RESPONSES TO CONSUMERS COUNCIL OF CANADA INTERROGATORIES

INTERROGATORY 2-CCC-23

Ref: Exhibit 2B, Tab 4, Schedule 3, Appendix D, pp. 1, 21, 24, 29-30

Question(s):

a) Please provide the dollar value for each year during the forecast period of the potential 25% reduction to metering program costs "depending on the finalized roll-out of the AMI 2.0." Please confirm that this reduction would be associated with the metering budget (Table 7) as opposed to the AMI 2.0 budget (Table 9).

b) Please provide a revised version of Table 7 that includes, for both the historical and forecast periods, the following additional details:

- The costs associated with the sampling and reverification process
- The number of meters to be replaced as part of the sampling and reverification process
- The costs associated with meter replacement due to failure
- The number of meters replaced due to failure
- The costs associated with new meter installation –
- The number of new meters installed -

c) Please advise whether the meters that will be replaced due to failure will be replaced like-for-like or with an AMI 2.0 meter.

d) Please advise whether the meters that will be replaced associated with the reverification process (25,083) will be replaced like-for-like or with an AMI 2.0 meter.

e) Please advise whether meter installations for new customers will be the older technology meters

or AMI 2.0 meters.

f) Please provide a revised version of Table 9 that includes, for both the historical and forecast periods, the following additional details:

- The costs associated with the AMI 2.0 meters
- The number of AMI 2.0 meters that will be installed
- Any other costs reflected in the AMI 2.0 budget that are not related to the cost of the meter and its installation. To the extent that there are a number of categories of these other costs, please breakout these costs at a detailed level by project/asset.

g) Please explain the statement that "Elexicon anticipates to have replaced 83,400 meters (43%) in the population with AMI 2.0 meters." Is that the number of AMI 2.0 meters to be installed between 2028 and 2031?

h) Given the cited high-level nature of the forecasted AMI 2.0 metering budget for the test period, does Elexicon have a proposal with respect to how the OEB should address potential material variances in unit costs?

i) For the following options, please provide a single table that shows the capital expenditures (separately for regular metering costs and AMI 2.0 costs) and the number of meters installed in the 2027-2031 period and the next rate term (i.e., 2032-2036):

- Elexicon's Option 1
- Elexicon's Option 2
- 10-year replacement scenario

j) For each of the scenarios listed above in part (i), please provide the number of meters (and percentage of total meters) that will be replaced prior to the end of their 15-year useful life.

k) With respect to the replacement of meters prior to the end of useful life, please explain how the financial impact is treated for ratemaking purposes. To the extent that there are forecast costs associated with the removal of meters prior to EUL reflected in the proposed revenue requirement, please provide the amount that is sought for recovery in each year of test period (and advise where these amounts can be found in the evidence).

RESPONSE:

a)

Elexicon has estimated that metering program costs could be reduced by up to 25% if, under its current AMI 2.0 deployment plan, meters scheduled for reverification in 2030 and 2031 are instead replaced by AMI 2.0 meters and therefore do not require reverification and seal extension.

Under the current plan, Elexicon expects to select an AMI 2.0 consultant in 2027, conduct the RFP in 2028, complete pilot activities in late 2028 to 2029, and start the full AMI 2.0 rollout in 2029. On that basis, Elexicon anticipates that the reverification activities scheduled for 2027–2029 will still proceed, while the meters currently scheduled for reverification in 2030 and 2031 may be replaced by AMI 2.0 meters before reverification is required.

Using this deployment assumption, Elexicon has developed an estimate of the potential reduction to the metering program cost associated with reverification in 2030 and 2031.

Table 1: Potential Reduction to the Metering Program Cost

	2027	2028	2029	2030	2031
Potential reduction to metering program cost ($M)	0	0	0	0.40	0.215
Number of meters scheduled for reverification and sampling	N/A	N/A	N/A	4032	2154

This potential reduction relates only to the Metering segment budget (Exhibit 2B, Tab 4, Schedule 3, Appendix D, Table 7) and does not apply to the AMI 2.0 segment budget (Exhibit 2B, Tab 4, Schedule 3, Appendix D, Table 9).

b) Please see Table 2 below, which has been prepared on a best-efforts basis using the data available. Prior to 2023, costs associated with reverification and sampling, meter failures, and new meter installations were embedded within overall metering capital costs and were not tracked as distinct cost categories. As a result, disaggregated historical amounts by cost type are only partially available for the historical period, and the table focuses on periods where separate tracking is in place.

For reverification and sampling, Elexicon began separately tracking these costs in 2023. Accordingly, the 2023 actuals represent a partial year of cost data, and 2024 and 2025 values represent actual costs that align with the metering segment forecast in Exhibit 2B, Tab 4, Schedule 3, Appendix D. Values from 2026 onward are forecast based on the Measurement Canada seal expiry schedule, expected sampling and reverification volumes, and unit cost assumptions.

For meter failures, Elexicon began tracking failure replacement costs and counts in 2021. The 2021 values therefore represent a partial year of tracked activity, while 2022 and 2023 reflect a full year of tracked actuals. The 2024 and 2025 values are based on full-year tracking, and values from 2026 onward are forecast using observed failure trends,

projected increases in failure rates due to the aging meter population, and growth in the meter base.

Prior to the contemplation of the AMI 2.0 program, new meter installation costs were not tracked as a distinct category. Beginning in 2027, Elexicon has separately forecast the cost of new meter installations, which include material costs of the meter and supporting devices to enable the connection.

The forecast volumes in Table 2 are consistent with Exhibit 2B, Tab 4, Schedule 3, Appendix D. Elexicon has assumed approximately 1,400 meter failures per year over 2027–2031, based on historical trends and the age profile of its meter population, and approximately 3,600 new meter installations per year over the same period. These assumptions support both the metering capital forecast and the breakdown of unit counts presented below.

