

E.L.K. Energy Inc.
2027 Cost of Service Rate Application
Exhibit 3
Customer and Load Forecast





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3.1 Load Forecast Overview

3.1.1 Introduction

This Exhibit presents supporting evidence detailing E.L.K.'s forecast of customers, energy and load, and variance analyses related to these items.

E.L.K. has prepared a Load Forecast Model (the "Model") consistent with its understanding of the Chapter 2 Filing Requirements for Electricity Distribution Rate Applications. A copy of the Model has been filed in live Excel format as: ELK_2027_COS_Load_Forecast_Model_20260828.

E.L.K. has also completed Appendix 2-IB of the Chapter 2 Appendices, included as live Excel file: ELK_2027_Chapter 2_Appendices_20260828.

A summary of the 2027 load forecast is provided in Table 16 below.

3.2 Weather Normalized Load and Customer/Connection Forecast

The purpose of this evidence is to present the process used by E.L.K. to prepare the weather normalized load and customer/connection forecast used to design the proposed 2027 electricity distribution rates.

E.L.K. used a multivariate regression analysis consistent with numerous previous Cost of Service ("COS") applications approved by the Ontario Energy Board ("OEB") over the past two decades. The regression analysis includes actual data to the end of 2025 and relies on statistically valid independent variables to forecast future results.

Based on the OEB's approval of this methodology in numerous previous COS applications,¹ E.L.K. submits the load forecasting methodology is reasonable for the purposes of this Application.

Table 1, Table 2, and Table 3 below provide the weather normalized load and customer/connection actual / forecast data used by E.L.K. in this Application.

¹ e.g. EB-2023-0033, EB-2023-0045, EB-2023-0053, EB-2024-0007, EB-2024-0008, EB-2024-0023, EB-2024-0039, EB-2024,0058, EB-2025-0044.



Table 1 – Summary of Load and Customer Forecast

Year	Billed Actual (GWh)	Growth (GWh)	Billed Weather Normal (GWh)	Growth (GWh)	Customer/ Connection Count	Growth (Customer/ Connection Count)
Billed Energy (GWh) and Customer Count/Connections						
2022 OEB-Approved	244.8				15,591	
2016	238.7		233.73		14,740	
2017	219.8	(18.8)	223.16	(10.6)	14,754	14.0
2018	246.4	26.6	242.55	19.4	15,073	318.5
2019	242.9	(3.5)	242.36	(0.2)	15,359	286.0
2020	239.1	(3.8)	237.72	(4.6)	15,524	165.0
2021	242.8	3.7	240.47	2.8	15,635	111.8
2022	237.9	(4.9)	235.77	(4.7)	15,676	40.9
2023	234.1	(3.8)	242.72	6.9	15,750	74.3
2024	239.6	5.5	243.58	0.9	15,825	74.1
2025	237.6	(2.0)	236.63	(6.9)	15,889	64.5
2026 Bridge			240.43	3.8	15,989	100.3
2027 Test			241.42	1.0	16,090	101.0

The information in the Table above provides weather actual from 2016 to 2025 and weather normalized data from 2016 to 2027. For 2016 to 2025, the weather normal values are the actual values adjusted by the weather normal conversion factor outlined in Table 5. The weather conversion factor is determined consistent with the approach outlined by the OEB in Appendix 2-IA. For 2026 and 2027, the forecasted billed GWh are presented on a weather normal basis.

Table 2 provides the historical billed amounts on an actual and weather normalized basis by rate class using the weather normal conversion factor from Table 5. The forecasted billed amounts for 2026 and 2027 are also provided by rate class. Customer/Connection values are presented on an average basis throughout this evidence, and Sentinel Lighting, Street Lighting, and Unmetered Scattered Loads (“USL”) are measured as connections.

Table 2 – Billed Energy by Rate Class

Year	Residential	General Service < 50 kW	General Service > 50 kW	Embedded Distributor	Unmetered Scattered Load	Sentinel Lighting	Street Lighting	Total
Billed Energy (GWh) - Actual								
2016	91.5	28.3	59.1	57.8	0.3	0.2	1.6	238.7
2017	86.5	27.2	47.4	56.8	0.3	0.2	1.4	219.8
2018	94.5	28.7	59.8	61.7	0.2	0.1	1.3	246.4
2019	92.5	28.3	59.6	60.7	0.2	0.1	1.4	242.9
2020	98.3	26.4	52.0	60.7	0.2	0.1	1.3	239.1
2021	106.4	27.4	56.5	50.9	0.2	0.1	1.3	242.8
2022	105.8	29.7	55.7	45.0	0.2	0.1	1.3	237.9
2023	96.5	28.8	59.8	47.4	0.2	0.1	1.2	234.1
2024	101.4	30.8	59.4	46.5	0.3	0.1	1.2	239.6
2025	104.7	32.0	57.5	41.9	0.2	0.1	1.2	237.6
Billed Energy (GWh) - Weather Normal								
2022 OEB-Approved	104.8	27.6	59.9	50.9	0.2	0.1	1.3	244.8
2016	89.6	27.7	57.8	56.6	0.3	0.2	1.6	233.7
2017	87.8	27.6	48.2	57.7	0.3	0.2	1.4	223.2
2018	93.0	28.2	58.8	60.7	0.2	0.1	1.3	242.6
2019	92.3	28.3	59.5	60.5	0.2	0.1	1.4	242.4
2020	97.7	26.3	51.7	60.3	0.2	0.1	1.3	237.7
2021	105.3	27.1	56.0	50.4	0.2	0.1	1.3	240.5
2022	104.9	29.4	55.2	44.6	0.2	0.1	1.3	235.8
2023	100.0	29.9	62.0	49.2	0.3	0.1	1.2	242.7
2024	103.0	31.3	60.4	47.3	0.3	0.1	1.2	243.6
2025	104.2	31.8	57.2	41.8	0.2	0.1	1.2	236.6
2026 Bridge	106.4	32.6	57.9	41.9	0.2	0.1	1.2	240.4
2027 Test	107.1	32.8	57.9	41.9	0.2	0.1	1.2	241.4

