failure - other, Pole	0.017	1%	0.031	3%

1 **Table 3: Overhead Assets Contribution to 2022 System SAIDI and SAIFI by Asset Class,**
2 **Excluding LOS and MED**

Asset Type	SAIFI Value	Y/E SAIFI Contribution (%)	SAIDI Value	Y/E SAIDI Contribution (%)
Defective Switches, cutout	0.004	0%	0.008	0%
Defective Insulators	0.005	0%	0.014	1%
Lightning Arrestor	0.001	0%	0.002	0%
Dist. Trans. O/H	0.003	0%	0.009	1%
Overhead Primary Connections, Sleeves, Taps, connector	0.045	4%	0.071	4%
Overhead Secondary service connections	0.000	0%	0.001	0%
Equipment Failure - other, Pole	0.021	2%	0.012	1%

3

4 **Table 4: Overhead Assets Contribution to 2023 System SAIDI and SAIFI by Asset Class,**
5 **Excluding LOS and MED**

Asset Type	SAIFI Value	Y/E SAIFI Contribution (%)	SAIDI Value	Y/E SAIDI Contribution (%)
Defective Switches, cutout	0.054	6%	0.083	6%
Defective Insulators	0.040	4%	0.081	6%
Lightning Arrestor	0.001	0%	0.003	0%
Dist. Trans. O/H	0.001	0%	0.003	0%
Overhead Primary Connections, Sleeves, Taps, connector	0.057	6%	0.126	9%
Overhead Secondary service connections	0.000	0%	0.000	0%
Equipment Failure - other, Pole	0.010	1%	0.006	0%

6

7 **Table 5: Overhead Assets Contribution to 2024 System SAIDI and SAIFI by Asset Class,**
8 **Excluding LOS and MED**

Asset Type	SAIFI Value	Y/E SAIFI Contribution (%)	SAIDI Value	Y/E SAIDI Contribution (%)
Defective Switches, cutout	0.207	18%	0.150	9%
Defective Insulators	0.001	0%	0.002	0%
Lightning Arrestor	0.001	0%	0.002	0%
Dist. Trans. O/H	0.003	0%	0.005	0%
Overhead Primary Connections, Sleeves, Taps, connector	0.069	6%	0.237	14%
Overhead Secondary service connections	0.001	0%	0.002	0%
Equipment Failure - other, Pole	0.001	0%	0.004	0%

9

1 **Table 6: Overhead Assets Contribution to 2025 System SAIDI and SAIFI by Asset Class,**
 2 **Excluding LOS and MED**

Asset Type	SAIFI Value	Y/E SAIFI Contribution (%)	SAIDI Value	Y/E SAIDI Contribution (%)
Defective Switches, cutout	0.022	1%	0.045	2%
Defective Insulators	0.004	0%	0.015	1%
Lightning Arrestor	0.041	3%	0.003	0%
Dist. Trans. O/H	0.011	1%	0.023	1%
Overhead Primary Connections, Sleeves, Taps, connector	0.027	2%	0.055	3%
Overhead Secondary service connections	0.001	0%	0.003	0%
Equipment Failure - other, Pole	0.024	2%	0.066	3%

3

4 **Table 7: Underground Assets Contribution to 2020 System SAIDI and SAIFI by Asset Class,**
 5 **Excluding LOS and MED**

Asset Type	SAIFI Value	Y/E SAIFI Contribution (%)	SAIDI Value	Y/E SAIDI Contribution (%)
Elbow and insert	0.005	1%	0.013	1%
Dist. Trans. U/G	0.006	1%	0.011	1%
Equipment Failure / Meter Connection	0.000	0%	0.000	0%
U/G Primary Cable Failure	0.093	9%	0.148	11%
U/G Sec. Cable Failure	0.001	0%	0.002	0%
Switchgear	0.003	0%	0.002	0%

6

7 **Table 8: Underground Assets Contribution to 2021 System SAIDI and SAIFI by Asset Class,**
 8 **Excluding LOS and MED**

Asset Type	SAIFI Value	Y/E SAIFI Contribution (%)	SAIDI Value	Y/E SAIDI Contribution (%)
Elbow and insert	0.000	0%	0.000	0%
Dist. Trans. U/G	0.014	1%	0.013	1%
Equipment Failure / Meter Connection	0.025	2%	0.014	1%
U/G Primary Cable Failure	0.101	9%	0.192	16%
U/G Sec. Cable Failure	0.001	0%	0.004	0%
Switchgear	0.010	1%	0.001	0%

9

1 **Table 9: Underground Assets Contribution to 2022 System SAIDI and SAIFI by Asset Class,**
 2 **Excluding LOS and MED**

Asset Type	SAIFI Value	Y/E SAIFI Contribution (%)	SAIDI Value	Y/E SAIDI Contribution (%)
Elbow and insert	0.001	0%	0.002	0%
Dist. Trans. U/G	0.004	0%	0.014	1%
Equipment Failure / Meter Connection	0.000	0%	0.000	0%
U/G Primary Cable Failure	0.051	4%	0.124	7%
U/G Sec. Cable Failure	0.001	0%	0.003	0%
Switchgear	0.000	0%	0.000	0%

3
 4 **Table 10: Underground Assets Contribution to 2023 System SAIDI and SAIFI by Asset Class,**
 5 **Excluding LOS and MED**

Asset Type	SAIFI Value	Y/E SAIFI Contribution (%)	SAIDI Value	Y/E SAIDI Contribution (%)
Elbow and insert	0.001	0%	0.002	0%
Dist. Trans. U/G	0.012	1%	0.025	2%
Equipment Failure / Meter Connection	0.000	0%	0.000	0%
U/G Primary Cable Failure	0.065	7%	0.156	11%
U/G Sec. Cable Failure	0.000	0%	0.000	0%
Switchgear	0.012	1%	0.005	0%

6
 7 **Table 11: Underground Assets Contribution to 2024 System SAIDI and SAIFI by Asset Class,**
 8 **Excluding LOS and MED**

Asset Type	SAIFI Value	Y/E SAIFI Contribution (%)	SAIDI Value	Y/E SAIDI Contribution (%)
Elbow and insert	0.000	0%	0.000	0%
Dist. Trans. U/G	0.013	1%	0.022	1%
Equipment Failure / Meter Connection	0.000	0%	0.000	0%
U/G Primary Cable Failure	0.065	6%	0.121	7%
U/G Sec. Cable Failure	0.001	0%	0.002	0%
Switchgear	0.000	0%	0.000	0%

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1 **Table 12: Underground Assets Contribution to 2025 System SAIDI and SAIFI by Asset Class,**
 2 **Excluding LOS and MED**

Asset Type	SAIFI Value	Y/E SAIFI Contribution (%)	SAIDI Value	Y/E SAIDI Contribution (%)
Elbow and insert	0.044	3%	0.004	0%
Dist. Trans. U/G	0.035	2%	0.052	3%
Equipment Failure / Meter Connection	0.000	0%	0.000	0%
U/G Primary Cable Failure	0.144	9%	0.328	16%
U/G Sec. Cable Failure	0.003	0%	0.006	0%
Switchgear	0.002	0%	0.018	1%

3

4 b) For each year from 2020 to 2025, Elexicon has prepared Tables 13 and 14 below showing SAIDI
 5 and SAIFI (excluding MEDs and LOS), categorized by cause code along with information about
 6 the overhead and underground systems within the defective equipment cause code.

7 **Table 13: SAIDI Contribution by Cause Code – Excluding MED and LOS**

Cause code	2020	2021	2022	2023	2024	2025	Total
0-Unknown	0.050	0.134	0.260	0.164	0.253	0.101	0.962
1-Scheduled Outage	0.054	0.112	0.142	0.167	0.047	0.122	0.644
3-Tree Contacts	0.304	0.259	0.294	0.192	0.446	0.583	2.079
4-Lightning	0.036	0.001	0.000	0.058	0.003	0.002	0.101
5-Overhead Defective Equipment	0.108	0.165	0.116	0.302	0.402	0.210	1.303
5-Underground Defective Equipment	0.177	0.224	0.143	0.188	0.146	0.408	1.286
5-Defective Equipment Others	0.008	0.000	0.133	0.062	0.037	0.000	0.240
6-Adverse Weather	0.096	0.086	0.339	0.022	0.113	0.233	0.889
7-Adverse Environment	0.003	0.005	0.001	0.003	0.000	0.035	0.047
8-Human Element	0.315	0.028	0.051	0.028	0.009	0.077	0.507
9-Foreign Interference	0.218	0.156	0.228	0.187	0.252	0.243	1.286
Total	1.370	1.171	1.709	1.374	1.709	2.014	-

8

1 **Table 14: SAIFI Contribution by Cause Code – Excluding MED and LOS**

Cause code	2020	2021	2022	2023	2024	2025	Total
0-Unknown	0.136	0.324	0.337	0.386	0.328	0.223	1.733
1-Scheduled Outage	0.051	0.102	0.070	0.071	0.026	0.049	0.369
3-Tree Contacts	0.170	0.132	0.166	0.077	0.282	0.396	1.223
4-Lightning	0.015	0.029	0.000	0.021	0.001	0.004	0.069
5-Overhead Defective Equipment	0.113	0.167	0.078	0.161	0.283	0.129	0.931
5-Underground Defective Equipment	0.108	0.151	0.057	0.091	0.079	0.227	0.713
5-Defective Equipment Others	0.009	0.000	0.121	0.038	0.015	0.000	0.184
6-Adverse Weather	0.031	0.044	0.110	0.006	0.051	0.123	0.365
7-Adverse Environment	0.000	0.006	0.000	0.006	0.000	0.037	0.050
8-Human Element	0.179	0.075	0.014	0.036	0.006	0.177	0.486
9-Foreign Interference	0.203	0.087	0.233	0.075	0.088	0.190	0.876
Total	1.014	1.117	1.186	0.968	1.160	1.554	-

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RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY 2B-SEC-41

[Ex.2B-2-2, p.7] Please update the following to include, 2017 to 2019 and 2025 actuals information:

- a. Tables 17-19, 22-24
- b. Figures 7-10, 12, 14-25

1 **RESPONSE:**

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3 In response to parts a) and b) of the question, from the referenced exhibit, the revised versions of
 4 Tables 17–19 and 22–24, and Figures 7–10, 12, and 14–25 to include 2017–2019 and 2025 actuals
 5 are presented below.

6

7 **Table 1: Table 17 (revised): Historical Reliability Performance Metrics – All Cause Codes**

Metric	2017	2018	2019	2020	2021	2022	2023	2024	2025	Average
SAIDI	1.89	5.30	1.64	3.33	2.16	22.65	2.15	3.78	3.05	5.10
SAIFI	2.01	2.59	1.28	1.74	1.92	2.90	1.45	1.67	2.14	1.97
CAIDI	0.94	2.05	1.28	1.92	1.12	7.80	1.48	2.26	1.42	2.25

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10 **Table 2: Table 18 (revised): Historical Reliability Performance Metrics – LOS and MED**
 11 **Adjusted**

Metric	2017	2018	2019	2020	2021	2022	2023	2024	2025	Average
<i>Loss of Supply Adjusted (including MEDs, Excluding LOS)</i>										
SAIDI	1.14	3.84	1.34	2.22	1.58	20.82	1.60	2.94	2.26	4.19
SAIFI	1.50	1.57	1.05	1.17	1.26	2.22	1.04	1.18	1.57	1.40
CAIDI	0.76	2.45	1.27	1.90	1.26	9.37	1.54	2.49	1.43	2.50
<i>Major Event Days Adjusted (including LOS, excluding MEDs)</i>										
SAIDI	1.73	1.99	1.64	1.97	1.42	2.55	1.92	2.10	2.62	1.99
SAIFI	1.70	1.91	1.28	1.42	1.52	1.69	1.37	1.62	2.08	1.62
CAIDI	1.02	1.04	1.28	1.38	0.93	1.51	1.40	1.29	1.26	1.23
<i>Loss of Supply and Major Event Days Adjusted (excluding LOS and MEDs)</i>										
SAIDI	0.98	1.34	1.34	1.37	1.17	1.71	1.37	1.71	2.01	1.45
SAIFI	1.18	1.17	1.05	1.01	1.12	1.19	0.97	1.16	1.55	1.16
CAIDI	0.83	1.15	1.27	1.35	1.05	1.44	1.42	1.47	1.30	1.25

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14 **Table 3: Table 19 (revised): Historical FESI-7 Performance (2017-2025)**

Categorization	2017	2018	2019	2020	2021	2022	2023	2024	2025
FESI7	36	37	36	33	33	27	15	26	55

1 Table 4: Table 22 (revised): Outage Numbers by Cause Codes – Excluding MEDs

Cause Code	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total Outages	%
0-Unknown/Other	95	97	120	104	130	115	115	134	114	1,024	11%
1-Scheduled Outage	258	268	186	124	165	143	137	129	292	1,702	18%
2-Loss of Supply	51	57	29	42	41	40	21	34	56	371	4%
3-Tree Contacts	82	82	54	88	101	101	76	134	206	924	10%
4-Lightning	10	1	1	3	5	2	11	6	8	47	0%
5-Defective Equipment	332	409	381	344	290	193	141	229	547	2,866	30%
6-Adverse Weather	39	75	26	27	41	79	14	25	58	384	4%
7-Adverse Environment	2	3	6	3	8	3	4	0	11	40	0%
8-Human Element	19	14	5	10	8	6	5	6	30	103	1%
9-Foreign Interference	193	217	204	259	237	183	176	205	287	1,961	21%
Total	1,081	1,223	1,012	1,004	1,026	865	700	902	1,609	9,422	100%

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**3 Table 5: Table 23 (revised): Customer Interruption Numbers by Cause Codes – Excluding
4 MEDs**

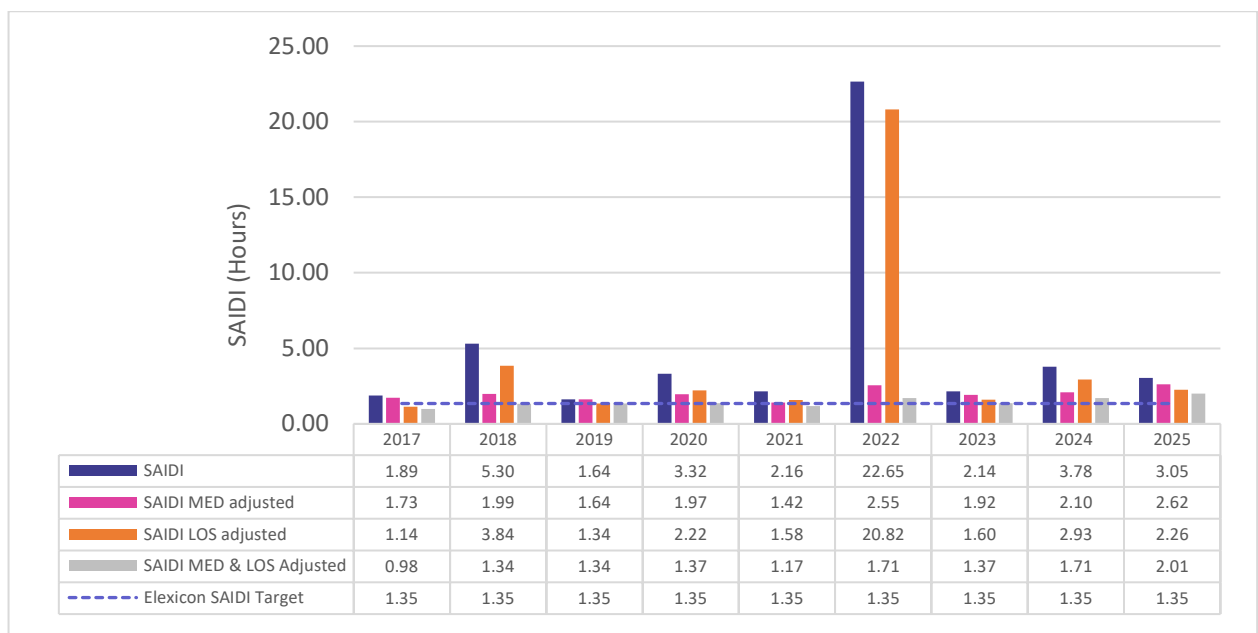
Cause Code	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total Outages	%
0-Unknown/Other	16,346	20,026	12,316	8,456	23,003	45,390	29,094	45,526	18,263	218,421	7%
1-Scheduled Outage	19,660	16,767	17,481	9,169	19,273	24,805	29,515	8,444	22,179	167,293	5%
2-Loss of Supply	122,638	107,366	49,447	101,813	42,505	147,307	96,214	69,624	110,260	847,174	27%
3-Tree Contacts	29,896	25,548	30,762	51,693	44,561	51,318	34,045	80,186	105,766	453,775	15%
4-Lightning	649	0	2	6,162	171	13	10,333	498	428	18,257	1%
5-Defective Equipment	43,966	83,283	60,551	49,873	67,016	68,411	97,727	105,055	112,109	687,992	22%
6-Adverse Weather	21,986	43,332	26,494	16,396	14,768	59,124	3,825	20,385	42,201	248,512	8%
7-Adverse Environment	761	611	1,058	552	940	129	615	0	6,269	10,934	0%
8-Human Element	2,819	8,947	2,604	53,497	4,755	8,967	4,957	1,558	13,978	102,083	3%
9-Foreign Interference	23,277	22,286	72,781	37,125	26,927	39,847	33,139	45,358	44,084	344,823	11%
Total	281,998	328,166	273,498	334,738	243,919	445,310	339,464	376,634	475,537	3,099,264	100%

1 **Table 6: Table 24 (revised): Customer Hours of Interruption Numbers (rounded) by Cause**
 2 **Code – Excluding MEDs**

Cause Code	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total Outages	%
0-Unknown/Other	33,349	43,888	32,129	23,143	55,744	58,730	68,282	58,865	40,383	414,513	16%
1-Scheduled Outage	7,990	7,557	7,582	8,712	17,608	12,152	12,546	4,700	8,822	87,669	3%
2-Loss of Supply	84,022	125,194	37,442	69,277	68,892	88,395	71,932	82,379	95,455	722,988	29%
3-Tree Contacts	21,173	14,571	11,101	28,842	22,639	28,935	13,638	50,726	71,923	263,548	10%
4-Lightning	7,163	508	1	2,502	4,975	11	3,686	241	644	19,731	1%
5-Defective Equipment	56,788	53,911	69,447	39,049	54,700	44,699	51,410	67,814	64,633	502,451	20%
6-Adverse Weather	31,916	32,080	13,789	5,196	7,553	19,198	1,144	9,206	22,345	142,427	6%
7-Adverse Environment	179	650	2,501	55	1,102	36	1,007	0	6,772	12,302	0%
8-Human Element	13,984	11,616	2,247	30,470	12,828	2,499	6,293	1,073	32,021	113,031	4%
9-Foreign Interference	20,753	27,622	37,176	34,445	14,989	40,648	13,323	15,849	34,443	239,248	10%
Total	277,317	317,597	213,415	241,691	261,030	295,303	243,261	290,853	377,441	2,517,908	100%

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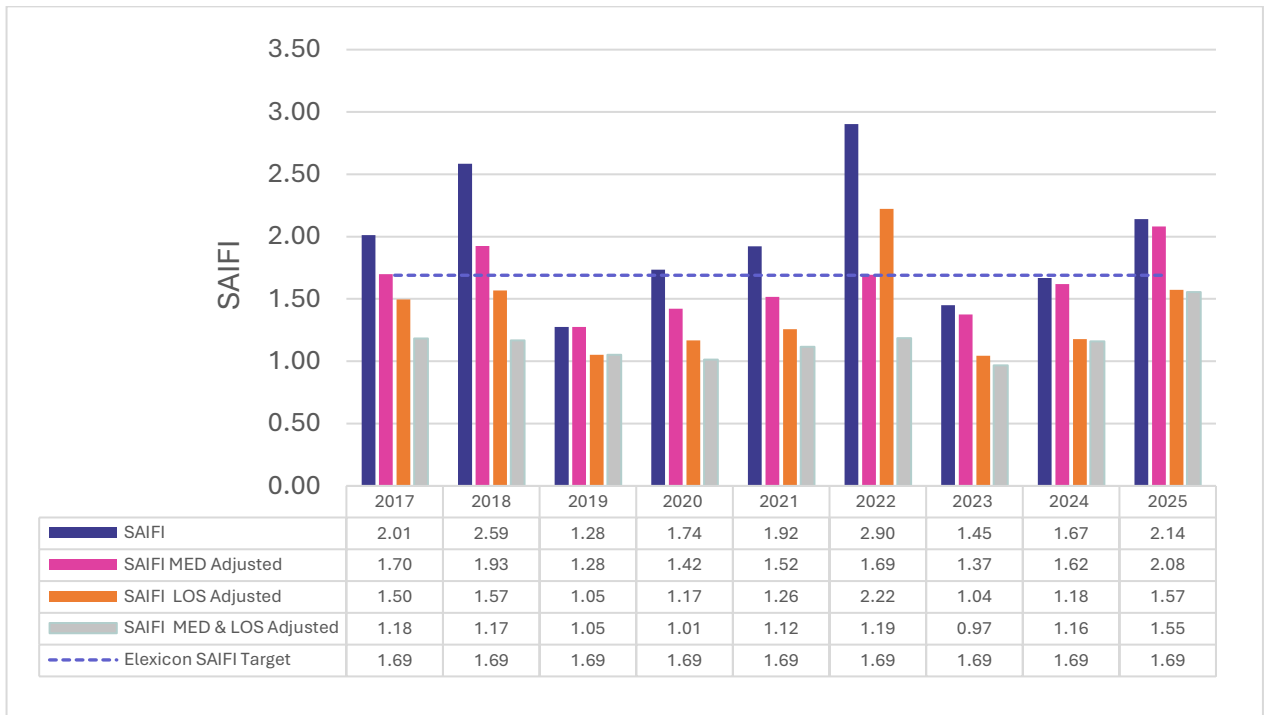
4 **Figure 1: Figure 7 (revised): Performance Measure - SAIDI**



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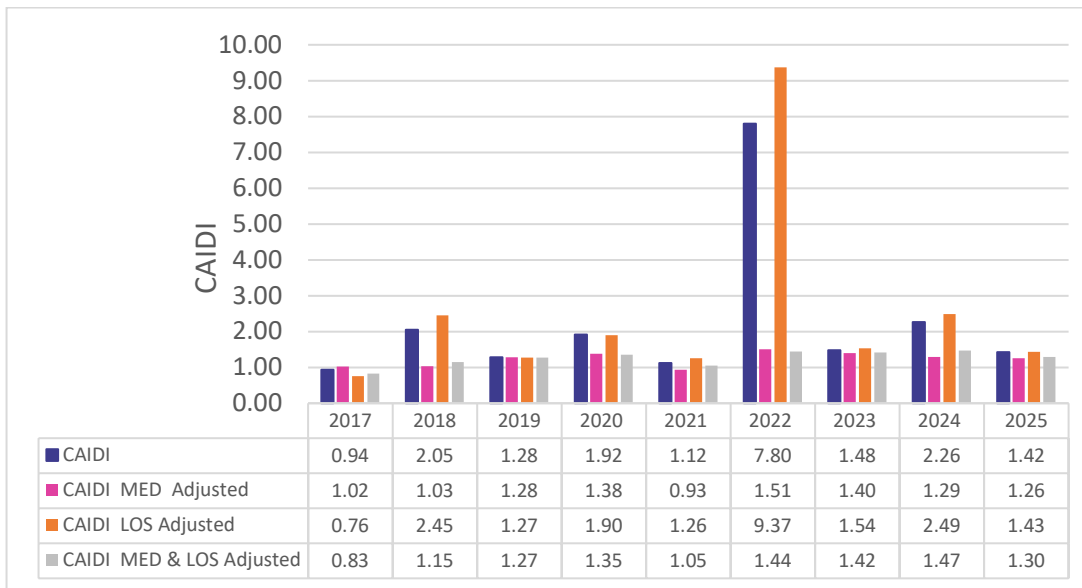
1 **Figure 2: Figure 8 (revised): Performance Measure - SAIFI**



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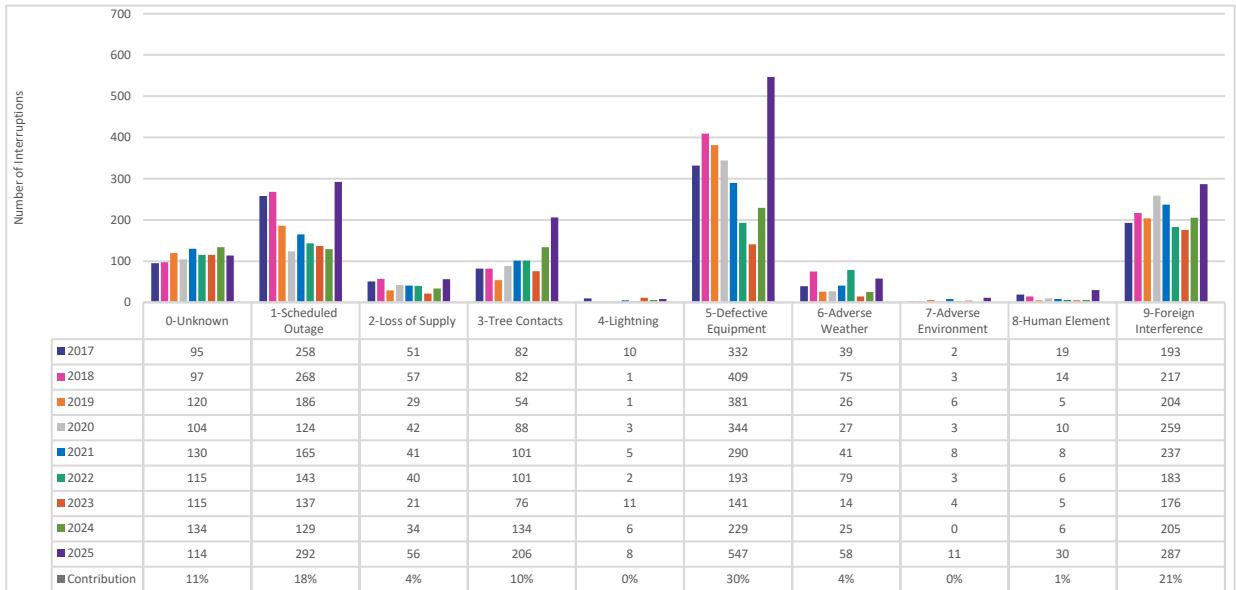
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4 **Figure 3: Figure 9 (revised): Performance Measure - CAIDI**



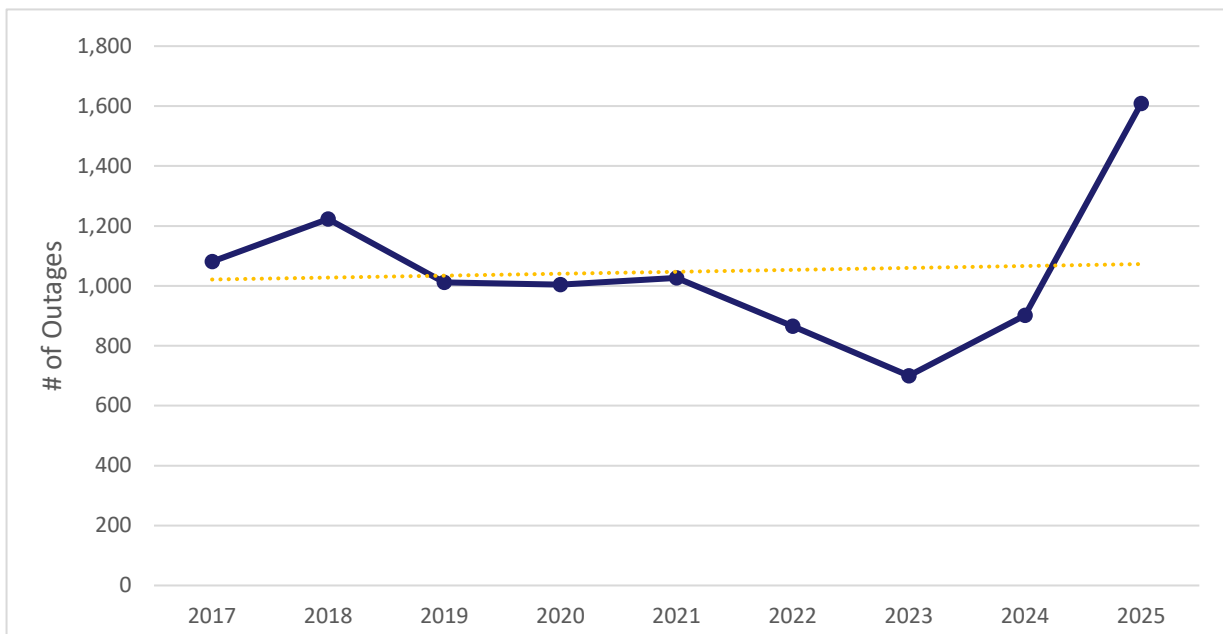
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1 **Figure 4: Figure 10 (revised): Number and Percentage of Outages by Cause Codes**
 2 **(Excluding MEDs)**



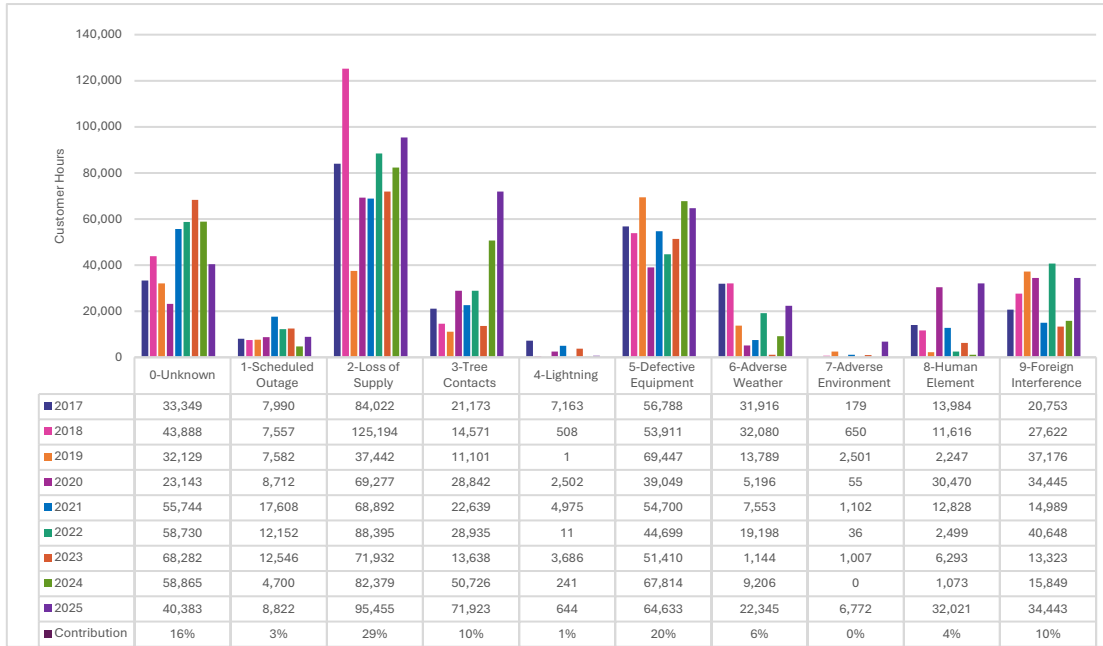
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4 **Figure 5: Figure 11 (revised): Total Number of Outages per Year (Excluding MEDs)**

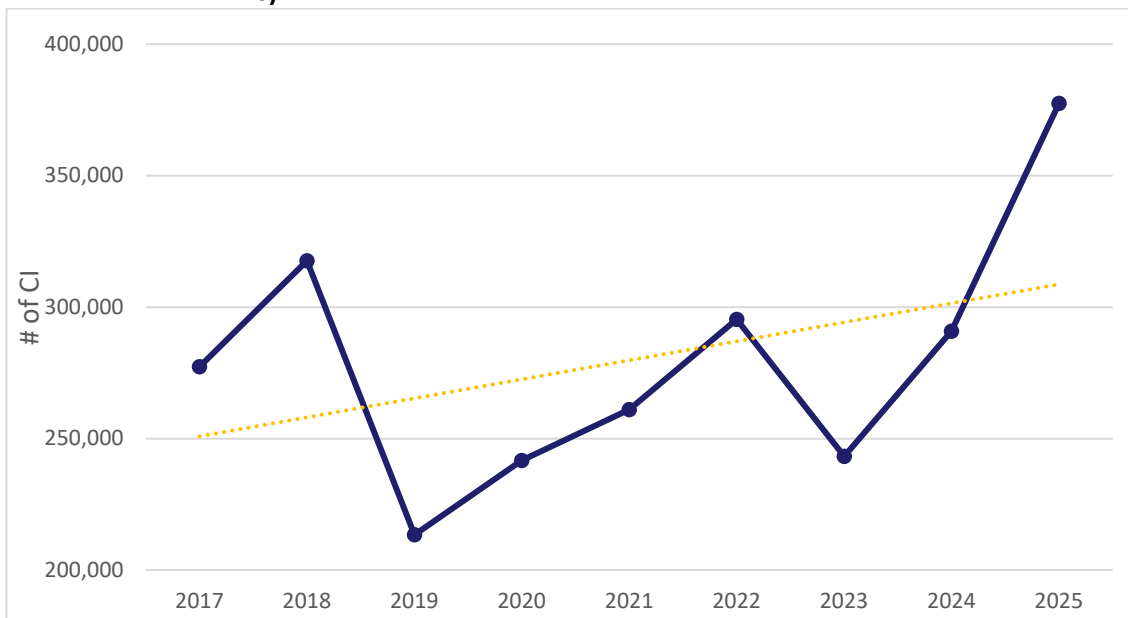


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1 **Figure 6: Figure 12 (revised) Number and Percentage of Cis by Cause Code (Excluding**
 2 **MEDs)**



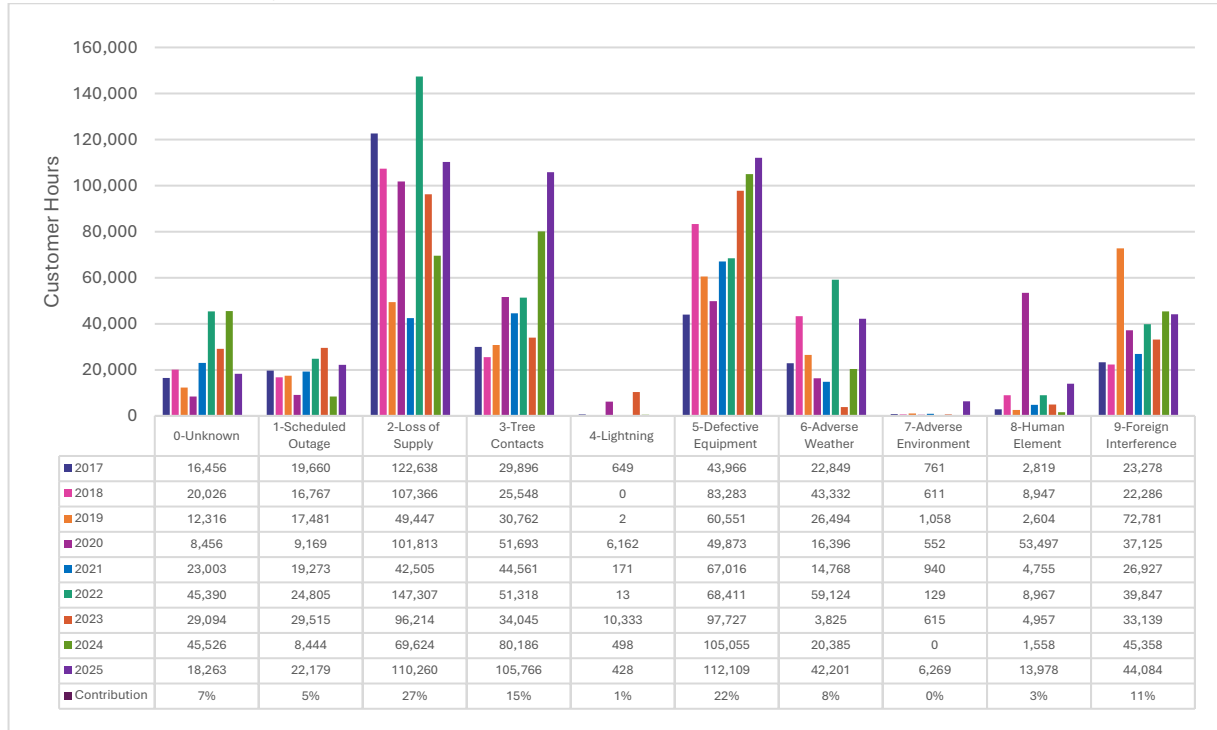
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 4 **Figure 7: Figure 13 (revised): Total Number of Customer Interruptions per Year (Excluding**
 5 **MEDs)**