Table 2: Information about Meter Reverifications

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Cost of Reverification and Sampling ($M)*	N/A	N/A	N/A	0.24	0.34	0.31	0.26	0.48	0.36	0.44	0.40	0.21
Total meters subject to sampling/reverification**	2605	3391	1546	1859	1841	1689	2749	5119	4093	4527	4032	2154
Cost of Meter Failure Replacement ($M)*	N/A	N/A	N/A	0.30	0.27	0.30	0.33	0.35	0.37	0.40	0.42	0.44
Number of Meters Replaced Due to Failure*	N/A	691	916	1075	996	1100	1183	1262	1342	1421	1501	1580
Cost of New Meters and Other Devices ($M) ***	N/A	0.2	0.26	1.20	1.56	1.09	1.02	1.10	1.21	1.13	1.20	1.34
Number of New Metering Points	2107	2290	2833	2854	2680	1658	3600	3587	3450	3604	3740	3775

* N/A indicates that costs were not tracked as a distinct category in those years. Disaggregated values are not available.
** Reflects the total meters subject to Measurement Canada sampling and reverification in each year.
*** Cost of New Meter and Other Devices includes all materials to enable the meter connections.

As noted above, where historical data was not tracked at the requested level of disaggregation, Elexicon has used the best available actual data and forecasts, ensuring alignment with the metering program totals and underlying assumptions set out in Exhibit 2B, Tab 4, Schedule 3, Appendix D.

c) As of 2024, all meters installed by Elexicon to facilitate new connections, or to replace failed or non-reverifiable meters, are current-generation smart meters that are compatible with Elexicon's existing AMI 1.0 head-end and infrastructure systems. These meters are selected with the expectation that they will also support integration with next-generation

AMI 2.0 platforms; however, the specific technology and vendor for AMI 2.0 will be determined through the planned RFP process commencing in 2027.

At this time, Elexicon cannot confirm that all meter replacements installed prior to the AMI 2.0 vendor selection will be fully compatible with the selected AMI 2.0 solution. Existing meter compatibility depends on the vendor and platform that will be selected through Elexicon's RFP process in 2027 and 2028. Forecasted meter replacements are limited to those required to meet Measurement Canada reverification and seal expiry requirements, as well as device failures. Where the selected AMI 2.0 technology aligns with one of Elexicon's existing vendor platforms, newly replaced meters will be compatible. If, however, the selected technology/platform is not compatible with the chosen vendor these meters may need to be replaced as part of the AMI 2.0 deployment.

In Appendix D, the metering narrative refers to failed meters being replaced on a 'like-for-like' basis. In this context, 'like-for-like' refers to replacement with current-generation meter of compatible type and form factor, rather than reinstalling legacy AMI 1.0 devices. Given the age of certain legacy meter models, direct one-for-one replacement with identical models is no longer practical.

d) See response to part c), above.

e) See response to part c) above.

f) Table 3 below provides a breakdown of the AMI 2.0 capital expenditures for the 2027-2031 forecast period by cost category and includes the number of AMI 2.0 meters forecast to be installed in each year. There are no historical or bridge-year capital expenditures related to AMI 2.0. For 2028, Elexicon has forecasted AMI 2.0 capital related to the RFP and pilot activities only, and has not forecasted AMI 2.0 meter installations in that year.

Table 3: 2027-2031 AMI2.0 Capital Expenditures

	2027	2028	2029	2030	2031
RFP and Pilot	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
New Meters (27,800 per year on average)	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
Number of AMI 2.0 meter installed per year			27250	28250	27900
Infrastructure costs	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
Project Management	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
Total	$0	$465,304	$6,901,304	$7,057,946	$6,969,076

The AMI 2.0 budget shown in Table 3 includes the costs of the AMI 2.0 meters themselves, the communications and head-end infrastructure required to operate them, and project management to oversee the implementation of the new technology. It does not include the metering costs associated with sampling, reverification, failures, or new customer connections, which continue to be reflected in the Metering segment.

g) Yes. Elexicon's statement that it 'anticipates having replaced 83,400 meters (43%) in the population with AMI 2.0 meters' refers to the total number of AMI 2.0 meters forecast to be installed between 2029 and 2031 under the AMI 2.0 mass-deployment segment.

As discussed in Exhibit 2B, Tab 4, Schedule 3, Appendix D, Elexicon planned an 8-year AMI 2.0 rollout beginning in 2028. The first year of the project, 2028, will entail an RFP and pilot activities and does not include forecasted volume of AMI 2.0 meter installations.

Under the current deployment plan, AMI 2.0 meters are forecast to be installed in the following quantities in the 2029-2031 period: 27,250 meters in 2029, 28,250 meters in 2030, and 27,900 meters in 2031, for a total of 83,400 meters. The remaining approximately 110,600 meters (about 57%) are planned to be replaced with AMI 2.0 meters during 2032-2035 to complete the 8-year rollout.

h) The AMI 2.0/Metering capital program would be subject to Elexicon's proposed Capital In-Service Variance Account (CISVA) which captures in-service variances on an asymmetrical basis to the benefit of customers. Further details on the CISVA are provided in Exhibit 9, Tab 3, Schedule 3, pages 67–71.

i) The table below summarizes the estimated capital expenditures and AMI 2.0 meter installations for the 2027-2031 period and the balance of the AMI 2.0 deployment for Options 1 and 2. Metering costs reflect the ongoing Metering segment capital for reverification, failures, and new connections.

- Option 1 AMI 2.0 costs reflect the vendor selection RFP costs for 2028 and incremental capital for AMI 2.0 meters between 2029 and 2035, communications infrastructure, and project management.
- Option 2 AMI 2.0 costs reflect the vendor selection RFP costs for 2027 and incremental capital for AMI 2.0 meters between 2028 and 2031, communications infrastructure, and project management.

In both cases, the "Number of New Meters (AMI 2.0)" row shows the forecast volume of AMI 2.0 meters that are installed in each year of the deployment.