Table 3 shows the historical and forecasted number of customers/connections by rate class along with the historical usage per customer/connection on an actual and weather normalized basis. The 2026 and 2027 forecasted usage per customer is also provided on a weather normalized basis.

Following a data review, E.L.K. determined the following historical data adjustments were required to ensure the accuracy of the 2027 load forecast:

- **Customers:**
 - o **Residential:** The 2021 Residential customer count was adjusted to be the average of the 2020 and 2022 values to ensure accurate trending year-over-year.
 - o **General Service < 50 kW:** It was determined that the previously reported General Service < 50 customer counts for historical years prior to 2025 included Unmetered Scattered Load connections, which were therefore removed from the data for the 2016-2024 period to avoid double-counting. The General Service < 50 reported RRR data also includes microFIT

accounts, which while representing valid active accounts, are also required to be removed for purposes of load forecasting, as these accounts receive their own separate Fixed Service Charge per E.L.K.'s Tariff of Rates and Charges.

- o **General Service > 50 kW:** 2023 and 2024 values were adjusted to be the average of 2022 and 2025 values to ensure accurate trending year-over-year.
- o **Sentinel Lighting:** It was determined that the actual number of Sentinel Lighting connections used for billing purposes is materially higher than the number of connections approved in the 2022 COS and reported in the historical RRR. For the purpose of load forecasting, the number of Sentinel Lighting connections has therefore been updated from 17 to 73, reflecting the average number of Sentinel Lighting connections that were billed the monthly service charge in 2025.
- **kW:**
 - o **Embedded Distributor:** 2023 value was adjusted to be average of 2022 and 2024 values to ensure accurate trending year-over-year.
 - o **Sentinel Lighting:** 2023 value was adjusted to be average of 2022 and 2024 values to ensure accurate trending year-over-year.

Table 3 – Number of Customers / Connections and Annual Normalized Usage by Rate Class

Year	Residential	General Service < 50 kW	General Service > 50 kW	Embedded Distributor	Unmetered Scattered Load	Sentinel Lighting	Street Lighting	Total
Number of Customers/Connections								
2022 OEB-Approved	11,107	1,201	102	6	31	17	3,127	15,591
2016	10,277	1,283	102	6	30	73	2,970	14,740
2017	10,375	1,225	114	6	31	73	2,932	14,754
2018	10,660	1,237	111	6	32	73	2,955	15,073
2019	10,923	1,237	96	6	32	73	2,992	15,359
2020	11,020	1,252	98	6	32	73	3,043	15,524
2021	11,096	1,236	101	6	32	73	3,092	15,635
2022	11,136	1,199	98	6	31	73	3,133	15,676
2023	11,214	1,174	92	6	30	73	3,162	15,750
2024	11,299	1,170	90	6	29	73	3,158	15,825
2025	11,355	1,179	89	6	29	73	3,159	15,889
2026 Bridge	11,423	1,188	89	6	28	73	3,182	15,989
2027 Test	11,491	1,197	89	6	28	73	3,206	16,090
Actual Annual Energy Usage per Customer/Connection (kWh per Customer/Connection)								
2016	8,901	22,070	581,793	9,637,313	8,569	2,105	534	
2017	8,341	22,236	418,061	9,473,902	8,376	2,093	464	
2018	8,867	23,195	541,068	10,280,109	7,909	2,049	457	
2019	8,467	22,917	621,171	10,111,055	7,715	1,982	452	
2020	8,921	21,094	531,098	10,111,055	7,715	1,945	422	
2021	9,585	22,145	559,849	8,476,578	7,879	1,886	409	
2022	9,504	24,738	568,143	7,503,438	8,014	1,897	406	
2023	8,602	24,548	653,643	7,905,968	8,295	1,873	376	



2024	8,971	26,296	659,746	7,753,032	8,650	1,880	378
2025	9,218	27,112	645,699	6,990,581	8,104	1,606	380
Normalized Annual Energy Usage per Customer/Connection (kWh per Customer/Connection)							
2022 OEB-Approved	9,435	22,979	586,395	8,476,578	8,027	8,101	409
2016	8,717	21,613	569,757	9,437,947	8,391	2,062	523
2017	8,467	22,574	424,420	9,618,011	8,503	2,125	471
2018	8,728	22,831	532,559	10,118,446	7,785	2,017	449
2019	8,449	22,868	619,848	10,089,517	7,699	1,977	452
2020	8,869	20,972	528,020	10,052,449	7,670	1,934	419
2021	9,494	21,933	554,489	8,395,424	7,803	1,868	405
2022	9,421	24,521	563,153	7,437,532	7,944	1,880	402
2023	8,918	25,451	677,690	8,196,827	8,600	1,942	389
2024	9,120	26,732	670,698	7,881,738	8,794	1,911	384
2025	9,181	27,003	643,108	6,962,534	8,071	1,600	378
2026 Bridge	9,318	27,408	650,825	6,990,581	8,104	1,606	380
2027 Test	9,323	27,422	651,077	6,990,581	8,104	1,606	380

3.2.1 Load Forecast Methodology

E.L.K.'s weather normalized load forecast is developed through a three-step process.