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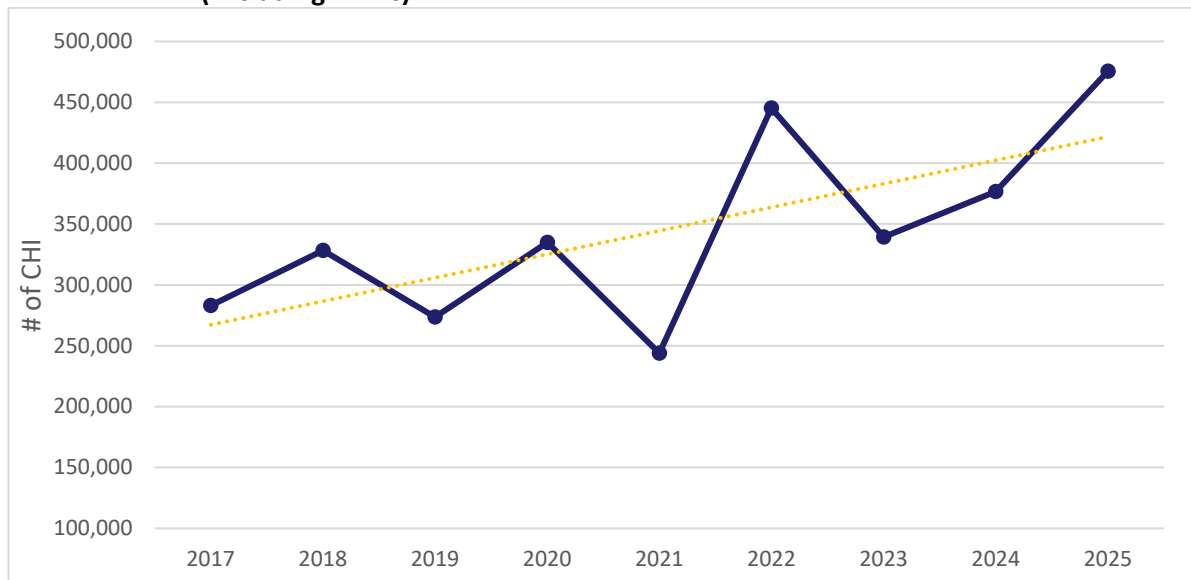
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Figure 8: Figure 14 (revised): Number and Percentage of CHIs by Cause Codes (Excluding MEDs)



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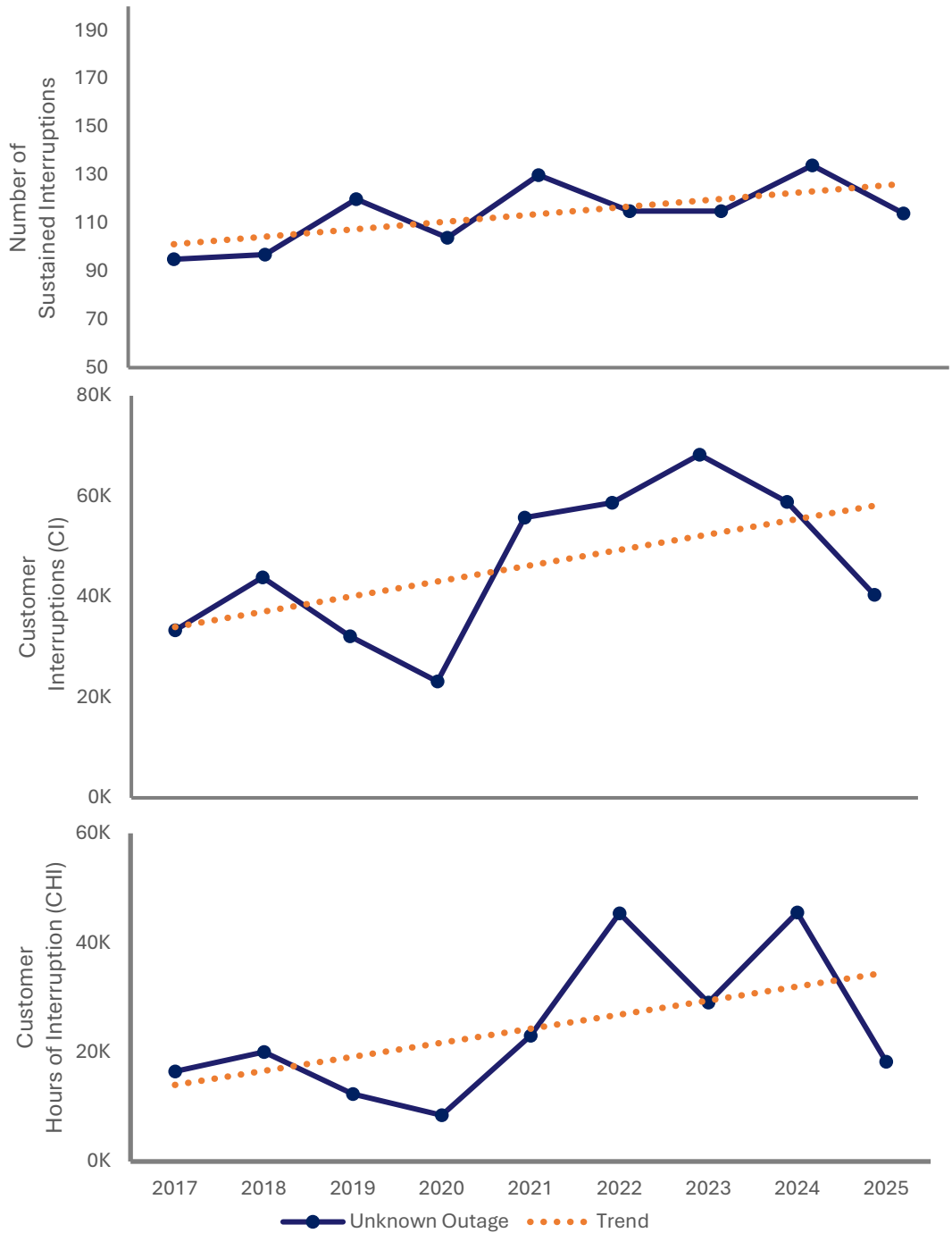
Figure 9: Figure 15 (revised): Total Number of Customer Hours of Interruption per Year (Excluding MEDs)



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Figure 10: Figure 16 (revised): Number of Interruptions CI and CHI Due to Unknown Outages (2017-2025)



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Figure 11: Figure 17 (revised): Number of Interruptions, CI and CHI due to Scheduled Outages

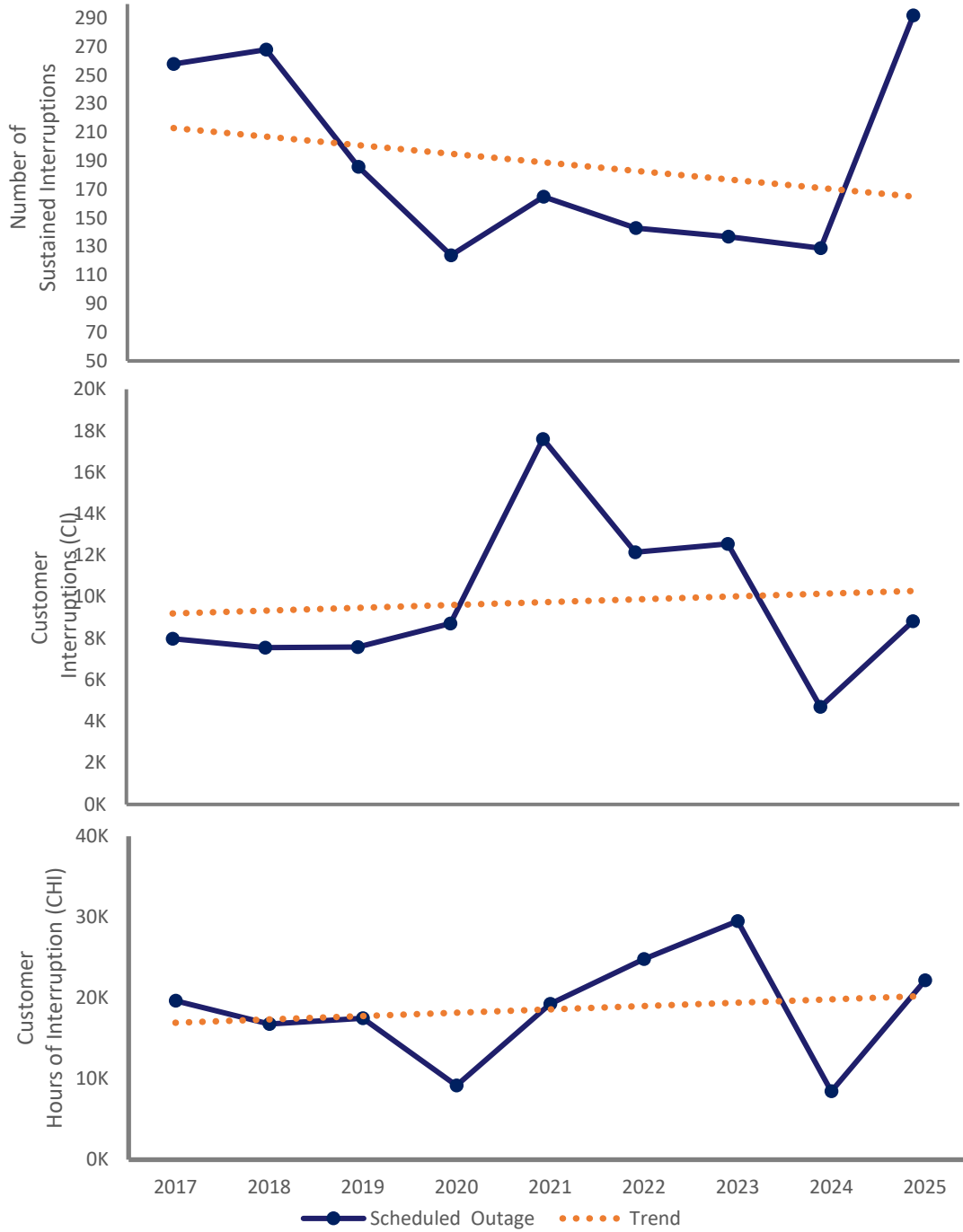
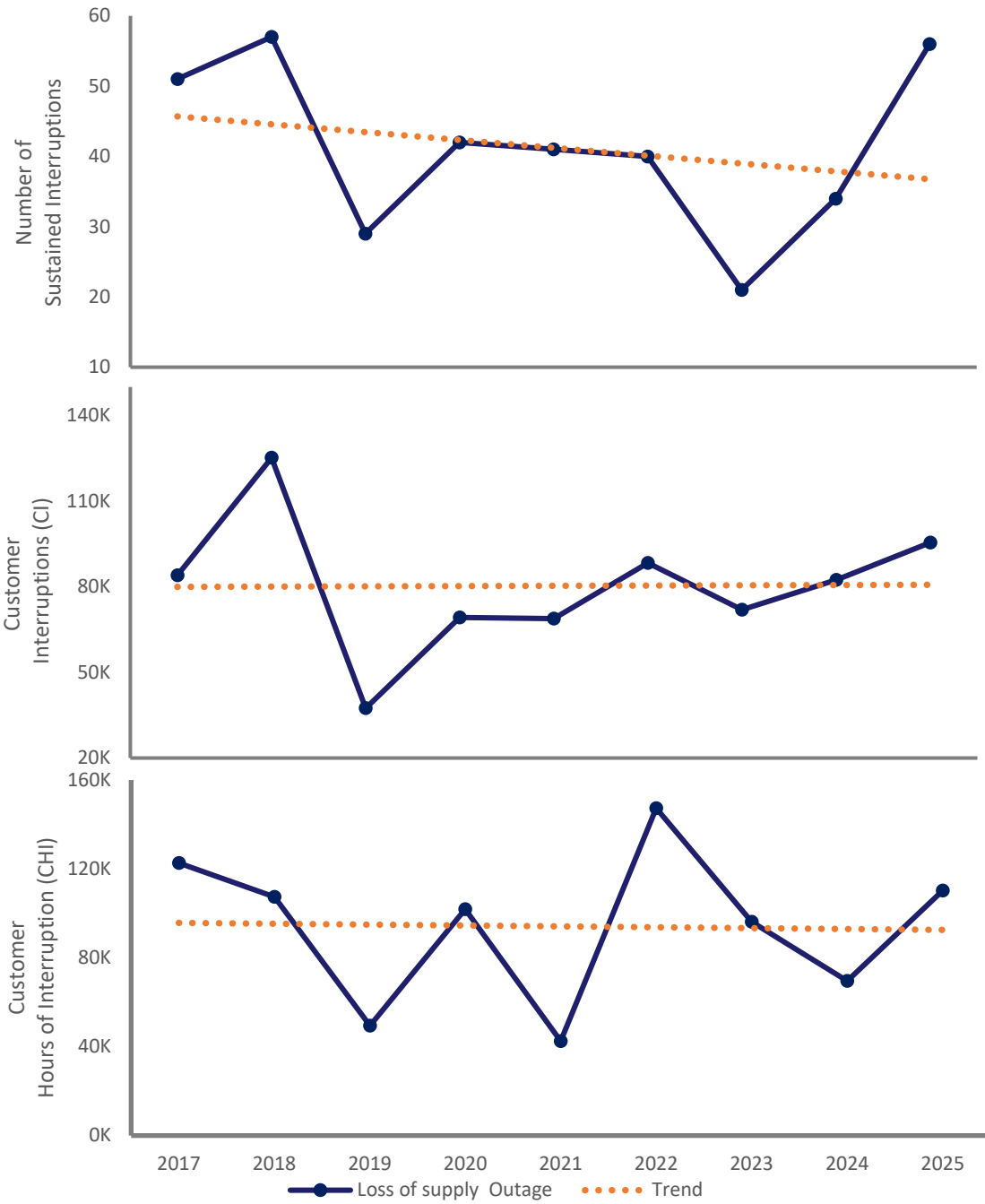
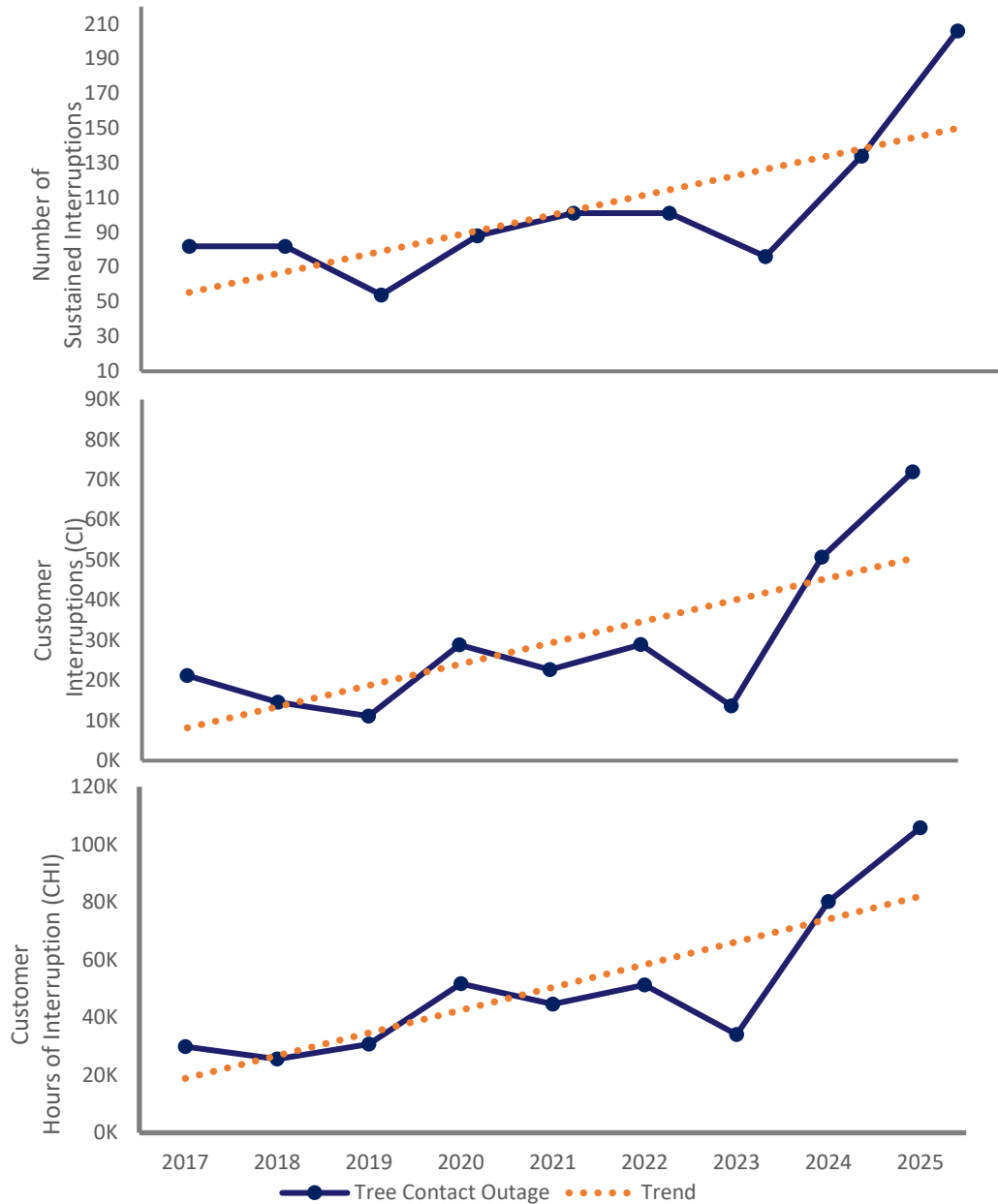


Figure 12: Figure 18 (revised): Number of Interruptions, CI and CHI due to Loss of Supply Outages (2017-2025)



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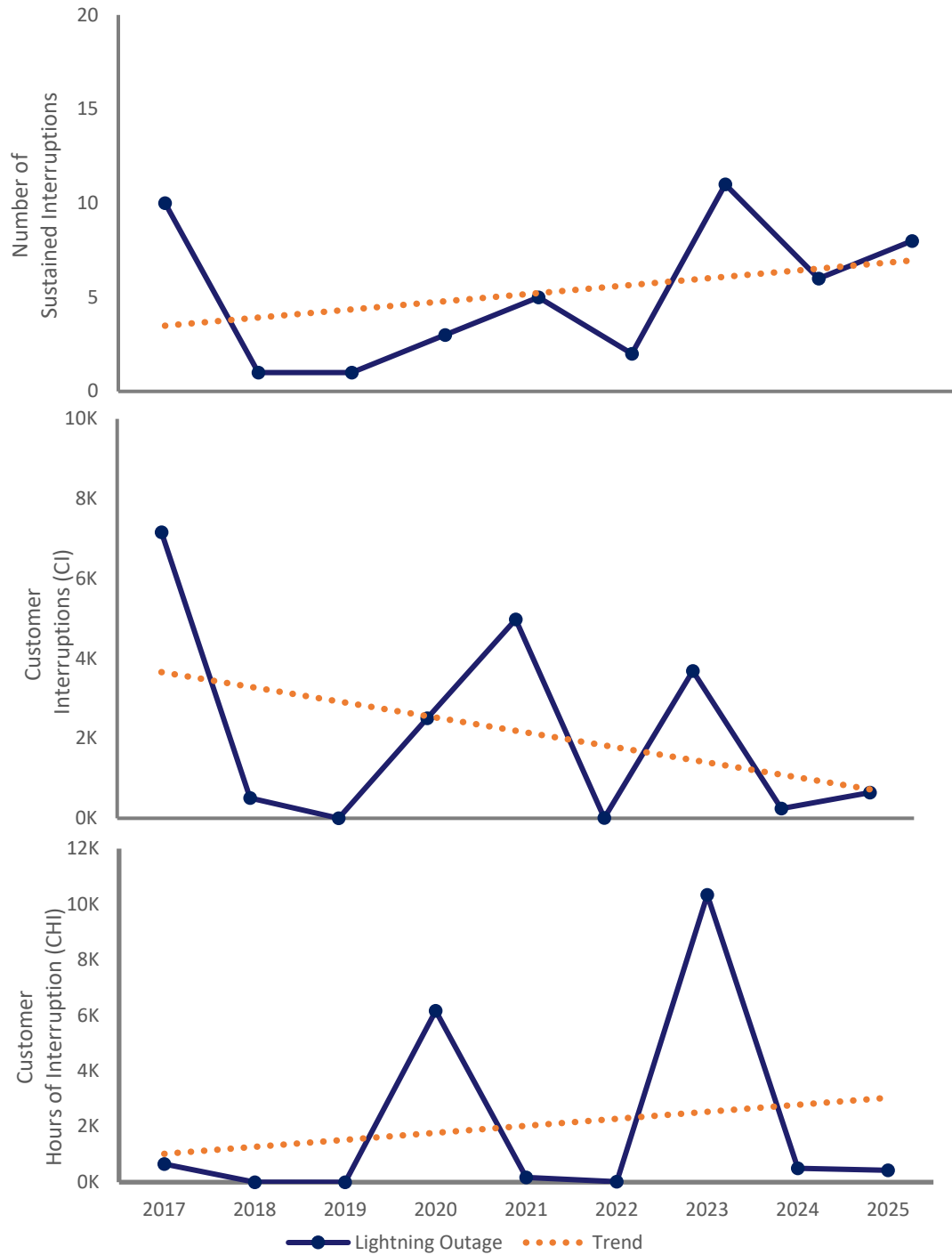
1 **Figure 13: Figure 19 (revised): Number of Interruptions, CI and CHI due to Tree Contact**
 2 **Outages (2017-2025)**



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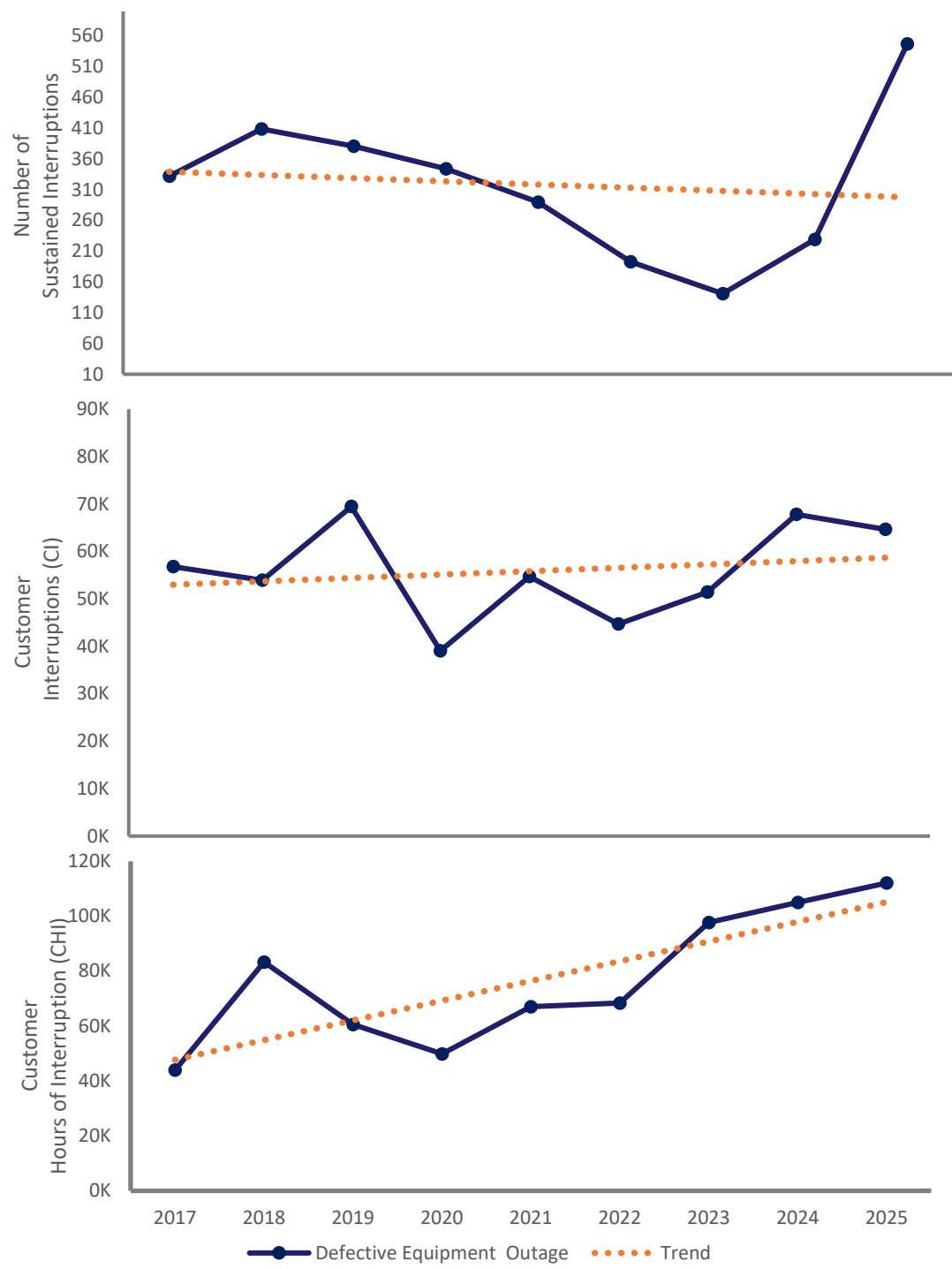
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Figure 14: Figure 20 (revised): Number of Interruptions, CI and CHI due to Lightning Outages (2017-2025)



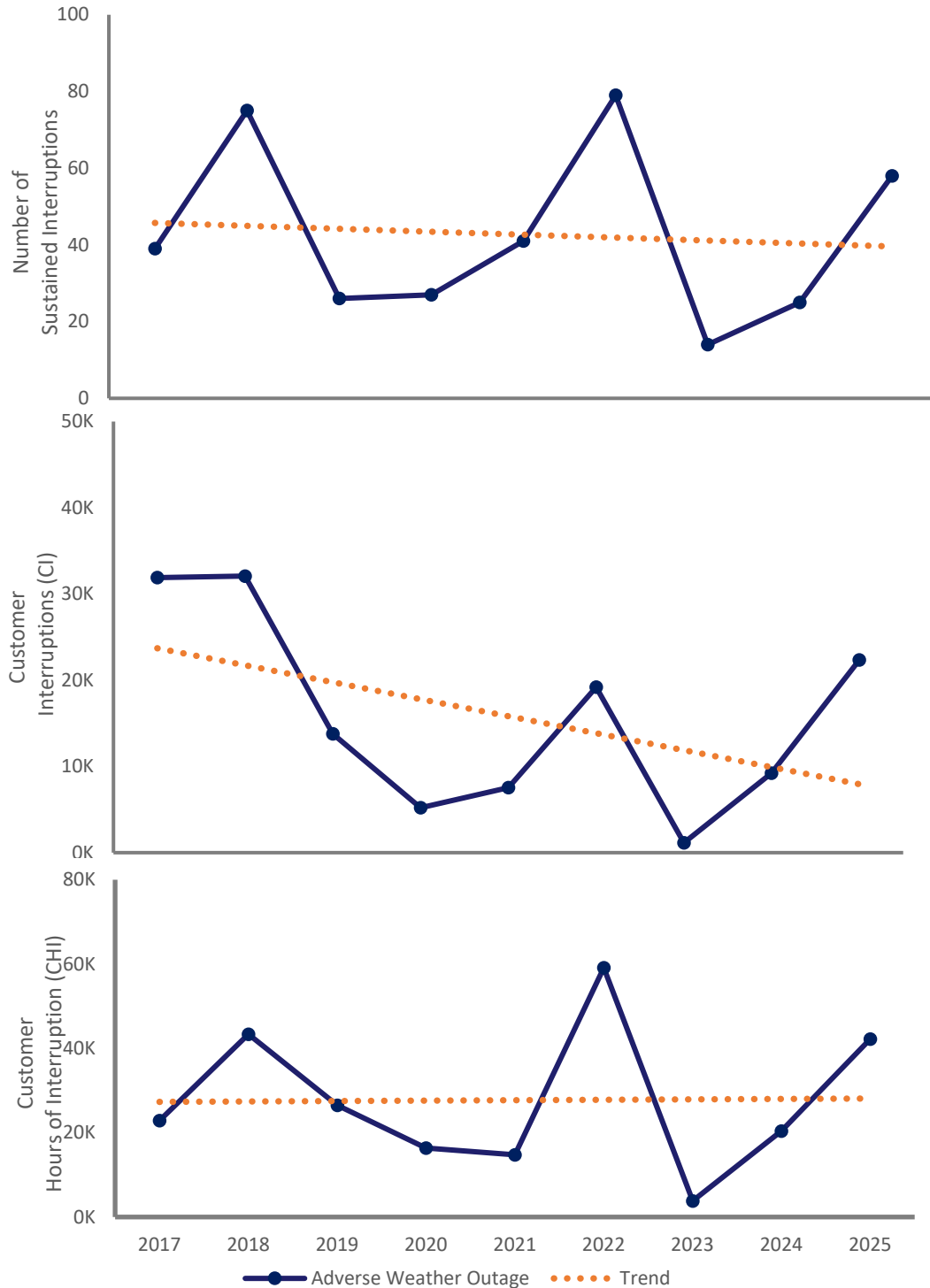
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Figure 15: Figure 21 (revised): Number of Interruptions, CI and CHI due to Defective Equipment Outages (2017-2025)

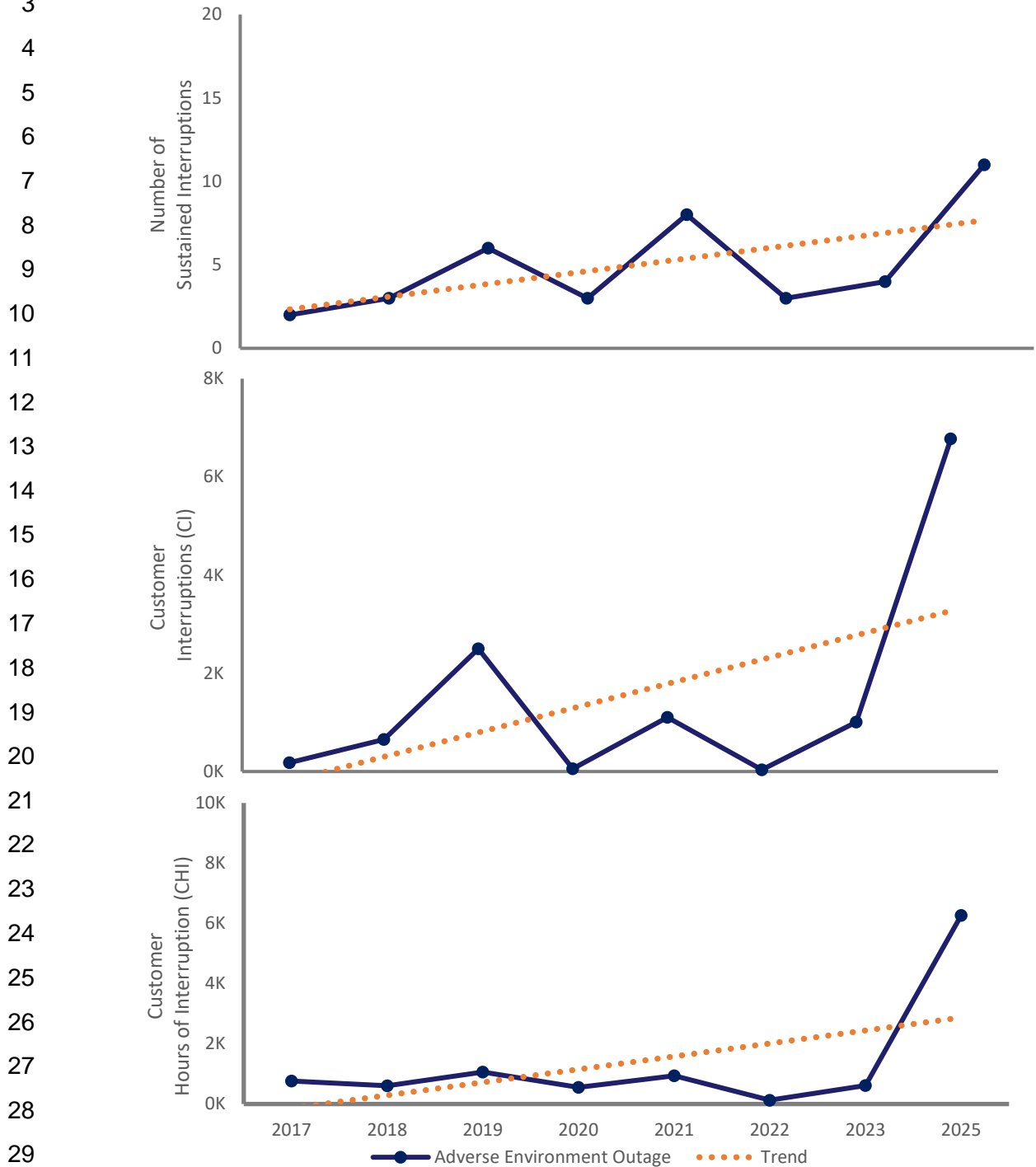


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Figure 16: Figure 22 (revised): Number of Interruptions, CI and CHI due to Adverse Weather Outages (2017-2025)

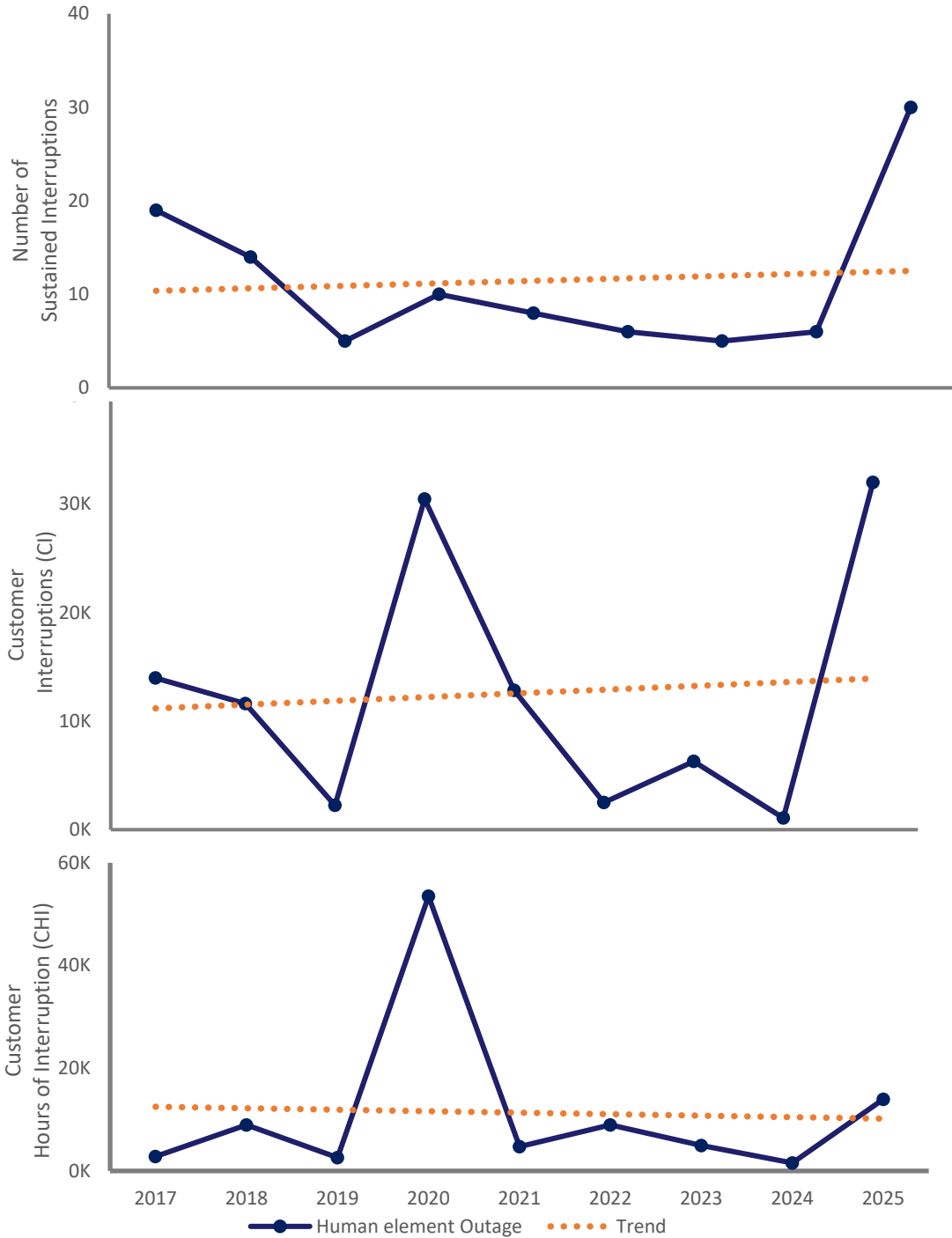


1 **Figure 17: Figure 23 (revised): Number of Interruptions, CI and CHI due to Adverse**
 2 **Environment Outages (2017-2025)**
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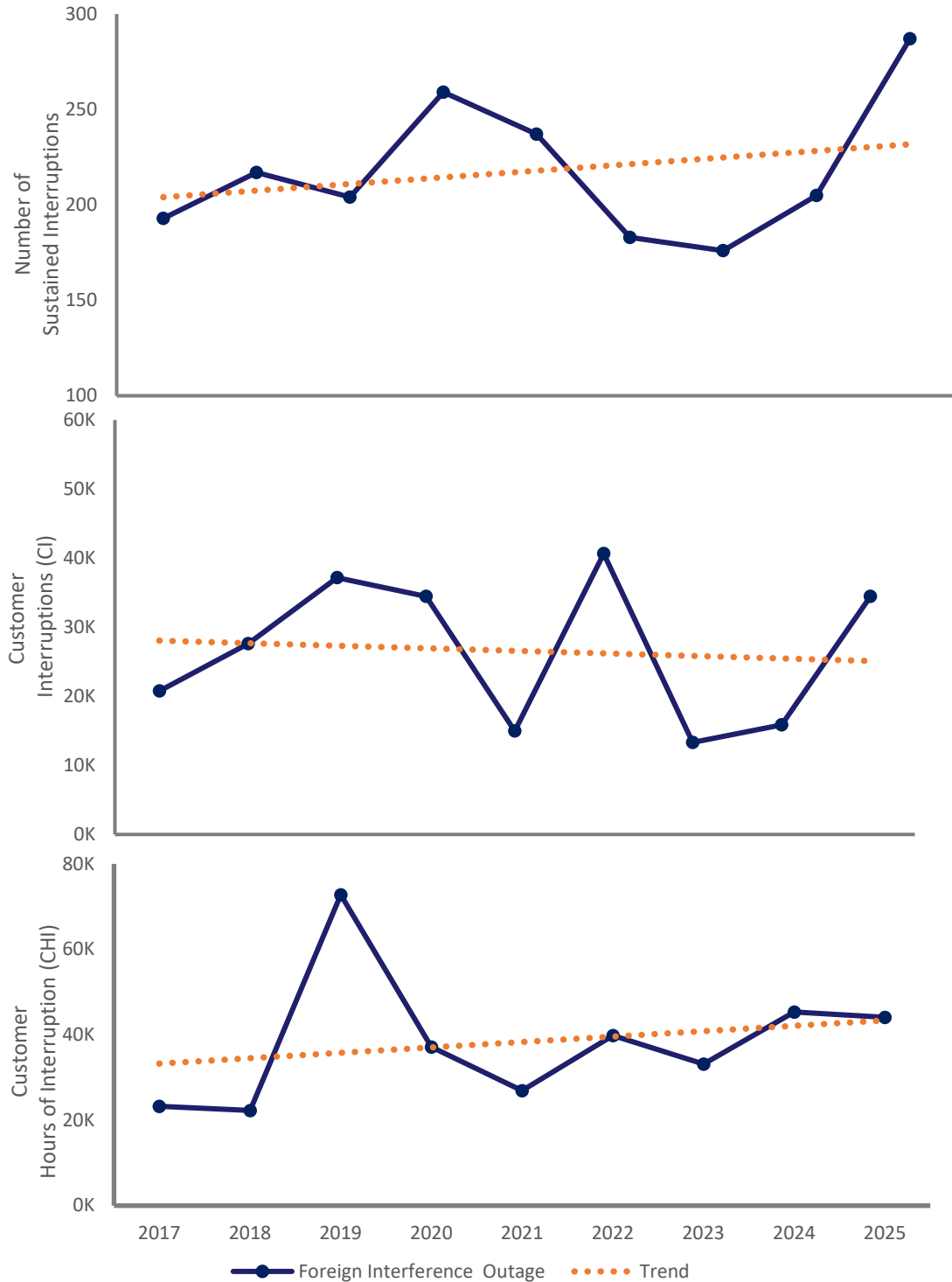


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Figure 18: Figure 24 (revised): Number of Interruptions, CI and CHI due to Human Element Outages (2017-2025)



1 **Figure 19:** **Figure 25 (revised): Number of Interruptions, CI and CHI due to Foreign**
 2 **Interference Outages (2017-2025)**
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RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY 2B-SEC-42

[EB-2018-0236 DSP, Appendix A, A4, p.9] Please provide a revised version of Figure 6 that shows actual forecast residential customer additions by community, for each year between 2020 and 2025, and a forecast for each year between 2026 and 2031.

