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June 22, 2026

RESS & EMAIL

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Attention: Richie Murray, Registrar

Dear Mr. Murray:

Re: EB-2025-0312: Elexicon Energy Inc. (“Elexicon”) 2027-2031 Custom Rate Application for Electricity Distribution Rates (the “Application”)– Reply Evidence Request

We are counsel for Elexicon in the above-noted proceeding. We are writing to request that Elexicon be permitted to file reply evidence in response to the two lengthy reports from OEB Staff’s expert consultant, Pacific Economics Group (“PEG”) dated May 22, 2026 (the “PEG Reports”) and PEG’s related responses to interrogatories that were just delivered this past Friday, June 19, 2026.

Having reviewed the PEG Reports and interrogatory responses, and consulted with its expert Clearspring Energy Advisors (“Clearspring”), Elexicon has determined that it is necessary to deliver reply evidence. The PEG Reports and interrogatory responses present new research and analyses conducted by PEG, and raise new issues regarding Elexicon’s proposed custom incentive rate-setting (“CIR”) framework. In the first report,¹ PEG provides its own “alternative econometric models” for each of OM&A, capital and total cost benchmarking (relying on PEG’s own data), and presents new Ontario industry productivity trend research in support of a proposal by PEG regarding the “X-factor” element of Elexicon’s CIR framework. Both PEG Reports also raise several new issues and proposals regarding the CIR framework and related principles, such as challenging the framework’s use of cost forecasts (in the second report²).

To respond to the new matters raised in the PEG Reports and interrogatory responses, Elexicon is requesting leave, under Rule 13.02 of the OEB’s *Rules of Practice and Procedure* (the “Rules”), to file reply evidence, including a reply report from Clearspring. We briefly address below the factors for consideration of this request per Rule 13.03.

¹ PEG, *Statistical Cost Research for the Elexicon Energy CIR Plan* (May 22, 2026).

² PEG, *Issues in the Design of the New Elexicon Energy CIR Framework* (May 22, 2026).

The proposed reply evidence is both relevant and material because the evidence will be in direct response to the PEG Reports and will relate to key parameters of the proposed CIR framework. These are central to Elexicon's Application, as the CIR framework will be used to determine rates and revenues over the rate term. The reply evidence will be focused, responding only to the new matters and issues raised by PEG in respect of the cost benchmarking models and research, productivity research, and CIR framework considerations.

Additionally, Elexicon's right to deliver this reply evidence is a key aspect of the duty of procedural fairness.³ Elexicon needs to be able to fully present its case in support of its proposed rate framework, and this reply evidence will be part of its case on which it relies. Further, Elexicon's reply evidence will: (i) provide proper notice to OEB Staff, PEG and intervenors of the content of Clearspring's evidence in response to PEG's new evidence, so they can properly prepare for the hearing; (ii) meet the requirements in the *Rules* for expert evidence to be set out in a written report; and, (iii) provide relevant evidence to complete the record on the rate framework issue, enabling the OEB to fully consider and adjudicate this aspect of the Application on its merits, consistent with the OEB's *Rules*.

We also note that the OEB has permitted this same type of reply evidence to be filed by other applicants in a number of prior and recent rate applications, including permitting the filing of reply reports from Clearspring in response to PEG reports.⁴

Elexicon proposes to deliver its reply evidence in a manner that will not impact the remaining timelines for this proceeding, including the Settlement Conference commencing July 27, 2026. We have asked Clearspring to complete its reply report as soon as possible. Elexicon proposes to deliver its reply evidence no later than July 10, 2026.

We also note that this request to file reply evidence is without prejudice to Elexicon's position regarding the propriety of certain portions of the PEG Reports. Elexicon reserves its right to subsequently address this issue if and as need be.

For the above reasons, Elexicon respectfully requests that the OEB permit the filing of the proposed reply evidence in these circumstances. If you have any questions or require any additional information regarding this request, please let us know.

Yours Truly,

D. Coban

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cc: All Parties
Erin Stevens, Elexicon Energy Inc.

³ See for example, Robert W. Macaulay, James L.H. Sprague and Lorne Sossin, *Practice and Procedure Before Administrative Tribunals* (Toronto Carswell, 2004, loose-leaf updated 2021, release 9), WP: 303, Natural Justice; and the case law cited there.

⁴ See by way of example: EB-2018-0165, EB-2019-0082, EB-2021-0110, EB-2023-0195, and EB-2025-0252.