- First, a total system weather normalized purchased energy forecast is developed based on a multivariate regression model that incorporates historical load, weather, and other variables that impact electricity usage.
- Second, the weather normalized purchased energy forecast is adjusted by a loss factor to produce a weather normalized billed energy forecast.
- Finally, the forecast of billed energy by rate class is developed based on a forecast of customer/connections numbers and the 2025 usage patterns per customer/connection.

For the rate classes that have weather-sensitive load, their forecasted billed energy is adjusted to ensure that the total billed energy forecast by rate class is equivalent to the total weather normalized billed energy forecast that has been determined from the regression analysis. The forecast of customers by rate class is determined using a geometric mean analysis. For those rate classes that use kW for the distribution volumetric billing determinant, a conversion factor is applied to the class energy forecast based on the historical relationship between kW and kWh.

Consistent with the OEB's Chapter 2 Filing Requirements and past practice, E.L.K. has prepared this forecast on the basis of ten years of historical data and submits this to be sufficient for the purpose of its load forecast and this Application.

3.2.2 Purchased kWh Load Forecast



An equation to predict total system purchased energy is developed using a multivariate regression model with the independent variables outlined below. The regression model uses monthly Power Purchases (kWh), which includes Wholesale Power Purchased (total of kWh and Generation), as the dependent variable and monthly values of independent variables from January 2016 to December 2025 to determine the monthly regression coefficients.

With regard to weather normalization, E.L.K. has reviewed the impact of weather over the past ten years from January 2016 to December 2025. The average weather conditions over this period are applied in the prediction formula to determine a weather normalized forecast for 2027.

3.2.3 Modelled Variables

The independent variables used in the multivariate regression model are designed to provide a reasonable and statistically valid coverage of the drivers of electricity use by E.L.K.'s customers. E.L.K. utilized the following variables:

- Customers
- Days in month
- Spring/Fall flag
- Weather (Heating and Cooling Degree Days)

E.L.K. did not include a variable for Electricity Demand Side Management ("eDSM") nor were any explicit eDSM adjustments made to the forecast, as the impacts of existing eDSM programs implemented are included in the historical results. E.L.K. tested the inclusion of a COVID-19 variable; however, the results were not statistically significant to warrant inclusion in the load forecast.

Customers

The total number of customers were used as an independent variable in the regression analysis, including the Residential, General Service < 50, General Service > 50, and Embedded Distributor rate classes, and excluding Street Lighting, Sentinel Lighting, and USL connections.

Days in Month

E.L.K. used the calendar-based number of days in the month in the regression analysis as an independent variable.



Spring/Fall Flag

The Spring/Fall flag identifies spring or fall months in a calendar year and helps to capture energy use impacted by these seasons. This variable was set to 1 for March-May and October-November of each year, with all other months set to 0.

Weather Conditions

Weather impacts on load are apparent in both the winter heating season and in the summer cooling season. For that reason, E.L.K. has included both Heating Degree Days and Cooling Degree Days variables in the regression analysis.

Weather data is measured in degrees Celsius by the Windsor Airport weather station as reported by Environment Canada. The 10-year average monthly values were used in generating forecast values.

3.2.4 Results

The following outlines the prediction model used by E.L.K to predict weather normal purchases for the 2027 Test Year.

E.L.K.'s Monthly Predicted kWh Purchases:

= Intercept of (19,602,713)
+ Customers * 1,120
+ Days in Month * 771,782
+ Spring/Fall Flag * (1,553,654)
+ Heating Degree Days * 6,307
+ Cooling Degree Days * 53,595

The monthly data used in the regression model and the resulting monthly prediction for the actual and forecasted years are provided in the Load Forecast Model filed in live Excel format with this Application as file:

ELK_2027_COS_Load_Forecast_Model_20260828.

The prediction formula has the following statistical results which indicate the formula has a very good fit to the actual data set.



Table 4 – Statistical Results

Multiple R	95.70%
R Square	91.58%
Adjusted R Square	91.21%
F Test	248.12
Durbin-Watson	0.89
MAPE	4.15%
T-Stats by Coefficient	
Customers	4.64
Days in Month	7.31
Spring/Fall Flag	-7.23
HDD	11.14
CDD	18.81
Constant	-4.56

The annual results of the above prediction formula compared to the actual annual purchases from 2016 to 2025 are shown below in Table 5, along with the predicted total system purchases for E.L.K. for 2026 and 2027 on a weather normal basis.