RESPONSE:

Please refer to Table 1 below for the actual residential customer additions by municipality from 2020-2025 and refer to Table 2 for the forecast residential customer additions by municipality from 2026-2031.

The annual residential customer additions shown in Table 2 are derived from the Peak Load and Capacity Forecast (Exhibit 2B, Tab 3, Schedule 1, pp. 16 to 27), not the Revenue Load Forecast (Exhibit 3, Tab 1, Schedule 1). This approach is consistent with Figure 6 of Elexicon’s 2021 Distribution System Plan, as the Revenue Load Forecast customer projections are developed and reported at the Veridian and Whitby Rate Zone level and are not disaggregated by the municipality.

Table 1: Actual Residential Customer Additions by Municipality 2020-2025

Municipality	2020	2021	2022	2023	2024	2025
Town of Whitby	819	1185	1058	825	363	336
Ajax-Pickering	657	478	1052	1391	1506	894
Municipality of Clarington	95	85	131	64	52	8
City of Belleville	62	49	78	115	124	79
Brock	177	34	12	7	37	8
Port Hope	56	101	78	16	46	14
Gravenhurst	60	12	42	56	100	85

1 **Table 2: Forecast Residential Customer Additions by Municipality 2026-2031**

Municipality	2026	2027	2028	2029	2030	2031
Town of Whitby	1176	1268	1268	1268	1268	1268
Ajax-Pickering	2494	2808	2808	2808	2808	2808
Municipality of Clarington	523	579	579	579	579	579
City of Belleville	56	59	59	59	59	59
Brock	76	82	82	82	82	82
Port Hope	67	67	67	67	67	67
Gravenhurst	67	67	67	67	67	67

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RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY 2B-SEC-43

[Ex.2B-3-1, p.20 and Figure 8] With respect to using the High Growth Scenario for determining customer connections:

- a. Please provide historical data which supports Elexicon’s forecast that 100% of the projected residential homes will be developed, and 100% of the projected Commercial and Industrial (“C&I”) businesses will materialize within the forecast period.
- b. For billing determinants forecasting, what assumption was made with respect to the ratio between planned developments and actual load being added?
- c. Please provide Figure 8 in tabular format.

RESPONSE:

a) Elexicon’s load forecast is developed to align with growth designated through approved municipal and regional planning processes. The forecast reflects the planned full build-out of residential, commercial, and industrial lands designated by municipalities and regions through official plans, secondary plans, and information provided directly by municipal planning staff. This approach is consistent with the Ontario Energy Board’s Load Forecasting Guideline developed through the Regional Planning Working Group (2022)¹ which states that distributor forecasts used for system planning and capacity assessment should be anchored in approved municipal and regional growth plans, rather than short-term variability in development pacing. Accordingly, Elexicon plans its system and related investment to ensure it can reliably support

¹ Ontario Energy Board, *Load Forecast Guideline for Ontario – Guidance for the Development of Regional Planning Demand Forecasts* (RPPAG, October 13, 2022), section 5.4.5.

- 1 all forecasted developments identified by municipalities within the planning period. This
2 approach reflects prudent utility planning practices, supports economic development
3 objectives, and addresses the utility's fundamental obligation to serve customers and ensure
4 that its system is able to accommodate reasonable future load growth.
5
- 6 b) The billing determinant forecast does not directly use residential home development projects,
7 but regional housing supply and development are considered in regional plans that are used in
8 the forecast. The Residential growth forecast is an average of growth reflected in regional
9 plans, the Ministry of Finance population forecast, and Elexicon's historical customer growth.
10
- 11 c) Please refer to the response to 2-CCC-15, part b.

1 **RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES**

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3 **INTERROGATORY 2B-SEC-44**

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6 [Ex.2B-3-1, p.20] Please detail the changes to the proposed capital plan that would have occurred if
7 Elexicon had chosen each of the low and medium growth scenarios.

8

9

10 **RESPONSE:**

11

12 Please see Elexicon’s response to Interrogatory 2-CCC-15, part e), which speaks to the impacts to the
13 proposed capital plan if Elexicon had chosen a low growth scenario. Note that conclusions for the
14 medium growth scenario are the same for the low growth scenario.

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RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY 2B-SEC-45

[Ex.2B-3-1] At any point as part of the capital planning process, did Elexicon set an overall budget amount or constraints, for the total amount of capital expenditures each year or during the rate term as a whole? If so, please provide details of the budget and how the amount was determined.

RESPONSE:

During the initial stages of capital planning process, Elexicon did not set a specific overall budget amount or constraint when establishing the “low” and “needs-based” scenarios. As Elexicon worked to refine and finalize its “balanced” scenario which underpins this application, Elexicon established an overall constraint of maintaining an average annual distribution rate impact of less than 10%. See response to 1-SEC-09 part b) for a description of how the 10% threshold was selected.

1 **RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES**

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3 **INTERROGATORY 2B-SEC-46**

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6 [Ex.2B-3-1, p.33] With respect to Elexicon’s Project Prioritization:

7 a. Please provide a copy of the internal document/guide regarding Elexicon’s prioritization
8 which, among other things, would include a rubric regarding the evaluation of a project’s impact
9 (consequences of failure) and probability assessment (likelihood of failure).

10 b. Elexicon describes how it prioritizes projects within the investment categories. Does Elexicon do
11 an overarching prioritization process? If so, please provide the weightings and the results for the
12 2027-2031 capital plan, including projects that were rejected or delayed.

13 c. If prioritization within investment categories is different than the overall prioritization, please
14 provide the weightings used and the results for the 2027-2031 plan, including projects that were
15 rejected or delayed.

16 d. If there is no overall prioritization, please explain how it determines which projects to include
17 and not include in the plan depending on the size of the overall budget.

18
19
20 **RESPONSE:**

21
22 a) Elexicon has attached the Elexicon Prioritization Process document (2B-SEC-
23 46(1)_Prioritization_Process). This process document contains information on the impact and
24 probability assessment of a project. Additionally, the approach to project prioritization within
25 the specific investment categories is described in Exhibit 2B, Tab 3, Schedule 1, Page 33 – 34.
26 The Substation Renewal investment program is subject to the same prioritization process, and
27 in advance, municipal station rebuilds are identified and prioritized through an additional,
28 program-specific prioritization process within the Substation Renewal program, as described in
29 Section 4.2 of Exhibit 2B, Tab 4, Schedule 3, Appendix E, pages 33–35.

1 b) Elexicon does not conduct an overarching (i.e. combined) project prioritization of all projects
2 across the investment categories (System Access, System Renewal, System Service, and General
3 Plant). Rather, Elexicon works cross-functionally to select an investment level for each category
4 that produces a balance of investment in alignment with the strategic parameters that guided
5 the plan. Details on Elexicon’s business planning process, which applies across all investment
6 categories, can be found in Exhibit 1, Tab 2, Schedule 1, Page 23 – 28.

7

8 c) See part a) with respect to prioritization within each investment category and part b) with
9 respect to overall prioritization.

10

11 d) To determine what investments to include and not include depending on the size of the overall
12 budget, Elexicon distinguished between programs that represent mandatory investments to
13 meet the utility’s obligation to connect customers and meet capacity needs, and programs that
14 required risk-informed pacing to optimize the balance between outcomes and cost.

15 The programs that represent mandatory investments are Externally Initiated Plant Relocation,
16 Customer & Generation Connections, System Expansion, Metering (excluding AMI 2.0), Reactive
17 Capital, Substation Growth, Facilities Management & Security, Fleet, IT Systems, and Equipment.
18 For these programs, Elexicon determined the necessary level of investment by analyzing the
19 typical inputs within these investment programs and forecasted the investment levels required
20 in the 2027-2031 period. Details on these specific investment programs and how their
21 expenditure forecasts were developed can be found in Exhibit 2B, Tab 4, Schedule 3, Appendix
22 A – P.

23

24 The programs that required risk-informed pacing are Metering (specifically AMI 2.0), Substation
25 Renewal, Underground System Renewal, Overhead System Renewal, Grid Enhancements,
26 Voltage and System Conversion, and OT Systems. The levels of investment for these programs
27 were determined by analyzing the typical inputs within these investment programs (as outlined
28 in Exhibit 2B -Tab 3 - Schedule 1, page 10), performing a cross-functional review to determine
29 and appropriately balance the required investment levels across the programs (see answer b),

1 and then projects are prioritized within these investment programs to the determined
2 investment levels. The programs that were paced on a risk-informed basis are aligned with what
3 Elexicon identifies as a ‘balanced’ investment approach. The ‘balanced’ approach considers
4 where pacing of investments could be adopted to balance bill impacts against the intended
5 outcomes of the investment. The needs-based, balanced, and low investment scenarios,
6 including the results of these analyses and the supporting options analysis, are documented
7 within the respective investment program sections in Exhibit 2B, Tab 4, Schedule 3, Appendix A
8 – P).

9
10 For further details on Elexicon’s business planning process as it relates to this question, please
11 also see Exhibit 1 - Tab 2 - Schedule 1, Page 23 – 28.

Prioritization Process

Document Purpose

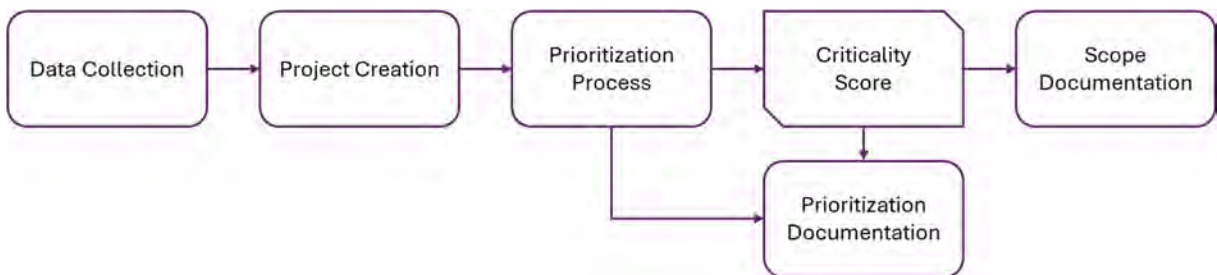
This document summarizes the usage of the Prioritization Process. It provides a clear and shared understanding of how the process is currently applied, which projects are included in the process, and which are excluded.

Process Overview

The Prioritization process is used to generate a criticality score (CS) for selected project scope documents. This score supports comparative evaluation and sequencing of eligible projects within defined investment categories.

The process, as illustrated in Figure 1, begins by collecting the data inputs. A project scope document is then created to define the data points required to create a criticality score including costing, location, customer impacts and asset identification. The prioritization process uses these inputs and the methodology as defined in Appendix A: Prioritization Process Methodology to create a criticality score. The calculation file containing the final criticality score is saved within the project folder for future reference. The criticality score is then added to the project scope document for easy reference.

Figure 1: Project Prioritization Process Map



Current Status

The current application is limited to generating criticality scores for project scope documents associated with the following investment categories and project types:

- System Renewal
 - Annual like-for-like renewal projects that replace existing assets without significant redesign or reconfiguration.
- System Service Investment
 - Planned system enhancement projects intended to improve system safety, reliability, power quality, or efficiency.
 - Projects initiated to address identified feeder constraints requiring mitigation or corrective action.

System Access projects are all given the highest possible criticality score as these are mandatory projects including customer connection and 3rd party infrastructure relocation.

General Plant projects relate to information technology (IT), fleet and facilities initiatives that do not go through the formal Project Scoping procedure, and therefore do not go through the prioritization process. Each of these initiatives will have their own prioritization approach, depending on the nature of the project/investment.

The prioritization score is captured within the project scope document under the "Criteria Score" section and is used to inform project comparison, sequencing, and planning discussions.

Summary

In summary, the Prioritization Process is currently used to generate criticality scores for System Renewal and System Service Investment project scope documents only. This document serves as a current-state reference document.

Appendix A: Prioritization Process Methodology

Prioritization Process Documentation

The criticality score has the purpose to prioritize emerging projects, enabling the development of an effective and organized action plan. This prioritization process ensures that resources are allocated strategically to the most impactful projects.

Priority Classification Exclusion

This process does not classify the priority of System Access projects. These types of projects are directly tied to customer requests, which are critical and cannot be deprioritized due to the potential negative repercussions of inaction.

To reflect their importance, any project flagged as System Access within the process will automatically receive a ***Mandatory*** score, ensuring they are prioritized accordingly in the planning process.

Impact Assessment

Initially, an impact assessment is performed on the intended project. This is achieved by performing an impact evaluation using the Impact evaluation grid (*Table 1*) and adding the final score for each factor to obtain the Impact Score (IS), this calculation is represented in Equation 1.

\	A (1)	B (0.88)	C (0.67)	D (0.33)	E (0)
Financial (Weight - 35)	35	30.80	23.45	11.55	0
Reliability (Weight - 40)	40	35.20	26.80	13.20	0
Environment (Weight - 15)	15	N/A	10.05	N/A	0
Safety (Weight - 10)	10	N/A	6.7	N/A	0

Table 1 - Impact Evaluation Grid

$$IS = \text{Financial Score} + \text{Reliability Score} + \text{Environment Score} + \text{Safety Score}$$

Equation 1

The scoring ranges for each impact factor are determined as below:

Financial:

A – Project Cost with a total value greater than \$1M.

B – Project Cost with a total value greater than \$600K and less than or equal to \$1M.

C – Project Cost with a total value greater than \$250K and less than or equal to \$600K.

D – Project Cost with a total value greater than \$100K and less than or equal to \$250K.

E – Project Cost with a total value less than or equal to \$100K.

Notes: The total project cost refers to the addition of material, labour and contingency for the intended project.

Reliability:

A – A total count greater than 1000 customers could be affected by the actions/no-actions of the intended project. At least of the possible customers affected is a key account customer

B – A total count greater than 600 and less than or equal to 1000 customers could be affected by the actions/no-actions of the intended project.

C – A total count greater than 300 and less than or equal to 600 customers could be affected by the actions/no-actions of the intended project.

D – A total count greater than 100 and less than or equal to 300 customers could be affected by the actions/no-actions of the intended project.

E – A total count less than or equal to 100 customers could be affected by the actions/no-actions of the intended project.

Notes: If one or more Key Customers (Stakeholders, Hospitals, EMT Stations, Fire Stations, etc.) could end up affected by the intended project, select the highest grade

Environment:

A – High Environmental Impact: Project is taking place in a protected region including waterways. Any of the assets contain SF6 or PCBs. The total oil in the assets involved in the project is greater than 100L.

C – Moderate Environmental Impact: Project is not taking place in a protected region including waterways. None of the assets contain SF6 or PCBs. The total oil in the assets involved in the project is less than 100L.

E – Minimal Environmental Impact: Project is not taking place in a protected region including waterways. None of the assets contain oil, SF6 or PCBs.

Notes: If unsure, always choose the worst grade. Transformer Oil Volume can be found in standards documentation.

Safety:

A – There is at least one asset in “Very Poor” condition or that is non-compliant

C – There is at least one asset in “Poor” condition

E – There are no assets in “Poor” condition and no assets that are non-compliant

Notes: Examples of non-compliant assets: porcelain insulators and Kabars (sectionalizer).

Probability Assessment

The obtained IS will now be assessed using the average Health Index (HI) of all assets impacted by the proposed project, as outlined in Equation 2. This evaluation will yield the corresponding Probability Score (PS).

$$PS = (1 - HI)$$

Equation 2

Asset Evaluation Adjustments

For projects where an HI value is not available, the final probability score will be determined by the following three factors:

- a) If a non-compliant asset exists within the project boundary, an HI value of five percent (5%) will be assigned to equation 1
- b) If there is a non-compliant asset but an asset with a “Poor” condition exists, an HI value of fifty percent (50%) will be assigned to equation 1.
- c) If there’s no non-compliant asset within the project boundary, an HI value of eighty-five percent (85%) will be assigned equation 1

Criticality Score

Finally, the Criticality Score (CS) will be the direct correlation between the impact score and probability score represented by Equation 3.

$$CS = IS * PS$$

Equation 3

Example:

A system renewal project has the following scope of work: remove and replace non-compliant ceramic insulators from an overhead section of feeder *X*, which provide service to area *Y* [area with around 150 customers]. The estimated total cost is \$250,000. A key account customer [Regional hospital] is located within the project boundaries.

First step would be to calculate the Impact Score (IS) by performing an impact assessment.

Impact assessment:

Financial: \$250,000 (Criteria D) → score: 11.55

Reliability: ~150 customers + 1 key account customer → score: 40

Environmental: The total amount of oil within the overhead transformers does not exceed 100L (Moderate Environmental Impact) → score: 10.05

Safety: There are no "Very Bad" assets identified but there are non-compliant assets within the project area. → score: 10

$$IS = 11.55 + 40 + 10.05 + 10 = 71.6$$

Next step, perform a probability assessment to determine the Probability Score (PS).

Probability Assessment:

For this situation, no Health Index (HI) is available but non-compliant assets (ceramic insulators) are within the project boundaries, therefore situation a of the impact assessment will be chosen, and the HI value will be given a value of **5%**.

$$PS = (1 - 0.05) = 0.95$$

Finally, with the previously obtained IS and PS to determine the Criticality Score (CS) for the intended project.

Criticality Score:

With the Impact Score (IS) and Probability Score (PS) calculated, the Criticality Score (CS) can be obtained.

$$CS = 71.6 * 0.95 = 68.02$$

This will give the intended project a prioritization value of 68.02. This value will then be compared to previous and future scores to determine action plan priority.

In conclusion, the project to replace non-compliant ceramic insulators in feeder X, serving area Y, has a prioritization value of 68.02. This score highlights the importance of addressing these non-compliant assets to ensure reliability and safety for the 150 customers, including the regional hospital [key account customer].

1 **RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES**

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3 **INTERROGATORY 2B-SEC-47**

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5

6 [Ex.2B-3-1, p.33-34] Please provide the results of Elexicon’s prioritization process in Excel format.

7 The information should include, at a minimum,

8 a) project name,

9 b) cost,

10 c) Criticality Score,

11 d) Impact Score,

12 e) Probability Score, and

13 f) each score for each individual factor, and

14 g) whether the project/program is included in the plan. If different programs/projects include
15 alternatives that were considered as part of this process, please include each alternative.

16

17

18 **RESPONSE:**

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20 Please refer to 2-Staff-41.

1 **RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES**

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3 **INTERROGATORY 2B-SEC-48**

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5

6 [Ex.2B-3-2, p.45-53, Tables 22-25] For feeders listed in Tables 22-24 please provide:

7 a) the capacity rating,

8 b) the actual loading each year between 2020 and 2025, and the forecasted loading for each year
9 between 2026 and 2031 and

10 c) the remaining capacity for each year. Please provide the information in Excel format.

11

12

13 **RESPONSE:**

14

15 Please refer to the attached Excel file 2B-SEC-48(1)_Feeder Planning Capacity, which provides the
16 requested information for parts a), b), and c).

1 d) Table 1 below details the key differences in forecasting approaches between Elexicon’s 2021
 2 Distribution System Plan (DSP), with a forecast period of 2022-2026, and the load forecast used
 3 for the 2027-2031 Elexicon DSP. The 2027–2031 load forecast represents a meaningful
 4 improvement over the prior approach by moving to a unified, district-level econometric
 5 framework anchored by a probabilistic, weather-adjusted load floor. The newer forecast is better
 6 aligned with the evolving nature of electricity demand, as it explicitly incorporates electric
 7 vehicles and building electrification as independent sub-forecasts. By quantifying incremental
 8 load impacts from EV adoption and transportation and building electrification, the forecast is
 9 more forward-looking, more adaptable to scenario analysis, and more informative for system
 10 planning decisions. Overall, Elexicon is better positioned to assess future capacity needs in a
 11 rapidly changing demand environment.

12
 13

Table 1: Key Differences in Forecasting Approach

	2022-2026 Elexicon DSP Load Forecast	2027-2031 Elexicon DSP Load Forecast
Weather Adjusted Baseload	<ul style="list-style-type: none"> • Two separate load forecasts were provided¹: <ul style="list-style-type: none"> ○ Two season top-down econometric model utilizing weather variables, macroeconomic variables and time trend ○ Engineering forecast at the district/region level relying primarily on historical loading data, customer counts, ratios between customers and households, and forecasted households within the service area. 	<ul style="list-style-type: none"> • Unified econometric regression modelled at the district/region level with a comprehensive set of input variables capturing relationships of historical loading to key weather, calendar and customer variables • Percentile scenarios used for weather adjusted “load floor” determined through historical weather simulations. • Separate customer growth forecast relying on engineering and/or customer-based inputs was layered on top of weather adjusted load floor • Electric vehicles and building electrification forecasts layered on top of weather adjusted load floor
Customer Growth	<ul style="list-style-type: none"> • No separate model to layer customer growth load forecasts - load from customer growth was integrated directly into engineering and econometric models and 	<ul style="list-style-type: none"> • Modelled separately for residential growth sector and commercial & industrial growth sector. • Modelled separately from baseload econometric approach and layered on top

¹ In the districts/regions of Port Hope and Gravenhurst, monte-carlo simulation was performed on the historical peak load for these regions and divided by the customer count to forecast the total megawatts per customer.

	2022-2026 Elexicon DSP Load Forecast	2027-2031 Elexicon DSP Load Forecast
	utilized probabilistic modelling to evaluate scenarios incorporating both weather-normalized demand and adjustment factors for likelihood of projected developments and/or load growth materializing.	of load floor to capture incremental customer growth. <ul style="list-style-type: none"> Projected through detailed categories using different archetypes of residential units and business types, with direct inclusion of specific large industrial loads for affected districts/regions.
Electric Vehicles	<ul style="list-style-type: none"> Electric vehicles were not included as a separate sub-forecast. 	<ul style="list-style-type: none"> Included as an independent sub-forecast. Quantitative incremental load impact measured for light-duty passenger vehicles and medium/heavy duty vehicles.
Building Electrification	<ul style="list-style-type: none"> Building electrification was not included as a separate sub-forecast 	<ul style="list-style-type: none"> Included as an independent sub-forecast. Quantitative incremental load impact measured for residential and commercial/industrial sectors.

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1 **RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES**

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3 **INTERROGATORY 2B-SEC-51**

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6 [Ex.2B-3-2, Appendix B] With respect to the BBA, 2025 Asset Condition Assessment Report:

- 7
8 a. [p.22] Please provide a revised version of Table 4, removing age as a condition parameter.
9 b. For each asset, please provide the average total score and average score for each condition
10 parameter.

11
12 **RESPONSE:**

13 a) The health index formulation of each asset class is comprised of condition parameters each with
14 their own specific weights, ranking, and corresponding numerical grades to determine an overall
15 health index score for an asset. These health index formulations within the Asset Condition
16 Assessment report (ACA) have been developed based on industry best practices, and any
17 revisions to the health index formulation for any asset require careful consideration and analysis
18 prior to implementation. In light of this information, Elexicon respectfully submits that the ACA
19 health index formulation applied in the referenced exhibit to derive the ACA results (Table 4) is
20 appropriate and fit for purpose. Accordingly, revisions to the ACA health index formulation –
21 such as the removal of the “Service Age” condition parameter, or the revision of any other
22 parameters, weights, or rankings – are not required to evaluate Elexicon’s ACA results.

23
24 To help understand the contribution of the “Service Age” condition parameter within each asset
25 class, Table 1A below has been developed to summarize the contribution of “Service Age” to the
26 maximum score of an asset’s health index (HI) formulation. As seen in the results in Table 1A,
27 “Service Age” percentage contribution to the maximum score of an asset’s HI formulation varies
28 between 0% to 100%, and “Service Age” as the only condition parameter was used on only 3 out
29 of 21 asset classes (or roughly 14%), and “Service Age” as a condition parameter was not used at

1 all on 2 out of 21 asset classes. As noted within the ACA report in the referenced exhibit,
 2 instances where “Service Age” was relied on explicitly as a condition parameter were limited
 3 where possible.

4 **Table 1A: “Service Age” % Contribution to the Maximum Score in the HI Formulation**

Asset Class	“Service Age” Condition Parameter % Contribution to Maximum Score of the Health Index Formulation
Wood Poles	16 / 52 = 30.8%
Concrete Poles	12 / 12 = 100%
Underground Cables (km)	32 / 44 = 72.7%
Submarine Cables (km)	16 / 68 = 23.5%
Overhead Conductors (km)	8 / 12 = 75%
Pole-Mounted Transformers	12 / 20 = 60%
Pad-Mounted Transformers	12 / 28 = 42.9%
Vault Transformers	12 / 12 = 100%
Submersible Transformers	12 / 28 = 42.9%
Step Transformers	12 / 12 = 100%
Pad-Mounted Switchgear	12 / 56 = 21.4%
Overhead Switch	8 / 24 = 33.3%
Station Power Transformer	240 / 2038 = 11.8%
Station Circuit Breaker	8 / 28 = 28.6%
Station Switch	4 / 40 = 10%
Station Battery	16 / 48 = 33.3%
Station Relay	16 / 44 = 36.4%
Station Cable	8 / 20 = 40%
Station Building	0 / 80 = 0%
Station Fence	0 / 20 = 0%
Station Switchgear	8 / 64 = 12.5%

5

6 b) The summary below describes the methodology used to calculate the average scores and
 7 average total scores shown in Table 1 to Table 21 for each asset. For each asset, the score of
 8 each condition parameter was calculated as the product of its numerical grade and weight within
 9 the asset health index formulation. These scores were averaged over all assets within an asset
 10 class to calculate an average score for each asset condition parameter. For each asset, the total
 11 score was calculated as the sum of the condition parameter scores within the asset health index
 12 formulation. The total scores for an asset were averaged over all assets in that class to calculate

1 the total average score. Assets with Unknown HI were excluded when calculating the average
 2 score and average total score.

3

4 **Table 1: Average and Total Score per Condition Parameter - Wood Poles**

Condition Parameter	Average Score
Defects/Overall Condition	6.5
Wood Rot	3.6
Remaining Strength	14.2
Out of Plumb	4.0
Service Age	8.9
Total Score	36.0

5

6 **Table 2: Average and Total Score per Condition Parameter - Concrete Poles**

Parameter	Average Score
Service Age	9.4
Total Score	9.4

7

8 **Table 3: Average and Total Score per Condition Parameter – Underground Cables**

Parameter	Average Score
Service Age	14.4
Number of Splices	10.9
Total Score	24.7

9

10 **Table 4: Average and Total Score per Condition Parameter – Submarine Cables**

Parameter	Average Score
Service Age	2.3
Condition of Concentric Neutral	19.9
Condition of Armor/Sheath/Jacket	21.1
Visual Inspection of Terminations	3.4
Total Score	41.0

11

12 **Table 5: Average and Total Score per Condition Parameter – Overhead Conductors**

Parameter	Average Score
Small Conductor Risk	3.9
Service Age	7.2
Total Score	11.1

1 **Table 6: Average and Total Score per Condition Parameter – Pole-Mounted Transformers**

Parameter	Average Score
Service Age	7.6
IR Scan	7.8
Total Score	15.5

2

3 **Table 7: Average and Total Score per Condition Parameter – Pad-Mounted Transformers**

Parameter	Average Score
Service Age	6.4
Overall Condition	12.9
Total Score	19.3

4

5 **Table 8: Average and Total Score per Condition Parameter – Vault Transformers**

Parameter	Average Score
Service Age	7.4
Total Score	7.4

6

7 **Table 9: Average and Total Score per Condition Parameter – Step Transformers**

Parameter	Average Score
Service Age	10
Total Score	10

8

9 **Table 10: Average and Total Score per Condition Parameter – Submersible Transformers**

Parameter	Average Score
Overall Condition	16.0
Service Age	6.4
Total Score	22.1

10

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12 **Table 111: Average and Total Score per Condition Parameter – Pad-Mounted Distribution**
13 **Switchgear**

Parameter	Average Score
Service Age	9.0
IR Scan	7.5
Condition of Pad	7.1
Condition of Operating Mechanism	7.1

Parameter	Average Score
Condition of Terminations	7.3
Barriers	7.3
Condition of Enclosure	3.5
Total Score	45.2

1
2 **Table 12: Average and Total Score per Condition Parameter – Overhead Switches**

Parameter	Average Score
Service Age	5.8
IR Scan	7.8
Overall Condition	8.0
Total Score	18.2

3
4 **Table 13: Average and Total Score per Condition Parameter – Station Power Transformers**

Parameter	Average Score
Service Age	129.4
DGA	484.2
Oil Quality	111.2
Insulation Resistance	108.8
Bushing Electrical Test	75.0
Insulation PF	82.1
Turns Test Ratio	59.2
DC Winding Resistance	59.7
Concrete Pad Condition	20.8
Paint Condition	18.5
Oil Leaks	86.2
Oil Level	10.9
Breather/Silica Gel	7.3
Gauges	3.7
Gas Relay	7.5
Fans	7.4
Fan Control	7.4
Control Cabinet	13.9
Control Cabinet Heater	14.7
Enclosures	51.9

Parameter	Average Score
Bushings	73.0
Insulators	7.1
Lightning Arresters	3.9
Off Load Tap Changer Condition	145.8
Nitrogen Tank and Plumbing	7.5
Total Score	1454.9

1

2 **Table 14: Average and Total Score per Condition Parameter – Station Circuit Breakers**

Parameter	Average Score
Service Age	4.9
Electrical Testing	6.3
Functional Obsolescence	7.7
Visual Inspection	3.7
Total Score	22.3

3

4 **Table 15: Average and Total Score per Condition Parameter – Station Switches**

Parameter	Average Score
Overall Condition	20.3
Contact Resistance	11.4
Service Age	1.3
Insulation Resistance	4.5
Total Score	34.5

5

6 **Table 166: Average and Total Score per Condition Parameter – Station Batteries**

Parameter	Average Score
Service Age	13.1
Battery Voltage Test	16.0
Charger Condition	6.3
Battery Bank Condition	6.3
Total Score	39.6

1 **Table 177: Average and Total Score per Condition Parameter – Station Relays**

Condition Parameter	Average Score
Service Age	13.8
Test Results	16.0
Overall Condition	11.8
Total Score	38.0

2

3 **Table 188: Average and Total Score per Condition Parameter – Station Cables**

Parameter	Average Score
Service Age	4.8
Insulation Resistance	4.3
Loading History	1.3
Total	9.6

4

5 **Table 199: Average and Total Score per Condition Parameter – Station Switchgears**

Condition Parameter	Average Score
Insulation Resistance Test	12.4
Presence of Moisture	12.5
Service Age	4.1
Mechanical Integrity	6.7
Condition of Pad	3.8
Paint	3.2
Total Score	41.6

6

7 **Table 20: Average and Total Score per Condition Parameter – Station Buildings**

Condition Parameter	Average Score
Paint Condition	10.1
Presence of Leaks	11.3
Presence of Floor Debris	11.3
Condition of Basement/Cable Pit	12.0
Doors, Locks, and Windows Condition	6.9
Condition of Heating and Air Conditioning	7.3
Condition of Shutters and Ventilation	3.6
Condition of Exhaust Fan	3.6

Condition Parameter	Average Score
Condition of Fire Extinguisher	3.9
Condition of Eye Wash Sation	3.9
Total Score	62.1

1

2 **Table 20: Average and Total Score per Condition Parameter – Station Fences**

Condition Parameter	Average Score
Fence Condition	7.0
Gate Condition	3.8
Barbed Wire Condition	3.9
Fence Grounding Condition	3.8
Total Score	17.0

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RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY 2B-SEC-52

[Ex.2B-3-2, Appendix B, p.22, Table 4] Please provide a table that shows for all asset types listed in Table 4, the number of replaced assets, regardless of what program, for each year between 2020 and 2025, and forecast for each year between 2026 and 2031.