Elexicon is currently preparing a detailed AMI 2.0 business case, which will include an analysis with respect to the 10-year deployment scenario. Elexicon is targeting to have this business case finalized in mid-July, and will make this available to the parties in this proceeding in advance of currently scheduled settlement conference dates.

Table 4: Metering and AMI 2.0 Capital Expenditures and AMI 2.0 Meter Installations, Options 1 and 2

Option 1 – 8 years	2027	2028	2029	2030	2031	2032	2033	2034	2035
Metering Cost ($M)	1.93	1.94	1.97	2.02	1.99				
AMI2.0 Cost ($M)	0	0.47	6.90	7.06	6.97	7.32	7.32	7.32	7.32
Number of New Meters (AMI2.0)	0	0	27,250	28,250	27,900	27,650	27,650	27,650	27,650
Option 2 – 5 years									
Metering Cost ($M)	1.93	1.94	1.97	2.02	1.99				
AMI2.0 Cost ($M)	0.47	12.55	12.55	12.55	12.55				
Number of New Meters (AMI2.0)	0	48,500	48,500	48,500	48,500				

j) Elexicon currently has approximately 194,000 meters in service, and as noted in Exhibit 2B, Tab 4, Schedule 3, Appendix D, approximately 83% of this population is already at or beyond the assumed 15-year useful life, increasing to approximately 87% by 2027 and 89% by 2031. Given this age profile, most meters that will be replaced under the AMI 2.0 deployment are expected to be fully or nearly fully depreciated by the time of replacement.

Based on current asset demographics and the forecasted AMI 2.0 deployment volumes under Options 1 and 2, Elexicon estimates that only a small proportion of meters replaced in each year will have material remaining life at the time of replacement. Elexicon is expects that approximately 5-10% of AMI meters replaced in any year during the AMI 2.0 rollout may have remaining depreciable life, with the balance being at or past their 15-year useful life. However, for financial planning purposes, the assumption used is that all AMI meters replaced will be at end of useful life, and this is reflected in the derecognition amounts shown in Table 6. This assumption will be refined as part of the detailed deployment planning following the AMI 2.0 RFP.

The precise number and percentage of meters replaced prior to the end of their useful life will depend on the AMI 2.0 vendor selected, the final deployment sequence, and the extent

to which the selected technology aligns with Elexicon's existing meter base. If the selected AMI 2.0 technology is compatible with a larger subset of existing meters, the proportion of meters replaced before the end of their useful life will be lower; if a different technology platform is selected, the proportion may be higher. Any financial impact associated with early replacement is reflected through derecognition within depreciation expense and the associated cost will be managed by Elexicon.

k) The financial impact of meter replacements is treated as part of the derecognition component of the depreciation expense, which is consistent with the treatment of such costs under IFRS. The specific financial impact forecasted for meter replacement is noted in the table below:

Table 6: Forecasted Financial Impacts of Meter Replacement

	2026	**2027**	**2028**	**2029**	**2030**	**2031**
Meter Derecognition Impact ($)	10,734	9,393	6,544	18,215	2,375	1,576

For derecognition forecasting methodology, please refer to Exhibit 2A - Tab 2 - Schedule 1, p.3, (ln 17). Actual and forecasted total derecognition impacts (Losses on Disposal) can be noted in Table 1 and Table 2 of the referenced schedule.

RESPONSES TO CONSUMERS COUNCIL OF CANADA INTERROGATORIES

INTERROGATORY 4-CCC-47

Ref: Exhibit 4, Tab 1, Schedule 5, pp. 12, 14-18

Question(s):

g) Please further explain the "discovery phase for AMI 2.0." As part of the response, please provide the 2027 costs associated with this activity and explain whether these costs continue in the 2028-2031 period.

RESPONSE:

g) Within the Customer Experience and Contact Centre segment, the AMI 2.0 discovery phase comprises the initial procurement and planning activities required to prepare for vendor selection and rollout. This includes engaging an external AMI 2.0 consultant through an RFP process in 2027, reflecting current internal capacity constraints in supporting both the development of a comprehensive AMI 2.0 vendor RFP and ongoing operational requirements, and the need for specialized procurement and project management expertise and up to date technical and integration requirements for next-generation AMI, including communications infrastructure and data analytics.

The consultant will support RFP development, rollout planning, and pilot area selection. The consultant is expected to be retained in 2027, supported by [Redacted] in the Customer Experience and Contact Centre OM&A budget. The AMI 2.0 vendor RFP and associated pilot activities are planned for 2028, supported by [Redacted] of AMI 2.0 capital

forecast for 2028, and within the total $21.39 million AMI 2.0 capital envelope for 2027-2031 as set out in Exhibit 2B, Tab 4, Schedule 3, Appendix D. Beyond these amounts, AMI 2.0 costs in 2028-2031 relate to implementation and deployment and are included in the A4 Metering and AMI 2.0 capital program and in Metering and Wholesale Settlements OM&A, rather than in a continuing 'discovery phase' line.

RESPONSES TO CONSUMERS COUNCIL OF CANADA INTERROGATORIES

INTERROGATORY 4-CCC-49

Ref: Exhibit 4, Tab 1, Schedule 5, pp. 30, 35

Question(s):

b) Please provide a table that lists all of the AMI 2.0 projects (and related operational costs) that will be completed within the metering and wholesale settlements program. As part of the table, please indicate the year in which a given project/activity will take place and whether the project/activity is considered a one-time cost.

RESPONSE:

b)

The Metering and Wholesale Settlements program includes OM&A costs that support the AMI 2.0 initiative. Capital investments for AMI 2.0 are addressed separately in Exhibit 2B – Tab 4 – Schedule 3, Appendix D and in the response to 2-CCC-23 (f).

AMI 2.0-related OM&A costs in this program occur in the 2027-2031 forecast period and are summarized in Table 2 below. These costs include:

- one-time OM&A costs for AMI 2.0 implementation activities and software infrastructure activities in 2027 and 2028, and
- ongoing AMI 2.0 data analytics software licence fees that are reflected in the Metering and Wholesale Settlements segment beginning in 2028.