Information is also provided to show the Weather Normal Conversion Factor which is used to weather normalize actual 2016 to 2025 volume data. In Table 5, the Predicted Weather Normal values are similar to the Predicted amounts, but the weather normalized heating degree days and cooling degree days used to determine the Weather Normal forecast for 2026 and 2027 are used in the prediction formula in place of actual heating degree days and cooling degree days. The ratio of Predicted Weather Normal to Predicted values results in a Weather Normal Conversion Factor. This factor is applied to the Actual amount which results in the Actual Weather Normal value. E.L.K. relied on the Weather Conversion Factors presented below to derive Weather Normal Consumption (kWh) for the purpose of completing Appendix 2-IB in the OEB Chapter 2 Appendices, however E.L.K. has not converted Demand (kW) into Weather Normal using these same conversion factors, as it is not known that variances in consumption driven by monthly weather variances can be appropriately inferred to impact peak demand in equal proportions for the demand-billed rate classes.



Table 5 – Total System Purchases

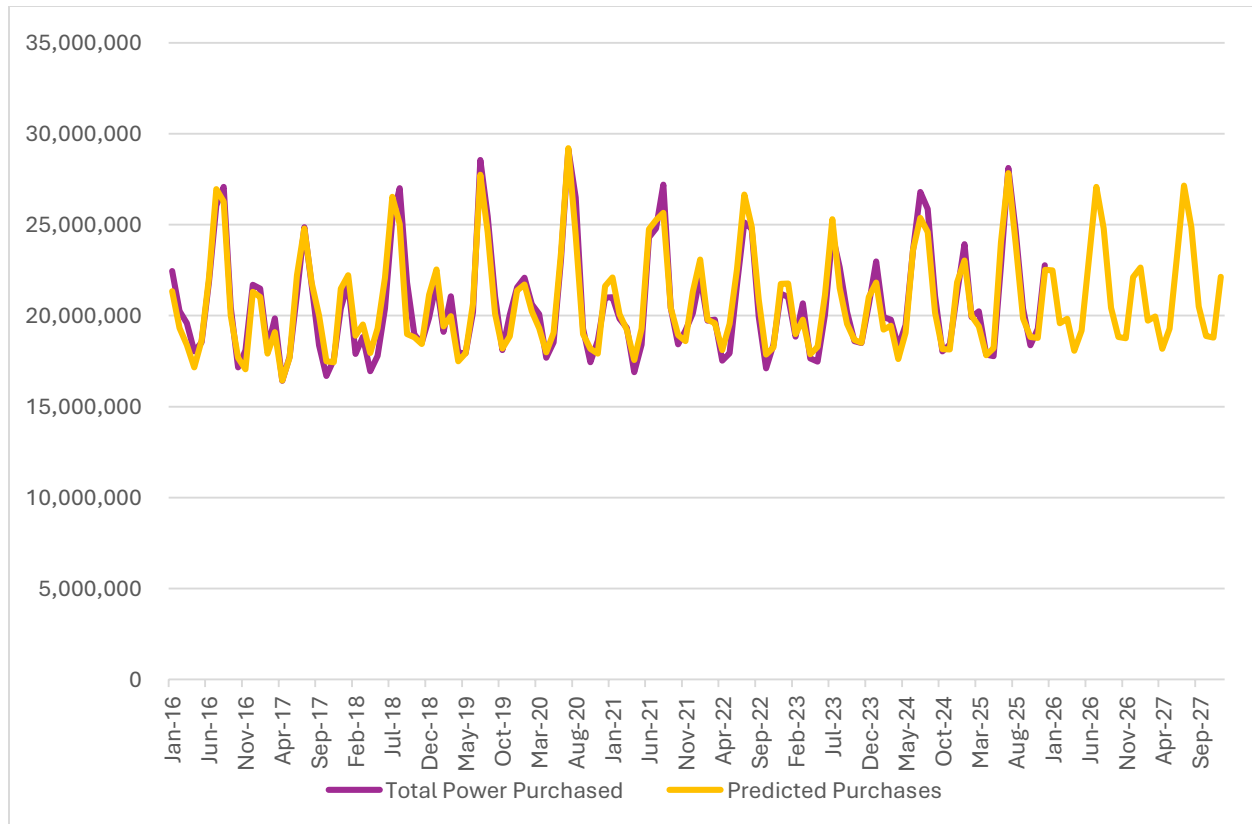
Year	Actual	Predicted	% Difference	Predicted Weather Normal	Weather Normal Conversion Factor	Actual Weather Normal
2016	251.28	246.21	-2.02%	241.11	0.98	246.08
2017	234.50	237.42	1.24%	241.03	1.02	238.07
2018	245.16	248.90	1.52%	244.98	0.98	241.31
2019	252.87	248.85	-1.59%	248.32	1.00	252.33
2020	254.00	252.09	-0.75%	250.63	0.99	252.52
2021	249.88	253.14	1.30%	250.71	0.99	247.49
2022	245.38	252.93	3.08%	250.71	0.99	243.22
2023	240.74	242.41	0.70%	251.33	1.04	249.59
2024	255.43	249.03	-2.50%	253.17	1.02	259.67
2025	256.03	254.28	-0.69%	253.26	1.00	255.01
2026 Bridge		254.30		254.30	1.00	
2027 Test		255.35		255.35	1.00	

The weather normalized amount for 2027 is determined by using 2027 independent variables in the prediction formula on a monthly basis along with the average monthly heating degree days and cooling degree days which have occurred from January 2016 to December 2025 (i.e. 10-year average weather).

Figure 1 below shows the variance between the modeled purchases and the historical purchases. As shown, the pattern in the forecast years shows a very similar and expected pattern.