RESPONSE:

Table 1 presents the number of asset replacements by asset class, as identified in Table 4 of the referenced exhibit, based on both planned and completed replacements primarily within the System Renewal investment category for the period from 2020 to 2031. Reactive Capital has been excluded from the 2026–2031 forecast period due to its event-driven nature, as it relates to unplanned failures, emergency replacements, and unforeseen events, and therefore cannot be reliably forecasted or consistently allocated to specific asset classes on a unit-count basis.

Table 1: Asset Class Replacements Within 2020-2031

Asset Class	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Wood Poles	233	358	392	262	184	206	35	26	56	81	98	96
Concrete Poles							0	32	30	64	91	91
Underground Cables (km)	3	6	2	3	5	1	0	0	9	17	26	37
Submarine Cables (km)	0	0	0	0	0	0	0	0	0.9	0.9	0.9	0
Overhead Conductors (km)	3	5	5	9	6	14	0	0	0	0	0	0
Pole-mounted Transformers	44	34	103	72	44	111	8	10	25	14	22	21
Pad-mounted Transformers	85	198	118	97	133	128	0	10	73	83	83	83
Vault Transformers							0	1	7	8	8	8
Submersible Transformers							0	0	0	0	0	0
Step Transformers	0	0	0	0	0	0	0	0	0	0	0	0
Pad-Mounted Switchgear	31	53	33	12	7	5	0	1	11	11	11	11

Asset Class	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Overhead Switch	123	123	139	302	310	227	8	4	207	211	212	218
Station Battery	6	9	11	3	3	5	8	4	6	4	6	6
Station Building	1	0	0	1	1	0	3	2	2	0	3	1
Station Cable	5	5	7	5	9	5	15	3	13	3	8	4
Station Charger	1	3	5	2	1	5	8	4	7	4	6	6
Station Circuit Breaker	3	4	8	1	4	1	14	0	10	0	8	11
Station Fence	1	1	2	2	0	0	2	2	3	0	3	1
Station Power Transformer	1	0	4	3	1	1	2	1	6	0	3	3
Station Relay	4	15	7	6	9	8	17	0	21	0	8	6
Station Switch	1	0	1	1	0	0	5	2	7	0	6	3
Station Switchgear	1	0	1	1	0	0	0	0	7	0	0	0

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1 **RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES**

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3 **INTERROGATORY 2B-SEC-53**

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6 [Ex.2B-4-1, p.3-10] Please update Tables 1-4 with 2025 actuals and provide in Excel format.

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10 **RESPONSE:**

11 Please see the attached Excel file 2B-SEC-53(1)_Ex2B-4-1 Tables 1-4 with 2025 Actuals, that contains

12 Tables 1-4 (each with their own tab) with 2025 actuals.

1 Table 1: (Revised from Exhibit 2B - Tab 4 - Schedule 1): Planned vs. Actual In-Service Additions (with ICM embedded)

Category	Historical Years															Bridge Years			
	2020			2021			2022			2023			2024			2025			2026
	Plan	Actual	Var.	Plan	Actual	Var.	Plan	Actual	Var.	Plan	Actual	Var.	Plan	Actual	Var.	Plan	Actual	Var.	Plan
	\$M	\$M	%	\$M	\$M	%	\$M	\$M	%	\$M	\$M	%	\$M	\$M	%	\$M	\$M	%	\$M
System Access																			
Gross	21.95	25.26	15.1%	43.79	26.55	(39.4%)	66.99	27.23	(59.4%)	37.09	32.73	(11.7%)	28.79	17.56	(39.0%)	64.88	47.52	(26.8%)	42.35
Contributions	13.5	16.34	21.0%	32.48	16.3	(49.8%)	48.43	14.26	(70.6%)	27.72	14.47	(47.8%)	18.9	8.23	(56.5%)	34.63	23.81	(31.2%)	20.57
Net	8.45	8.92	5.6%	11.31	10.25	(9.4%)	18.56	12.97	(30.1%)	9.37	18.26	94.9%	9.89	9.34	(5.6%)	30.26	23.71	(21.6%)	21.78
System Renewal																			
Gross	12.44	12.94	4.0%	15.63	19.28	23.3%	14.92	20.36	36.5%	15.01	16.77	11.7%	17.15	20.22	17.9%	15.14	19.57	29.2%	20.93
Contributions	-	-	-	-	(0.80)	N/A ¹	-	-	-	-	0.42	N/A ¹	-	0.3	N/A ¹	-	0.03	N/A ¹	-
Net	12.44	12.94	4.0%	15.63	20.07	28.4%	14.92	20.36	36.5%	15.01	16.35	8.9%	17.15	19.92	16.2%	15.14	19.54	29.2%	20.93
System Service																			
Gross	2.04	2.4	17.5%	6.35	9.9	55.9%	44.08	38.26	(13.2%)	8.52	5.72	(32.9%)	6.72	9.91	47.4%	9.52	13.21	38.7%	22.98
Contributions	-	-	-	-	0.17	N/A ¹	-	-	-	-	0.44	N/A ¹	-	1.24	N/A ¹	0.96	2.21	130.6%	0.37
Net	2.04	2.4	17.5%	6.35	9.73	53.2%	44.08	38.26	(13.2%)	8.52	5.28	(38.0%)	6.72	8.68	29.0%	8.56	11	28.5%	22.61
General Plant																			
Gross	6.16	6.06	(1.7%)	12.07	6.67	(44.7%)	12.99	13.07	0.6%	7.66	6.92	(9.7%)	5.26	4.95	(5.9%)	6.81	7.74	13.7%	5.09
Contributions	-	-	-	-	-	-	-	0.08	N/A ¹	-	0.08	N/A ¹	-	-	-	-	-	-	-
Net	6.16	6.06	(1.7%)	12.07	6.67	(44.7%)	12.99	12.99	0.0%	7.66	6.84	(10.7%)	5.26	4.95	(5.9%)	6.81	7.74	13.7%	5.09
Total Gross	42.6	46.66	9.5%	77.83	62.39	(19.8%)	138.97	98.92	(28.8%)	68.29	62.14	(9.0%)	57.92	52.65	(9.1%)	96.36	88.04	(8.6%)	91.35
Total Contribution	13.5	16.34	21.0%	32.48	15.67	(51.8%)	48.43	14.34	(70.4%)	27.72	15.4	(44.4%)	18.9	9.76	(48.3%)	35.58	26.05	(26.8%)	20.94
Total Net	29.09	30.32	4.2%	45.36	46.73	3.0%	90.54	84.58	(6.6%)	40.57	46.74	15.2%	39.03	42.89	9.9%	60.77	61.99	2.0%	70.41

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¹ Variance percentage is shown as 'N/A' where the planned ISA is zero, as the calculation is not applicable in these cases

1 **Table 2: (Revised from Exhibit 2B - Tab 4 - Schedule 1): Historical & Bridge Capital Expenditures with ICM and System O&M**

Category	Historical Years								Bridge Years					
	2020	2021		2022		2023		2024		2025		2026		
	Actual	Actual	YoY Var.	Actual	YoY Var.	Actual	YoY Var.	Actual	YoY Var.	Actual	YoY Var.	Plan	YoY Var.	
	\$M	\$M	%	\$M	%	\$M	%	\$M	%	\$M	%	\$M	%	
System Access														
Gross	22.10	33.08	49.7%	42.19	27.6%	58.67	39.1%	44.73	(23.8%)	54.58	22.0%	45.72	12.5%	
Contributions	15.08	19.14	26.9%	22.44	17.3%	35.25	57.1%	22.93	(35.0%)	27.55	20.2%	21.57	21.0%	
Net	7.02	13.94	98.7%	19.75	41.7%	23.43	18.6%	21.80	(6.9%)	27.03	24.0%	24.15	5.8%	
System Renewal														
Gross	14.97	18.50	23.6%	24.27	31.2%	17.68	(27.2%)	24.97	41.2%	29.06	16.4%	22.20	4.5%	
Contributions	-	(0.81)	N/A ²	0.01	(101.5%)	0.42	3474.0%	0.65	54.5%	-	(100.0%)	-	(100.0%)	
Net	14.97	19.31	29.0%	24.26	25.7%	17.26	(28.8%)	24.33	40.9%	29.06	19.5%	22.20	10.1%	
System Service														
Gross	6.69	13.31	99.1%	22.14	66.3%	4.85	(78.1%)	19.63	304.7%	12.11	(38.3%)	30.79	174.7%	
Contributions	-	0.17	N/A ²	0.12	(30.4%)	0.32	176.1%	2.19	578.6%	1.28	(41.5%)	5.03	732.1%	
Net	6.69	13.14	96.6%	22.02	67.6%	4.53	(79.4%)	17.43	285.1%	10.83	(37.9%)	25.76	142.9%	
General Plant														
Gross	6.52	7.04	7.9%	12.46	77.1%	7.41	(40.6%)	5.31	(28.3%)	6.62	24.7%	5.09	(17.3%)	
Contributions	-	-	-	0.08	N/A ²	0.08	(5.4%)	-	(100.0%)	-	-	-	-	
Net	6.52	7.04	7.9%	12.38	75.9%	7.33	(40.8%)	5.31	(27.5%)	6.62	24.7%	5.09	(17.3%)	
Total Gross	50.27	71.92	43.1%	101.06	40.5%	88.61	(12.3%)	94.64	6.8%	102.37	8.2%	103.80	25.3%	
Total Contribution	15.08	18.49	22.6%	22.65	22.5%	36.07	59.2%	25.77	(28.6%)	28.83	11.9%	26.60	13.2%	
Total Net	35.19	53.43	51.8%	78.41	46.8%	52.55	(33.0%)	68.87	31.1%	73.54	6.8%	77.20	29.2%	
System O&M	13.98	14.93	6.8%	15.71	5.2%	15.55	(1.0%)	20.44	31.4%	19.9	(2.7%)	21.27	5.8%	

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² Year-over-year variance percentage is shown as 'N/A' where prior-year expenditure is zero, as the calculation is not applicable in such cases.

1 **Table 3: (Revised from Exhibit 2B - Tab 4 - Schedule 1): Capital Expenditures and System O&M without ICM**

Category	Historical Years					Bridge Years		Forecast Years				
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	Actual	Actual	Actual	Actual	Actual	Actual	Plan	Plan	Plan	Plan	Plan	Plan
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
System Access												
Gross	21.90	33.06	37.06	55.68	44.66	54.58	45.72	99.89	66.09	63.38	70.20	74.59
Contributions	14.77	19.14	20.39	34.51	23.12	27.55	21.57	66.17	40.27	33.28	37.87	41.15
Net	7.13	13.93	16.67	21.17	21.54	27.03	24.15	33.73	25.82	30.10	32.33	33.44
System Renewal												
Gross	14.97	18.49	23.65	17.36	23.97	26.27	15.36	31.31	53.66	56.02	68.76	70.22
Contributions	-	(0.81)	0.01	0.42	0.65	-	-	-	-	-	-	-
Net	14.97	19.30	23.64	16.94	23.33	26.27	15.36	31.31	53.66	56.02	68.76	70.22
System Service												
Gross	3.35	5.94	5.06	3.47	8.74	7.50	13.66	44.57	39.83	46.80	35.39	72.17
Contributions	-	0.17	-	0.01	(0.01)	0.03	4.66	-	-	-	-	-
Net	3.35	5.77	5.06	3.46	8.74	7.47	8.99	44.57	39.83	46.80	35.39	72.17
General Plant												
Gross	6.52	7.04	12.05	7.33	5.31	6.62	5.09	13.73	10.42	16.81	12.52	12.31
Contributions	-	-	-	-	-	-	-	-	-	-	-	-
Net	6.52	7.04	12.05	7.33	5.31	6.62	5.09	13.73	10.42	16.81	12.52	12.31
Total Gross	46.74	64.53	77.81	83.84	82.69	94.96	79.82	189.50	170.00	183.02	186.88	229.29
Total Contribution	14.77	18.49	20.40	34.94	23.77	27.58	26.23	66.17	40.27	33.28	37.87	41.15
Total Net	31.97	46.03	57.41	48.90	58.93	67.38	53.59	123.34	129.73	149.74	149.01	188.14
System O&M	13.98	14.96	15.71	15.55	20.44	19.9	21.27	25.16	27.66	28.32	29.10	29.89

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1 **Table 4: (Revised from Exhibit 2B - Tab 4 - Schedule 1): Capital Expenditures and System O&M with ICM**

Category	Historical Years					Bridge Years		Forecast Years				
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	Actual	Actual	Actual	Actual	Actual	Actual	Plan	Plan	Plan	Plan	Plan	Plan
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
System Access												
Gross	22.09	33.07	42.19	58.67	44.73	54.58	45.72	99.89	66.09	63.38	70.20	74.59
Contributions	15.08	19.14	22.44	35.25	22.93	27.55	21.57	66.17	40.27	33.28	37.87	41.15
Net	7.02	13.94	19.75	23.43	21.80	27.03	24.15	33.73	25.82	30.10	32.33	33.44
System Renewal												
Gross	14.97	18.50	24.27	17.68	24.97	29.06	22.20	31.31	53.66	56.02	68.76	70.22
Contributions	-	(0.81)	0.01	0.42	0.65	-	-	-	-	-	-	-
Net	14.97	19.31	24.26	17.26	24.33	29.06	22.20	31.31	53.66	56.02	68.76	70.22
System Service												
Gross	6.69	13.31	22.14	4.85	19.63	12.11	30.79	44.57	39.83	46.80	35.39	72.17
Contributions	-	0.17	0.12	0.32	2.19	1.28	5.03	-	-	-	-	-
Net	6.69	13.14	22.02	4.53	17.43	10.83	25.76	44.57	39.83	46.80	35.39	72.17
General Plant												
Gross	6.52	7.04	12.46	7.41	5.31	6.62	5.09	13.73	10.42	16.81	12.52	12.31
Contributions	-	-	0.08	0.08	-	-	-	-	-	-	-	-
Net	6.52	7.04	12.38	7.33	5.31	6.62	5.09	13.73	10.42	16.81	12.52	12.31
Total Gross	50.27	71.92	101.06	88.61	94.64	102.37	103.80	189.50	170.00	183.02	186.88	229.29
Total Contribution	15.08	18.49	22.65	36.07	25.77	28.83	26.60	66.17	40.27	33.28	37.87	41.15
Total Net	35.19	53.43	78.41	52.55	68.88	73.54	77.20	123.34	129.73	149.74	149.01	188.14
System O&M	13.98	14.93	15.71	15.55	20.44	19.9	21.27	25.16	27.66	28.32	29.10	29.89

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1 **RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES**

2

3 **INTERROGATORY 2B-SEC-54**

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6 [Ex.2B-4-1, p.3-4] Please provide a revised version of Table 1 that includes 2027 and 2031 forecast
7 in-service additions.

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10 **RESPONSE:**

11 Please see below the revised Table 1 that includes the 2027 – 2031 forecast in-service additions.

Table 1: Planned vs. Actual In-Service Additions (with ICM embedded)

Category	Historical Years															Bridge Years		Forecast Years				
	2020			2021			2022			2023			2024			2025	2026	2027	2028	2029	2030	2031
	Plan	Actual	Var.	Plan	Actual	Var.	Plan	Actual	Var.	Plan	Actual	Var.	Plan	Actual	Var.	Plan	Plan	Plan	Plan	Plan	Plan	Plan
	\$M	\$M	%	\$M	\$M	%	\$M	\$M	%	\$M	\$M	%	\$M	\$M	%	\$M	\$M	\$M	\$M	\$M	\$M	\$M
System Access																						
Gross	21.95	25.26	15.10%	43.79	26.55	(39.40%)	66.99	27.23	(59.40%)	37.09	32.73	(11.70%)	28.79	17.56	(39.00%)	64.88	42.35	77.78	79.80	67.04	67.53	72.79
Contributions	13.5	16.34	21.00%	32.48	16.30	(49.80%)	48.43	14.26	(70.60%)	27.72	14.47	(47.80%)	18.9	8.23	(56.50%)	34.63	20.57	50.75	50.63	36.08	36.03	39.84
Net	8.45	8.92	5.60%	11.31	10.25	(9.40%)	18.56	12.97	(30.10%)	9.37	18.26	94.90%	9.89	9.34	(5.60%)	30.26	21.78	27.03	29.17	30.96	31.50	32.96
System Renewal																						
Gross	12.44	12.94	4.00%	15.63	19.28	23.30%	14.92	20.36	36.50%	15.01	16.77	11.70%	17.15	20.22	17.90%	15.15	20.93	15.67	59.26	49.49	69.11	67.85
Contributions	-	-	-	-	(0.80)	N/A ¹	-	-	-	-	0.42	N/A ¹	-	0.30	N/A ¹	-	-	-	-	-	-	-
Net	12.44	12.94	4.00%	15.63	20.07	28.40%	14.92	20.36	36.50%	15.01	16.35	8.90%	17.15	19.92	16.20%	15.15	20.93	15.67	59.26	49.49	69.11	67.85
System Service																						
Gross	2.04	2.40	17.50%	6.35	9.9	55.90%	44.08	38.26	(13.20%)	8.52	5.72	(32.90%)	6.72	9.91	47.40%	9.52	22.98	9.86	23.56	39.96	14.76	141.27
Contributions	-	-	-	-	0.17	N/A ¹	-	-	-	-	0.44	N/A ¹	-	1.24	N/A ¹	0.96	0.37	-	-	-	-	-
Net	2.04	2.40	17.50%	6.35	9.73	53.20%	44.08	38.26	(13.20%)	8.52	5.28	(38.00%)	6.72	8.68	29.00%	8.56	22.61	9.86	23.56	39.96	14.76	141.27
General Plant																						
Gross	6.16	6.06	(1.70%)	12.07	6.67	(44.70%)	12.99	13.07	0.60%	7.66	6.92	(9.70%)	5.26	4.95	(5.90%)	6.81	5.09	13.73	10.42	16.81	12.52	12.31
Contributions	-	-	-	-	-	-	-	0.08	N/A ¹	-	0.08	N/A ¹	-	-	-	-	-	-	-	-	-	-
Net	6.16	6.06	(1.70%)	12.07	6.67	(44.70%)	12.99	12.99	0.00%	7.66	6.84	(10.70%)	5.26	4.95	(5.90%)	6.81	5.09	13.73	10.42	16.81	12.52	12.31
Total Gross	42.6	46.66	9.50%	77.83	62.39	(19.80%)	138.97	98.92	(28.80%)	68.29	62.14	(9.00%)	57.92	52.65	(9.10%)	96.36	91.35	117.05	173.03	173.30	163.94	294.22
Total Contribution	13.5	16.34	21.00%	32.48	15.67	(51.80%)	48.43	14.34	(70.40%)	27.72	15.4	(44.40%)	18.9	9.76	(48.30%)	35.58	20.94	50.75	50.63	36.08	36.03	39.84
Total Net	29.09	30.32	4.20%	45.36	46.73	3.00%	90.54	84.58	(6.60%)	40.57	46.74	15.20%	39.03	42.89	9.90%	60.77	70.41	66.30	122.40	137.22	127.91	254.38

¹ Variance percentage is shown as 'N/A' where the planned ISA is zero, as the calculation is not applicable in these cases.

1 **Table 1: System Access Capital Contributions by Investment Program for Planned Vs Actual In-Service Additions (with ICM embedded)**

Contributions by Program Breakdown	2020			2021			2022			2023			2024		
	Plan	Actual	variance	Plan	Actual	variance	Plan	Actual	variance	Plan	Actual	variance	Plan	Actual	variance
	\$M	\$M	%	\$M	\$M	%	\$M	\$M	%	\$M	\$M	%	\$M	\$M	%
A1 Externally Initiated Plant Relocation	4.49	3.78	(15.81%)	21.09	2.65	(87.43%)	27.12	5.88	(78.32%)	5.34	5.65	5.81%	1.82	4.13	126.92%
A2 Customer & Generation Connections	6.24	9.64	54.49%	3.44	11.20	225.58%	4.84	4.28	(11.57%)	6.17	8.15	32.09%	6.22	3.20	(48.55%)
A3 System Expansion	2.78	2.91	4.68%	7.95	2.44	(69.31%)	16.47	4.10	(75.11%)	16.21	0.67	(95.87%)	10.86	0.90	(91.71%)
A4 Metering	0.00	0.00	-	0.00	0.00	-	0.00	0.00	-	0.00	0.00	-	0.00	0.00	-
SYSTEM ACCESS TOTAL	13.50	16.34	21.04%	32.48	16.30	(49.82%)	48.43	14.26	(70.56%)	27.72	14.47	(47.80%)	18.90	8.23	(56.46%)

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RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY 2B-SEC-56

[Ex.2B-4-3, Appendices] For each program, please provide in a table:

- a. 2025 ACA asset conditions demographics for each asset relevant to the specific program.
- b. 2031 ACA asset conditions demographics for each asset relevant to the specific program, if no investments were made.
- c. For each investment scenario, the 2031 ACA asset conditions demographics for each asset relevant to the specific program.

RESPONSE:

- a) The 2025 Asset Condition Assessment demographics are Table 1 for Overhead assets, Table 2 for Underground assets, and Table 3 for Substation assets.

Table 1: 2025 ACA Demographics – Overhead Assets

Assets Class	Very Good	Good	Fair	Poor	Very Poor	Unknown HI
Wood Poles	26%	24%	31%	16%	1%	2%
Concrete Poles	2%	40%	30%	27%	1%	0%
Overhead Conductors (km)	67%	26%	5%	0%	0%	2%
Pole-Mounted Transformers	57%	20%	14%	8%	1%	0%
Overhead Switches	59%	36%	4%	0%	0%	1%

Table 2: 2025 ACA Demographics – Underground Assets

Assets Class	Very Good	Good	Fair	Poor	Very Poor	Unknown HI
Underground Cables (km)	22%	9%	25%	17%	27%	0%
Submarine Cables (km)	21%	16%	13%	8%	2%	39%
Pad-Mounted Transformers	20%	23%	42%	7%	0%	7%
Vault Transformers	1%	22%	27%	24%	26%	0%
Submersible Transformers	7%	78%	4%	0%	0%	11%
Pad-Mounted Distribution Switchgear	54%	18%	10%	1%	0%	17%

1 **Table 3: 2025 ACA Demographics – Substation Assets**

Asset Class	Very Good	Good	Fair	Poor	Very Poor	Unknown HI
Station Power Transformer	16%	43%	38%	3%	1%	0%
Station Circuit Breaker	55%	24%	18%	3%	1%	0%
Station Relay	89%	9%	1%	1%	0%	0%
Station Cable	23%	15%	24%	17%	21%	0%
Station Battery	53%	27%	20%	0%	0%	0%
Station Charger	60%	11%	20%	2%	7%	0%
Station Switches	59%	11%	19%	7%	3%	0%
Station Switchgear	34%	12%	26%	24%	4%	0%
Station Building	80%	13%	4%	2%	0%	0%
Station Fence	82%	8%	5%	5%	0%	0%

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3 b) The 2031 Asset Condition Assessment demographics with no investments made in Substation
 4 Renewal program, Underground System Renewal program, and Overhead System Renewal
 5 program are Table 4 for Overhead assets, Table 5 for Underground assets, and Table 6 for
 6 Substation assets. Note that the Unknown Health Index (HI) values are held constant in 2031 for
 7 analysis purposes only and asset classes will be assessed over the DSP period.

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9 **Table 4: 2031 ACA Demographics – Overhead Assets (No Overhead System Renewal**
 10 **Investments)**

Asset Class	Very Good	Good	Fair	Poor	Very Poor	Unknown HI
Wood Poles	23%	22%	33%	19%	1%	2%
Concrete Poles	0%	29%	24%	35%	11%	0%
Overhead Conductors (km)	53%	34%	10%	1%	0%	2%
Pole-Mounted Transformers	42%	23%	18%	16%	1%	0%
Overhead Switches	46%	33%	20%	1%	0%	1%

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1 **Table 5: 2031 ACA Demographics – Underground Assets (No Underground System**
 2 **Renewal Investments)**

Asset Class	Very Good	Good	Fair	Poor	Very Poor	Unknown HI
Underground Cables (km)	11%	13%	14%	23%	38%	0%
Submarine Cables (km)	21%	16%	13%	8%	2%	39%
Pad-Mounted Transformers	8%	20%	43%	21%	0%	7%
Vault Transformers	0%	9%	16%	30%	45%	0%
Submersible Transformers	7%	26%	56%	0%	0%	11%
Pad-Mounted Distribution Switchgear	46%	22%	13%	1%	0%	17%

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4 **Table 6: 2031 ACA Demographics – Station Assets (No Substation Renewal Investments)**

Asset Class	Very Good	Good	Fair	Poor	Very Poor	Unknown HI
Station Power Transformer	11%	44%	39%	5%	1%	0%
Station Circuit Breaker	53%	24%	19%	3%	1%	0%
Station Relay	73%	21%	4%	1%	0%	0%
Station Cable	16%	15%	24%	15%	29%	0%
Station Battery	40%	22%	36%	2%	0%	0%
Station Charger	60%	11%	20%	2%	7%	0%
Station Switches	58%	11%	21%	7%	3%	0%
Station Switchgear	28%	18%	22%	24%	8%	0%
Station Building	80%	13%	4%	2%	0%	0%
Station Fence	82%	8%	5%	5%	0%	0%

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6 c) The 2031 ACA asset condition demographics with the low investment scenario are Table 7 for
 7 the Overhead System Renewal program, Table 8 for the Underground System Renewal program,
 8 and Table 9 for the Substation Renewal program. Note that the Unknown Health Index (HI) values
 9 are held constant in 2031 for analysis purposes only and asset classes will be assessed over the
 10 DSP period.

11 **Table 7: 2031 ACA Demographics – Overhead System Renewal (Low Investment Scenario)**

Asset Class	Very Good	Good	Fair	Poor	Very Poor	Unknown HI
Wood Poles	24%	22%	33%	18%	0%	2%
Concrete Poles	13%	29%	24%	34%	0%	0%
Overhead Conductors (km)	53%	34%	10%	1%	0%	2%
Pole-Mounted Transformers	43%	23%	18%	16%	0%	0%
Overhead Switches	51%	33%	15%	0%	0%	1%

12

1 **Table 8: 2031 ACA Demographics – Underground System Renewal (Low Investment**
 2 **Scenario)**

Asset Class	Very Good	Good	Fair	Poor	Very Poor	Unknown HI
Underground Cables (km)	16%	13%	14%	20%	37%	0%
Submarine Cables (km)	29%	16%	13%	3%	0%	39%
Pad-Mounted Transformers	10%	20%	43%	20%	0%	7%
Vault Transformers	3%	9%	16%	30%	42%	0%
Submersible Transformers	7%	26%	56%	0%	0%	11%
Pad-Mounted Distribution Switchgear	53%	22%	7%	0%	0%	17%

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4 **Table 9: 2031 ACA Demographics – Substation Renewal (Low Investment Scenario)**

Asset Class	Very Good	Good	Fair	Poor	Very Poor	Unknown HI
Station Battery	49%	20%	31%	0%	0%	0%
Station Building	82%	13%	4%	0%	0%	0%
Station Cable	21%	14%	23%	15%	28%	0%
Station Circuit Breaker	61%	22%	16%	1%	0%	0%
Station Charger	67%	9%	18%	2%	4%	0%
Station Fence	88%	7%	3%	2%	0%	0%
Station Power Transformer	23%	41%	33%	2%	1%	0%
Station Relay	81%	18%	0%	1%	0%	0%
Station Switches	67%	11%	18%	1%	3%	0%
Station Switchgear	41%	10%	20%	22%	8%	0%

5

6 The 2031 ACA asset condition demographics with the balanced investment scenario are
 7 Table 10 for the Overhead System Renewal program, Table 11 for the Underground System
 8 Renewal program, and Table 12 for the Substation Renewal program. Please note that the
 9 Health Index (HI) distribution for Pole-Mount Transformers presented in Table 10 below
 10 differs from that filed in the rate application due to an error identified in the previously
 11 submitted table. Table 10 below reflects the corrected HI distribution for Pole-Mount
 12 Transformers.

13 **Table 10: 2031 ACA Demographics – Overhead System Renewal (Balanced Investment**
 14 **Scenario)**

Asset Class	Very Good	Good	Fair	Poor	Very Poor	Unknown HI
Wood Poles	24%	22%	33%	18%	0%	2%
Concrete Poles	13%	29%	24%	34%	0%	0%
Overhead Conductors (km)	53%	34%	10%	1%	0%	2%
Pole-Mounted Transformers	43%	23%	18%	16%	0%	0%
Overhead Switches	51%	33%	15%	0%	0%	1%

1 **Table 11: 2031 ACA Demographics – Underground System Renewal (Balanced Investment**
 2 **Scenario)**

Assets Class	Very Good	Good	Fair	Poor	Very Poor	Unknown HI
Underground Cables (km)	18%	13%	14%	20%	35%	0%
Submarine Cables (km)	32%	16%	13%	0%	0%	39%
Pad-Mounted Transformers	11%	20%	43%	19%	0%	7%
Vault Transformers	5%	9%	16%	30%	40%	0%
Submersible Transformers	7%	26%	56%	0%	0%	11%
Pad-Mounted Distribution Switchgear	56%	22%	5%	0%	0%	17%

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4 **Table 12: 2031 ACA Demographics – Substation Renewal (Balanced Investment Scenario)**

Asset Class	Very Good	Good	Fair	Poor	Very Poor	Unknown HI
Station Battery	52%	17%	31%	0%	0%	0%
Station Building	89%	11%	0%	0%	0%	0%
Station Cable	24%	14%	23%	13%	27%	0%
Station Circuit Breaker	70%	18%	12%	1%	0%	0%
Station Charger	70%	9%	15%	2%	4%	0%
Station Fence	90%	5%	3%	2%	0%	0%
Station Power Transformer	28%	41%	28%	2%	1%	0%
Station Relay	84%	15%	0%	1%	0%	0%
Station Switches	71%	11%	16%	0%	2%	0%
Station Switchgear	42%	8%	20%	22%	8%	0%

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6 The 2031 ACA asset condition demographics with the needs-based investment scenario are
 7 Table 13 for the Overhead System Renewal program, Table 14 for the Underground System
 8 Renewal program, and Table 15 for the Substation Renewal program.

9

10 **Table 13: 2031 ACA Demographics – Overhead System Renewal (Needs-Based Investment**
 11 **Scenario)**

Asset Class	Very Good	Good	Fair	Poor	Very Poor	Unknown HI
Wood Poles	25%	22%	33%	18%	0%	2%
Concrete Poles	23%	29%	24%	23%	0%	0%
Overhead Conductors (km)	53%	34%	10%	1%	0%	2%
Pole-Mounted Transformers	44%	23%	18%	15%	0%	0%
Overhead Switches	55%	33%	11%	0%	0%	1%

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1 **Table 14: 2031 ACA Demographics – Underground System Renewal (Needs-Based**
 2 **Investment Scenario)**

Asset Class	Very Good	Good	Fair	Poor	Very Poor	Unknown HI
Underground Cables (km)	21%	13%	14%	20%	32%	0%
Submarine Cables (km)	40%	16%	5%	0%	0%	39%
Pad-Mounted Transformers	12%	20%	43%	17%	0%	7%
Vault Transformers	8%	9%	16%	30%	37%	0%
Submersible Transformers	7%	26%	56%	0%	0%	11%
Pad-Mounted Distribution Switchgear	63%	20%	0%	0%	0%	17%

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4 **Table 15: 2031 ACA Demographics – Substation Renewal (Needs-Based Investment**
 5 **Scenario)**

Asset Class	Very Good	Good	Fair	Poor	Very Poor	Unknown HI
Station Battery	57%	17%	26%	0%	0%	0%
Station Building	89%	11%	0%	0%	0%	0%
Station Cable	29%	14%	20%	13%	24%	0%
Station Circuit Breaker	77%	14%	9%	0%	0%	0%
Station Charger	74%	9%	11%	2%	4%	0%
Station Fence	92%	5%	2%	2%	0%	0%
Station Power Transformer	33%	41%	22%	2%	1%	0%
Station Relay	84%	15%	0%	1%	0%	0%
Station Switches	73%	11%	13%	0%	2%	0%
Station Switchgear	48%	8%	18%	20%	6%	0%

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1 **RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES**

2

3 **INTERROGATORY 2B-SEC-57**

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6 [Ex.2B-4-3, Appendix A] With respect to Externally Initiated Plant Relocation:

7 a. [p.5] Please provide a table that shows each relocation project between 2025 and 2031, and
8 the annual net capital expenditures forecast.

9 b. For forecast projects in the latter year of the rate term, please explain how Elexicon forecast the
10 costs.

1 **RESPONSE:**

2 a) Please refer to the Table 1 below, which provides an updated list of known and anticipated
3 externally initiated plant relocation projects. Some projects are in the early stages of planning,
4 and capital contributions have not yet been finalized; accordingly, the associated net
5 expenditures for some projects in 2027 are based on high-level estimates.

6 **Table 1: Net capital expenditures for known and anticipated projects (2025-2031)**

Year	Project Name	Net Capital Expenditure (\$M)
2025	Krosno Creek Culvert RR	0.23
2025	Dowty Rd Road Relocation	0.02
2025	Westney Rd S (Bayly x Lake) RR	0.03
2025	Bowmanville Ave (Baseline x Hwy 2) RR	1.70
2025	Elsa Storry Pole & Anchor Relocation	0.07
2025	38 Ontoro Pole Relocation	0.01
2025	425 Rougemount Dr Pole Relocation	0.02
2025	Scugog x Church Pole Relocation	0.01
2026	Lakeridge (Bayly x Dundas) Road Relocation	0.39
2026	Rossland Rd (Salem x Lake Ridge) Relocation	0.85
2026	Sandy Beach (Montgomery x Bayly) Road Relocation	1.17
2026	Henry (Octavia x Murney) Road Relocation	0.10
2026	Westney Rd (Magill x Bayly) Road Relocation	0.07
2026	Southwood PS (Lambert) Road Relocation	0.12
2026	Liberty St (baseline x King St) Relocation	0.68
2026	Whitevale (Altona x Golf Club) Road Relocation	0.19
2026	Conlin (Anderson x Thicksen) Road Relocation	0.02
2026	1515 Pickering Parkway 44kV Relocation	0.03
2026	Brown Street Pole Relocation	0.01
2026	Northgate Pole Relocation	0
2026	1966 Guild Road Pole relocation	0
2026	2025 915 Rossland Rd West Reconfig	0
2026	PTC Hudson Bay Vault (3JV09) Removal	0.13
2026	Mowbray (Spring St) Customer Relocation	0
2026	Sideline16 x 5th Conc. Customer Pole Relocation	0
2026	Brock (Taunton x Alexander Knox) Customer Relocation	0
2026	Belleville (Tracey x Adrian) Pole Relocation	0.02
2027	Sandy Beach (Montgomery x Bayly) Road Relocation	1.17
2027	Kingston Rd BRT – Altona Rd to Steeple Hill	0.63

Year	Project Name	Net Capital Expenditure (\$M)
2027	Radom (Douglas x St. Martins) Road Relocation	0.06
2027	Harwood (Taunton x Rossland) Road Relocation	TBD
2027	Sidney (Between CPR x College) Road Relocation	0.55
2027	Dundas Bridge (Front x Coleman) Road Relocation	1.00
2027	Avonlough SPS Road Relocation	1.52
2027	190 Westney Switchgear SC35 Relocation	0
2029	Whitby Harbor (Brock x Water St) Road Relocation	TBD

1

2 b) Please refer to response to 2-CCC-20, part a).

1 expenditure values in the 2027-2031 period. This forecast is shown for each year 2027 to
2 2031 in Table 2 below:

3

4 **Table 2: Forecasted Net Cost per New Connection**

Year	2027	2028	2029	2030	2031
New Connections	3,587	3,450	3,604	3,740	3,775
Avg. Cost/Connection (\$)	2,183	2,226	2,271	2,316	2,362
Net Cost (\$M)	7.83	7.68	8.19	8.66	8.92

5

6 b) The expenditures identified within Exhibit 2B, Tab 4, Schedule 3, Appendix B, Tables 12 and
7 13, do not contain any net costs pertaining to generation connections and both tables reflect
8 the customer connection (i.e. load) component.

1 Please refer to 2-Staff-52, part (a), for details on capital contributions and the status of the
2 projects listed in Table 1, and to 2-CCC-22, part (c), for capital contributions and the status of
3 the projects listed in Table 2.