In addition, a preliminary RFP in 2027 to retain an independent consultant to prepare the AMI 2.0 vendor selection RFP is included in the Customer Experience and Contact Centre segment, not in the Metering and Wholesale Settlements segment. A second RFP in 2028 for AMI 2.0 vendor selection and the pilot is part of the AMI 2.0 capital plan.

Table 1 below presents the estimated AMI 2.0-related OM&A costs by activity and anticipated year. For clarity, the table distinguishes between one-time implementation costs and ongoing software subscription costs.

Table 1: AMI 2.0 Project Breakdown

One Time Cost	**2027**	**2028**	**2029**	**2030**	**2031**
Data Analytics Licence Implementation Fee	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
Head End and Infrastructure Implementation	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
Ongoing Cost					
Data Analytics Licence	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]

RESPONSES TO CONSUMERS COUNCIL OF CANADA INTERROGATORIES

INTERROGATORY 9-CCC-66

Ref: Exhibit 9, Tab 3, Schedule 5, p. 7

Question(s):

Please confirm that the result of Elexicon's methodology shown in Table 8 is that the total actual locate-related costs that were incurred above the amount built into rates is proposed to be recovered from ratepayers through the GOCA. If this is not correct, please explain.

RESPONSE:

To clarify, Elexicon believes that the reference above should be to Table 7, not Table 8. Table 7 shows the application of the *Electricity Distributor Accounting Order (002-2023) Account 1508-Other Regulatory Assets, Sub-Account Getting Ontario Connected Act (GOCA) Variance Account,* and is not intended to describe Elexicon's methodology. For clarity, Elexicon has implemented the OEB's guidance with respect to this account, and did not derive its own methodology for entry of amounts into the GOCA Variance Account.

As shown in Table 7, the accounting treatment includes:

- Recording actual locate costs associated with Bill 93, and
- Recording actual ongoing locate costs that are not associated with Bill 93, where the total recorded costs above reflect 100% actual locate costs incurred for the period.
- Recording the locate "revenue" amount representing the OM&A expense for locate activities included in base rates, escalated accordingly by the annual rate adjustments approved in the distributor's IRM decisions and orders, and

- Recording carrying charges on the opening principal balance of the GOCA Variance Account, using the OEB's prescribed interest rates

Table 7 confirms that the total actual locate-related costs that were incurred are in excess of the amount built into rates due to Bill 93, and is proposed to be recovered from ratepayers. Elexicon notes that the "Locates cost related to Bill 93" in Table 7 is greater that the amount in the variance account, reflecting that Elexicon has absorbed a portion of the Bill 93 costs, up to the amount embedded in base rates.

RESPONSES TO CONSUMERS COUNCIL OF CANADA INTERROGATORIES

INTERROGATORY 10-CCC-71

Ref: Exhibit 10, Tab 2, Schedule 1, pp. 1-3, 10, 12, 14

Question(s):

a) Please provide a more detailed version of Table 1 that shows the various cost components for the control centre segment of the system operations program. For example, to the extent that these cost components are relevant to the program, please show line items for labour / wages, third-party contractors, consulting costs, licensing fees, etc. Please add to the list any other specific cost components that are relevant to the program.

b) Please further explain the methodology applied to forecast the costs of the control centre segment of the system operations program in the test period (including a discussion of the test year forecasting methodology and the 2028-2031 forecasting methodology if those methodologies are different).

c) Please provide the cost differential, on a comparable basis, between contractor Qualified Operators relative to internal Qualified Operators.

d) Please provide a breakdown of the approximately $15M increase to the control centre segment costs between the pre-filed evidence and the updated evidence. Please use the categories listed on page 3 (i.e., compensation increases, enhanced SCC operator apprenticeship program, additional support positions and increased overall complement of internal qualified staff).

e) Please file any documentation associated with the “internal review” that resulted in the plan to increase system operator compensation.

f) Please explain why the "Starting Org Structure in 2025 Bridge" is the same in both Tables 2 and 3. Please provide the response in the context of the stated loss of 9 staff (Footnote 4, p. 2).

g) Please provide revised versions of Tables 2 and 3 that show the number of planned positions in each year (2026-2030) instead of staffing additions. Please also breakout qualified operators and apprentice operators and add additional lines that show contracted staff support (i.e., same information as shown in Table 4).

h) Assuming Tables 2 and 3 are on position basis as opposed to an FTE basis, please revise both tables to show the pre-filed and updated proposals on an FTE basis. Also, instead of showing staffing additions, show the number of FTEs in each position and for each year of the plan. Please also breakout qualified operators and apprentice operator and add additional lines that show contracted staff support (FTE Equivalent basis) (i.e., same information as shown in Table 4).

i) Please advise whether there is a connection between the number of system operators and the number of field crews supported by the system operators. If so, please provide the analysis undertaken that shows the workload changes over time and the number of operators required. As part of the response, please also provide any internal documentation with respect to the updated system operators resourcing plan.

RESPONSE:

a) The following table provides a breakdown of Table 1 for the Control Centre segment within the System Operations program. The amounts are aligned with the OM&A costs provided in Appendix 2-JC, attached to the response in 1-SEC-13, which reflects 2025 actuals.

Table 1: Control Centre Segment OM&A Cost Breakdown ($M)

	Actual						Forecast					
	2020	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**
Labour	1.72	1.86	2.06	1.91	2.32	2.25	3.76	4.60	4.97	5.34	5.47	5.57
Third Party Contractor	0.03	0.07	0.11	0.03	0.02	0.39	1.37	1.37	0.98	0.79	0.22	0.22
Consultant	-	0.01	0.00	0.01	0.01	0.09	0.00	0.01	0.01	0.01	0.01	0.01
Other	0.00	0.00	0.01	0.03	0.04	0.02	0.02	0.02	0.02	0.02	0.02	0.02
Total	1.75	1.94	2.18	1.97	2.38	2.75	5.15	6.00	5.98	6.17	5.71	5.82

b) Elexicon forecasts its Control Centre segment costs by first building a bottom-up forecast that established Qualified Operator headcount requirements based on shift coverage to maintain 24/7 operations across a rotating shift cycle. It then added necessary contractor and apprenticeship program staffing costs based on an assessment of the staffing, trainer and contractor resources required to hire, train and supervise apprentices. Finally, Elexicon determined the headcount for additional support roles, including dispatchers, analysts, students, and supervisors required to support the growth of the apprentice and Qualified Operator pool. Please refer to part i), below, for further information on determining staffing requirements.