Figure 1 – Forecasted Purchases (kWh)



3.2.5 Billed kWh Load Forecast

To determine the total weather normalized energy billed forecast, the total weather normalized purchases forecast is adjusted by a historical loss factor. The historical loss factor used is 5.8%. With this loss factor the total weather normalized billed energy will be 240.4 GWh for 2026 and 241.4 GWh for 2027.

3.2.6 Billed kWh Load Forecast and Customer/Connection Forecast by Rate Class

Once the total weather normalized billed energy amount is known, this amount needs to be distributed by rate class for rate design purposes taking into consideration the



customer/connection forecast and expected usage per customer/connection by rate class.

The next step in the forecasting process is to determine a customer/connection forecast. The customer/connection forecast begins with review of historical customer/connection data as shown below in Table 6.

Table 6 – Historical Customers / Connections (Average)

Year	Residential	General Service < 50 kW	General Service > 50 kW	Embedded Distributor	Unmetered Scattered Load	Sentinel Lighting	Street Lighting	Total
Number of Customers/ Connections								
2020	11,020	1,252	98	6	32	73	3,043	15,524
2021	11,096	1,236	101	6	32	73	3,092	15,635
2022	11,136	1,199	98	6	31	73	3,133	15,676
2023	11,214	1,174	92	6	30	73	3,162	15,750
2024	11,299	1,170	90	6	29	73	3,158	15,825
2025	11,355	1,179	89	6	29	73	3,159	15,889

From the historical customer/connection data, the growth rate in customers/connections can be evaluated, which is provided in Table 7. To establish an average annual growth factor, a 5-year geometric mean has been used for all rate classes (except for the two General Services rate classes) as this period of time is reflective of recent growth trends and E.L.K.'s forward looking expectation regarding customer/connection growth for most rate classes. The General Service < 50 forecast is based on the 2025 growth rate, utilizing E.L.K. management's expectations regarding growth in the Bridge and Test Years. For the General Service > 50 rate class, customer growth is assumed to be zero, as E.L.K. management expects the number of customers in this rate class to remain stable, rather than continue a slight declining trend.

Table 7 – Growth Rate in Customers / Connections

Year	Residential	General Service < 50 kW	General Service > 50 kW	Embedded Distributor	Unmetered Scattered Load	Sentinel Lighting	Street Lighting
Growth Rate in Customers/Connections							
2022	0.36%	-3.00%	-2.97%	0.00%	-1.59%	0.00%	1.34%
2023	0.70%	-2.06%	-6.63%	0.00%	-3.23%	0.00%	0.93%
2024	0.76%	-0.37%	-1.64%	0.00%	-3.33%	0.00%	-0.13%
2025	0.50%	0.77%	-1.11%	0.00%	0.00%	0.00%	0.02%
Geometric Mean	0.60%	0.77%	0.00%	0.00%	-1.95%	0.00%	0.75%

The growth factor is applied to the 2025 customer numbers to determine the forecast of customers/connections for 2026. The factor is then applied again to the 2026 forecast to determine the 2027 forecast. E.L.K. has applied this methodology to all rate classes.

Table 8 outlines the forecast of customers/connections by rate class for the 2026 Bridge Year and 2027 Test Year.



Table 8 – Customer / Connection Forecast

Year	Residential	General Service < 50 kW	General Service > 50 kW	Embedded Distributor	Unmetered Scattered Load	Sentinel Lighting	Street Lighting	Total
Forecast Number of Customers/Connections								
2026 Bridge	11,423	1,188	89	6	28	73	3,182	15,989
2027 Test	11,491	1,197	89	6	28	73	3,206	16,090

The next step in the process is to review the historical customer/connection usage and to reflect this usage per customer in the forecast. Table 9 below provides the average annual usage per customer by rate class for 2025.

Table 9 – 2025 Actual Annual Usage Per Customer

Year	Residential	General Service < 50 kW	General Service > 50 kW	Embedded Distributor	Unmetered Scattered Load	Sentinel Lighting	Street Lighting
Annual kWh Usage per Customer/Connection							
2025	9,218	27,112	645,699	6,990,581	8,104	1,606	380

The 2026 and 2027 forecast of usage per customer/connection have been held constant at the 2025 level since the usage per customer/connection has generally been stable or declining in most rate classes, which may reflect the impact of conservation programs over these years. Since explicit adjustments for incremental conservation programs have not been made for 2026 and 2027, additional usage decline has not been incorporated into the forecast. The resulting usage forecast is as follows in Table 10.

Table 10 – Forecast Annual kWh Usage Per Customer / Connection

Year	Residential	General Service < 50 kW	General Service > 50 kW	Embedded Distributor	Unmetered Scattered Load	Sentinel Lighting	Street Lighting
Forecast Annual kWh Usage per Customer/Connection							
2026 Bridge	9,218	27,112	645,699	6,990,581	8,104	1,606	380
2027 Test	9,218	27,112	645,699	6,990,581	8,104	1,606	380

The preceding information is used to determine the non-normalized weather billed energy forecast by applying the forecast number of customers/connections from Table 8 by the forecast of annual usage per customer/connection from Table 10. The resulting non-normalized weather billed energy forecast is shown in the following Table 11.