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RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY 2B-SEC-60

[Ex.2B-4-3, Appendix D, p.1] With respect to Metering and AMI 2.0:

- a. [p.1] Please provide an update of the status of the RFP process for meter reverification and resealing.
- b. [p.21, Table 7] Please explain why the cost of metering over the 2027 to 2031 period does not decrease with the implementation of AMI 2.0 starting in 2028.
- c. Please provide the actual and forecast number of expired meters between 2020 and 2026.
- d. With respect to AMI 2.0:
 - i. [p.24] Please provide further details regarding how specifically Elexicon forecast the cost of AMI 2.0.
 - ii. Please provide a copy of any internal business case for AMI 2.0.
 - iii. [p.29] Please explain why Elexicon did not consider a scenario which extended out further the deployment of AMI 2.0.

RESPONSE:

This interrogatory will be addressed in the second round.

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RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY 2B-SEC-61

[Ex.2B-4-3, Appendix E] With respect to Substation Renewal:

a. [p.31, Table 6] For each project listed in Table 6, please indicate whether spending on the station was included in the previous DSP, and if so, the cost and year of the planned work.

b. [p.31, Table 6] Please indicate whether the work described in part a. was completed and if not, please explain why.

c. [p.33] Please provide the priority score for each MS.

RESPONSE:

a) Of the substation projects listed in Exhibit 2B, Tab 4, Schedule 3, Appendix E, Table 6, the substations with projects identified in Elexicon’s 2021 DSP are noted in Table 1 below.

Table 1: 2021-2026 DSP Substation Renewal Projects with Expenditures in 2027-2031

Station	Planned Spending in 2021 DSP	Proposed Year in 2021 DSP	Project(s) Completed	Rationale for Work Not Completed
Shuter	\$120,000	2021	No	Deferral to 2027-2031 due to the need to reallocate funds to other higher priority projects and programs
Fairport	\$4,980,000	2022	No	Deferral to 2027-2031 due to the need to reallocate funds to other higher priority projects and programs
Edgehill	\$50,000	2024	No	Deferral to 2027-2031 due to the need to reallocate funds to other higher priority projects and programs
Garden	\$500,000	2021	Yes	N/A

Station	Planned Spending in 2021 DSP	Proposed Year in 2021 DSP	Project(s) Completed	Rationale for Work Not Completed
Crandell	\$150,000	2022	No	Deferral to 2027-2031 due to the need to reallocate funds to other higher priority projects and programs
Riverside	\$100,000	2022, 2023	Yes	Partially completed, with partial deferral to 2027-2031 due to the need to reallocate funds to other higher priority projects and programs
Uxbridge East	\$2,500,000	2025	No	Deferral to 2027-2031 due to the need to reallocate funds to other higher priority projects and programs
Town Centre	\$50,000	2023	Yes	N/A
Herchimer	\$70,000	2021	Yes	N/A
Westney Heights	\$300,000	2021	Yes	N/A

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The Station Deficiencies segment in Table 6 represents an annually recurring program that was established in the 2021 DSP to provide more granular management of station asset health, with an average annual budget of \$445,000 from 2021 to 2026. Additionally, the DC System Replacements segment in Table 6 represents an annually recurring program that was established in 2025 to provide more granular management of critical DC power systems.

b) Please refer to the response in part a)

c) Table 2 below shows the priority scores for the station projects in the 2027-2031 Substation Renewal program.

1 **Table 2: Station Priority Scores**

2

Station Name	Priority Score
Edgehill	190
Uxbridge East	178
Fairport	171
Uxbridge West	168
Catharine	166
Riverside	162
Crandell	159
Garden	159
Town Centre	133
Shuter	111
Cavan South	110
Herchimer	105
Cascade	98
Westney Heights	80
Bigelow	37

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RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY 2B-SEC-62

[Ex.2B-4-3, Appendix F] With respect to Underground System Renewal:

- a. [p.22-23] For the period 2020 to 2026, please indicate the amount of underground cable that was planned to be replaced and rejuvenated in each year.
- b. [p.35-36] Please breakdown the costs shown in Table 7 into the assets shown in Table 8.

RESPONSE:

a) Table 1 below indicates the amount of underground cable that was planned to be replaced and rejuvenated in each year between 2020 and 2026. Elexicon did not historically track planned unit attainment on an annual basis. Accordingly, the table below reflects a best-efforts estimate of planned units for each year developed using the capital budget from the historical period. As a result, the estimated planned units may differ from the final approved plans in each year. With the establishment of the Program Delivery Group in 2023, Elexicon began enhancing its program management oversight of its capital execution work program (EWP) – including tracking planned and actual asset replacement quantities – and has introduced structured processes that are focused on the development and successful delivery of the EWP to achieve targeted outcomes.

Table 1: Amount of Underground Cable Planned to Be Replaced

	Plan						
Year	2020	2021	2022	2023	2024	2025	2026
U/G Cable Replacement (km)	2.09	9.56	1.67	2.80	-	-	-
U/G Cable Injection (km)	-	36.80	20.00	-	-	-	-

b) Table 2 below (Summary of Expenditures (\$M) by Asset Class) presents an estimated breakdown of the total expenditures shown in Table 7 of the referenced exhibit across the asset classes identified in Table 8 of the referenced exhibit for the period 2020 to 2031.

1

2 **Table 2: Summary of Expenditures (\$M) by Asset Class¹**

Year	Actuals (\$M)					Bridge (\$M)		Forecast (\$M)				
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
U/G Transformers	0.38	1.06	0.61	0.07	0.43	0.45	-	0.16	1.31	1.58	1.69	1.76
U/G Switches	2.52	2.56	1.67	1.42	0.50	0.08	-	0.08	1.73	1.73	1.86	1.92
U/G Cable Replacement	1.33	1.33	0.50	0.32	-	-	-	-	5.00	10.03	16.15	23.64
U/G Submersible Cable Replacement	-	-	-	-	-	-	-	-	0.36	0.38	0.41	-
U/G Cable Injection	-	1.95	1.37	-	-	-	-	0.48	1.26	2.94	4.50	5.17

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¹ Historical values are approximate; costs are planned, managed, and tracked at the project and program level rather than the asset-class level. The forecast costs represent average estimates based on historical actuals adjusted for inflation and project-related overheads.

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RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY 2B-SEC-63

[Ex.2B-4-3, Appendix G] With respect to Overhead System Renewal:

- a. [p.43] For the period 2020 to 2026, please indicate the amount of overhead assets that was planned to be replaced in each year.
- b. [p.43] Please breakdown the costs shown in Table 8 into the assets shown in Table 9.
- c. [p.53-54] Please explain why the options analysis only includes two options (balanced and need-based).

RESPONSE:

a) Table 1 below indicates the amount of overhead assets that was planned to be replaced in each year between 2020 and 2026. Elexicon did not historically track planned unit attainment on an annual basis. Accordingly, the table below reflects a best-efforts estimate of planned units for each year developed using the capital budget from the historical period. As a result, the estimated planned units may differ from the final approved plans in each year. With the establishment of the Program Delivery Group in 2023, Elexicon began enhancing its program management oversight of its capital execution work program (EWP) – including tracking planned and actual asset replacement quantities – and has introduced structured processes that are focused on the development and successful delivery of the EWP to achieve targeted outcomes.

Table 1: Overhead Assets Planned to be Replaced 2020-2026

Year	Plan						
	2020	2021	2022	2023	2024	2025	2026
Transformers	61	95	125	53	2	22	8
Switches	127	425	108	81	237	21	8
Wood Poles	209	315	148	154	62	92	35
Concrete Poles							
Conductor (km)	-	-	-	-	-	-	-

1 b) Table 2 below presents an estimated breakdown of the total expenditures shown in Table 8
 2 across the asset classes identified in Table 9 for the period 2020 to 2031.

3

4 **Table 2: Summary of Expenditures (\$M) by Asset Class¹**

Year	Actuals					Bridge		Forecast				
	2020	2021	2022	2023	2024	2025	2026	2027	2028 ²	2029 ²	2030 ²	2031 ²
Transformers	0.19	0.11	0.41	0.13	0.10	0.16	0.06	0.13	0.57	0.45	0.49	0.45
Switches	0.21	0.43	0.34	0.12	0.32	0.11	0.04	0.03	3.14	3.43	3.43	3.64
Wood Poles	4.18	7.13	6.48	5.13	4.36	2.34	0.90	1.09	5.35	6.58	6.63	6.33
Concrete Poles						0.00	0.00	1.34	1.27	2.87	4.19	4.38
Conductor (km)	-	-	0.02	-	-	-	-	-	-	-	-	-

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6 c) The selected balanced investment plan represents the minimum level of Overhead System
 7 Renewal investment required to restore reliability to the targeted historical performance levels
 8 and mitigate asset failure risks over the 2027–2031 rate period to acceptable levels. Elexicon did
 9 not include an option with lower capital amounts for this program because this would have
 10 resulted in an unacceptable level of risk of asset failure and reliability performance deterioration,
 11 and Elexicon did not consider this to be in accordance with good utility practice.

¹ Historical values are approximate; costs are planned, managed, and tracked at the project and program level rather than the asset-class level. The forecast costs represent average estimates based on historical actuals adjusted for inflation and project-related overheads.

² Rear-lot conversion costs planned between 2028 and 2031 are also included within this breakdown for transformers, switches, and wood poles, and may not represent direct like-for-like asset replacements.

1 of Exhibit 2B, Tab 4, Schedule 3, Appendix H, page 24, together with the supporting information
2 discussed above. This forecast reflects the level of detail and granularity available in response to the
3 supporting information requested.

- 1 b) Elexicon intends to utilize the mobile station once it is constructed, commissioned, and available
2 for service, which is currently targeted for 2029. Within the 2027–2031 period, several
3 Substation Renewal program projects have been identified as candidates where the mobile
4 station would be deployed to support planned construction outages, including:
- 5 • Garden MS
 - 6 • Bigelow MS
 - 7 • Crandell MS
 - 8 • Riverside MS
 - 9 • Town Centre MS
 - 10 • Cascade MS
 - 11 • Various DC System Replacements

12 In addition to planned capital activities, the mobile station may also be deployed for short-
13 duration planned maintenance outages to provide temporary backup supply, where
14 operationally feasible.

15 The primary committed role of the mobile station is to provide temporary supply during planned
16 outages associated with substation rebuilds and major maintenance activities. In addition, the
17 mobile station may be deployed for emergency response purposes across majority of Elexicon's
18 service territory, subject to its availability and operational requirements at the time of an event.

1 **RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES**

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3 **INTERROGATORY 2B-SEC-66**

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6 [Ex.2B-4-3, Appendix I-1, Tables 1 and 2] With respect to the GTA East TS:

7 a. Please provide a copy of the full internal business case (or similar document) for this
8 expenditure.

9 b. Please provide an update on the status of the work to date.

10 c. [p.9-10] Please confirm that the peak load demand forecasts included in Tables 1 and 2 are
11 based on the High Growth Scenario.

12 d. [p.9-10] Please explain what options Elexicon has if the forecasted load growth does not
13 materialize at the expected pace.

14 e. [p.13-14] Please explain how Elexicon has forecast the costs of the project and all supporting
15 information with respect to the forecast transmission capital contribution.

16 f. Please provide a detailed schedule for the project.

17

18

19 **RESPONSE:**

20

21 a) For clarity, the project business case for the GTA East Transformer Station (TS) is provided in
22 Exhibit 2B, Tab 4, Schedule 3, Appendix I-1. The GTA East TS project constitutes a required,
23 capacity-related investment within the Substation Growth investment program and the System
24 Service investment category, and forms part of Elexicon’s investment plan. Details regarding
25 the development of this investment plan are described in Elexicon’s business planning process
26 set out in Exhibit 1, Tab 2, Schedule 1, pages 23–28.

27

28

- 1 b) Work on the GTA East TS project is currently progressing through the planning phase, including
2 the joint Class Environmental Assessment, land acquisition activities, and early coordination
3 with Hydro One and the IESO. Regional planning and needs assessment activities to identify the
4 need for the GTA East TS have been completed, and site selection is underway as part of the
5 Class Environmental Assessment process. In parallel, preliminary coordination and technical
6 discussions are ongoing to support future transmission connection, system impact
7 assessments, and subsequent project execution phases. For a full project schedule, please refer
8 to the response in 2-Staff-80, part f.
9
- 10 c) Not confirmed. The peak load forecasts used in Exhibit 2B, Tab 4, Schedule 3, Appendix I-1,
11 Tables 1 and 2 are the Elexicon scenario, not the high growth scenario, described in Exhibit 2B,
12 Tab 3, Schedule 1, pp. 15 to 27 and noted in the response in 2-CCC-15, part c.
13
- 14 d) The GTA East TS investment is an urgent priority for Elexicon. The supply need for the GTA East
15 TS has been determined through regional planning, and at the distribution level the need is
16 based on existing capacity constraints on the 44 kV system that require immediate
17 remediation. Please refer to the response in interrogatory 2-Staff-80, parts c and d for more
18 information.
19
- 20 e) Please refer to the response in 2-Staff-80, part e. The station capital cost forecast was based on
21 inputs from Hydro One and informed by comparable cost estimates for similar station projects,
22 as well as historical cost breakdowns from the recently completed Seaton MTS. The forecast
23 transmission capital contribution was developed in coordination with Hydro One through
24 recurring planning discussions. The estimate reflects alignment with Hydro One on key
25 planning elements, including preliminary routing, right-of-way considerations, and the required
26 connections to circuits T28C and P15C. Through these recurring engagements, Elexicon and
27 Hydro One reviewed and refined assumptions related to which transmission lines would be
28 utilized, connection configurations, and feasible routing options. Based on this aligned
29 planning approach, Hydro One provided indicative unit cost inputs for new 230 kV transmission

- 1 line construction on new right-of-way, which were used to develop a cost estimate. Please
2 refer to the response in 2-Staff-75, part b) iii) for more information on the Discounted Cash
3 Flow (DCF) assessment.
4
5 f) Please refer to the response in 2-Staff-80, part f.

1 **RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES**

2

3 **INTERROGATORY 2B-SEC-67**

4

5

6 [Ex.2B-4-3, Appendix L, p.2] Please provide the internal business case for the 2021 Belleville office
7 and operations centre.

8

9

10 **RESPONSE:**

11 Please refer to Attachment 2B-SEC-67.

Veridian Connections Inc. Belleville Operations Centre

REAL ESTATE STRATEGY

December 12, 2016



Table of Contents

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Introduction

Veridian currently leases space for its Belleville Operations Centre at 459 Sidney Street from the City of Belleville. The City is pursuing plans to convert the facility to a local Police Station, and has indicated a desire for Veridian to relocate to an alternative location. While firm timelines for the conversion work have not been established, Veridian has secured Cresa's services to assess relocation options and related costs.

The purpose of this Real Estate Strategy is to identify both the short-term and long-term options that are available to Veridian with respect to accommodating its operations.

Objectives of Report

- Confirm future requirements for Veridian Connections' Belleville Operations Centre
- Develop a Strategic Facilities Plan aligning real estate with Veridian's business goals
- Identify relevant options, including leasing or ownership of existing buildings or greenfield sites for a purpose built facility
- Provide budget estimate of the cost to implement various options
- Highlight next steps and the associated timeline for implementation

Sources

- The information contained within this report has been compiled from the following:
 - Identification of needs by way of interview with Veridian's Steering Committee on August 19, 2016 and subsequent meeting with the Belleville User Group on August 26
 - Tours of Veridian's Belleville, Clarington and Ajax Operations Centres
 - Property tours on September 2, 2016
 - Space programming analysis prepared by Cresa, based upon information provided by Veridian
 - Data collected through independent market research
 - Steering Committee Review on October 14, 2016

Section 1

Where are we today?



974

IMPORTANT NOTICE
Regarding Payment of Veridian Bills

Effective February 1, 2008, the Belleville Water Office at 500 College Street West will no longer accept payments for Veridian bills.

While Veridian's offices will be closed to public access, payments for the charge on meters will not be disrupted. In the event payments stop, they have assumed responsibility for your bill. We truly appreciate your business.

Veridian offers a range of bill payment options. Choose to pay by mail or through your bank or financial institution. For more information, consult Veridian's Pre-authorized Payment Plan.

Try the convenience of Veridian's Pre-authorized Payment Plan:

- All payments are made on a monthly basis.
- All payments are made to a single account.
- All payments are made on a single date.
- All payments are made on a single date.
- All payments are made on a single date.
- All payments are made on a single date.

Office Closed

Effective February 1, 2008, Veridian Connections Belleville office will be closed to public access.

In case of an emergency or to report a power outage, please call our toll-free number:

1-866-579-6819

For customer inquiries including services, accounts, billing, rural hot water heaters, and all other general inquiries, please call our toll-free number:

1-877-420-0070

Your call will be directed to the appropriate department.

By Mail:
Veridian Connections Inc.,
30 Eastman Bldg.,
Aix, ON, L1T 1Y3



Lease Highlights



Lease Date:	October 22, 2001	Expiry Date	September 30, 2021
Tenant:	Veridian Corporation	Remaining Term:	None
Subtenant:	City of Belleville Water Utility	Net Rent:	\$30,000 Per Annum
Landlord	The Corporation of the City of Belleville	Additional Rent	\$137,773.73
Building:	459 Sidney Street, Belleville		

Occupancy Cost Summary

OCCUPIED AREA:	VERIDIAN CONNECTIONS	BELLEVILLE WATER	TOTAL
Dedicated Area	8,949 SF	8,294 SF	17,243 SF
Shared Area:	5,997 SF*	8,125 SF*	14,122 SF*
TOTAL OCCUPIED AREA:	14,946 SF	16,419 SF	31,365 SF

* Note that because some areas are shared, the allocations above are estimates only and have not been verified through measurement.

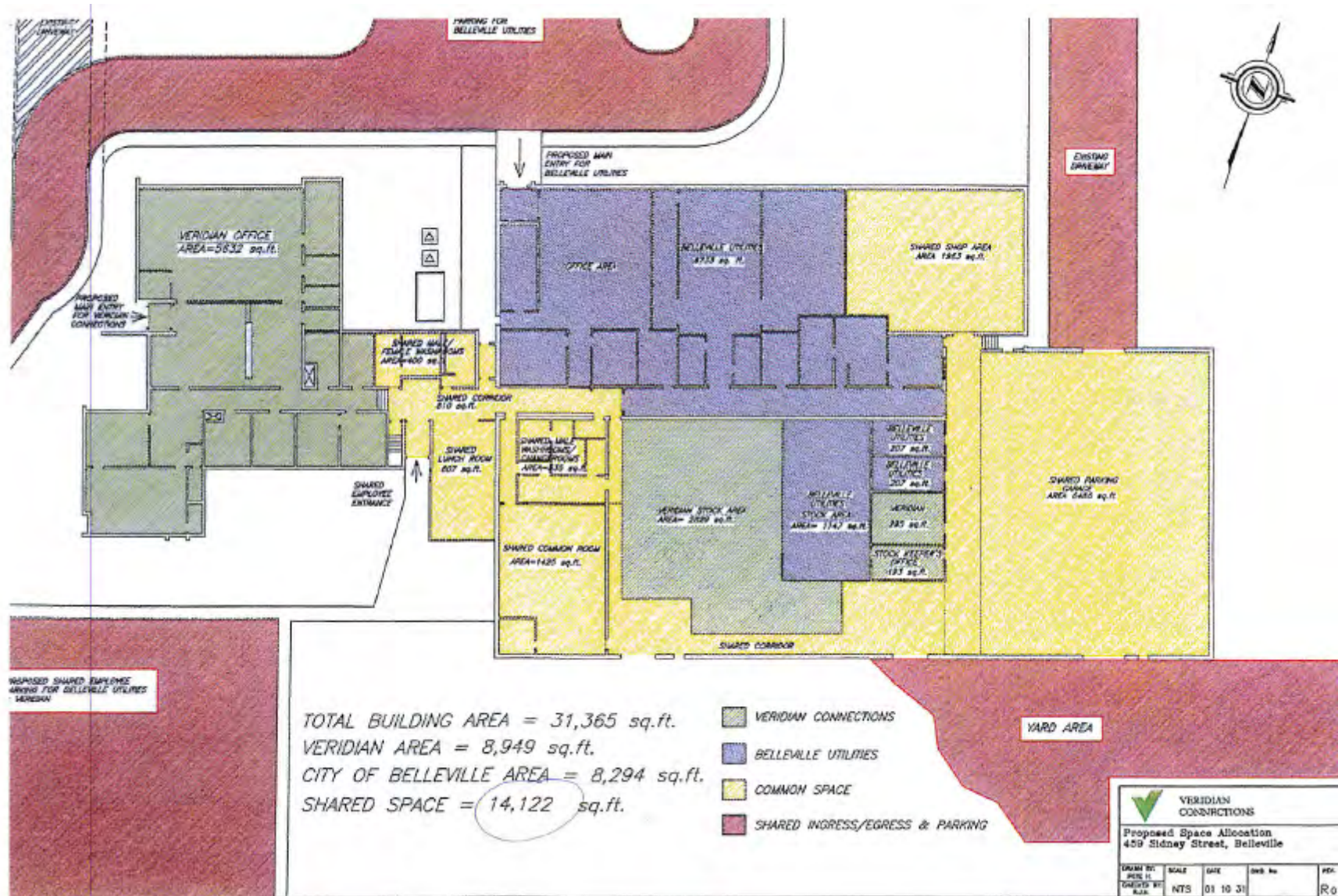
VERIDIAN OCCUPANCY COSTS

OCCUPANCY COSTS	Total Building	Dedicated Area 8,949 SF (\$ PSF)	Dedicated + Shared Area 14,946 SF (\$ PSF)
Basic Annual Rent¹:	\$30,000.00	\$3.35 PSF	\$2.00 PSF
Additional Rent²:			
Property Taxes	\$54,237.00	\$6.06 PSF	\$3.63 PSF
Utilities	\$34,523.95	\$3.86 PSF	\$2.31 PSF
Grounds Maintenance	\$4,053.51	\$0.45 PSF	\$0.27 PSF
Building Maintenance	\$42,229.03	\$4.72 PSF	\$2.83 PSF
Other (Insurance, etc.)	\$2,690.24	\$0.30 PSF	\$0.18 PSF
TOTAL ESTIMATED OCCUPANCY COST PER ANNUM	\$167,773.73	\$18.74 PSF	\$11.22 PSF

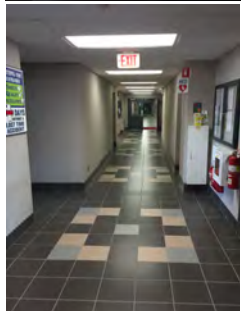
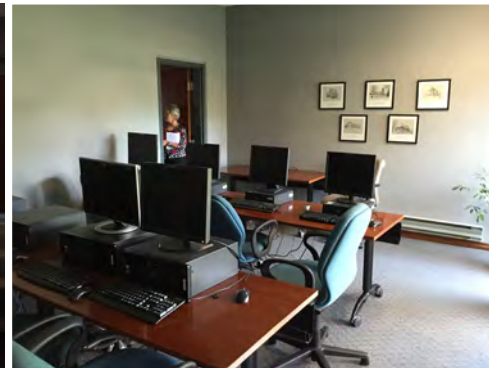
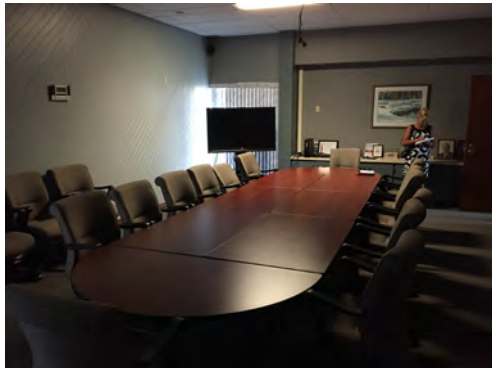
1. Sublease recovery from Belleville Water Utility = \$1 PA

2. Includes Veridian's share of Additional Rent (excluding Belleville Water Utilities)

459 Sidney Street Building Layout



Current Premises - Office Area



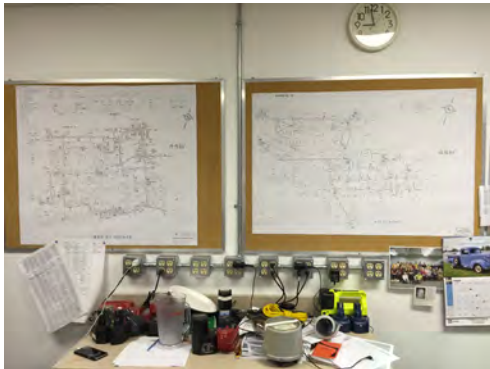
WHAT'S WORKING

- Office area is well laid out and spacious
- Veridian workstation standards have been employed, providing uniformity with other facilities.
- Main boardroom is well sized and frequently utilized.
- Dedicated computer training room is well set up and frequently utilized.
- Lunch room is well equipped and adequately sized for the building population.

WHAT'S NOT WORKING

- Internal travel distances are excessive due to the size of the building relative to Veridian's occupied space.
- Veridian does not control the mechanical systems in the building; as a result the interior environment, including air quality, is not optimal.
- HVAC systems operate 7:00 a.m. - 5:00 p.m., resulting in the building being poorly heated or cooled at beginning and end of the work day. Thermostats do not override base building settings.
- Security is compromised due to sharing of the facility.
- Building does not have fibre or WiFi and bandwidth is limited. Connectivity is inconsistent.
- Parking lots are not adequately plowed in winter.
- Customers frequently try to access the building to pay bills or ask questions. Building is not staffed for these functions.

Current Premises - Lines Area



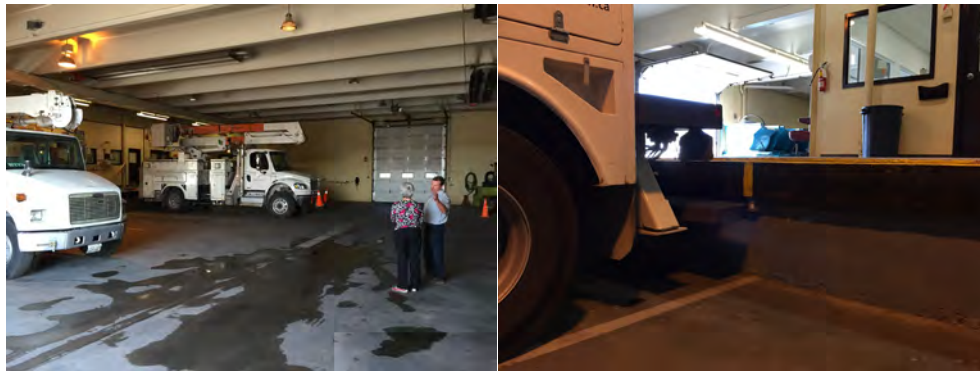
WHAT'S WORKING

- Sufficient meeting space for Lines Crew adjacent to Lead Hand.
- Ample wall space to display maps, etc.

WHAT'S NOT WORKING

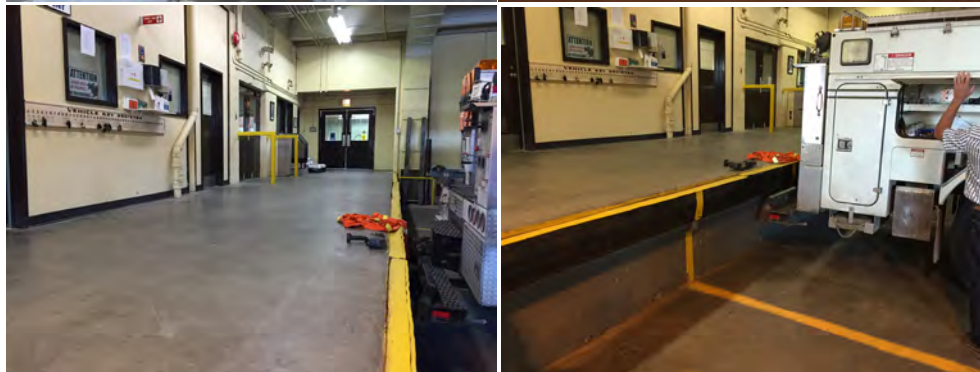
- Lack of proper drying room for outside gear.
- Air exchange in locker room is poor.
- Individual lockers are small for the amount of equipment to be stored.

Current Premises - Garage



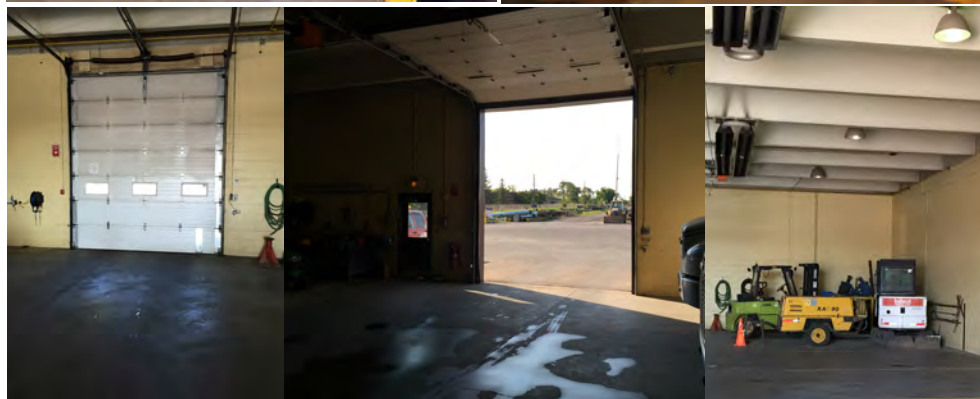
WHAT'S WORKING

- Dual access from front and rear of garage provides good traffic flow and flexibility in the event the rear gate is inoperable or there are other traffic issues.
- Elevated platform in garage area provides good space for loading / unloading.
- Good open space provides space for truck washing.



WHAT'S NOT WORKING

- Access to the garage, especially during winter months, can be challenging due to the sharing arrangement with Belleville Water Utility.
- There is no storage space on platform (hooks or shelves).



Current Premises - Warehouse



WHAT'S WORKING

- Warehouse is well sized to accommodate both Veridian and Belleville Water Utility.
- Shipping / receiving doors are adequate.

WHAT'S NOT WORKING

- Low height restricts ability to store inventory on higher racks and reduce floor space.
- Couriers do not have access to back door unless they come through the gate.
- There is no visual contact with the gate.

Current Premises - Outside Storage



WHAT'S WORKING

- More than adequate storage space.
- Access to fuel pumps is convenient.



WHAT'S NOT WORKING

- Transformers set on ground; difficult to access in winter months.
- Snow is not cleared properly.
- Sliding gate frequently out of service. Note: Gate was damaged by lightning some time ago; Veridian determined that it would not be fixed with relocation pending.



Location



WHAT'S WORKING

- Current location is ideal for servicing Veridian's customer base.
- Good access into and out of the site.

Section 2

What are our future needs?



Space Calculation

OFFICE & WORKSTATION REQUIREMENTS Staff #		O1 130 SF	WS 1 49 SF	WS 2 15 SF	Qty	SF	Total Functional
GIS / Engineering / Admin		4	0	4	0	4	196
Lines		9	1	1	2	4	209
Stores (WS Included in WH Area)		1	0	1		1	0
Metering		3	0	3	0	3	147
Olameter		1	0	0	2	1	30
TOTAL OFFICE & WORKSTATIONS		1	9	3	13		582
DEPARTMENTAL SUPPORT							
GIS / Engineering / Admin							
Admin Storage	Locked Storage for supplies, cameras, petty cash					1	100
GIS Filing	10 total cabinets					1	50
Layout Table	6 filing cabinets with transaction top					1	50
Plotter Room	HP DesignJet T1100ps + paper storage					1	100
Copier / Scanner	Standalone multi-function machine					1	18
Lines							
Crew Area (Open)	Open meeting area with seating for 8-10					1	300
Locker Room	18-20 lockers (24" wide) with 2' bench and 4' aisles					1	260
Shower / Washroom (Male)	2 showers / 2 urinals / 2 WCs					1	225
Locker / Shower / Washroom (Female)	4 lockers + shower + single WC					1	120
Drying Room / Mud Room						1	150
CENTRALIZED SUPPORT							
Meeting Room / Lunch Room / Training Room	Divisible Lunch / Meeting / Training Room with seating for 20					1	750
AODA Washroom	AODA Compliant Unisex Washroom					1	120
SCADA / Radio Room	Located in proximity to tower					1	100
IT Room	Centrally located with adequate AC					1	80
TOTAL WORKSPACE & CENTRALIZED SUPPORT							3,005
CIRCULATION	General circulation, corridors, etc. (40%)						1,200
TOTAL OFFICE AREA							4,205

INDUSTRIAL COMPONENTS	Qty	SF (Incl, Circulation)
Garage	1	8,000
Warehouse	1	2,000
Metering	1	500
TOTAL INDUSTRIAL AREA (circulation included)		10,500

SUMMARY	
Total Staff (Including Growth)	18
Departmental Office Requirements	582 SF
Departmental Support	1,373 SF
Centralized Support	1,050 SF
Sub-Total Office & Centralized Support	3,005 SF
Circulation (40%)	1,200 SF
Total Office Area	4,205 SF
Garage	8,000 SF
Warehouse & Metering	2,500 SF
Total Industrial Area	10,500 SF
Uplift (Corridors, etc.) - 6%	1,000 SF
TOTAL EST. BUILDING AREA	15,705 SF

Future Premises Requirements

BASE BUILDING

- | | |
|---|--|
| <ul style="list-style-type: none"> • Cost-effective, functional building • Compliant with current Codes, including AODA • Built to LEED standards; certification would be dependent on additional cost • Natural light throughout occupied office and support areas • Energy efficient lighting; on occupancy sensors with manual override • Quality HVAC systems with optional BAS, remotely controlled • No public access or reception area required; external drop box for customer use | <ul style="list-style-type: none"> • First aid stations (2) with First Aid Kit, Stretcher, Eye Wash and AED • Adequate power, properly distributed • Genset (75 kW) to support Operations activities in the event of power outage • Fire protection throughout; dry system in IT area, wet system through remainder of building • Adequate employee parking (outside of fenced compound) • Security system with access control, intrusion alarm, PA system, POE camera system and monitoring • Security gate at main entrance to yard |
|---|--|

OFFICE AREA

- | | |
|--|---|
| <ul style="list-style-type: none"> • Open workstation area for 4 staff (1 each GIS, Engineering, Admin and Visitor/Hoteling) • 7' x 7' workstations (with double station) for Admin and 7'x9' workstations for techs • Desktop printers at each workstation to be reconsidered; network printer at Admin Station • Space to accommodate free-standing multi-function machine for work orders (currently leased through the City) • Anticipate re-use of existing workstation furniture with the addition of sit/stand desks in selected locations • Adequate filing and layout space (transaction top preferred) • Locked storage room for supplies, cameras, petty cash, wall mounted key cabinets • Space to accommodate engineering plotter and rolls of paper (currently HP DesignJet T1100ps) | <ul style="list-style-type: none"> • Space to accommodate 10 file cabinets (7 @ 4-5 drawers; 15 @ 3 drawers) • Layout table / transaction top (5' x 10') • Minimum 1 large meeting room; 20 seat capacity; located for easy access by all staff (to be combined with Lunch Room as multi-function space) • Training room to accommodate 8-10 computer training stations, located for easy access by all staff • Meeting / training rooms to be flexible to accommodate Health & Safety training • Washrooms of proper size and quantity to meet current and projected staff needs and code requirements (including AODA) • Good quality but modest level of finishes (generally paint and carpet throughout office area) |
|--|---|

Future Premises Requirements

<p>LUNCH ROOM</p>	<ul style="list-style-type: none"> • Seating capacity for 16 • Centrally located and accessible to all staff • Equipped with refrigerator, microwaves (2) and dishwasher • Provide sufficient counter space and clearance for coffee machines, kettle, toaster, etc. • Room for 2 vending machines (pop and snacks) 	<ul style="list-style-type: none"> • Floor mounted water dispenser • Recycling stations • Wall mounted / ceiling hung LCD screen • Consider combining lunch room, meeting room and computer training room as multi-function space • Recommend industrial grade vinyl flooring throughout multi-function space
<p>TECHNOLOGY</p>	<ul style="list-style-type: none"> • Centrally located IT Room with sufficient AC (approximately 80 SF) • Separate SCADA / Radio Room (approximately 100 SF) • Radio room to be located near tower • Ensure access to fibre / cable with wireless throughout building. SCADA and Radio Communication to share fibre with IT 	<ul style="list-style-type: none"> • SCADA requires desk to be available for Forward Operating Control Centre (emergency preparedness). Spare desk will be available in Admin Area. • Updated AV in meeting rooms, lunch room • VOIP system does not require telephone room or backboard • SCADA / Radio Communication requires line of sight to the Belleville Water Tower for signal transmission. In the event line of sight is not available, a repeater can be installed at an additional cost of approximately \$50,000 (per Veridian)
<p>LINES AREA</p>	<ul style="list-style-type: none"> • 1 Supervisor Office located adjacent to Lines Area • Open Lines Area with 1 Lead Hand workstation (with desktop printer) • 1-2 hoteling stations • Open meeting area with seating for 8-10 and wall mounted Smart Board 	<ul style="list-style-type: none"> • Layout table for maps (ideally with storage below) • Charging station for radios, tablets, etc. • Drying Room to accommodate 18 Lines personnel with proper exhaust / ventilation. Consider infrared drying as an option. • Recommend industrial grade vinyl flooring throughout Lines Area (with possibility of ceramic tile in Shower Area & Washroom)