Elexicon evaluated multiple resourcing strategies, including the advantages and disadvantages of each, and selected the most efficient option. The final plan is intended to build a sustainable and resilient staffing model that supports the safe operation of the SCC under both normal conditions and higher-volume periods during adverse weather. It is based on the minimum number of roles required to safely operate the SCC, while addressing acute labour market challenges for essential SCC roles, mitigating the risks associated with further staff departures, and improving retention and attraction of new talent. The revised staffing model increases the likelihood the System Control Centre (SCC) can sustain its operations throughout the forecast period.

c) As of January 2026, contractor costs vary and are estimated to average approximately [Redacted] per hour. The hourly cost for an internal qualified system operator is $56.05 per

the most up to date collective agreement wage schedule. Internal employee costs would also include an approximated labour burden of 66%, (representing the employer's share of payroll-related costs (e.g., benefits and statutory contributions). While factoring in these internal costs, plus the additional compensation for Operators and Apprentice Operators referenced in the response to 10-SEC-103, the internal hourly rate for a Qualified Operator is approximately [Redacted] of the per hour contractor rate.

d) The approximately $15M increase to Control Centre segment costs between the pre-filed and updated evidence is provided in the table below, which identifies the key cost drivers and associated planned OM&A spend for the 2027–2031 period. Additional detail on each cost driver is provided in the sections below. Together, these costs reflect a deliberate and time-sensitive effort to close a critical resourcing gap, reduce long-term operational risk, and establish the internal capacity Elexicon needs to sustain 24/7 SCC operations going forward.

Table 2: Breakdown of Increase in Control Centre Segment Costs Between Pre-Filed and Updated Evidence

Cost Driver	Planned OM&A From 2027-2031 ($M)
Compensation Increases	1.7
Enhanced SCC Operator Apprenticeship Program	0.8
Additional Support Positions	3.9
Increased Overall Complement of Apprentices and Qualified Operators	8.3

<u>Compensation Increases ($1.7M)</u>

This portion of the increase reflects market-based adjustments to system operator compensation, implemented to address retention risks and align with comparable utilities in close geographic proximity. Further information on compensation adjustments is provided in the response to 10-SEC-103.

Enhanced SCC Operator Apprenticeship Program ($0.8M)

The forecast costs include an enhanced apprenticeship program driven by the scale and concentration of apprentice hiring beginning in 2026, which materially increases recruitment, onboarding, and training demands relative to the pre-filed forecast. These costs reflect the investment required to establish a structured, sustainable training program that does not currently exist. The updated evidence reflects the cost of the enhanced training framework, including the development and documentation of operating plans, policies, and procedures required to preserve institutional knowledge and provide a consistent foundation for apprentice training. This includes support from a Policy and Procedure Consultant to formalize existing knowledge into a documented training framework, and a Training Coordinator (i.e. training program design expert) who will develop a repeatable, scalable program. These investments in increased training capacity are essential to sustain the number of Qualified Operators needed and will support greater apprentice retention by ensuring paced and supported progression through the operator training program. The current model relies on a single trainer that is only available part-time and is required to support apprentices at all stages simultaneously. This limited training capacity hampers the pace of progression through the four-year qualification pipeline. Additional training capacity across all apprentice levels will ensure timely progression to Qualified Operator status.

Additional Support Positions ($3.9M)

Incremental costs include the addition of support roles within the Control Centre, including dispatchers, analysts, students, and supervisors. These positions reduce the administrative burden on Qualified Operators by absorbing non-specialized administrative, coordination, and analytical work that and ensure the SCC has a sufficient number of supervisors. This use of dispatchers to support control centre operations is somewhat common in the control rooms of Elexicon's peer distributors. Over the longer term, these roles enhance the overall capability and resilience of the Control Centre by strengthening supervision, improving data analytics and operational monitoring, and supporting training delivery. The support positions additionally establish structured internal talent pathways within the SCC, improving

retention and reducing Elexicon's long-term reliance on external recruitment for specialized roles. The additional roles are further described in Exhibit 10 – Tab 2 – Schedule 1, pp. 10 (see lines 15-26) and pp. 11.

Increased Overall Complement of Apprentices and Qualified Operators ($8.3M)

The largest component of the increase reflects the planned expansion of the internal Apprentice and Qualified Operator complement relative to the pre-filed evidence. As apprentices progress through the four-year qualification period and graduate into Qualified Operator roles, the total number of internally qualified staff will materially increase. As the number of internal qualified staff increases, Elexicon can reduce reliance on contractors, sustain 24/7 SCC operations, support Elexicon's growing capital and maintenance programs. Near-term costs include the transitional overlap of apprentices and contractor Qualified Operators who remain engaged to maintain operational coverage until apprentices achieve qualification and assume independent shift coverage. These costs are a direct consequence of transitioning from an unsustainable contractor-dependent staffing model to a sustainable, internally qualified workforce.

e) The materials associated with the internal review are attached in PDF format to this response.

f) The "Starting Org Structure in 2025 Bridge" is the same in both Tables 2 and 3 because the this represents the planned org structure, not actual positions filled. Although nine staff departed in 2025, these departures created vacancies within the existing structure. Accordingly, the starting organizational structure remains unchanged on a position basis. Given the 2025 staffing levels and workload, over 3,300 hours of overtime were generated by Qualified Operators and Apprentices due to resourcing constraints and work volume. These costs, equivalent to approximately three additional full-time operators, were not reflected in the 2025 budget but are captured in 2025 actuals shown in Part a Table 1, above.

g) The following tables present revised versions of Tables 2 and 3 in Exhibit 10 – Tab 2- Schedule 1, showing the number of planned positions for each year from 2026 to 2031, with separate identification of qualified and apprentice operators and additional column for contracted staff support, consistent with Table 4 in Exhibit 10 – Tab 2- Schedule 1.

