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**Table 2: Annual Internal Budgeted Amounts (ISA & CAPEX) excludes ICMs– Elexicon (2020 to 2025)**

Elexicon	2020	2021	2022	2023	2024*	2025
	ISA	ISA	ISA	ISA	CAPEX	CAPEX
System Access (gross)	55.2	44.7	55.8	95.1	47.7	39.8
System Access (net)	17.6	12.2	11.2	12.8	3.5	22.8
System Renewal	16.9	19.7	14.4	13.6	26.3	9.1
System Service	0.8	1.4	4.5	7.4	19.6	7.0
General Plant	6.9	12.1	13.1	6.8	13.4	20.4
Total (net)	42.3	45.4	43.2	40.6	62.8	59.3

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\*Note: Elexicon’s internal budget process transitioned to capital expenditure-based planning in 2024.



1 and are thus no longer relevant. The revised 2022-2026 in-service addition planned amounts  
2 have already been included in Elexicon's pre-filed evidence 2B - Tab 4 - Schedule 1, Table 1  
3 (page 3 of 36) along with a variance analysis for years 2020 to 2024.

4

5 b) Elexicon is unable to provide the requested information following a thorough search for  
6 same.<sup>1</sup> The individuals who were involved in preparing EB-2018-0236 are no longer with  
7 organization and their working files do not stipulate the basis for the planned amounts  
8 included in this DSP.

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<sup>1</sup> 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.



1           There is no separate RFP planned for reverification and resealing. These activities are  
2           governed by Measurement Canada requirements and are performed under existing  
3           arrangements with Measurement Canada approved laboratories.

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5       b)

6           Please see Exhibit 2B, Tab 4, Schedule 3, Appendix D, Section 4.2, which explains the drivers  
7           of Elexicon's forecast metering expenditures over 2027 to 2031 and supports the amounts in  
8           Table 7. Metering costs are not expected to decrease over this period, despite AMI 2.0  
9           beginning in 2028, because the metering segment costs are driven by mandatory regulatory  
10          requirements, customer growth, higher annual meter failure rates, and rising material and  
11          supply chain costs.

12          Metering expenditures are required to maintain compliance with Measurement Canada  
13          requirements for sampling, resealing, reverification, and replacement of meters with  
14          expiring seals. Elexicon has identified 131,267 meters with seals expiring over 2027 to 2031,  
15          including 111,638 meters requiring sampling and 19,629 requiring reverifications, and this  
16          compliance work must continue throughout the rate period.

17          The implementation of AMI 2.0 starting in 2028 does not produce an immediate reduction in  
18          metering costs because mass deployment is not expected to begin until 2029, and full  
19          deployment is not expected to be completed until 2035. As discussed in Section 3.2 and  
20          Table 4, Elexicon expects that all meters with seals expiring in 2027 to 2029 will still undergo  
21          sampling and reverification to remain compliant, and only some meters expiring in 2030 and  
22          2031 may avoid that work depending on the final AMI 2.0 rollout phasing.

23          Customer growth also increases metering costs. Elexicon forecasts average annual metered  
24          customer growth above historical levels over 2027 to 2031, compared to a historical average  
25          of 1.32%, which amounts to approximately 18,155 additional metered customers in the  
26          period and about 3,600 new meter installations per year.

1 Meter failure risk further supports continued metering expenditures. By 2027, approximately  
2 87% of Elexicon’s meter population will have reached the end of its 15-year life, and Elexicon  
3 forecasts about 1,400 to 1,500 meter failures annually during 2027 to 2031, compared to a  
4 historical average of about 1,000 failures per year.

5 Section 4.2 also indicates that projected expenses reflect rising material and supply chain  
6 costs for meters and components over time, consistent with Elexicon’s capital inflation  
7 assumptions of a weighted average inflation rate as detailed in response to 1-CCC-08(b).

8 c)

9 The following table shows the actual number of meter seals expired for 2020-2025 and the  
10 forecasted number of expired meter seals for 2026, based on Elexicon's internal metering  
11 tracking system:

12  
13 **Table 1: Actual and Forecast Number of Expired Meter Seals 2020-2026**

	<b>2020 Actual</b>	<b>2021 Actual</b>	<b>2022 Actual</b>	<b>2023 Actual</b>	<b>2024 Actual</b>	<b>2025 Actual</b>	<b>2026 Forecast</b>
Meter Seal Expiry	45,369	7,467	4,018	40,306	3,866	4,212	36,197

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15 These values reflect the number of meters whose seals reached their expiry date in each  
16 year and therefore required either sampling and reverification or replacement in accordance  
17 with Measurement Canada requirements. Elexicon tracks these expiries using the same data  
18 and methodology applied to identify the 131,267 meter seal expiries in 2027–2031 that are  
19 summarized in Table 1 and Table 4 of Exhibit 2B, Tab 4, Schedule 3, Appendix D.