Future Premises Requirements

<p>METERING</p>	<ul style="list-style-type: none"> • Approximately 700 SF adjacent to warehouse but secured (500 SF storage/workshop + 200 SF office) • 3 workstations (7' x 7') 	<ul style="list-style-type: none"> • Olameter station (15 SF). Note: may be located elsewhere in building • Recommend industrial grade vinyl flooring in Metering area
<p>WAREHOUSE / STORES</p>	<ul style="list-style-type: none"> • Approximately 2,000 SF (including 500 SF caged tool crib) • 1 Stores Office with workstation, printer, filing, shelving • Level with truck docks for easy movement of parts to Lines Trucks • 1 Drive-in door • 20' clear height (level with garage) 	<ul style="list-style-type: none"> • Assume new racking to take advantage of height • New spool rack to hold 9 reels of cable • Area for scrap bins; weigh scale not required • Consider entrance to warehouse area for couriers (outside of fenced compound)
<p>GARAGE</p>	<ul style="list-style-type: none"> • Drive through configuration with 16' motorized OH doors; ensure adequate turning radius. (An optional garage configuration that may result in less square footagewould be a 1-deep garage with individual OH doors where trucks back into place.) • Provide signal (traffic) lights at doors • Minimum 20' clear height • 9 indoor parking spaces (14' x 30') for 5 Line Trucks, 2 Tensioners, 1 U/G Pulling Machine , 1 Forklift • Truck wash area with pressure washer (integrated with garage rather than separate wash bay) 	<ul style="list-style-type: none"> • Trench drains, minimum 12-16" wide with proper slope • Oil separators; CO2 extraction • Heated to 62 deg F; cooling not required • Small parts storage within garage area • Ideally treated slab to protect against oil / grease <p>NOTE: As an option, consider outside covered storage for Lines trucks in lieu of garage environment</p>
<p>OPTIONAL FEATURES</p>	<ul style="list-style-type: none"> • Photovoltaic panels (roof mounted) 	

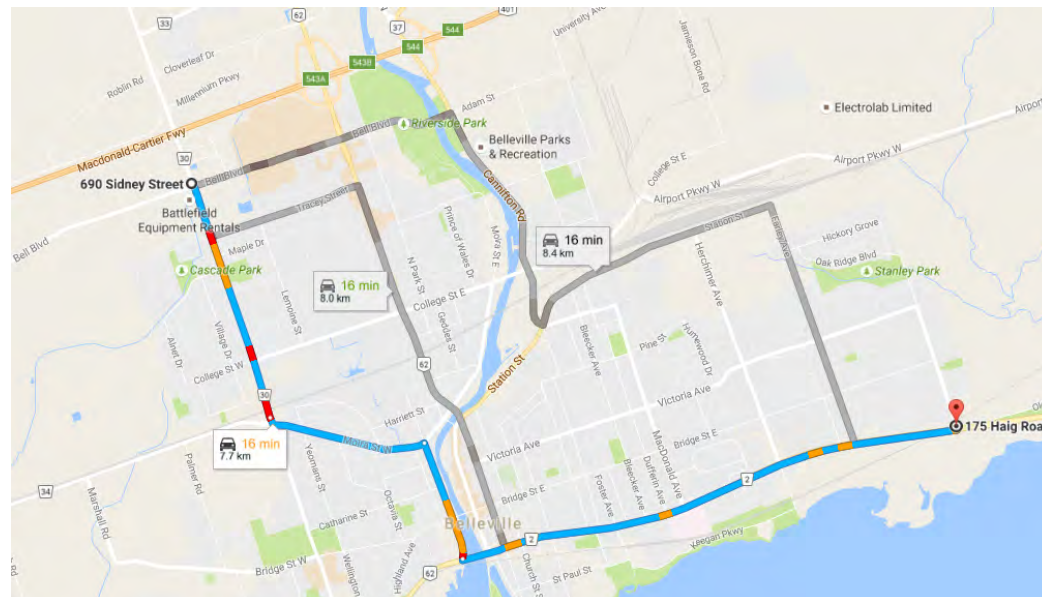
Future Premises Requirements

OUTSIDE STORAGE	<ul style="list-style-type: none"> • Approximately 1-1.5 acres • Preference for transformers and other equipment to be stored on racks versus on ground • Traffic areas to be paved to edge of storage • 2 pole cribs for emergency stock (for planned work, poles are shipped to site) • Location for 2 digger trucks with plug-in stations • Parking for 8-10 Veridian vehicles within fenced compound; covered parking to be considered 	<ul style="list-style-type: none"> • Seacan storage (1) for Substations • Seacan storage (2) for kitted jobs awaiting delivery to site • Approximately 500 SF outside storage for Metering • Bunker for propane storage, etc. • Fully fenced yard with controlled access • Fuel pumps not required on site
PARKING	<ul style="list-style-type: none"> • 20 Employee and visitor parking spaces outside fenced compound • At least 1 vehicle charging station 	
LOCATION	<ul style="list-style-type: none"> • Current location is ideally situated to service the current client base and future expansion • Preference is to remain south of Highway 401 to the Bay, between Avondale to the west and Farley to the east 	<ul style="list-style-type: none"> • Ideal location will be central, allowing Veridian to respond to all customer sites within similar time frames

Location Map

RELOCATION PARAMETERS

- Within Service Area
- Adjacent map demonstrates 5 and 10 minute drive radii from Veridian's current location.
- The map below demonstrates that Veridian's entire service area is within a 20 minute drive (corner to corner), so any reasonably accessible location will be acceptable.



Section 3

Conceptual Alternatives

VERITYAN CONNECTIONS INC.

Neil Britton
Public Utilities Centre

Conceptual Alternatives

CONCEPTUAL ALTERNATIVE 1

Relocate to a New Purpose Built Facility to be Owned (or Leased) by Veridian

- Identify site(s) that are available for purchase within the desired boundaries and negotiate a purchase agreement. Construct a building to be owned by Veridian **or** to be built and owned by a third party private investor and leased to Veridian.
- Alternatively, the land component may result from an exchange with the City of Belleville for lands already owned by Veridian.

CONCEPTUAL ALTERNATIVE 2

Relocate to an Existing Building for Purchase or Lease. Renovate to meet Veridian's needs.

- Identify sites with existing buildings of appropriate size (approximately 15,000 - 20,000 SF) that are available for purchase or lease and reasonably suitable for reconfiguration to suit Veridian's use.
- Negotiate a purchase or long-term lease agreement (15+ years).
- Proceed to have building renovated to meet Veridian's specific requirements, including interior improvements

Conceptual Alternatives

NOTES AND ASSUMPTIONS

- Conceptual Alternatives are outlined based on current program requirements. The garage size has been provided by Veridian based on a drive-through structure. Final size of building will be subject to formal planning.
- Conceptual block plan has been prepared to demonstrate a potential building layout based on the program. Final layout will be subject to site configuration.
- High level construction and ancillary budgets are provided. Construction budget includes a 10% contingency.
- A draft outline specification for a new design-build facility has been prepared and is included in Appendix C. The outline specification is subject to final refinement based on feedback from Veridian.
- A new building can be commissioned using one of several approaches: Design Build and Design Bid Build being the most common. The building cost estimates included herein are based on a Design Build approach, (which is typically less expensive than Design Bid Build). A comparison of the Design Build and Design Bid Build approaches are included in Appendix C.
- Land values and taxes are estimates until alternatives can be finalized and details confirmed.

Conceptual Alternative 1

RELOCATE TO A NEW PURPOSE BUILT FACILITY TO BE OWNED (OR LEASED) BY VERIDIAN

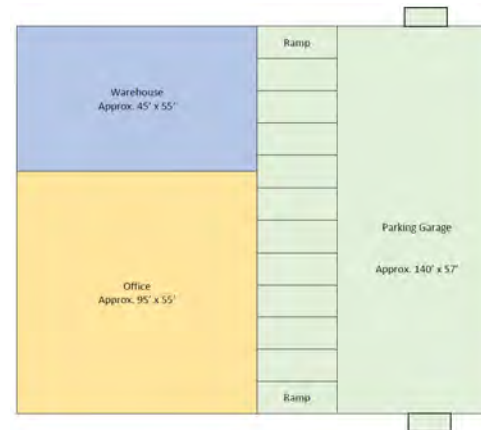
OPTION 1: CONSOLIDATED OFFICE / WAREHOUSE / GARAGE WITH INDOOR TRUCK PARKING

Construct a building of approximately 15,700 SF with indoor parking for 8-10 hydro vehicles and 1 acre of outside storage

Land:	2.5 - 3 Acres
Land Price:	\$180,000 - \$380,000 / Acre
Preliminary Construction Bud-	\$2.36 Million (excluding Land)
Preliminary Ancillary Budget:	\$140,000 - \$150,000

Comments:

- Meets Veridian’s operational requirements
- There are limited sites of appropriate size available for purchase. Refer to Survey included in Appendix A.
- May be opportunity to negotiate with the City of Belleville to exchange Veridian’s lands adjacent to the Riverside for a 3.5 acre site located at Coleman & Ridley Streets
- There have been no sites identified where an owner would be willing to build for lease. It may be possible to identify a private investor who would buy and lease back on a long-term basis.
- Preliminary construction and ancillary budgets are included on the following page



Potential Building Configuration
- Drive Through Garage with Indoor Parking

Optional Garage Configuration
- Single Depth Parking - Trucks Back In



Conceptual Alternative 1

RELOCATE TO A NEW PURPOSE BUILT FACILITY TO BE OWNED (OR LEASED) BY VERIDIAN

OPTION 1: CONSOLIDATED OFFICE / WAREHOUSE / GARAGE WITH INDOOR TRUCK PARKING

Budget Estimate (Building Only)			
Item	Area (SF)	Unit Price	Total
Building Shell	15,700 SF	\$75.00	\$1,177,500
Finished Office	4,200 SF	\$60.00	\$252,000
Corridors/Uplift Areas	800 -1,000 SF	\$60.00	\$48,000
Warehouse / Truck Area Upgrades			
12" Slab on Grade	8,000 SF	\$20.00	\$160,000
Wash Bay (Open Area Within Garage)			
Trench Drains		Lump Sum	\$30,000
Exterior			
Light Duty Asphalt		Lump Sum	\$100,000
Heavy Duty Asphalt at Building		Lump Sum	\$60,000
Heavy Duty Asphalt at Outside Storage		Lump Sum	\$35,000
Fencing for Storage Area		Lump Sum	\$20,000
75kW Generator		Lump Sum	\$80,000
Estimated Building Cost			\$1,962,500
Development Charges (est)		\$4.25	\$66,725
Soft Costs		7%	\$137,375
Contingency		10%	\$196,250
Total Estimated Building Cost			\$2,362,850
Assumptions			
<ul style="list-style-type: none"> • 3 Acre Site (cost of land not included) • Site serviced to lot line • Site relatively flat with minimum cut and fill • No site remediation required (i.e., good environmental) • Simple site plan approval needs 			

Ancillary Budget			
Item	Qty	Unit Price	Total
Furniture			
Office	1	\$5,500	\$5,500
Workstations	9	\$3,500	\$31,500
	4	\$1,000	\$4,000
Training / Meeting / Lunch Room	1		\$20,000
Lockers + Benches	24		\$10,000
Security	Lump Sum		\$25,000
Cabling / IT	Lump Sum		\$10,000
Appliances	Lump Sum		\$10,000
Audio Visual	Lump Sum		\$20,000
Building & Site Signage	Lump Sum		\$10,000
Total Ancillary Budget			\$146,000
Assumptions:			
<ul style="list-style-type: none"> • Budget represents new furniture throughout; existing furniture may be relocated to reduce budget • Assumes existing servers, UPS, and other specialty equipment will be relocated • Special communications equipment by Veridian • Audio Visual includes smart board for Lines area • No warehouse racking or equipment is included • Moving costs not included 			

Conceptual Alternative 1

RELOCATE TO A NEW PURPOSE BUILT FACILITY TO BE OWNED (OR LEASED) BY VERIDIAN

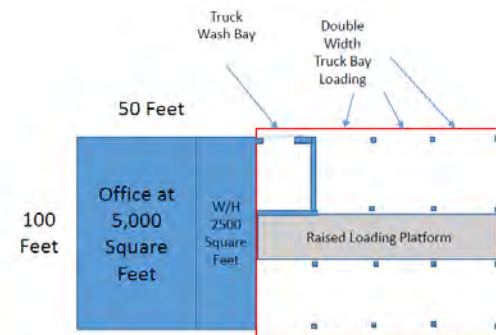
OPTION 2: CONSOLIDATED OFFICE / WAREHOUSE / WITH OUTDOOR COVERED PARKING & WASH BAY

Construct a building of approximately 7,500 SF with outdoor covered parking for 8-10 hydro vehicles and 1 acre of outside storage

Land:	2.5 - 3 Acres
Land Price:	\$180,000 - \$380,000 / Acre
Preliminary Construction Budget:	\$2.25 Million (excluding Land)
Preliminary Ancillary Budget:	\$140,000 - \$150,000

Comments:

- Meets Veridian's operational requirements but may impact operating efficiencies during inclement weather.
- This is modeled with covered parking as a less expensive option for Veridian's consideration.
- There are limited sites of appropriate size available for purchase. Refer to Survey included in Appendix A.
- May be opportunity to negotiate with the City of Belleville to exchange Veridian's lands adjacent to the Riverside for a 3.5 acre site located at Coleman & Ridley Streets.
- There have been no sites identified where an owner would be willing to build for lease. It may be possible to identify a private investor who would buy and lease back on a long-term basis.
- Preliminary construction and ancillary budgets are included on the following page.



Sample Massing Plan with covered parking



HONI Covered Parking

Conceptual Alternative 1

RELOCATE TO A NEW PURPOSE BUILT FACILITY TO BE OWNED BY VERIDIAN

OPTION 2: CONSOLIDATED OFFICE / WAREHOUSE / WITH OUTDOOR COVERED PARKING & WASH BAY

Budget Estimate (Building Only)			
Item	Area (SF)	Unit Price	Total
Building Shell	7,500 SF	\$75.00	\$562,500
Finished Office	4,200 SF	\$60.00	\$252,000
Corridors / Uplift	800 - 1,000 SF	\$60.00	\$48,000
Covered Truck Parking			
Open Building Shell	8,000 SF	\$60.00	\$480,000
Raised Concrete Platform		Deleted	
Heavy Duty Asphalt		Lump Sum	\$75,000
Trench Drains		Lump Sum	\$35,000
Exterior			
Light Duty Asphalt		Lump Sum	\$100,000
Heavy Duty Asphalt at Building		Lump Sum	\$60,000
Heavy Duty Asphalt at Outside Storage		Lump Sum	\$35,000
Fencing for Storage Area		Lump Sum	\$20,000
75 kW Generator		Lump Sum	\$80,000
Estimated Building Cost			\$1,747,500
Development Charges (est)		\$4.25	\$63,750
Soft Costs		7%	\$122,325
Contingency		10%	\$174,750
Total Estimated Building Cost			\$2,108,325
Assumptions			
<ul style="list-style-type: none"> • 3 Acre Site (cost of land not included) • Site serviced to lot line • Site relatively flat with minimum cut and fill • No site remediation required (i.e., good environmentals) • Simple site plan approval process 			

Ancillary Budget			
Item	Qty	Unit Price	Total
Furniture			
Office	1	\$5,500	\$5,500
Workstations	9	\$3,500	\$31,500
	4	\$1,000	\$4,000
Training / Meeting / Lunch Room	1		\$20,000
Lockers + Benches	24		\$10,000
Security	Lump Sum		\$25,000
Cabling / IT	Lump Sum		\$10,000
Appliances	Lump Sum		\$10,000
Audio Visual	Lump Sum		\$20,000
Building & Site Signage	Lump Sum		\$10,000
Total Ancillary Budget			\$146,000
Assumptions:			
<ul style="list-style-type: none"> • Budget represents new furniture throughout; existing furniture may be relocated to reduce budget • Assumes existing servers, UPS, and other specialty equipment will be relocated • Special communications equipment by Veridian • Audio Visual includes smart board for Lines area • No warehouse racking or equipment is included • Moving costs not included 			

Conceptual Alternative 3

RELOCATE TO AN ALTERNATE EXISTING BUILDING (FOR LEASE OR PURCHASE)

Identify existing standalone or multi-tenant buildings for lease or purchase that can accommodate Veridian’s requirement of approximately 20,000 SF (including indoor covered parking) and outside storage. Renovate as needed.

Land:	2.5 - 3 Acres
Preliminary Construction Budget:	TBD
Preliminary Ancillary Budget:	\$140,000 - \$150,000

Comments:

- Only one existing building, at 85 Davy Road, has been identified that can accommodate Veridian (see Survey in Appendix A)
- Multi-tenant building; formerly Canada Post distribution warehouse
- Can be demised to provide Veridian with approximately 20,000 SF
- Currently offered for lease at \$4.50 PSF
- Extensive renovation likely required including addition of drive in doors and creation of indoor garage
- Landlord can add parking on north side of lot
- Outside storage permitted
- Further evaluation required to determine cost to repurpose building

Financial Comparison of Lease vs Own

- Veridian will complete a Financial Comparison of Lease vs Own on a Revenue Requirement Basis

A low-angle photograph of a person climbing a tree, with the text 'Section 4' overlaid in the top left corner. The person is silhouetted against a bright, hazy sky, and the tree's branches are dark and intricate. The overall mood is contemplative and focused.

Section 4

What do we do next?

Recommendations

- The City has not provided a definitive timeline for the Police Department's move to 459 Sidney Street but they are reportedly in the process of procuring architectural services, which will be followed by a design phase prior to tendering construction.
- While further discussion will be required to determine the actual timing for the transition, it is recommended that Veridian continue with the process of identifying and procuring a future site to ensure that it can make a smooth transition at the appropriate time. If a new building is to be commissioned on land to be acquired by Veridian, a timeframe of 16 to 22 months should be anticipated, depending on the design and construction process to be undertaken. The shorter timeframe would accommodate a design build solution, while a traditional design bid build approach would typically be of longer duration. In the event that Veridian is able to purchase an existing building, a lead time of 16 months will also allow for any required renovations to be completed.
- Concurrently, Veridian should determine whether there is any benefit to an early termination of the existing lease.
- Veridian has indicated that ownership and leasing of its future location will both be considered, the key driver being the desire to achieve a solution at the lowest overall cost to customers (on a revenue requirement basis). If there is no material difference in cost between the two approaches, ownership would be preferred. Given the lack of existing buildings that offer reasonable potential for Veridian, a new greenfield solution would appear to be the most likely outcome, but will be subject to final costing.
- From an operations perspective, there is a desire to provide indoor parking for Veridian's largest service vehicles. While the capital cost to provide indoor covered parking represents a premium of approximately \$250,000, this will be partially offset by lower labour and fuel costs and increased efficiency for crews versus costs that would be incurred if trucks are parked outside during the winter months. Veridian will conduct a separate analysis on the potential labour, fuel cost and vehicle maintenance differentials.

Recommendations

- The labour and fuel cost savings achieved through the provision of indoor parking will be partially offset by the cost to heat the indoor garage. The cost to heat the garage will be dependent on the frequency and duration for which the doors are opened but, at a winter temperature of 62F degrees, a conservative estimate of heating costs would be \$0.50 - \$0.60 PSF of garage area.
- It is recommended that pricing be solicited for both indoor and outdoor covered parking to determine the actual cost differential so Veridian can make a fully informed decision.
- The Survey included in Appendix A highlights the various sites that have been identified as potential purchase and relocation options together with existing buildings that may be repurposed. Of these, two sites are considered well suited to Veridian's use with respect to size and location. However, neither site is currently entirely zoned industrial; discussions with the City will be required to clarify the potential to rezone.
- Some sites are City owned, while others are privately held. Pricing for all sites has not been obtainable; however, based on Cresa's research and discussions with owners, privately held lands are being valued between \$180,000 and \$380,000 per acre. The City has been unwilling to provide a price for their lands; however Veridian was previously advised that they would be priced at \$40,000 - \$60,000 per acre. This would need to be validated through a formal Offer to Purchase process.
- Through discussion, the City has also indicated that it may be interested in a land exchange, whereby Veridian could take ownership of a 3.5 acre site at Coleman & Ridley Streets (or possibly another City owned site) in exchange for Veridian's lands at the Riverside Substation, is a location that the City has been utilizing for some time.
- Next steps would be to identify the preferred location options from the Survey included in Appendix A, and proceed immediately to negotiate purchase agreements with vendors or, alternatively, a land exchange with the City of Belleville.

Recommendations

- With respect to a short-term strategy, Cresa's research has not identified any buildings that would be ideally suited to Veridian's use on a short-term basis. The most suitable short-term option would be the existing Canada Post distribution facility at 85 Davy Road, which is currently available for lease. While the building provides 20,000 SF of available space to accommodate the office and warehouse functions the parking of service vehicles, inside or under cover, will be difficult to achieve. As such, it is Cresa's recommendation that Veridian engage the City immediately to confirm timing and ensure there will be adequate notice to allow for a smooth transition to a new building.
- In the event the City (or Police Department) requires access to 459 Sidney Street prior to lease expiry in 2021 (or before Veridian's future premises can be prepared), it should be determined whether there is an opportunity to retain the garage, warehouse and outside storage for an extended term while the remainder of the building is renovated. In this instance, Veridian could locate short-term office accommodation elsewhere, or potentially place portable office units on the site, providing reasonable proximity for all staff to the key operations functions.

Next Steps (Relocation - Based on New Build)*

ACTIVITY	
Analyze Needs and Develop Space Programme	4 Weeks
Deliver Executive Summary	1 Week
Confirm Objectives	1 Week
Tour and Shortlist Sites	1 Week
Identify Preferred Sites	1 Week (concurrent with Touring and Shortlisting)
Prepare and Negotiate Offer(s) to Purchase*	10 - 12 Weeks
Conditional Offer*	
Due Diligence Period*	
Close Land Purchase*	
Prepare and Issue Design Build RFP	2 Weeks
Receive and Analyze Design Build RFP Responses	5 Weeks (Including Response Period)
Award Design Build Contract	1 Week
Design, Working Drawings and Permitting	12 - 14 Weeks
Construction of Building & Interiors	42 - 45 Weeks
Relocation / Occupancy	2 - 3 Weeks
<p>* Note: If an existing building can be identified that will suit Veridian's needs, the process will be modified to exclude the land purchase. It should be anticipated that the Design, Working Drawings, Permitting and Construction activities will remain necessary in order to prepare a building for Veridian's use.</p>	

Section 5

Appendices



Appendix A - Survey



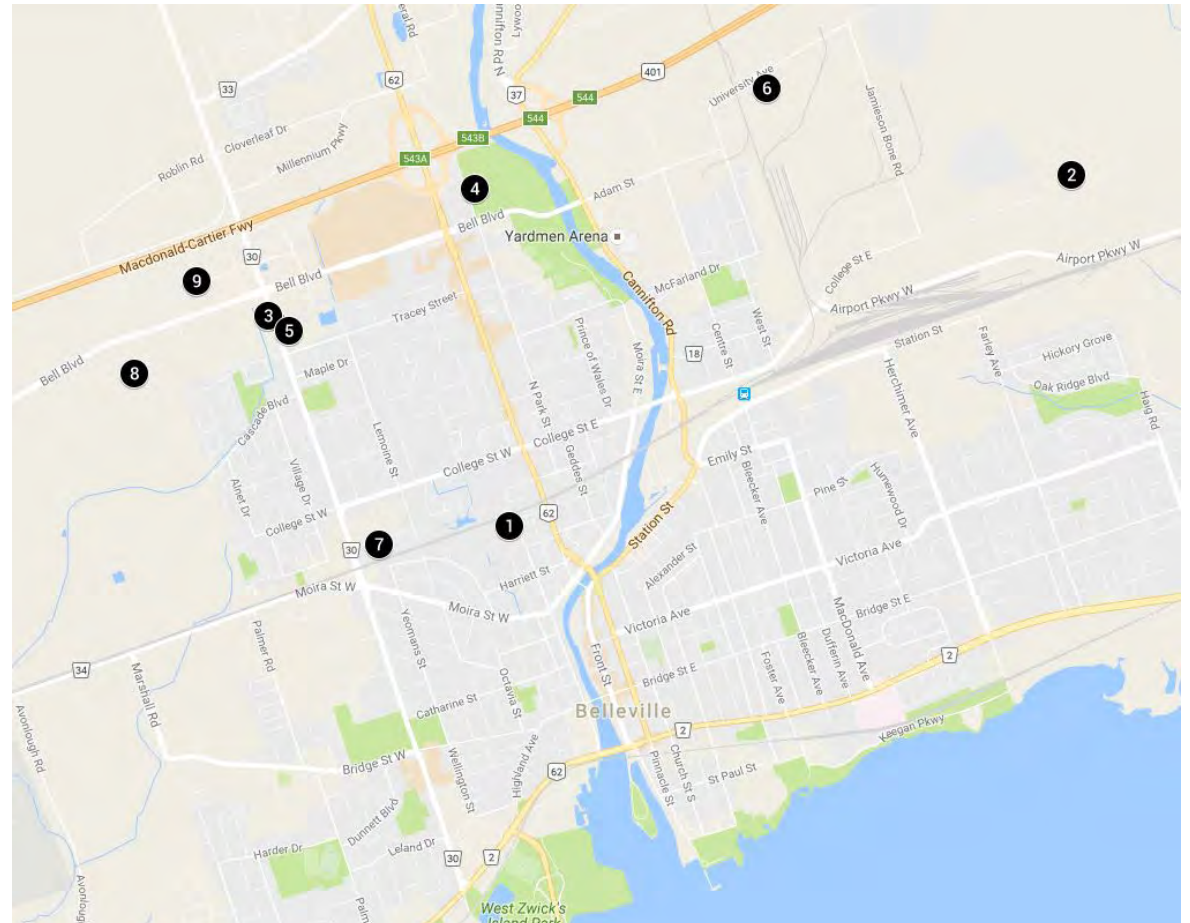
The following land and buildings have been identified as potential relocation options for Veridian. In an effort to “rank” the desirability of each site or building, they have been evaluated on a scale of 0-5 on the basis of (i) the potential to work with the City of Belleville to achieve a land exchange, (ii) cost, (iii) location, and (iv) readiness (meaning servicing, zoning, etc.)

Option#	Address	Owner	Acreage	Asking Price	Current Zoning	RANKING SCALE				
						Potential Land Ex-	Cost	Location	Readiness	Total
1	400 Coleman Street	City of Belleville	3.5	\$40,000 - \$60,000/ Acre*	Mixed (O2/M1)	5	5	5	3	18
2	College Street East	City of Belleville	4+	\$40,000 - \$60,000 /Acre*	Industrial	5	5	1	1	12
3	Sydney Street Lot #1	John Royle (Private)	2.47	\$380,000/Acre	Commercial	0	1	5	3	9
4	259 North Park Street	Belleville Parks Dept.	4 +/-	\$40,000 - \$60,000 / Acre*	O2 (Open Space)	2	5	1	1	9
5	Sydney Street Lot #2	Dennis Hawley (Private)	5	\$180,000 / Acre	Residential	0	2	5	1	8
6	321 University Avenue	TBD (Private)	5	TBD	Industrial	0	3	2	2	7
7	240 Yeoman Street (adjacent to Veridian’s current location)	Dondeb Inc. (Private)	2.2	\$227,000 - \$272,000/Acre	Residential	0	2	4	1	7
8	Bell Boulevard West	Belanger Family (Private)	>200	TBD	Commercial	0	2	3	0	5
Existing Buildings										
		Description	Size	Rental Rate	TMI					
9	85 Davy Road	Former Canada Post Distribution Centre	20,000 SF	\$4.50 PSF Net	\$5.00 PSF (incl. Utilities)	0	2	3	3	8
* Verbal estimate only provided to Veridian by City representative; final pricing to be confirmed										

Appendix A - Survey Map



Option#	Location
1	400 Coleman Street
2	College Street East
3	Sydney Street Lot #1
4	259 North Park Street
5	Sydney Street Lot #2
6	321 University Avenue
7	Yeoman Street (adjacent to Veridian's current location)
8	Bell Boulevard West
9	85 Davy Road



Survey Option 1



400 Coleman Street Lot

Availability
TBD

LOT INFORMATION

Location	Coleman & Ridley	Serviced	Yes
Owner	City of Belleville	Zoning	Mixed (O2/M1)

PRICE SUMMARY

SIZE (acres)	ASKING PRICE (per acre)
3.5	\$40,000 - \$60,000 (Verbal)

COMMENTS

- Ownership: City owned - good potential for land exchange
- Location: Prime central location; on main thoroughfare with good access to all points in service territory.
- Cost: Potential low cost option (to be confirmed)
- Readiness:
 - Serviced
 - Partially zoned O2 for open space; zoning will have to be clarified with the City
 - Lot entrance is not at grade with the street, would require some landscaping to allow for truck entrance
 - Large lot with ample room for building and outside storage
 - Borders the rail corridor on the north side. Building and storage will likely require setback from the rail corridor (TBD).



Survey Option 2



College Street East Lot

Availability
TBD

LOT INFORMATION

Location	College Street East	Serviced	Yes
Owner	City of Belleville	Zoning	Industrial (M2-1)

PRICE SUMMARY

SIZE (acres)	ASKING PRICE (per acre)
4+	\$40,000 - \$60,000 (Verbal)

COMMENTS

- Ownership: City owned - potential for land exchange
- Location: Sub-prime location; most eastern lot and at furthest point from Veridian's primary service area; area of future development
- Cost: Potential low cost option (to be confirmed)
- Readiness:
 - Serviced and Zoned Industrial
 - Land would require extensive site prep before construction could begin



Survey Option 3



Sydney Street Lot #1

Availability
TBD

LOT INFORMATION

Location	Sydney & Bell	Serviced	Yes
Owner	Private (John Royle)	Zoning	Commerical (R6-2)

PRICE SUMMARY

SIZE (acres)	ASKING PRICE	ASKING PRICE (per acre)
2.47	\$940,000	\$384,615

COMMENTS

- Ownership: Private - no potential for land exchange
- Location: Prime central location on main thoroughfare; close to existing location
- Cost: Highest asking price per acre
- Readiness:
 - Currently zoned for commercial
 - Surrounding area zoned industrial; rezoning to M1 requires clarification from the City
 - Requires an additional \$50,000 for demolition of existing buildings
 - Owner prefers to sell the land outright; would only do build to suit for lease on very favourable lease terms



Survey Option 4



259 North Park Street

Availability
TBD

LOT INFORMATION

Location	Bell & North Park	Serviced	Yes
Owner	Belleville Parks Department (City)	Zoning	Open Space (O2)

PRICE SUMMARY

SIZE (acres)	ASKING PRICE (per acre)
~4	\$40,000 - \$60,000 (Verbal)

COMMENTS

- Ownership: City Owned by Parks & Rec; potential (but unlikely) land exchange due to surrounding use
- Location: Adequate location toward north side of the service territory
- Cost: Potential low cost option
- Readiness:
 - Zoned O2 for open space, rezoning may be difficult
 - City trying to consolidate municipal operations on Wallbridge crescent, may vacate this site
 - Building too small, requires heavy repurposing



Survey Option 5



Sydney Street Lot 2 (East Side)

Availability
Immediately

LOT INFORMATION

Location	Sydney & Bell	Serviced	Yes
Owner	Private (Dennis Hawley))	Zoning	Residential (RH)

PRICE SUMMARY

SIZE (acres)	ASKING PRICE	ASKING PRICE (per acre)
5	\$900,000	\$180,000

COMMENTS

- Ownership: Private - no potential for land exchange
- Location: Prime central location on main thoroughfare; close to existing location
- Cost: At mid range per acre; Owner has received a certified appraisal for \$900,000
- Readiness:
 - Serviced but Zoned for Residential; will be difficult to get approval for rezoning
 - More land than needed; would require severance. Owner may be willing to divide.
 - Power lines crossing the property



Survey Option 6



321 University Avenue

Availability
TBD

LOT INFORMATION

Location	University & Adam	Serviced	Yes
Owner	Private (TBD) Listed by Bayshore Groups (Frank Salvatore)	Zoning	Industrial (M2-1)

PRICE SUMMARY

SIZE (acres)	ASKING PRICE	ASKING PRICE (per acre)
6	TBD	TBD

COMMENTS

- Ownership: Private - no potential for land exchange
- Location: Sub-prime location; in industrial park on eastern part of Veridian's service territory
- Cost: TBD
- Readiness:
 - Serviced and Zoned industrial
 - Part of larger site. Severance required. Owner willing to parcel out approximately 6 acres at front of site
 - Former Exxon Mobil plant takes up majority of the property



Survey Option 7



240 Yeoman Street (Behind Current Location)

Availability

Location	Yeoman & Union	Serviced	Yes
Owner	Dondeb Inc.	Zoning	Residential (R6)

PRICE SUMMARY

SIZE (acres)	ASKING PRICE	ASKING PRICE (per acre)
2.2	\$500-600,000	\$227,000 - \$272,700

COMMENTS

- Ownership: Private - no potential for land exchange
- Location: Prime location behind existing building. Good entrance and exit point onto Yeoman Street with identical response times as current location.
- Cost: Toward the higher side per acre
- Readiness:
 - Currently zoned residential; **in receivership**; gaining access to title may be complicated due to legal situation
 - Acquiring the back portion of Veridian's existing lot would likely require a land exchange with the City and potential severance



Survey Option 8



Bell Boulevard West

Availability
TBD

LOT INFORMATION

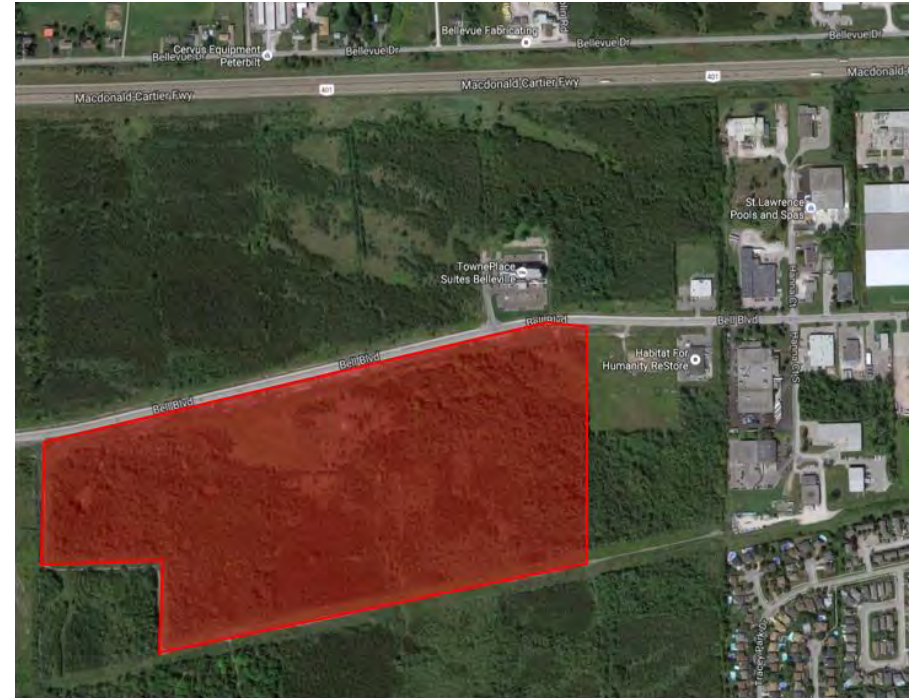
Location	Bell Boulevard
Owner	Private (Belanger family)

PRICE SUMMARY

SIZE (acres)	ASKING PRICE	ASKING PRICE (per acre)
>200	TBD	TBD

COMMENTS

- Ownership: Private - no potential for land exchange
- Location: Adequate location on western side of service territory. in area of future development
- Cost: TBD
- Readiness:
 - Zoning to be confirmed
 - Lot can be parceled out to any size; would require severance
 - Land would require extensive clearing and site prep before construction could begin



Survey Option 9



85 Davy Road (Leasing Option)

Availability
IMMEDIATE

BUILDING INFORMATION

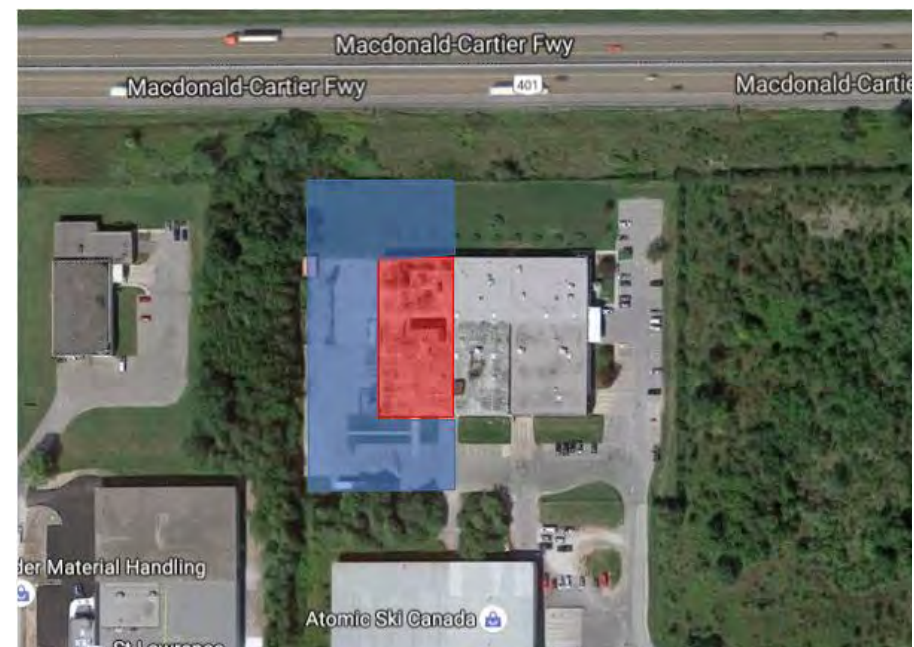
Building Size:	~20,000 SF	Clear Height:	16'
Office Area (Divisible):	TBD	Loading Doors:	2
Industrial / WH Area:	TBD	Sprinklers:	TBD
Parking:	TBD	Zoning:	Commercial

RENTAL SUMMARY

NET RENT	EST TMI	EST GROSS RENT
\$4.50 PSF	\$5.00 PSF	\$9.50 PSF

COMMENTS

- Ownership: Private owner; leasing option only
- Location: Adequate location on main thoroughfare at north side of service territory
- Cost: Estimated Gross Rent appears on the high end of market
- Leasehold Improvements: Allow \$50-\$60 PSF for office and \$20-\$25 PSF for garage
- Readiness:
 - Vacant. Could be suitable short-term option (i.e., 1 year lease with option to extend)
 - Former Canada Post distribution warehouse
 - No drive in doors or interior garage, would require extensive repurposing and site prep for outside storage. Landlord willing to add parking on the north side of the lot



Appendix A - Survey “B” List



In addition to the Survey Options identified above, the following sites are currently available for purchase. They have been eliminated from further consideration by Cresa for the reasons listed below.