Table 3: Pre-Filed Evidence SCC Internal and External Staffing Planned Positions (2026 to 2031)

Year	Apprentice	Qualified Operator	Sr. System Operator	Dispatcher	Supervisor	Trainer	Analyst	Student	Qualified Operator (Contractor)
2026	6	4	1	0	2	1	1	1	0
2027	1	9	1	0	2	1	1	2	0
2028	2	9	1	0	2	1	1	2	0
2029	1	11	1	0	2	1	1	2	0
2030	1	11	1	0	2	1	1	2	0
2031	1	11	1	0	2	1	1	2	0

Table 4: Revised SCC Internal and External Staffing Planned Positions (2026 to 2031)

Year	Apprentice	Qualified Operator	Sr. System Operator	Dispatcher	Supervisor	Trainer	Training Coordinator (Contractor)	P&P Coordinator (Contractor)	Analyst	Student	Qualified Operators (Contractor)
2026	11	2	2	2	3	1	1	1	2	2	6
2027	10	5	2	2	3	2	1	1	3	3	6
2028	10	6	2	2	3	2	0	0	3	3	5
2029	10	7	2	2	3	2	0	0	3	3	4
2030	4	13	2	2	3	2	0	0	3	3	1
2031	2	15	2	2	3	2	0	0	3	3	1

h) Contractor support is not tracked on an FTE basis. The tables below represent the tables in (g) on an FTE basis for internal staff. Based on Elexicon's hiring plan and need to fill positions, the assumption is that for 2027-2031, headcount start dates will be January equating the FTE values of 1.0 for each position in each year, except for one part-time trainer that is 0.6 FTE. Elexicon used a January 1 start date as its planning assumption, as recruitment activities will be undertaken in advance to get these roles filled, and Operator Apprentices are not tied to external school completion cycles.

As 2026, is the first year of the plan, additional lead time is required to initiate recruitment and onboard new hires. While actual FTEs are lower due to timing of hires, costs will be incurred to support resourcing requirements such as contractor support and/or overtime to ensure operational needs are met. For 2027 and beyond, recruitment will be initiated in advance of each year to support start dates as close to the beginning of the year as practicable.

Table 5: Pre-Filed Evidence SCC Internal Staffing Planned FTE (2026 to 2031)

Year	Apprentice	Qualified Operator	Sr. System Operator	Dispatcher	Supervisor	Trainer	Analyst	Student
2026	6	4	1	0	2	0.6	1	1
2027	1	9	1	0	2	0.6	1	2
2028	2	9	1	0	2	0.6	1	2
2029	1	11	1	0	2	0.6	1	2
2030	1	11	1	0	2	0.6	1	2
2031	1	11	1	0	2	0.6	1	2

Table 6: Revised SCC Internal Staffing Planned FTE (2026 to 2031)

Year	Apprentice	Qualified Operator	Sr. System Operator	Dispatcher	Supervisor	Trainer	Analyst	Student
2026	11	2	2	2	3	0.6	2	2
2027	10	5	2	2	3	1.6	3	3
2028	10	6	2	2	3	1.6	3	3
2029	10	7	2	2	3	1.6	3	3
2030	4	13	2	2	3	1.6	3	3
2031	2	15	2	2	3	1.6	3	3

i) In the attachment provided as part of subpart e), above, Elexicon considered the total scale of the planned work program, and assessed its current level of Qualified Operators and its current investment plan to inform its internal review. This review also indicated that dispatchers are used as a separate role to support control room operations and manage workload, consistent with approaches reflected in other comparator utility applications, such as Toronto Hydro and Alectra.[1]

Although not determinative of resourcing needs, using a base assumption of the level of crews required to execute the planned work programs in 2027, and using an assumption that a fully Qualified Operator would be able to safely and efficiently support two to three crews, Elexicon's analysis shows a range from 15 to 22 QOs needed to adequately staff its SCC by 2031.

[1] Toronto Hydro EB-2023-0195, Exhibit 4 - Tab 2 - Schedule 5, dated December 1, 2023, and Alectra EB-2025-0252, Exhibit 4 - Tab 2 - Schedule 16, dated October 14, 2025.

Table 7: Annual Crew Complement and Associated QO Requirement (2025-2031)

Year	Internal Crews	Contractor Crews	Total Crews	Required QOs[2]
2025	18	7	25	9-13
2026	18	7	25	9-13
2027	20	16	36	12-18
2028	20	16	36	12-18
2029	20	17	37	12-18
2030	20	18	38	13-19
2031	20	24	44	15-22

Although this analysis is informative, Elexicon's assessment of Qualified Operator ("QO") resourcing was not determined strictly by a fixed crew-to-operator ratio, as system operators are not assigned to field crews on a one-to-one or proportional basis. System operator workload is influenced by the volume, concurrency, and complexity of system operations activity, and the volume of activity that a system operator can reasonably handle. QOs with more experience and familiarity with Elexicon's grid are able to handle a greater volume of activity than a newly Qualified Operator. As field activity increases, the number of switching activities, outage coordination tasks, and real-time monitoring requirements increases. However, this relationship is not linear, as simultaneous work and system complexity have a greater impact on operator workload than the number of crews alone.