Table 11 – Non-Normalized Weather Billed Energy Forecast

Year	Residential	General Service < 50 kW	General Service > 50 kW	Embedded Distributor	Unmetered Scattered Load	Sentinel Lighting	Street Lighting
Non-Normalized Weather Billed Energy Forecast (GWh)							
2026 Bridge	105.29	32.21	57.47	41.94	0.23	0.12	1.21
2027 Test	105.92	32.46	57.47	41.94	0.23	0.12	1.22

The non-normalized weather billed energy forecast has been determined, but this needs to be adjusted to align with the total weather normalized billed energy forecast mentioned above of 240.4 GWh for 2026 and 241.4 GWh for 2027.

The difference between the non-normalized and normalized forecast is assumed to be the adjustment to move the forecast to a weather normal basis, and this amount will be assigned to those rate classes that are weather sensitive. Table 12 below presents the weather sensitivity by rate class.

Table 12 – Weather Sensitivity by Rate Class

Residential	General Service < 50 kW	General Service > 50 kW	Embedded Distributor	Unmetered Scattered Load	Sentinel Lighting	Street Lighting
Weather Sensitivity						
78.53%	78.53%	57.07%	0.00%	0.00%	0.00%	0.00%

The difference between the non-normalized and normalized forecast has been assigned on a pro-rata basis to each rate class based on the above level of weather sensitivity. The following Table 13 outlines how the rate classes have been adjusted to align the non-normalized forecast with the normalized forecast.

Table 13 – Alignment of Non-Normal to Weather Normal Forecast

Year	Residential	General Service < 50 kW	General Service > 50 kW	Embedded Distributor	Unmetered Scattered Load	Sentinel Lighting	Street Lighting	Total
Non-normalized Weather Billed Energy Forecast (GWh)								
2026 Bridge	105.29	32.21	57.47	41.94	0.23	0.12	1.21	238.47
2027 Test	105.92	32.46	57.47	41.94	0.23	0.12	1.22	239.35
Weather Adjustment (GWh)								
2026 Bridge	1.15	0.35	0.46	0.00	0.00	0.00	0.00	1.96
2027 Test	1.21	0.37	0.48	0.00	0.00	0.00	0.00	2.07
Weather Normalized Billed Energy Forecast (GWh)								
2026 Bridge	106.44	32.56	57.92	41.94	0.23	0.12	1.21	240.43
2027 Test	107.14	32.83	57.95	41.94	0.23	0.12	1.22	241.42

3.2.7 Billed kW Load Forecast



There are a number of E.L.K. customers/connections that are charged volumetric distribution rates on a per kW basis.

For the General Service > 50, Embedded Distributor, Sentinel Lighting, and Street Lighting rate classes, the energy forecast (kWh) needs to be converted to kW for rate setting purposes. Consistent with the customer forecasting assumptions described above, the 2025 kW/kWh ratio is applied to the General Service > 50, Embedded Distributor, Sentinel Lighting, and Street Lighting rate classes, reflecting the expectation that the number of customers in these classes will remain constant over the forecast period.

E.L.K. tested the use of a ten-year average of the relationship between kW and kWh for the purpose of establishing kW based on the energy forecast, however the utility found the resulting billing determinants did not reflect recent actual demand. E.L.K. identified that reliance upon the relationship between kW and kWh in 2025 provided a more recent and accurate view of this relationship and has relied on the 2025 kW/kWh ratio for the purpose of forecasting 2026 and 2027 kW billing determinants.

Table 14 below outlines the average ratio of kW to kWh for each rate class from 2016 through 2025.

Table 14 – Average of 2016-2025 kW / kWh Ratio Per Applicable Class

Year	General Service > 50 kW	Embedded Distributor	Sentinel Lighting	Street Lighting
2016	0.0032	0.0020	0.0027	0.0030
2017	0.0040	0.0025	0.0027	0.0027
2018	0.0029	0.0024	0.0026	0.0029
2019	0.0034	0.0023	0.0025	0.0028
2020	0.0024	0.0023	0.0027	0.0031
2021	0.0041	0.0023	0.0026	0.0027
2022	0.0027	0.0029	0.0026	0.0026
2023	0.0036	0.0027	0.0026	0.0028
2024	0.0034	0.0026	0.0026	0.0028
2025	0.0035	0.0028	0.0032	0.0028
10-yr Average	0.33%	0.25%	0.27%	0.28%
Used	0.35%	0.28%	0.32%	0.28%

The following table outlines the forecast of kW for the above noted rate classes which reflects the ratios in Table 14 being applied to the results in Table 13.

Table 15 – KW Forecast by Applicable Rate Class

Year	General Service > 50 kW	Embedded Distributor	Sentinel Lighting	Street Lighting	Total
2026 Bridge	204,673	116,093	376	3,392	324,535
2027 Test	204,752	116,093	376	3,418	324,639

3.2.8 Forecast Summary



Table 16 below provides a summary of the load forecast on a billing determinant basis by rate class.