Address	Comments
McFarland Drive at Centre Street	<ul style="list-style-type: none">• 9 Acre Site; will not subdivide• Zoned Residential with approval for 54 lots• Adjacent to School (not suitable neighbour for Veridian's use)
University Avenue south of Highway 401	<ul style="list-style-type: none">• 18 Acre site; will not subdivide• Lot would require extensive preparatory site work

Appendix B - Lease Review

ITEM	DETAILS
LEASE DATE	October 22, 2001 (Original Lease) (Note Lease has been extended for 3 additional 5 year terms under same terms and conditions as original lease). Lease Amending Agreements have not been provided
TENANT	Veridian Corporaiton
LANDLORD	The Corporation of the City of Belleville
BUILDING	459 Sidney Street, Belleville
AREA	31,365 SF (Shared between Veridian Connections and City of Belleville Water Utility)
EXPIRY DATE	September 30, 2021
REMAINING TERM	None
NET RENT (2016)	\$30,000 per annum payable quarterly (Note: Sublease Recovery = \$1 Per Annum)
ADDITIONAL RENT:	All costs payable directly by the Tenant (Note: Subtenant pays proportionate share of all Additional Rent)
LEASE TERMS:	
ASSIGNMENT & SUBLETTING	Tenant may assign or sublet all or a portion of the Property with prior consent of the Landlord, not to be unreasonably withheld (Orig. Lease Article 5)
REPAIR & MAINTENANCE	Landlord is to maintain the property and make all needed repairs and all necessary replacements (Original Lease, Article 7.1)
ALTERATIONS & ADDITIONS	Tenant may make alterations with prior written approval by Landlord of Tenant's plans and subject to compliance with all applicable building codes. (Original Lease, Article 8(a))
RESTORATION	There is no restoration provision in the Lease. Upon expiry or other termination of the lease, the Tenant may remove its Trade Fixtures and will make necessary repairs to any resulting damage. (Original Lease, Article 8.3 and 8.5)
SIGNAGE	The Tenant is permitted to erect its signage on the Property, in location(s) determined by the Landlord and subject to compliance with all applicable bylaws and regulations. The Lease is silent on the need to remove signage and repair damage. (Original Lease, Article 9)
TERMINATION (OVERHOLDING)	If the Tenant remains in possession of the Property following termination of the lease it shall create a monthly tenancy on same terms and conditions as the Lease, except for the Term. (Original Lease, Article 13(3))
ENVIRONMENTAL INDEMNITY	Tenant is responsible for any environmental contamination as defined in the Environmental Protection Act (Ontario) or any successor legislation, resulting from its occupancy of the Property. Its obligations under the Lease will survive expiry of the Term of the Lease. (Original Lease, Article 20)

Appendix C - Design Build vs Design Bid Build



DESIGN BUILD

The Design Build process typically begins with a competitive RFP, whereby multiple Design Build teams are invited to submit proposals for the design, construction and commissioning of a building once a site has been identified. This may or may not involve a small honorarium to cover each proponent's costs.

Considerations:

- There is a single point of responsibility for both design and construction activities. By combining design and construction under a single entity, co-ordination, constructibility, cost of change and project timelines should all be improved upon over the Design Bid Build methodology.
- Design Builders will be prequalified and invited based on their experience with similar buildings and their ability to deliver on time and on budget.
- The design builder assembles a consulting team (architect, structural, mechanical, electrical and other engineers) that is tied together by contract with all fees bundled into the overall pricing. The team will typically have prior experience working together toward successful delivery of a project.
- A key component of the RFP requires proponents to provide a design concept based on the outline specification provided by the Client. The requirements are incorporated into a customized design concept by each Design Build proponent.
- The outline specification becomes a "performance spec". The design build team interprets the requirements and develops the details in conjunction with the client but the client does not maintain control over the design details. The end result is a building that meets the client's requirements, but may not be exactly what you would receive in a Design Bid Build scenario.
- Key to achieving an optimal Design Build result will be the ability of Veridian's internal team to define and detail the requirements as completely as possible so that the Design Build submission is comprehensive.
- The Design Build submission will include pricing based upon the outline specification provided. Through negotiation of the agreement, modifications to the preliminary design can be incorporated and a final guaranteed maximum price agreed upon.
- Once drawings are sufficiently advanced, the Design Builder applies for Site Plan Approval to ensure construction can commence as quickly as possible.
- The construction approach is accelerated as construction of the structure can proceed in advance of finalizing all finishing details. A foundation permit can be secured, allowing construction to proceed in advance of a full permit.

DESIGN BID BUILD

The Design Bid Build approach is the traditional method of project delivery whereby an architect is commissioned to design and fully detail a building for tender.

Considerations:

- The Client will have the opportunity to interview a number of architects and select a design partner based on their past experience and perceived "fit" with the Client's team.
- Following selection of an architect, the Client will be required to engage the remaining engineering consultants. While these individual consultants will work under the direction of the architect, they will typically be bound by contract directly to the Client. This contractual relationship may be less conducive to teamwork.
- This process allows for a fully customized building, designed to the Client's specific requirements, including final fit and finish. Prior to proceeding to tender, the building will be fully designed and detailed, including fully co-ordinated drawings for structural, mechanical, electrical, landscape, etc.
- Once drawings are complete, the package is issued for tender, typically to a number of pre-qualified contractors, who will respond with a fixed price lump sum quotation, which will then be converted to a Stipulated Sum construction agreement.
- Although drawings may be fully co-ordinated, in the Design Bid Build approach, the entire design is typically completed with little or no input from the constructor, which often results in construction and co-ordination issues in the field that need to be dealt with by change orders, often at a premium cost.
- The Design Bid Build methodology is usually of a longer duration than Design Build as all drawings must be fully detailed and co-ordinated prior to tendering in order to minimize post-tender changes which can impact both cost and schedule. In this instance, it may be preferable for the architect to apply for the permit so that construction can begin immediately upon award of the contract.

Appendix C - Design Build vs Design Bid Build



DESIGN BUILD

Pros:

- Design Build can produce a project more quickly than a conventional Design Bid Build.
- There is a single point of accountability for design and construction.
- Cost efficiencies can be achieved since the contractor and designer are working together throughout the entire process.
- Change orders would typically arise primarily from “owner” changes.

Cons:

- Less design control and involvement by the owner and stakeholders.
- Owner must be highly responsive in its decision making to take full advantage of the speed of Design Build.
- The owner does not receive the benefit of the checks and balances that exist when it contracts separately with a designer and a general contractor.
- This approach can be problematic when there is a need for multiple agency design approvals.
- May be inappropriate if the owner is looking for an unusual or iconic design.

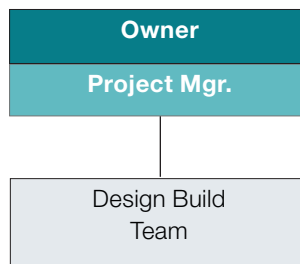
DESIGN BID BUILD

Pros:

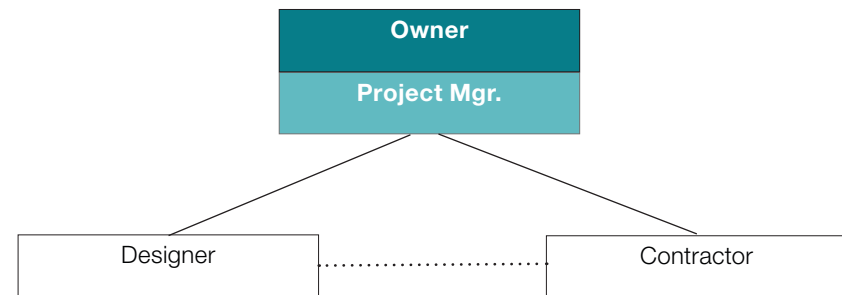
- This method is widely applicable, well understood and has well-established and clearly defined roles for the parties involved.
- The owner has a significant amount of control over the end product, particularly since the facility’s features are fully determined and specified prior to selection of a contractor.

Cons:

- Process may have a longer duration when compared to Design Build since all design work must be completed prior to tendering of the construction contract.
- The designer may have limited ability to assess scheduling and cost ramifications as the design is developed, which can lead to a more costly final product.
- This traditional approach, in some cases, may promote more adversarial relationships rather than co-operation or co-ordination among the contractor, designer and owner.
- The absence of construction input into the project design may limit the effectiveness and constructibility of the design. Important decisions affecting both the types of materials specified and the means and methods of construction may be made without full consideration from a construction perspective.



Design Build
With Project Mgr.



Design Bid Build
With Project Mgr.

Appendix D - Preliminary Design Build Outline Spec



Building Class:	<ul style="list-style-type: none"> Office / Industrial Building: <ul style="list-style-type: none"> Major Occupancy: Group F, Division 3 (storage, garage, warehouse) Subsidiary Occupancies: Group D (office) and Group A, Division 2 (meeting rooms in office space, lunch room, fitness) Construction Type: ISO Class 3 IBC Type 11B (Light Non-combustible Steel Frame) Single user building 1 storey above grade AODA and Code compliant
Building Size:	<ul style="list-style-type: none"> 17,700 SF comprised of: <ul style="list-style-type: none"> approximately 4,800 SF finished Office and Centralized Support space + 800 - 1,000 SF of corridor and uplift space approximately 10,000 SF indoor garage approximately 2,500 SF warehouse / storage plus building gross up of approximately 6% Estimated staff complement: 18 FTE
Land (Acreage):	<ul style="list-style-type: none"> Estimated 2.5 - 3 acres
Building Envelope:	<ul style="list-style-type: none"> Durable exterior materials; simple standard structural steel construction with steel siding Energy efficient design to minimize tenant's ongoing operating costs Aluminum frame windows throughout office area; sufficient in quantity to allow ample natural light into office premises Flat inverted ballasted roof Clean, modern design
Parking:	<ul style="list-style-type: none"> 20 staff and visitor parking spaces outside of fenced compound Space for 1 vehicle charging station (by Owner) outside of fenced compound HC parking as per code requirements 10 parking spaces for Hydro vehicles within fenced compound (covered parking as an option)
Truck Access:	<ul style="list-style-type: none"> 53' Trailer access to loading docks No permanent trailer parking required
Landscaping / Exterior:	<ul style="list-style-type: none"> Landscaping to be suitable to suburban industrial facility Some green space with patio preferred (in proximity to lunch room) Adequate site lighting Exterior space at warehouse for dumpster Light duty asphalt for staff parking with concrete curbs and minimal sidewalk Heavy duty asphalt to overhead doors and building side for thoroughfare Heavy duty asphalt to outside storage Fenced storage compound

Appendix D (cont'd)



HVAC:	<ul style="list-style-type: none"> • Energy efficient HVAC systems • Standard RTU for office areas • Flexible zones and controllability • Sized and designed as appropriate for different functional spaces • Integrated BAS system for all HVAC (optional) • Humidification as required • Ensure adequate ventilation • Optional infrared drying in Drying Room
Fire Protection	<ul style="list-style-type: none"> • Fully sprinklered • Wet systems in office and warehouse • Dry system in IT / Server Room and SCADA / Radio Room • Dry system in garage
Plumbing:	<ul style="list-style-type: none"> • Ensure adequate domestic water access • Ensure adequate drainage and sanitary services • Designed to meet occupant load with flexible shower and washroom layouts • Kitchen equipped for typical appliances
Electrical:	<ul style="list-style-type: none"> • Minimum 400 AMP / 600 V / 3 Phase service • Flexible and adequate secondary power distribution • Energy efficient lighting throughout with occupancy sensors (with manual overrides) • Integrated BAS lighting control system (subject to pricing) • 75 kW genset required
Security:	<ul style="list-style-type: none"> • Intrusion Alarm and Access Control systems • POE camera system • Cameras strategically positioned in outside areas
IT:	<ul style="list-style-type: none"> • Demarc properly located for easy access to IT / Server Room and SCADA/Radio Room • EMT from source to IT / Server Room • Sufficient space for distribution of IT infrastructure using CAT 6 cabling throughout • Wireless technology throughout • Radio tower (by Owner) to be located in proximity to SCADA/Radio Room

Appendix D (cont'd)



BUILDING INTERIOR SPACES	
Office Areas:	<ul style="list-style-type: none"> • Refer to space program for requirements • 2 hour fire separation from Warehouse / Garage • Standard 5" slab on grade • Mainly open office concept with meeting rooms and common support areas • Glass fronts on offices and meeting rooms with applied film to approximately 75% of glass area • No reception area required • Good quality, moderate level finishes throughout • Carpet throughout office / workstation /boardroom areas • Industrial grade vinyl flooring throughout corridors, Lines Area and multi purpose Lunch/Meeting Room • Mechanical / electrical / storage and service rooms to have sealed or painted concrete floors and painted walls • Paint finish throughout • T-bar ceilings with lay-in acoustic tile throughout office areas and lunch room • All partitions between offices and meeting rooms to be insulated • Offices and meeting rooms to have sound attenuation continued above ceiling to eliminate sound transmission room to room • Kitchen / lunch room to be complete with good quality upper and lower cabinets, stainless steel sinks and faucets. Provide power at counter height, spaced appropriately. Provide power for refrigerator(s), microwave(s), dishwasher, vending machines and water dispenser
Washrooms / Locker Rooms / Drying Room:	<ul style="list-style-type: none"> • Provide 1 AODA compliant unisex washroom • Men's Washroom / Shower / Locker Room to have 2 showers, 2 urinals, 2 wcs • Men's Locker Room to have • Women's Washroom / Shower / Locker Room to have single shower and 1 wc • Ceramic / porcelain tile floors in all washrooms • Industrial grade vinyl flooring in men's locker rooms and drying room • Wall tile to 48" on all wet walls • Prefinished metal or plastic laminate, ceiling hung toilet partitions for each W/C stall. • Urinal partitions between all urinals • Washroom vanities with integrated backsplash in all washrooms; mounted at barrier free height with open space for wheelchair access • Washroom accessories to meet local Code requirements • Mirrors above all vanities including one barrier free mirror • Ceilings to be gypsum board on metal furring channels; flat painted • General lighting in washroom area with supplementary vanity lighting • GFI power receptacle at each vanity

Appendix D (cont'd)



Warehouse:	<ul style="list-style-type: none"> • 2,500 SF, including air conditioned warehouse office (100 SF) and secured Metering area of 500 SF • 20' clear height (level with garage) • 1 overhead door with door seals and dock leveler • 1 drive-in door with door seal • 1 mandoor to exterior (accessible from outside of fenced compound) • 2-ton crane • Fully sprinklered • Heated to 62 deg. F • Good lighting • Adequate staging area
Garage:	<ul style="list-style-type: none"> • Drive through structure with 16' x 16' overhead doors • Traffic control lights on interior and exterior of both doors • 20' clear height • 10 interior parking spaces adjacent to Warehouse to accommodate hydro trucks (bays 14' x 30') • Enhanced 12" reinforced slab on grade for truck driving area • CO2 system with makeup air, exhaust and controls • 12"-16" trench drains full length of garage with proper slope • Heated to 62 deg. F by unit heaters • Internal hose bib for power washing machine
Covered Parking (Option 2):	<p>In lieu of indoor garage parking, provide covered parking attached to main building:</p> <ul style="list-style-type: none"> • Open building shell: structural steel and standing seam roof (approximately 9,000 SF) • Parking for 10-12 Hydro vehicles, 14' x 30' bays (including 1 wash bay) • 36" high concrete platform, 8'-10' wide with bays evenly spaced on both sides • 1 - 8' wide x 10' high loading door from warehouse to raised concrete platform • Hose bib for wash bay and proper drainage • Heavy duty asphalt



170 University Avenue • Suite 1100 • Toronto, ON • M5H 3B3
Tel 416.862.2666 • Fax 416.862.2360

1 **RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES**

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3 **INTERROGATORY 3-SEC-68**

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6 [Ex.3-1-1, Table 1]

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8 a. Please provide actual customer numbers and billing determinants for 2025.

9 b. Please rerun the load forecasting model incorporating the 2025 actuals.

10 c. Please provide a comparison of the forecasted 2025 to weather normal 2025 actuals.

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13 **RESPONSE:**

14 a) Actual 2025 customer counts and billing determinants are provided below.

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Table 1: Actual 2025 Billing Determinants

Rate Class	kWh	kW	Customers /Connections
Residential	1,431,706,563		164,778
Residential Seasonal	12,704,010		1,554
GS<50	334,472,925		11,978
GS 50 - 2,999	1,270,423,062	3,020,507	1,485
GS 3,000 - 4,999	174,879,955	369,677	8
Large Use	320,243,429	539,129	5
Street Light	15,240,214	42,473	47,003
Sentinel Light	90,555	675	276
USL	6,382,480		1,165
Total	3,566,143,193	3,972,460	228,251

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17 b) A revised load forecast is provided in Excel file 3-SEC-68(1)_Load Forecast Update. This load
 18 forecast is used in all OEB model updates noted in 1-Staff-1. This model includes updated
 19 economic data, economic forecasts, regional housing forecasts, 2025 weather data, actual
 20 2024 CDM data, 2025 EV data, and an updated large customer list. The original prefiled load

1 forecast inadvertently included losses-adjusted kWh data so this has been revised in the
 2 updated load forecast by scaling those volumes down by each rate class’s applicable loss
 3 factor.

4

5 c) The table below compares the original prefilled 2025 forecast (Exhibit 3, with the losses-to-
 6 billed adjustment noted above) with the weather-normalized 2025 actuals. The differences
 7 are primarily caused by worsened economic conditions, which had reduced General Service
 8 and Large Use load growth and customer additions, particularly the manually added
 9 customers. Residential customer growth was also lower than forecast and below historical
 10 trends.

11

12 **Table 2: Comparison of Prefiled 2025 Forecast and Weather Normalized Actuals**

Rate Class	kWh		kW		Customers /Connections	
	Difference	%	Difference	%	Difference	%
Residential	-15,396,596	-1.1%			-1,317	-0.8%
Residential Seasonal	35,321	0.3%			-5	-0.3%
GS<50	-2,884,134	-0.8%			-65	-0.5%
GS 50 - 2,999	3,677,237	0.3%	-60,824	-2.0%	10	0.7%
GS 3,000 - 4,999	-29,634,615	-14.3%	-61,028	-14.0%	-3	-25.4%
Large Use	-14,827,207	-4.5%	-22,785	-4.1%	0	-7.6%
Street Light	-70,496	-0.5%	-209	-0.5%	14	0.0%
Sentinel Light	-570	-0.6%	-8	-1.1%	-5	-1.7%
USL	181,459	2.9%			35	3.1%
Total	-58,905,023	-1.6%	-144,853	-3.5%	-1,336	-0.6%

13

- 1 • the extent that customers have a different proportion of electric vehicles, with the
- 2 assumption that General Service customer with EVs have more vehicles per
- 3 customer than Residential customers,
- 4 • a review of the spread of EV charging load used by other LDCs, and
- 5 • the extent that General Service classes are more likely to have EV vans and pick-up
- 6 trucks for commercial use than Residential customers (Table: 38-10-0173-01).

7 A comparison between the customer counts and EV allocations is provided below.

8 **Veridian Customer Counts and EV Proportions**

	2025 Customer Count		Weighted Average Allocation	Passenger/SUV	Van	Pick-up Truck
Residential	118,909	90.7%	81.5%	83.9%	64.1%	59.2%
Residential Seasonal	1,554	1.2%	1.1%	1.1%	0.9%	0.8%
GS<50	9,505	7.3%	11.0%	10.0%	20.0%	20.0%
GS 50 - 2,999	1,088	0.8%	5.4%	4.5%	10.0%	15.0%
GS 3,000 - 4,999	5	0.0%	0.7%	0.5%	5.0%	2.5%
Large Use	5	0.0%	0.2%	0.0%	0.0%	2.5%
Total	131,066	131,066	100.0%	100.0%	100.0%	100.0%

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10 **Whitby Customer Counts and EV Proportions**

	2025 Customer Count		Weighted Average Allocation	Passenger/SUV	Van	Pick-up Truck
Residential	45,869	94.1%	82.2%	85.0%	65.0%	60.0%
GS<50	2,473	5.1%	11.6%	10.0%	20.0%	25.0%
GS 50 - 2,999	397	0.8%	5.1%	4.5%	10.0%	10.0%
GS 3,000 - 4,999	3	0.0%	1.0%	0.5%	5.0%	5.0%
Total	48,742	100.0%	100%	100.0%	100.0%	100.0%

- 11
- 12 c) Existing conversions percentage is calculated as 1/20th of the share of new conversions. This
- 13 is based on the assumption that gas furnaces last approximately 20 years.
- 14

- 1 d) Please refer to the attachment provided in the response to 3-VECC-38 for the listing of the
2 forecast additional loads prior to pro-ration and ½ year adjustments, and to the response to
3 1-PP-21 Part d) for the explanation on how the proration was determined.
4
- 5 e) Forecast eDSM kW savings are proportional to kWh savings. A rate class's forecast kWh
6 eDSM savings as a share of forecast kWh consumption volumes is multiplied by the rate
7 class's forecast kW. Detailed calculations are included in tab 'CDM Adjustment' of the load
8 forecast model, provided as an attachment to the response in 3-SEC-68.

1 the required data to fulfill this request; however, given the age of the subject data, certain
2 information is no longer available.¹
3

¹ Elexicon notes that, under the Business Corporations Act, RSO 1990, c B.16, it is required to retain adequate accounting records for six years from the end of the fiscal period to which they relate. Similarly, the OEB's "Mandatory Record Retention Period for Regulated Entities" requires that regulatory records be retained for six years from the end of the calendar year to which they relate. As the requested information relates to periods prior to 2020, the applicable mandatory retention periods have elapsed.

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RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY 4-SEC-72

[Ex.4-1-6, p.7 and Table 4] With respect to Technology (IT/OT) segment costs:

- a. Please update 2025 costs and then breakout the costs shown in Table 4 into the functions listed on page 7
- b. Please provide details of all costs included under Technology which are related to the Dx Next project.

RESPONSE:

- a) Please see the following table with updated 2025 costs and then broken down between IT and OT costs. These costs are consistent with the revised Appendix 2-JC attached to 1-SEC-13.

Table 1: Technology Segment by IT/OT Costs – 2020 to 2031

Category	Historical (Actuals)						Bridge (Forecast)	Forecast				
	2020	2021	2022	2023	2024	2025		2026	2027	2028	2029	2030
IT Costs	2.16	2.68	3.38	3.69	4.01	3.60	5.01	10.20	10.89	10.51	10.71	11.05
OT Costs	0.62	0.63	0.80	1.22	1.26	1.62	1.79	1.89	1.97	1.95	2.06	2.17
Total Costs	2.78	3.31	4.18	4.91	5.27	5.22	6.80	12.09	12.86	12.46	12.77	13.22

- b) Please refer to 4.1-PWU-09 d) for the licensing and support costs for Dx NEXT that are included under the Technology budget in the upcoming rate period.

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Table 1: Treasury Related Costs – 2025 to 2031

Treasury (\$M)							
	Actual	Bridge	Forecast				
Main Components	2025	2026	2027	2028	2029	2030	2031
Labour	0.40	0.54	0.57	0.58	0.59	0.60	0.61
Rating Agency Charges	0.05	0.06	0.12	0.12	0.12	0.13	0.13
Software Costs	-	-	0.05	0.05	0.05	0.05	0.05
Bank Charges	0.13	0.19	0.19	0.20	0.20	0.20	0.21

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b) The treasury function performs cash applications, cash flow reporting, forecasting and management, bank reconciliations and debt and interest transactions. Existing staff within the Finance segment will continue to do this related work with additional support and oversight of the Treasury Manager. In the past, debt management was an activity under the Financial Reporting Manager. Elexicon is adding a dedicated Treasury Manager to execute and support new and evolving debt issuance activities in the capital markets and the associated requirements of these issuances, which include external financial reporting and disclosure, managing and performing credit rating activities, and investor/banking relationship management.

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14

c) Elexicon routinely scrutinizes all structuring and staffing decisions. The rationale and documentation for this function exists in this application – there is not incremental documentation. See Exhibit 1 - Tab 2 - Schedule 1, section 5 and in Exhibit 4 - Tab 1 - Schedule 1, section 2.

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1 **RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES**

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3 **INTERROGATORY 4-SEC-76**

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6 [Ex.4-1-6, Appendix 2-M] With respect to one-time regulatory costs shown in Appendix 2-M:

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8 a. Please provide actuals for spending in 2025 and spending to date for 2026.

9 b. Please provide a breakdown of one-time regulatory costs, by type, at the time of the filing of this
10 application.

11 c. Please provide a list of consultants and costs.

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14 **RESPONSE:**

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16 a) Please see response to 4-Staff-130.

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18 b) Please see response to 4-Staff-130.

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20 c) Please see response to 4-Staff-130.

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d) Please refer to 4-CCC-51 c) for the Auditor’s report

e) See the table below for a list of legacy systems to be retired as a result of DxNEXT.

Table 1: Legacy Systems and Date of Installation

Legacy System	Date of Installation
Tableau	2023
[Redacted]	2011 (no upgrades in the last five years – but modifications for the implementation of customer choice took place in 2021/22)
[Redacted]	Legacy system from Veridian – original installation date is unknown, however we estimate that this tool has been in use 20+ years
[Redacted]	2014
Kinetiq	2002
[Redacted]	2013
Hexagon/Intergraph	2011
[Redacted]	Legacy system from Veridian – original installation date is unknown, however last upgrade was May 2020
[Redacted]	2013
[Redacted]	2022

f) Please refer to 4-CCC-51 e.

g) The costs shown in Table 5 reflect Elexicon’s budgeted program costs and include both internal and external resources. External costs are based on fixed contracted amounts for implementation services, licensing, and support. Internal costs reflect forecasted labour requirements.

h) Through its investment in Dx Next, Elexicon expect to see improvements in its supply chain and materials management, as well as capital project planning, work management and execution. In building the capital plan, Elexicon relied on the core assumption that the Dx NEXT project will provide it with the software tools and digital processes necessary to effectively execute rising volumes of customer connections, capital and operations work program, and day-to-day operational activities (see Exhibit 4 – Tab 1 –

1 Schedule 6, Appendix A, Section 3.2, pages 7 to 8, Section 7.4, pages 28 to 29). Elexicon's
2 workforce plan reflects that assumption. As shown in Figure 9 of Exhibit 1 – Tab 5 –
3 Schedule 3, Elexicon will deliver increased throughput through a lean staff compliment
4 relative to peers. An additional example of how planning assumptions considered the
5 benefits of Dx Next is with respect to inflation. Elexicon's capital forecast assumes an
6 inflationary adjustment which ranges from 3.9% in 2027, to 5.18% in 2031 (see response
7 to 1-CCC-08). In determining this inflation, Elexicon opted for the lower end of what the
8 utility has experienced in terms of historical price increases (see Exhibit 1 – Tab 5 –
9 Schedule 2 at Sections 5.2 and 6.2) based on the assumption that technology and process
10 investments will enable the company to manage the risk of sustained capital inflation
11 observed during the historical period.

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RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY 4-SEC-79

[Ex.4-2-1, Appendix 2-K] With respect to Appendix 2-K:

- a. Please provide the number of FTEs associated with the allocation of Corporate Costs.
- b. Are Corporate Costs FTEs included in Appendix 2-K?
- c. Please breakout overtime costs in Appendix 2-K.
- d. Please breakout incentive pay in Appendix 2-K.
- e. Please breakout the non-management category in Appendix 2-K into union and non-union.
- f. Does the allocation of compensation costs to capital include direct allocation only or also inclusion of overhead burdens? If it only includes direct allocation, please provide a revised amount that includes all allocations of capital (both direct and indirect).

RESPONSE:

- a) Please refer to 1-SEC-14 which shows the FTEs allocating costs from Elexicon Corporation to Elexicon Energy.
- b) Please refer to 4-Staff-108 b).
- c) Please refer to 4-CCC-57 a).
- d) Please refer to 4-CCC-57 a).
- e) Please refer to 4-CCC-57 a).

- 1 f) Yes, the allocation of compensation costs to capital as shown in 1-SEC-13, Attachment 3
2 App.2 – JA to JC 2025 & SCC and 2-K & Reg update, includes both direct and indirect labour
3 and labour burdens.

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RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY 4-SEC-80

[Ex.4-2-1, p.3] With respect to the increase in the capital work plan and the number of FTEs, please provide details on the percentage of the capital work plan that was done or is forecasted to be done using outside resources, i.e. contractors, for 2020-2031.

RESPONSE:

The table below summarizes the resulting share of the capital work plan delivered using external resources for the 2020–2031 period¹ is shown below:

Table 1: Percentage of Capital Work Plan Delivered by Contractors

Year(s)	2020	2021	2022	2023	2024	2025	2026	2027–2031
% of Capital Work Plan Delivered by Contractors	47%	30%	32%	44%	34%	36%	30%	~40%–55%

¹ The 2027–2031 range reflects a planning-level summary of forecast contractor utilization.

In Table 1, the 2027-2031 forecast of the percentage of the capital work plan expected to be delivered by contractors is presented as a range, which is consistent with observed variability in contractor utilization over the historical years. Actual contractor usage is influenced by various factors such as project mix and the extent of customer-driven work, including civil activities associated with the System Access portfolio, which cannot be predicted with precision in advance. Presenting this percentage as a range provides a more realistic projection given the drivers of variability noted above.

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RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY 4-SEC-81

[Ex.4-2-1, Table 1]

Please update Table 1 with 2025 actuals.

RESPONSE:

Elexicon’s FTE levels for the years 2020-2025 updated with actual numbers for 2025 are provided below.

Table 1: Elexicon’s FTE Levels from 2020-2025 (Source: RRR) ¹

Year	2020	2021	2022	2023	2024	2025
Management	29	29	33	36	40	40
Supervisors and Individual Contributors	217	217	222	224	253	268
Students/Co-ops	0	0	1	4	14	12
Total	246	246	256	264	307	320

¹ Numbers in this table are rounded to the nearest whole FTE.

1 **RESPONSE PROVIDED BY MERCER:**

2 a. In line with market best practice, the list of benchmark jobs included in the Mercer study,
3 was jointly determined by Elexicon and Mercer.

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7 **RESPONSE FROM ELEXICON:**

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9 b. There was some discussion with Mercer regarding the proposed benchmarking
10 methodology prior to commencement of the study, the details of which are privileged, as
11 Mercer was retained by counsel and counsel was involved in the discussion. Those details
12 would not be relevant to or add anything probative for the OEB's consideration beyond
13 what is set out in the Mercer report that has been filed. The Mercer report describes the
14 benchmarking methodology, scope of review, selection of comparator groups and
15 benchmark jobs/positions that were included in the study, and the reasons for them. The
16 study methodology used by Mercer and the benchmarking results are what will be relevant
17 and probative. In respect of the written instructions to Mercer in connection with the
18 study, they are set out in the engagement letter, which indicates what Mercer was
19 engaged to do.

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1 at the time included 2024 Billing Determinants, and last COS information for each Rate Zone.
2 The OEB model produced the Growth Factor amounts for each Rate Zone. The PCI
3 adjustment for each year was derived using each utility's OEB approved Price Cap Index (PCI)
4 and estimated growth in revenue from billing determinants and then combining the
5 escalated amounts. Further details on the proxy calculation are provided in Exhibit 1 -
6 Tab 2 - Schedule 1.

Year	Calculation	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
PCI WRZ	A			0.58% ¹	1.08% ²	1.40% ³	1.30% ⁴	1.80% ⁵	1.60% ⁶	0.60% ⁷	0.90% ⁸	1.40% ⁹	1.60% ¹⁰	2.70% ¹¹	3.40% ¹²	4.50% ¹³	3.30% ¹⁴	3.40% ¹⁵
PCI VRZ	B						1.30% ¹⁶	1.80% ¹⁷	1.60% ¹⁸	0.90% ¹⁹	1.20% ²⁰	1.70% ²¹	1.90% ²²	3.00% ²³	3.40% ²⁴	4.50% ²⁵	3.30% ²⁶	3.40% ²⁷
Growth WRZ	C			1.19%	1.19%	1.19%	1.19%	1.19%	1.19%	1.19%	1.19%	1.19%	1.19%	1.19%	1.19%	1.19%	1.19%	1.19%
Growth VRZ	D						0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%
Whitby OM&A PCI+Growth (\$M)	$E = E_{PY} * (1 + (A + C))$	\$8.9	\$8.9	\$9.0	\$9.2	\$9.5	\$9.7	\$10.0	\$10.3	\$10.5	\$10.7	\$11.0	\$11.3	\$11.7	\$12.2	\$12.9	\$13.5	\$14.1
Veridian OM&A PCI+Growth (\$M)	$F = F_{PY} * (1 + (B + D))$					\$26.3	\$26.8	\$27.4	\$28.0	\$28.4	\$28.8	\$29.5	\$30.2	\$31.3	\$32.5	\$34.1	\$35.4	\$36.8
Legacy Utilities Combined Funded OM&A (adjusted by PCI and Growth) (\$M)	G=E+F	\$8.9	\$8.9	\$9.0	\$9.2	\$35.8	\$36.5	\$37.4	\$38.3	\$38.8	\$39.5	\$40.5	\$41.5	\$43.0	\$44.7	\$47.1	\$49.0	\$51.0

¹ EB-2011-0206, "Whitby Hydro 2012 IRM3." (PCI Adjustment of 1.7% price escalator – 0.72% productivity and 0.4% stretch).

² EB-2012-0177, "Whitby Hydro 2013 IRM3 Electricity Distribution Rate Application." (PCI Adjustment of 2.2% price escalator – 0.72% productivity and 0.4% stretch).