Additionally, the level of QOs and apprentices required was also informed by the impact of QO departures in 2025 and 2026. Due to severe understaffing in 2025 and higher work volumes, an unprecedented level of overtime was performed by Qualified Operators and apprentices. Elexicon's revised staffing plan for the SCC is intended to ensure there is a sufficient number of Qualified Operators to a) prevent the operational risk of being unable

[2] Low end of range based on a 1:3 QO to crew ratio. High end of range based on a 1:2 QO to Crew ratio. Includes both full-time employees and contractor Qualified Operators, but excludes apprentices, who cannot fulfill all QO working requirements.

to staff its control centre due to lack of available operators, b) manage the increasing volume of operator activities required in the forecast period, and c) prevent staff burnout and improve staff retention through reducing reliance on overtime.

As such, the revised resourcing plan outlined in Exhibit 10 was informed by several factors: anticipated levels of field activity, as noted above, the level of staff required for adequate of shift coverage, the impact of understaffing on overtime hours and employee health and safety, as well as the operational risk associated with the severe depletion of Qualified Operators.

Elexicon Energy

Project SGI: System Control Center Stabilize & Growth Initiative (SGI) Options Analysis

Date: February 17, 2026

Draft - Subject to Change

Executive Summary

Phase 1 (2026): Stabilize

- **Goal**
  - Stabilize the SCC: Reduce SCC attrition risk, attract new talent, build SCC auxiliary services (i.e. apprentice training program, dispatch, etc.) to set foundation for 2027-2031
- **Summary**
  - Gradually hire 6 apprentices in 2026 to rebuild long-term Qualified Operator (QO) pipeline.
  - Maintain limited contractor usage during transition to ensure operational coverage.
  - Will continue to operate below the required QO staffing level of 11
- **Incremental OM&A Impact**:
  - $1.32 M

Phase 2 (2027 – 2031): Grow

- **Goal**
  - Grow SCC in a paced and balanced way to maintain core operations and support capital program.
- **Summary**
  - Paced hiring of apprentices (Bronze Model)
  - Grows the # of QOs from 11 (2027) to 15 (2031)
  - Reduces reliance on Contractor QOs from 6 (2027) to 1 (2031)
- **Incremental Cumulative OM&A Impact:**
  - $12.37 M

Phase 1: Stabilization Plan

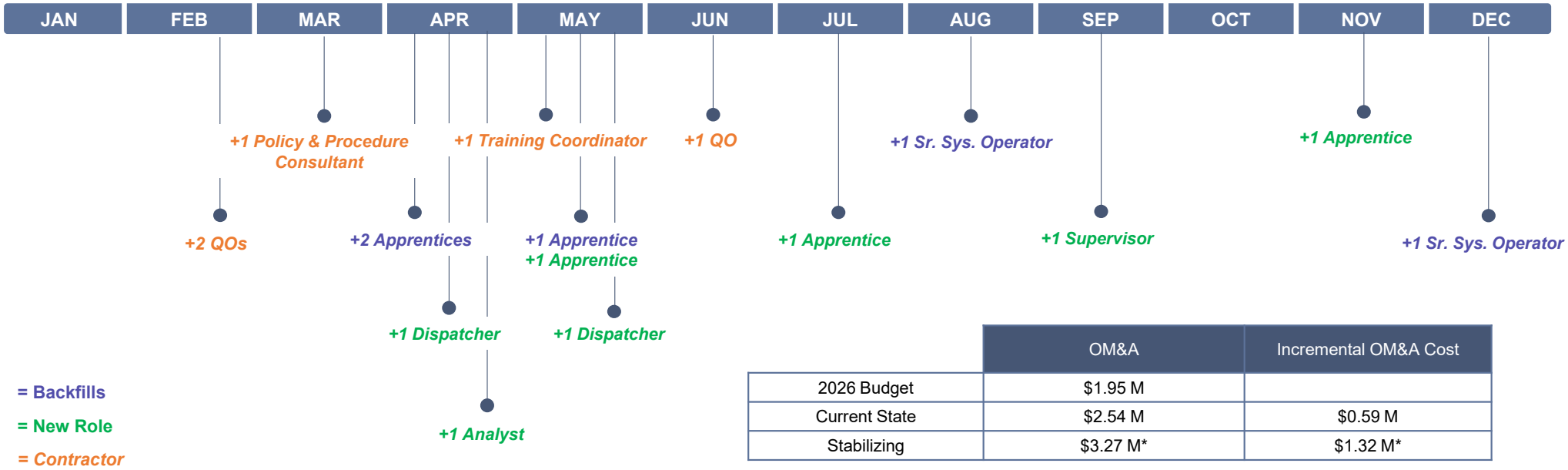
SCC Current State

	Apprentice	Qualified Operator	Sr. System Operator	Dispatcher	Supervisor	Trainer	Training Coordinator	P&P Coordinator	Analyst	Student	Contractor	Total
Current Vacancies	-4	0	-1	0	0	0	0	0	0	0	0	-5
Current Team	5	2	0	0	2	1	0	0	1	1	5	17
2026 Stabilization Additions	+6	0	+2	+2	+1	0	+1	+1	+1	+1	+1	+16
2026 Post-Stabilization Team	11	2	2	2	3	1	1	1	2	2	6	33

2026 Required Hiring Plan to Stabilize

Calendarization of the hiring was paced and the OM&A impact was reduced to ~$1.32 M.