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21 d)

22 i.) As outlined in Exhibit 2B, Tab 4, Schedule 3, Appendix D, Section 4.3, Elexicon has not yet  
23 issued a formal RFP for the rollout of AMI 2.0. To inform the AMI 2.0 cost estimate, Elexicon  
24 engaged existing vendors and other utilities, including gathering preliminary meter pricing

1 from its two current meter vendors and receiving high-level estimates for the required  
2 communication infrastructure and the transition to a single head-end system.

3 The total forecast AMI 2.0 capital spend for 2027-2031 is \$21.39 million, with forecast annual  
4 capital of \$0.47 million in 2028, \$6.90 million in 2029, \$7.06 million in 2030, and \$6.97  
5 million in 2031, and the rollout continuing out to 2035. Based on the forecasted 2031 meter  
6 population and an estimated 194,000 meters eligible to be upgraded to AMI 2.0, Elexicon  
7 anticipates replacing approximately 83,400 meters, representing about 43% of the eligible  
8 population, during the 2027-2031 period.

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10 ii.) An AMI 2.0 business case is currently being developed to support the consultant selection  
11 and vendor procurement process. Elexicon is targeting to have this business case finalized in  
12 mid-July and will make this available to the parties in this proceeding in advance of currently  
13 scheduled settlement conference dates.

14  
15 Elexicon plans to issue two sequential RFPs beginning in 2027–2028:

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17 • **Consultant selection RFP:** To retain a consultant to develop and administer the AMI  
18 2.0 vendor selection RFP, support the test area planning activities starting in 2028,  
19 and provide project management and execution support throughout the deployment  
20 period.
- 21  
22 • **AMI 2.0 vendor selection RFP:** To competitively procure an end-to-end AMI 2.0  
23 solution that meets Elexicon’s functional, technical, and regulatory requirements,  
24 including a single head-end system and upgraded communications infrastructure.

25  
26 The two-stage RFP structure is intended to leverage specialized consultant expertise in  
27 procurement and project management while ensuring a competitive, transparent process for  
28 selecting the AMI 2.0 solution.

29

- 1   iii.) As outlined in Exhibit 2B, Tab 4, Schedule 3, Appendix D, Section 5.2, Elexicon considered  
2       three deployment options for AMI 2.0:  
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- 4           • Option 1 (recommended): an eight-year deployment from 2028 to 2035, with a total  
5           capital cost of approximately \$51 million.
  - 6           • Option 2: a complete AMI 2.0 deployment by the end of 2031, which entails the  
7           same anticipated total cost as Option 1, but with a higher annual capital expenditure  
8           to expedite full deployment.
  - 9           • Option 3: no AMI 2.0 rollout and no transition to a single head-end system. This  
10          scenario would entail replacing only aging and failed meters, with an estimated  
11          capital cost of about \$15.75 million by 2035, in addition to anticipated higher  
12          ongoing metering costs related to continued reverification, failures, and dual-system  
13          operation.  
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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:**

- a) Please refer to Table 1 below for the updated proposed disposition, incorporating 2025 forecast (2025 balance will be finalized in June 2026 upon corporate tax filing) and the passage of Bill C-15:

**Table 1: 1592 PILS and Tax Variances – CCA Changes (\$)**

	Year	CCA without AIPP	CCA with AIPP	Difference	Tax Rate	PILS Impact	Grossed Up-PILS	Carrying Charge	Total Claim
Actual	2018	23,214,061	23,661,828	447,767	26.50%	118,658	161,440		(161,440)
Actual	2019	23,202,892	26,026,326	2,823,433	26.50%	748,210	1,017,972		(1,017,972)
Actual	2020	26,082,594	29,341,725	3,259,131	26.50%	863,670	1,175,061		(1,175,061)
Actual	2021	27,741,864	31,238,675	3,496,811	26.50%	926,655	1,260,755		(1,260,755)
Actual	2022	30,902,378	38,070,660	7,168,282	26.50%	1,899,595	2,584,483		(2,584,483)
Actual	2023	33,426,972	36,182,881	2,755,909	26.50%	730,316	993,627		(993,627)
Actual	2024	33,676,817	32,539,027	-1,137,789	26.50%	(301,514)	(410,223)		410,223
Forecast	2025	35,940,961	41,948,377	6,007,415	26.50%	1,591,965	2,165,939		(2,165,939)
Forecast	2026	37,352,340	37,210,070	-142,270	26.50%	(37,702)	(51,295)		51,295
Carrying Charges								1,196,980	(1,196,980)
							<b>8,897,759</b>	<b>1,196,980</b>	<b>(10,094,739)</b>

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2 b) and c) Please refer to the attached Excel file 9-SEC-98(1)\_Account 1592 Sub Account CCA  
3 Changes-Bill C-15. The calculation for 2025 has been updated based on the 2025 tax  
4 provision, including updates for Bill C-15.

5

6 d) Confirmed that the total claim for 2018 is a credit.



1 the factors that may have contributed to an employee's decision to leave. While the specific  
2 details shared in these discussions are treated with confidentiality, higher compensation was  
3 identified as one of the contributing factors influencing these departures.