Table 16 – Forecast Summary

	2022 Board Approved	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual
Actual kWh Purchases		251,277,774	234,500,934	245,163,865	252,868,516	253,996,468	249,877,498
Predicted kWh Purchases	255,005,287	246,206,141	237,415,195	248,898,751	248,854,550	252,089,573	253,136,929
% Difference		-2.02%	1.24%	1.52%	-1.59%	-0.75%	1.30%
Total Billed	244,797,242	238,667,221	219,820,870	246,426,601	242,876,722	239,102,776	242,792,191
By Class							
Residential							
Customers	11,107	10,277	10,375	10,660	10,923	11,020	11,096
kWh	104,794,356	91,479,319	86,529,651	94,517,191	92,484,569	98,305,959	106,359,838
General Service < 50 kW							
Customers	1,201	1,283	1,225	1,237	1,237	1,252	1,236
kWh	27,600,721	28,315,731	27,228,067	28,692,745	28,348,056	26,410,288	27,377,213
General Service > 50 kW							
Customers	102	102	114	111	96	98	101
kWh	59,877,627	59,051,959	47,449,870	59,787,962	59,632,442	52,047,649	56,544,701
kW	220,809	188,540	188,530	173,784	201,036	126,949	231,007
Embedded Distributor							
Customers	6	6	6	6	6	6	6
kWh	50,859,469	57,823,879	56,843,411	61,680,653	60,666,329	60,666,329	50,859,469
kW	122,199	117,955	143,958	145,229	139,224	139,224	115,598
Unmetered Scatter Load							
Connections	31	30	31	32	32	32	32
kWh	248,173	257,059	255,469	249,143	246,885	246,885	248,173
Sentinel Lighting							
Connections	17	73	73	73	73	73	73
kWh	137,713	153,690	152,795	149,558	144,657	141,998	137,713
kW	360	411	406	388	364	385	357
Street Lighting							
Connections	3,127	2,970	2,932	2,955	2,992	3,043	3,092
kWh	1,279,183	1,585,584	1,361,607	1,349,349	1,353,784	1,283,668	1,265,084
kW	3,620	4,764	3,705	3,920	3,756	3,927	3,399
Total							
Customer/Connections	15,591	14,740	14,754	15,073	15,359	15,524	15,635
kWh	244,797,242	238,667,221	219,820,870	246,426,601	242,876,722	239,102,776	242,792,191
kW from applicable class	346,988	311,670	336,599	323,321	344,380	270,485	350,361



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	2022 Actual	2023 Actual	2024 Actual	2025 Actual	2026 Bridge Weather Normal	2027 Test Weather Normal
Actual kWh Purchases	245378475.2	240,736,249	255,428,233	256,032,974		
Predicted kWh Purchases	252,933,337	242,414,957	249,034,408	254,277,145	254,298,539	255,346,858
% Difference	0	0.70%	-2.50%	-0.69%		
Total Billed	237,860,655	234,104,540	239,605,810	237,588,162	240,425,961	241,417,092
By Class						
Residential						
Customers	11,136	11,214	11,299	11,355	11,423	11,491
kWh	105,839,455	96,458,582	101,363,979	104,661,544	106,440,813	107,137,096
General Service < 50 kW						
Customers	1,199	1,174	1,170	1,179	1,188	1,197
kWh	29,663,800	28,828,610	30,766,203	31,964,519	32,562,365	32,830,262
General Service > 50 kW						
Customers	98	92	90	89	89	89
kWh	55,678,002	59,808,298	59,377,099	57,467,168	57,923,466	57,945,873
kW	151,124	215,107	203,008	203,061	204,673	204,752
Embedded Distributor						
Customers	6	6	6	6	6	6
kWh	45,020,625	47,435,811	46,518,194	41,943,488	41,943,488	41,943,488
kW	129,568	127,663	121,970	116,093	116,093	116,093
Unmetered Scatter Load						
Connections	31	30	29	29	28	28
kWh	248,448	248,859	250,863	235,013	230,431	225,939
Sentinel Lighting						
Connections	73	73	73	73	73	73
kWh	138,479	136,721	137,220	117,253	117,253	117,253
kW	360	357	352	376	376	376
Street Lighting						
Connections	3,133	3,162	3,158	3,159	3,182	3,206
kWh	1,271,846	1,187,658	1,192,252	1,199,178	1,208,146	1,217,181
kW	3,342	3,319	3,339	3,367	3,392	3,418
Total						
Customer/Connections	15,676	15,750	15,825	15,889	15,989	16,090
kWh	237,860,655	234,104,540	239,605,810	237,588,162	240,425,961	241,417,092
kW from applicable class	284,394	346,447	328,669	322,897	324,535	324,639

3.2.9 Integrated Energy Plan

On June 12, 2025, the OEB received a directive regarding the implementation of the Government of Ontario's Integrated Energy Plan ("IEP"). Pursuant to that directive, and specifically in relation to item 2 (2.1 and 2.2), the OEB Filing Requirements state:

- The load forecast shall incorporate multiple demand scenarios. This includes a reference, high, and low scenario that takes into consideration the electrification of transportation, industry and any other areas that have electrification impacts. The high and low usage scenarios must include appropriate and substantiated assumptions. A distributor may use modelling done by others to assess multiple demand scenarios.
- The load forecast should incorporate economic growth projections, including employment, population and housing.
- The load forecast should consider future average weather impacts and include average, minimum (HDD) and maximum (CDD) temperatures.

Distributors should begin incorporating these requirements into their applications on a best-efforts basis by June 30, 2026. Distributors must address the requirements in applications filed after April 1, 2027 (expected for rates effective January 1, 2028 or later).