% of resources hired to achieve 2026 SCC Stabilization Plan



	OM&A	Incremental OM&A Cost
2026 Budget	$1.95 M	
Current State	$2.54 M	$0.59 M
Stabilizing	$3.27 M*	$1.32 M*

*amount accounts for staggering in 2026 hiring plan

2026 Required Hiring Plan (18 people)								
6 Apprentices/ QOs	2 Sr. System Operators	2 Dispatchers	1 Supervisor	1 Training Coordinator	1 Analyst	1 Student	1 P&P Consultant	3 QO Contractor

- 9 net new FTEs
- 4 back-fills
- 5 contractors

Phase 2: Growth Plan

Growth Options – 2027-2031

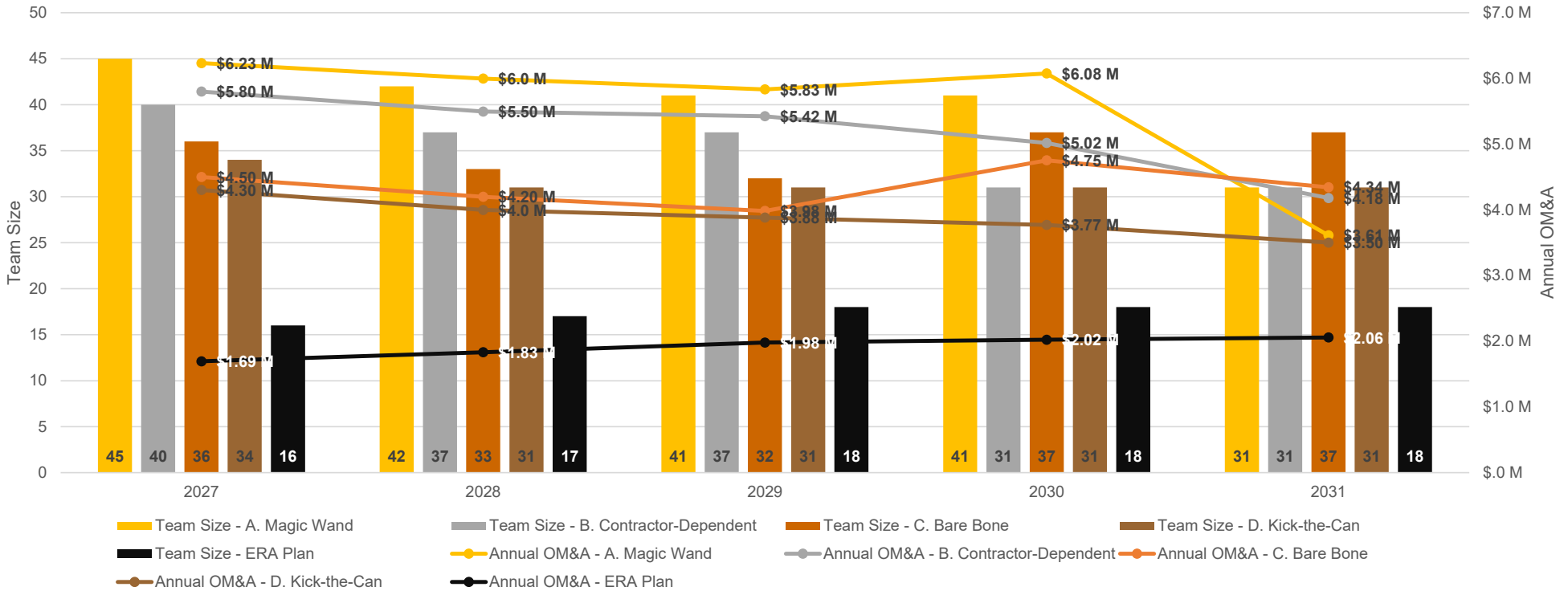
*Costs from 2027-2031
Note that QO gains in Sustainable and Baseline Models realized in 2032 and beyond.

	Option	Description	Pros	Cons
	**A. Magic Wand** • OM&A: $27.75 M* • Incr. OM&A: $18.16 M*	• **Maximum resilience, maximum cost and strain** • 17 QOs 2027 → 2031 • Apprentices hired 2027-2031: **~10** • Contractors hired 2027-2031: **6**	• Eliminates contractor reliance by 2031 • Strongest long-term resilience • Highest internal bench strength • Best supports capital program growth	• Highest early OM&A impact • Aggressive apprentice intake strains 2-trainer capacity • Higher execution risk • Significant near-term budget pressure
	**B. Contractor Dependant** • OM&A: $25.92 M* • Incr. OM&A: $16.33 M*	• **High cost, externally reliant** • 11 QOs by 2027 → 17 by 2031 • Apprentices hired 2027-2031: 0 • Contractors hired 2027-2031: 6+	• Rapid stabilization • Lower training strain • Flexible scaling • Moderate early cost impact	• Ongoing contractor dependency • Cost volatility • Weaker knowledge retention • Higher long-term structural risk
	**C. Bare Bone** • OM&A: $21.78 M* • Incr. OM&A: $12.19 M*	• **Gradual build towards FTE workforce and capital program support** • 11 QOs by 2027 → 15 by 2031 • Apprentices hired 2027-2031: ~14	• Balanced growth • Manageable training load • Reduced contractor reliance by 2031 • Smoother cost profile	• Does not reach 17 FTE • Some contractor reliance remains • Less surge capacity than Ideal
	**D. Kick the Can Down the Road** • OM&A: $19.45 M* • Incr. OM&A: $9.86 M*	• **Focus on 24/7 desk coverage** • 11 QOs by 2027 → 12 by 2031 • FTE QOs by 2031: ~9–11 • Apprentices hired 2027-2031: ~8	• Lowest internal growth cost • Easy to execute • Minimal training strain • Contractors phased out	• Limited ability to support capital program growth • Limited redundancy • Tight staffing, higher operational strain • Constrained capital support
	**E. ERA Plan** • OM&A: $9.59M*	• **ERA aligned** • 9 QOs by 2027 → 11 by 2031 • Apprentices hired 2027-2031: 2	• Lowest cost • Minimal structural change • Budget-aligned	• Under-resourced for capital program growth • Highest fatigue and operational risk • Weakest resilience

Link to table

Options Comparison: 2027-2031

	Total OM&A (2027-2031)	Incremental Cost (2027-2031)	Avg. Incremental Cost/Yr
A. Magic Wand	$27.75 M	$18.16 M	$3.63 M
B. Contractor-Dependent	$25.92 M	$16.33 M	$3.27 M
C. Bare Bone	$21.78 M	$12.19 M	$2.44 M
D. Kick-the-Can	$19.45 M	$9.86 M	$1.97 M
ERA Plan	$9.59 M	$.0 M	$.0 M



Options Comparison: Incremental Costs (2027-2031)