³ EB-2013-0181, "Whitby Hydro 2014 IRM Electricity Distribution Rate Application." (PCI Adjustment of 1.7% inflation – 0.3% stretch).

⁴ EB-2014-0124, "Whitby Hydro 2015 Price Cap IR Distribution Rate Application." (PCI Adjustment of 1.6% inflation – 0.3% stretch).

⁵ EB-2015-0113, "Whitby Hydro 2016 Price Cap IR Distribution Rate Application." (PCI Adjustment of 2.1% inflation – 0.3% stretch).

⁶ EB-2016-0114, "Whitby Hydro 2017 Price Cap IR Distribution Rate Application." (PCI Adjustment of 1.9% inflation – 0.3% stretch).

⁷ EB-2017-0085, "Whitby Hydro 2018 Annual IR Distribution Rate Application." (PCI Adjustment of 1.2% inflation – 0.6% stretch).

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- ⁸ EB-2018-0079, “Whitby Hydro 2019 Annual IR Distribution Rate Application.” (PCI Adjustment of 1.5% inflation – 0.6% stretch).
- ⁹ EB-2019-0130, “Ellexicon Energy Inc – Whitby Rate Zone 2020 Annual IR Index” (PCI Adjustment of 2.0% inflation – 0.6% stretch).
- ¹⁰ EB-2020-0012, “Whitby Rate Zone 2021 Annual IR Index” (PCI Adjustment of 2.2% inflation – 0.6% stretch).
- ¹¹ EB-2021-0015 “Ellexicon Energy Inc 2022 IRM Distribution Rate Application (PCI Adjustment of 3.3% inflation – 0.6% stretch for Whitby, and PCI Adjustment of 3.3% inflation – 0.3% stretch for Veridian).
- ¹² EB-2022-0024 “Ellexicon Energy Inc 2023 IRM Distribution Rate Application”(PCI Adjustment of 3.7% inflation – 0.3% stretch).
- ¹³ EB-2023-0014 “Ellexicon Energy Inc 2024 IRM Distribution Rate Application” (PCI Adjustment of 4.8% inflation – 0.3% stretch).
- ¹⁴ EB-2024-0016 “Ellexicon Energy Inc 2025 IRM Distribution Rate Application” (PCI Adjustment of 3.6% inflation – 0.3% stretch).
- ¹⁵ EB-2025-0046 “Ellexicon Energy Inc 2026 IRM Distribution Rate Application” (PCI Adjustment of 3.7% inflation – 0.3% stretch).
- ¹⁶ EB-2014-0117, “Veridian 2015 Price Cap IR Electricity Distribution Rate Application” (PCI Adjustment of 1.6% inflation – 0.3% stretch).
- ¹⁷ EB-2015-0106, “Veridian 2016 Price Cap IR Electricity Distribution Rate Application” (PCI Adjustment of 2.1% inflation – 0.3% stretch).
- ¹⁸ EB-2016-0107, “Veridian 2017 Price Cap IR Electricity Distribution Rate Application” (PCI Adjustment of 1.9% inflation – 0.3% stretch).
- ¹⁹ EB-2017-0078, “Veridian 2018 Price Cap IR Electricity Distribution Rate Application” (PCI Adjustment of 1.2% inflation – 0.3% stretch).
- ²⁰ EB-2018-0072, “Veridian 2019 Price Cap IR Electricity Distribution Rate Application” (PCI Adjustment of 1.5% inflation – 0.3% stretch).
- ²¹ EB-2019-0252, “Ellexicon Energy Inc – Veridian Rate Zone 2020 Price Cap IR” (PCI Adjustment of 2.0% inflation – 0.3% stretch).
- ²² EB-2020-0013, “Ellexicon Energy Inc – Veridian Rate Zone 2021 Price Cap IR” (PCI Adjustment of 2.2% inflation – 0.3% stretch).
- ²³ EB-2021-0015 “Ellexicon Energy Inc 2022 IRM Distribution Rate Application (PCI Adjustment of 3.3% inflation – 0.6% stretch for Whitby, and PCI Adjustment of 3.3% inflation – 0.3% stretch for Veridian).
- ²⁴ EB-2022-0024 “Ellexicon Energy Inc 2023 IRM Distribution Rate Application” (PCI Adjustment of 3.7% inflation – 0.3% stretch).
- ²⁵ EB-2023-0014 “Ellexicon Energy Inc 2024 IRM Distribution Rate Application” (PCI Adjustment of 4.8% inflation – 0.3% stretch).
- ²⁶ EB-2024-0016 “Ellexicon Energy Inc 2025 IRM Distribution Rate Application” (PCI Adjustment of 3.6% inflation – 0.3% stretch).
- ²⁷ EB-2025-0046 “Ellexicon Energy Inc 2026 IRM Distribution Rate Application” (PCI Adjustment of 3.7% inflation – 0.3% stretch).

1 do not take into account the other pressures on its labour budget due to weather events, or
2 exceptional circumstances that increase its use of overtime (such as the Gravenhurst storm in
3 2025). In its 2025 actuals, Elexicon's OM&A labour spend was \$1.5M in excess of its OM&A
4 labour budget.

5

6 b) Elexicon's estimated vacancy rates for the bridge and forecast period are reflected in Table 2
7 below. Elexicon anticipates the vacancy rate to be lower in the forecast period. In light of
8 Elexicon's investments in the recruitment and talent management functions within the People
9 and Culture segment and the initiatives related to recruitment with educational institutions and
10 through its co-op programs, Elexicon anticipates the posting-to-fill period to be shorter in the
11 forecast period, reducing the period of salary gapping.

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Table 2: Estimated Vacancy Rates for Bridge and Forecast Period

	FY26	FY27	FY28	FY29	FY30	FY31
% Vacancy	2%	2%	2%	2%	2%	2%

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15 c) Elexicon has applied a vacancy rate adjustment to its OM&A, which reduces the labour portion
16 of its OM&A forecast by a certain percentage to account for salary gapping during the year. This
17 adjustment is reflected as a reduction to the revenue requirement. The labour costs as shown
18 in Appendix 2-K do not reflect a reduction equal to the vacancy rate given the level of granularity
19 of the data in that appendix.

1 **RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES**

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3 **INTERROGATORY 4-SEC-87**

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6 [Ex.4-3-1, Tables 4 and 5 and Appendix 2-N] With respect to Corporate Cost Allocations:

7

8 a. Please provide a breakdown of the Corporate Governance costs allocated to Elexicon for 2020-
9 2027.

10 b. Please explain where the costs are recorded for the services Elexicon provides to EC (i.e. \$321.4k
11 in 2025).

12 c. Please explain what EEU is and what the allocation is for.

13

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15 **RESPONSE:**

16 a) Please refer to 4-Staff-131 for the Appendix 2-N update. Corporate Governance costs
17 allocated to Elexicon Energy from 2020-2027 reflect the provision of executive leadership
18 and corporate governance services by EC, and consist primarily of labour-related costs.

19

20 b) The costs for the services Elexicon provides to EC and EEU are recorded in 4380 Expenses of
21 Non Rate-Regulated Utility Operations. These costs were invoiced and recovered in 4375
22 Revenues from Non Rate-Regulated Utility Operations. Please see 4-Staff-131 d) for a
23 breakdown.

24

25 c) EEU represents Elexicon's non-rate regulated operations. The \$3,500 is for finance support
26 Elexicon provides to its non-rate regulated joint venture operations.

1 **RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES**

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3 **INTERROGATORY 6-SEC-88**

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6 [Ex.6-2-1]

7 Please provide the revised PILs calculation for each year based on the passage of Bill C-15 and the
8 reinstatement of the All Program.

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11 **RESPONSE:**

12 This interrogatory will be addressed in the second round.

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RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY 6-SEC-89

[Ex.6-2-1]

Please provide a table that shows the weighted CCA rate for in-service addition in a given year, (e.g. the weighted average CCA rate in 2027 for 2027 in-service additions only), excluding the impact of the AIIP, by OEB category, for each year of the plan.

RESPONSE:

Elexicon does not track nor report on CCA rates at the OEB investment category level and would not be able to provide such analysis within the time allotted for interrogatory responses. The weighted average CCA rate for in-service additions excluding AIIP, by OEB account, net of contributions is as per the table below:

Table 1: Weighted Average CCA Rate for In-Service Additions, Excluding AIIP, by OEB Account, Net of Contributions

OEB Account	2027	2028	2029	2030	2031
1908	0.91%	0.92%	2.08%	0.53%	0.19%
1915	8.78%	-	-	-	-
1940	2.57%	1.95%	1.73%	1.06%	0.66%
1980	1.40%	2.69%	2.02%	1.79%	1.05%
1930	13.61%	7.84%	8.89%	5.61%	3.47%
1611	7.56%	8.42%	12.37%	17.92%	13.32%
1815	-	-	-	-	23.43%
1820	9.19%	27.60%	21.22%	14.93%	10.39%
1830	12.19%	10.21%	7.79%	8.10%	6.32%
1835	11.06%	11.84%	10.27%	9.62%	9.09%
1840	2.77%	2.91%	2.71%	2.57%	1.55%
1845	6.37%	8.44%	10.68%	14.20%	11.35%

1850	1.87%	2.31%	2.38%	2.35%	1.44%
1855	2.53%	1.84%	1.48%	1.53%	0.98%
1860	1.53%	1.39%	4.21%	4.25%	2.66%
1920	17.65%	11.63%	12.18%	15.55%	9.69%
1609	-	-	-	-	4.40%

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1 **RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES**

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3 **INTERROGATORY 6-SEC-90**

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6 [Ex.6-2-1, Attachment 5, pdf p.24]

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8 Please explain why Elexicon is forecasting no Federal Apprenticeship Job Creation tax credits, when
9 Exhibit 4 refers to apprenticeship programs.

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11 **RESPONSE:**

12 As noted in Exhibit 6, tab 2, schedule 1, page 10, Elexicon's federal tax credit forecast is based on the
13 tax credit claimed in prior years. This tax credit can only be claimed if the eligible apprentice is
14 working in a prescribed trade in the first two years of their apprenticeship contract and the contract
15 is registered with a federal, provincial, or territorial government under an apprenticeship program
16 designed to certify or license individuals in the trade. A credit of \$4,000 was claimed in 2021 for two
17 eligible apprentices who fulfilled these criteria and another \$2,000 for eligible apprentices in the
18 2025 bridge year tax provision.

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RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY 7-SEC-91

[Ex.7-1-1, Tables 6, 7 and 8] With respect to cost allocation:

- a. Please provide the underlying data for the calculation of the Weighting Factors for Meter Reading shown in Table 6.
- b. Please recalculate the 2026 weighted charges using 2026 billing determinants.

RESPONSE:

- a) The underlying data used for the meter reading weighting factors calculations are provided below. The cost per Interval Meter customer is divided by the cost per Smart Meter customer to derive the weighting factor of 50 for Interval Metered customers.

Table 1: Input Data for Weighting Factors for Meter Reading

Cost Item	Cost	Customers	Cost / Customer
Software and Licenses	\$808,486		
Telecommunication Expenses	\$125,718		
Smart Meter Subtotal	\$934,204	186,003	\$5.02
Interval communications, landlines and cellular	\$275,560		
MV90 Annual Support (Itron)	\$95,845		
Interval Meter Subtotal	\$371,405	1,482	\$250.61

- b) The weighted charges have been updated in the revised cost allocation model, provided as an attachment to the response in 1-Staff-1, and summarized below. The values are based on 2027 billing determinants, as included in the CAM.

1 c)

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Table 2: Weighted Charges

Rate Class	Original	Revised Cost Allocation Model
Residential	65.72%	65.19%
Seasonal Residential	0.59%	0.59%
GS <50	4.66%	4.68%
GS 50 - 2,999 kW	28.54%	29.15%
GS 3,000 - 4,999 kW	0.35%	0.28%
Large Use >5MW	0.14%	0.11%

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RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY 8-SEC-93

[Ex.8-1-1, p.1 and Tables 44 and 45] With respect to bill impacts:

- a. Please provide the bill impacts shown in Tables 44 and 45 specifically related to harmonization.
- b. Please provide the bill impacts shown in Table 44 not including any riders.

RESPONSE:

- a) This response is provided on the basis of the updated bill impacts filed as part of 1-Staff-1. For reference, updated Tables 44 and 45 are provided below.

Table 1: Updated Table 44 Distribution (Sub-Total A) Bill Impacts %

		2027	2028	2029	2030	2031	Average (2021-2031)
VRZ	Residential	30.2%	11.3%	6.0%	5.0%	7.8%	11.7%
	GS <50	27.5%	13.8%	7.3%	6.3%	8.7%	12.5%
	GS 50 - 2,999 kW	26.3%	11.0%	6.0%	5.6%	7.8%	11.1%
	GS 3,000 - 4,999 kW	23.8%	0.7%	1.2%	3.0%	5.2%	6.5%
	Large Use >5MW	24.4%	-2.2%	0.0%	4.2%	7.0%	6.3%
	Street Light	-4.0%	13.7%	6.0%	5.0%	7.5%	5.5%
	Sentinel	19.3%	17.0%	9.5%	8.3%	9.6%	12.7%
	USL	25.2%	14.5%	7.8%	6.9%	9.7%	12.6%
WRZ	Seasonal Residential	26.0%	14.6%	7.9%	6.9%	9.6%	12.8%
	Residential	18.0%	11.2%	6.0%	5.0%	7.8%	9.5%
	GS <50	9.9%	12.6%	7.3%	6.3%	8.7%	8.9%
	GS 50 - 2,999 kW	7.0%	9.7%	6.0%	5.7%	7.9%	7.2%
	GS 3,000 - 4,999 kW	18.0%	-0.9%	1.2%	3.1%	5.2%	5.1%
	Street Light	-66.5%	21.2%	6.0%	5.0%	7.5%	-13.5%
	Sentinel	23.9%	16.4%	9.5%	8.3%	9.6%	13.4%
USL	-17.6%	16.4%	7.8%	7.0%	9.7%	4.0%	

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Table 2: Updated Table 45 Total Bill Impacts (\$)

		2027	2028	2029	2030	2031	Average (2021-2031)
VRZ	Residential	10.07	5.60	3.68	3.40	5.04	5.56
	GS <50	17.64	14.52	9.10	8.56	11.69	12.30
	GS 50 - 2,999 kW	-930.56	679.77	201.73	208.11	259.00	83.61
	GS 3,000 - 4,999 kW	-35,329.43	13,467.81	2,538.88	3,205.15	3,982.47	-2,427.02
	Large Use >5MW	-4,190.58	36,655.75	6,331.89	9,945.37	12,570.91	12,262.67
	Street Light	-6,221.76	4,432.48	1,715.16	1,576.75	2,272.81	755.09
	Sentinel	1.71	1.72	1.25	1.20	1.49	1.48
	USL	4.58	3.73	2.53	2.45	3.43	3.34
	Seasonal Residential	15.01	10.70	7.54	7.26	10.34	10.17
WRZ	Residential	2.88	8.20	3.68	3.40	5.04	4.64
	GS <50	-1.28	18.88	9.10	8.56	11.69	9.39
	GS 50 - 2,999 kW	191.71	301.36	201.73	208.11	259.00	232.38
	GS 3,000 - 4,999 kW	-5,546.93	10,667.61	2,538.88	3,205.15	3,982.47	2,969.44
	Street Light	-39,697.30	4,854.08	1,821.85	1,666.18	2,423.93	-5,786.25
	Sentinel	1.74	2.13	1.25	1.20	1.49	1.56
	USL	-6.65	5.68	2.53	2.45	3.43	1.49

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Bill impacts related to harmonization are provided below. The impact of harmonization was calculated as the difference between bills with rates set by escalating current 2026 rates in each rate zone by the annual rate increase applicable to each rate class and the rates set by harmonizing rates in 2027.

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Table 3: Distribution (Sub-Total A) Bill Impacts % Related to Harmonization

		2027	2028	2029	2030	2031	Average (2021-2031)
VRZ	Residential	3.7%	0.2%	0.1%	0.1%	0.2%	0.8%
	GS <50	4.0%	0.3%	0.0%	0.0%	0.2%	0.8%
	GS 50 - 2,999 kW	4.9%	-0.2%	-0.1%	-0.1%	0.1%	0.8%
	GS 3,000 - 4,999 kW	7.6%	2.0%	1.1%	-0.3%	0.5%	2.1%
	Large Use >5MW	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Street Light	22.4%	1.2%	0.8%	0.6%	0.9%	4.0%
	Sentinel	2.8%	0.1%	0.0%	-0.2%	-1.7%	0.0%
	USL	14.2%	0.4%	0.3%	0.3%	0.6%	2.5%
	Seasonal Residential	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

		2027	2028	2029	2030	2031	Average (2021-2031)
WRZ	Residential	-8.4%	-0.4%	-0.4%	-0.3%	-0.6%	-1.9%
	GS <50	-11.8%	0.1%	-0.1%	0.2%	-0.2%	-2.2%
	GS 50 - 2,999 kW	-11.3%	0.8%	0.3%	0.5%	-0.4%	-2.0%
	GS 3,000 - 4,999 kW	-10.3%	-4.5%	-2.1%	1.9%	-0.1%	-3.1%
	Street Light	-48.5%	-4.1%	-3.1%	-2.8%	-4.9%	-15.6%
	Sentinel	2.3%	0.4%	1.4%	2.2%	10.6%	3.5%
	USL	-20.6%	-0.2%	-0.1%	0.1%	-0.7%	-4.2%

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Table 4: Total Bill Impacts (\$) Related to Harmonization

		2027	2028	2029	2030	2031	Average (2021-2031)
VRZ	Residential	1.68	0.09	0.08	0.07	0.14	0.41
	GS <50	3.51	0.27	0.00	-0.00	0.25	0.80
	GS 50 - 2,999 kW	59.00	-3.12	-0.98	-2.18	2.33	11.01
	GS 3,000 - 4,999 kW	1,804.66	508.24	277.26	-75.24	133.84	529.75
	Large Use >5MW						
	Street Light	3,176.09	234.72	156.48	121.50	192.35	776.23
	Sentinel	0.32	0.02	-0.00	-0.03	-0.28	0.01
	USL	3.12	0.11	0.09	0.11	0.20	0.73
	Seasonal Residential						
WRZ	Residential	-4.24	-0.21	-0.21	-0.16	-0.34	-1.03
	GS <50	-12.20	0.09	-0.09	0.19	-0.24	-2.45
	GS 50 - 2,999 kW	-162.89	10.70	3.90	7.26	-5.88	-29.38
	GS 3,000 - 4,999 kW	-2,957.66	-1,187.27	-546.86	507.45	-19.42	-840.75
	Street Light	-16,665.03	-920.03	-728.95	-694.78	-1,230.82	-4,047.92
	Sentinel	0.27	0.06	0.21	0.36	1.59	0.50
	USL	-6.37	-0.05	-0.03	0.02	-0.23	-1.33

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b) An alternate version of the updated Table 44 (Table 1 in this response) without rate riders

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is provided below in Table 5.

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Table 5: Updated Table 44 Distribution Bill Impacts % With No Riders

		2027	2028	2029	2030	2031	Average (2021-2031)
VRZ	Residential	43.6%	6.0%	6.3%	5.1%	8.0%	12.9%
	GS <50	43.3%	7.8%	7.6%	6.5%	9.0%	14.0%
	GS 50 - 2,999 kW	44.8%	5.5%	6.3%	6.0%	8.3%	13.3%

		2027	2028	2029	2030	2031	Average (2021-2031)
	GS 3,000 - 4,999 kW	40.0%	-3.4%	1.3%	3.2%	5.5%	8.3%
	Large Use >5MW	44.1%	-7.3%	0.0%	4.6%	7.6%	8.5%
	Street Light	27.0%	6.6%	6.3%	5.3%	7.9%	10.3%
	Sentinel	34.1%	9.6%	9.9%	8.6%	9.9%	14.0%
	USL	39.0%	7.9%	8.1%	7.2%	10.1%	13.9%
	Seasonal Residential	40.7%	7.8%	8.2%	7.1%	9.9%	14.1%
WRZ	Residential	22.1%	6.0%	6.3%	5.1%	8.0%	9.3%
	GS <50	14.2%	7.8%	7.6%	6.5%	9.0%	9.0%
	GS 50 - 2,999 kW	13.4%	5.5%	6.3%	6.0%	8.3%	7.9%
	GS 3,000 - 4,999 kW	24.5%	-3.4%	1.3%	3.2%	5.5%	5.8%
	Street Light	-55.4%	6.6%	6.3%	5.2%	7.8%	-10.5%
	Sentinel	30.1%	9.6%	9.9%	8.6%	9.9%	13.3%
	USL	-13.0%	7.9%	8.1%	7.2%	10.1%	3.7%

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RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY 8-SEC-94

[Ex.8-1-1, Table 30] With respect to Specific Service Charges:

- a. Please provide a version of Table 30 which distinguishes between charges that are being eliminated versus charges that are being replaced by time and materials.
- b. For the three WRZ charges that are being replaced by time and materials, i.e. reconnect at pole during regular hours for non-payment, temporary underground service installation and removal without a transformer, and service calls for customer-owned equipment (including after-hours calls), please provide a range of typical cost for each service.
- c. Please provide the number of actual instances of each service shown in Table 30 for 2021 to 2025 and the forecast for 2026 to 2031.

RESPONSE:

- a) Please refer to Table 1 below for a revised Table 30 as requested.

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Table 1: Revised Table 30 – Eliminated vs Time and Materials

Table: Specific Service Charges	Current 2025 SSCs OEB Approved		Proposed SSCs 2027 ¹	
	Veridian Rate Zone (\$)	Whitby Rate Zone (\$)	Elexicon (Harmonized) (\$)	Source
Customer Administration:				
Arrears Certificate	15.00	15.00	15.00	2006 Electricity Distribution Rate Handbook (Schedule 11-1)
Statement of Account	15.00	15.00	15.00	
Pulling post dated cheques	N/A	15.00	(Discontinued - Eliminated)	
Request for other billing information	15.00	N/A	15.00	
Easement Letter	15.00	15.00	15.00	
Account History	15.00	15.00	15.00	
Credit reference/credit check (plus credit agency costs)	15.00	15.00	15.00	
Returned Cheque (plus bank charges)	15.00	15.00	15.00	
Account setup charge/change of occupancy charge (plus credit agency costs if applicable)	30.00	30.00	30.00	
Special meter reads	30.00	30.00	30.00	
Meter dispute plus Measurement Canada fees (if meter found correct)	30.00	30.00	30.00	
Legal letter charge	N/A	15.00	(Discontinued- Eliminated)	
Non-Payment of Account				
Late payment - per month	1.5%	1.5%	1.5%	Per EB-2017-0183
Reconnection at meter - during regular hours	65.00	65.00	65.00	2006 Electricity Distribution Rate Handbook (Schedule 11-1)
Reconnection at meter - after regular hours	185.00	185.00	185.00	
Reconnection at pole - during regular hours	N/A	185.00	(Discontinued- Time & Materials)	
Reconnection at pole - after regular hours	N/A	415.00	(Discontinued- Eliminated)	
Other				

¹ 2027 SSCs are subject to update, as required, to reflect any future revisions issued by the OEB prior to their implementation on January 1, 2027.

Table: Specific Service Charges	Current 2025 SSCs OEB Approved		Proposed SSCs 2027 ¹	
	Veridian Rate Zone (\$)	Whitby Rate Zone (\$)	Elexicon (Harmonized) (\$)	Source
Temporary service - install & remove -overhead - no Transformer	500.00	500.00	500.00	2006 Electricity Distribution Rate Handbook (Schedule 11-1)
Temporary service - install & remove -overhead - with Transformer	1,000.00	1,000.00	1,000.00	
Temporary service - install & remove -underground - no Transformer	N/A	300.00	(Discontinued-Time & Materials)	
Reconnection at meter - during regular hours	65.00	N/A	65.00	Set to Non-Payment of Account charge level for comparable service
Reconnection at meter - after regular hours	185.00	N/A	185.00	
Specific charge for access to the power poles (with the exception of wireless attachments)	39.14	39.14	42.09	Per EB-2024-0227
Customer substation isolation - after hours	905.00	N/A	(Discontinued-Time and Materials)	Legacy Veridian RZ
Service call - customer owned equipment	N/A	30.00	(Discontinued-Time and Materials)	
Service call - after regular hours	N/A	165.00	(Discontinued-Time and Materials)	

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b) Average range of costs for each service are as follows:

- Reconnect at pole during regular hours (non-payment) – Elexicon has not received recent requests for this service and therefore does not have sufficient recent cost data to establish a typical cost range.
- Temporary underground service installation and removal without a transformer – estimated at \$1,200 - \$1,500. This ensures that the cost is appropriately allocated and consistent with the same service provided during regular hours in VRZ.

- 1 • Service call – customer owned equipment – Elexicon has not received recent requests
2 for this service and therefore does not have sufficient recent cost data to estimate a
3 typical cost range.
- 4 • Service call – after regular hours – Elexicon has not received recent requests for this
5 service and therefore does not have sufficient recent cost data to estimate a typical cost
6 range.
- 7
- 8 c) Elexicon does not keep track of the actual volume of the specific service charges. The forecasts
9 are typically based on actual revenue and only revenue is forecasted. An estimate of the volumes
10 is provided in Excel file 88-SEC-94(1)_Specific Service Charges based on the current SSCs for the
11 services where revenues are recorded in USofA 4235, which are shown in Excel file 1-SEC-
12 13(2)_OEB App.2-H Other Operating Revenue. Services included under the “Other” category in
13 Table 30 are excluded, as revenue from these SSCs are combined with other services under
14 USofA 4325 Revenues from Merchandise (temporary services, customer substation isolations,
15 service calls) and 4210 Rent from Electric Property (access to power poles), making it not
16 practicable to estimate individual service volumes.

1 **RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES**

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3 **INTERROGATORY 8-SEC-95**

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6 [Ex.8-1-1, Table 36]

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8 With respect to the Loss Factor Calculation, please update Table 36 with 2025 actuals.

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11 **RESPONSE:**

12 The 2025 loss factor has been updated using actual data and is 1.0441. The supporting calculation is
13 provided in revised Appendix 2-R, included as the attached Excel file 8-SEC-95(1)_OEB App.2-R Loss
14 Factors.

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b) As discussed in part a) above, neither legacy utility had an ERP solution and any on-premise solutions which performed any related functions have been fully depreciated, therefore there are no capital savings. The anticipated OM&A savings from DxNEXT will be the ongoing OM&A costs saved from the decommissioning of the legacy applications that will not be required once DxNEXT is implemented. Elexicon represented those costs in Table 1 (and Table 7) of Appendix A, and built them into the forecasts for future years when legacy systems are expected to be decommissioned. Elexicon’s rate framework, outlined in Exhibit 1 – Tab 5- Schedule 1, has been designed to accommodate the pacing of Elexicon’s OM&A costs, through the Revenue Growth Factor. As such, the costs saved from the decommissioning of legacy systems as described in 4-CCC-51, part j) will be reflected in rates over the test period.

c) Elexicon is requesting approval to recover the DxNEXT implementation costs over a ten-year period starting in 2027. The amount sought for approval, \$47.1M (all implementation costs, inclusive of carrying charges, see Exhibit 9 - Tab 3 – Schedule 5, page 15) includes both incurred amounts and forecast expenditures. Elexicon proposes that rate riders be established this application and left unchanged for the 2027-2031 rate period. A true-up of forecast costs to actuals would occur at Elexicon’s next rebasing application and rate riders updated should there be any material differences.

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RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY 9-SEC-97

[Ex.9-3-5, p.8, Table 9] With respect to the 1508 Sub Account - Pole Attachment Revenue Variance:

- a. Please update Table 9 for the actual number of poles.
- b. Please provide the number of poles for Veridian and Whitby for 2020-2024.

RESPONSE:

- a) Please see the updated Tables 10 and 11 on page 9 of Exhibit 9 – Tab 3 – Schedule 5 filed April 2, 2026, which includes 2025 actuals including actual number of poles.
- b) Below is the number of poles for VRZ and WRZ for 2020-2024.

Table 1: Number of Poles for VRZ and WRZ 2020-2024

Number of Poles		
Year	VRZ	WRZ
2020	23,529	5,666
2021	24,085	5,583
2022	24,212	5,630
2023	24,472	5,750
2024	24,465	5,750

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RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY 9-SEC-98

[Ex.9-3-5, p.26, Table 16] With respect to 1592 PILS and Tax Variances - CCA Changes:

- a. Please update the proposed disposition to include 2025 actuals.
- b. Please update the proposed disposition to include the impact of the passage of Bill C-15 and reinstatement of the AIPP beginning in 2026.
- c. Please provide the supporting calculations for each of (a) and (b).
- d. Please confirm that the total claim for 2018 should be a credit not a debit.

RESPONSE:

This interrogatory will be addressed in the second round.

1 **RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES**

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3 **INTERROGATORY 9-SEC-99**

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6 [Ex.9-3-7, Tables 12, 13 and 14]

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8 With respect to proposed disposition periods, please provide scenarios (e.g. riders and bill
9 impacts) where all Group 2 DVAs (except for the Cloud Computing Implementation Account) are
10 disposed in one year.

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14 **RESPONSE:**

15 Table 1 provides updated total bill impacts with all Group 2 DVAs, except Cloud Computing, disposed
16 over 1 year.

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1 **Table 1: Total Bill Impacts (\$) with 1-Year Disposition (Except Cloud Computing)**

		2027	2028	2029	2030	2031	Avg.
VRZ	Residential	12.20	2.93	3.68	3.40	5.04	5.45
	GS <50 kW	22.88	7.97	9.10	8.56	11.69	12.04
	GS 50 - 2,999 kW	(700.73)	392.49	201.73	208.11	259.00	72.12
	GS 3,000 - 4,999 kW	(30,587.51)	7,540.41	2,538.88	3,205.15	3,982.47	(2,664.12)
	Large Use >5MW	12,767.88	15,457.66	6,331.89	9,945.37	12,570.91	11,414.74
	Street Light	(5,006.71)	2,913.66	1,715.16	1,576.75	2,272.81	694.33
	Sentinel	1.92	1.47	1.25	1.20	1.49	1.47
	USL	5.90	2.08	2.53	2.45	3.43	3.28
	Seasonal Residential	17.51	7.58	7.54	7.26	10.34	10.05
WRZ	Residential	3.93	6.88	3.68	3.40	5.04	4.59
	GS <50 kW	1.75	15.10	9.10	8.56	11.69	9.24
	GS 50 - 2,999 kW	340.66	115.18	201.73	208.11	259.00	224.94
	GS 3,000 - 4,999 kW	(1,796.37)	5,979.40	2,538.88	3,205.15	3,982.47	2,781.91
	Street Light	(39,269.59)	4,319.44	1,821.85	1,666.18	2,423.93	(5,807.64)
	Sentinel	1.71	2.16	1.25	1.20	1.49	1.57
	USL	(6.06)	4.94	2.53	2.45	3.43	1.46

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1 For reference, Table 2 provides updated total bill impacts as proposed with all Group 2 DVAs, except
 2 PILs and Cloud Computing, disposed over 5 years.

3 **Table 2: Total Bill Impacts (\$) with 5-Year Disposition (Except PILs & Cloud Computing)**

		2027	2028	2029	2030	2031	Avg.
VRZ	Residential	10.07	5.60	3.68	3.40	5.04	5.56
	GS <50 kW	17.64	14.52	9.10	8.56	11.69	12.30
	GS 50 - 2,999 kW	(930.56)	679.77	201.73	208.11	259.00	83.61
	GS 3,000 - 4,999 kW	(35,329.43)	13,467.81	2,538.88	3,205.15	3,982.47	(2,427.02)
	Large Use >5MW	(4,190.58)	36,655.75	6,331.89	9,945.37	12,570.91	12,262.67
	Street Light	(6,221.76)	4,432.48	1,715.16	1,576.75	2,272.81	755.09
	Sentinel	1.71	1.72	1.25	1.20	1.49	1.48
	USL	4.58	3.73	2.53	2.45	3.43	3.34
	Seasonal Residential	15.01	10.70	7.54	7.26	10.34	10.17
WRZ	Residential	2.88	8.20	3.68	3.40	5.04	4.64
	GS <50 kW	(1.28)	18.88	9.10	8.56	11.69	9.39
	GS 50 - 2,999 kW	191.71	301.36	201.73	208.11	259.00	232.38
	GS 3,000 - 4,999 kW	(5,546.93)	10,667.61	2,538.88	3,205.15	3,982.47	2,969.44
	Street Light	(39,697.30)	4,854.08	1,821.85	1,666.18	2,423.93	(5,786.25)
	Sentinel	1.74	2.13	1.25	1.20	1.49	1.56
	USL	(6.65)	5.68	2.53	2.45	3.43	1.49

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1 Table 3 provides total Group 2 rate riders as proposed with all Group 2 DVAs, except PILs and Cloud
 2 Computing, are disposed over 5 years and rate riders with all Group 2 DVAs, except Cloud Computing,
 3 is disposed over 1 year. For clarity, the rate riders continue to include the rate rider associated with
 4 Cloud Computing.

5 **Table 3: Group 2 Rate Riders**

		Unit	5-Year Disposition		1-Year Disposition	
			2027	2028-31	2027	2028-31
VRZ	Residential	\$/Customer	1.02	2.12	3.41	1.53
	GS <50 kW	\$/kWh	0.0011	0.0022	0.0040	0.0014
	GS 50 - 2,999 kW	\$/kW	0.5114	0.5154	1.6736	0.2248
	GS 3,000 - 4,999 kW	\$/kW	0.5275	0.4063	1.5766	0.1441
	Large Use >5MW	\$/kW	0.6922	0.5823	2.2887	0.1832
	Street Light	\$/kW	0.7591	1.2861	1.9403	0.9908
	Sentinel	\$/kW	-0.0426	2.5084	1.0838	2.2267
	USL	\$/kWh	0.0017	0.0031	0.0050	0.0023
	Seasonal Residential	\$/Customer	0.67	3.48	3.46	2.78
WRZ	Residential	\$/Customer	-0.91	1.82	0.26	1.53
	GS <50	\$/kWh	-0.0008	0.0018	0.0009	0.0014
	GS 50 - 2,999 kW	\$/kW	0.0306	0.4131	0.7838	0.2248
	GS 3,000 - 4,999 kW	\$/kW	0.1264	0.3515	0.9562	0.1441
	Street Light	\$/kW	-2.4250	1.1004	-1.9866	0.9908
	Sentinel	\$/kW	-2.3727	2.1867	-2.5330	2.2267
	USL	\$/kWh	-0.0026	0.0026	-\$0.0012	\$0.0023

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RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY 9-SEC-101

[Ex.9-4-2, p.28, Table 4] With respect to the Large Load Revenue Variance Account (“LLRVA”):

- a. Please update the table with actual 2025 data.
- b. For each of the 15 customers included in the account please provide details on the status of the new connection, e.g. inquiry only, application made, contribution made, etc.
- c. Please explain how the LLRVA accounts for non-normal weather.

RESPONSE:

a) The updated version of Table 4 aligned with the revised load forecast filed in 3-SEC-68 is provided below. This table excludes customers that connected in 2025 as they are now reflected in the actuals of the load forecast.

Table 1: Updated Table 4 Aligned with Revised Load Forecast

Year	GS 3,000 to 4,999 kW		Large Use	
	Customer Count	Billed kW	Customer Count	Billed kW
2026	1.3	36,411	0	0
2027	3.4	90,518	0.2	39,375
2028	4.4	120,396	0.4	115,500
2029	4.7	137,794	0.5	160,125
2030	4.8	147,304	0.5	168,000
2031	4.8	152,831	0.5	168,000

b) Please see below. The updated list of customers excludes five customers that energized in 2025 and existing customers that have requested capacity expansions. For clarity, the customer counts in the table above are forecast billing determinants that include likelihood and timing

1 adjustments. The customer numbers correspond to the customers listed in 3-Staff-93
2 Attachment 1.

3 **Table 2: Updated List of Customers**

Customer	Status
GS 3,000 to 4,999 kW	
Customer 7	OTC Signed
Customer 11	OTC Signed
Customer 14	OTC Signed
Customer 44	OTC Signed
Customer 45	OTC in Progress
Customer 66	Application Received
Large Use	
Customer 24	Mou Signed and Design Deposit Received

4
5 c) Customers in the GS 3,000 to 4,999 kW and Large Use rate classes are generally not weather-
6 sensitive, and Elexicon confirms the weather variables (HDD and CDD) were found to not be
7 statistically significant in the Exhibit 3 load forecast for either rate class. Elexicon is proposing to
8 record all distribution revenue variances, without weather-normalization, in the LLRVA.