Given the timing of preparing the load forecast for purposes of this Application (prior to June 30, 2026), and the size and characteristics of E.L.K.'s service territory, no explicit adjustments have been made in the load forecast for economic growth and future weather projections. These factors are not expected to materially influence the forecast over the 2026 / 2027 period and are therefore not incorporated. E.L.K. believes its forecast appropriately represents a mid-range "reference" scenario for purposes of a near-term forecast for purposes of setting 2027 rates, particularly in the face of present economic and growth uncertainty. Further scenario analysis will be incorporated in future applications as required by the Filing Requirements.

3.3 Accuracy of Load Forecast and Variance Analysis

Provided in the following sections is E.L.K.'s analysis of the accuracy of the historical load forecast for consumption and demand covering historical actual results from 2022 to 2025, the 2026 Bridge Year and the 2027 Test Year. Consistent with Section 3.2.1, customer and connection counts are shown as annual averages.

The following table provides the 2022 OEB approved Customer/Connections, kWh and kW values.

Table 17 – 2022 OEB Approved Customer / Connections / kWh / kW

Line No.	Rate Class	Billing Determinants		
		Customers/Connections	kWh	kW
1	Residential	11,107	104,794,356	
2	General Service < 50 kW	1,201	27,600,721	
3	General Service > 50 kW	102	59,877,627	220,809
4	Embedded Distributor	6	50,859,469	122,199
5	Unmetered Scattered Load	31	248,173	
6	Sentinel Lighting	17	137,713	360
7	Street Lighting	3,127	1,279,183	3,620
8	Total	15,591	244,797,242	346,988

3.3.1 Variance Analysis

2022 OEB Approved vs. 2022 Actual Results

Table 18 – 2022 OEB Approved vs. 2022 Actual Billing Determinants

Line No.	Rate Class	Customers/Connections			Volumes			
		2022 OEB Approved	2022 Actual	Variance	2022 OEB Approved	2022 Actual	kW/kWh	Variance
1	Residential	11,107	11,136	29	104,794,356	105,839,455	kWh	1,045,099
2	General Service < 50 kW	1,201	1,199	(2)	27,600,721	29,663,800	kWh	2,063,079
3	General Service > 50 kW	102	98	(4)	220,809	151,124	kW	(69,685)
4	Embedded Distributor	6	6	-	122,199	129,568	kW	7,369
5	Unmetered Scattered Load	31	31	0	248,173	248,448	kWh	275
6	Sentinel Lighting	17	73	56	360	360	kW	0
7	Street Lighting	3,127	3,133	6	3,620	3,342	kW	(278)
8	Total	15,591	15,676	85				

Table 19 – 2022 OEB Approved vs. 2022 Weather Normal Billing Determinants

Line No.	Rate Class	Customers/Connections			Volumes			
		2022 OEB Approved	2022 Actual	Variance	2022 OEB Approved	2022 Normal	kW/kWh	Variance
1	Residential	11,107	11,136	29	104,794,356	104,910,185	kWh	115,829
2	General Service < 50 kW	1,201	1,199	(2)	27,600,721	29,403,352	kWh	1,802,631
3	General Service > 50 kW	102	98	(4)	220,809	151,124	kW	(69,685)
4	Embedded Distributor	6	6	-	122,199	129,568	kW	7,369
5	Unmetered Scattered Load	31	31	0	248,173	246,267	kWh	(1,906)
6	Sentinel Lighting	17	73	56	360	360	kW	0
7	Street Lighting	3,127	3,133	6	3,620	3,342	kW	(278)
8	Total	15,591	15,676	85				

2022 billing determinants are compared with the 2022 OEB-approved forecast to assess variances in customer/connection counts and volumes across rate classes.

General Service < 50 and Embedded Distributor rate classes experienced the highest increase in volumes, with respective increases of 7% and 6% from the OEB approved



values. The increase in volume may be partially attributable to weather conditions. Heating degree days were 9% higher in 2022 than 2021 (3,130 HDD in 2021 vs 3,414 HDD in 2022) and cooling degree days were 7% lower in 2022 than 2021 (513 CDD in 2021 vs. 476 CDD in 2022). In contrast, General Service > 50 rate class experienced a decline of 32%, partially due a reduction in customers from 102 to 98 compared to 2022 OEB-approved, representing a decrease of 4%. Residential and Street Lighting achieved moderate growth in customer / connections counts, in addition to the Sentinel increase described in Section 3.2 above.

2022 vs. 2023

Table 20 – 2022 Actual vs. 2023 Actual Billing Determinants

Line No.	Rate Class	Customers/Connections			Volumes			
		2022 Actual	2023 Actual	Variance	2022 Actual	2023 Actual	kW/kWh	Variance
1	Residential	11,136	11,214	78	105,839,455	96,458,582	kWh	(9,380,873)
2	General Service < 50 kW	1,199	1,174	(25)	29,663,800	28,828,610	kWh	(835,190)
3	General Service > 50 kW	98	92	(7)	151,124	215,107	kW	63,983
4	Embedded Distributor	6	6	-	129,568	127,663	kW	(1,905)
5	Unmetered Scattered Load	31	30	(1)	248,448	248,859	kWh	411
6	Sentinel Lighting	73	73	-	360	357	kW	(3)
7	Street Lighting	3,133	3,162	29	3,342	3,319	kW	(23)
8	Total	15,676	15,750	74				

Table 21 – 2022 Normalized vs. 2023 Normalized Billing Determinants

Line No.	Rate Class	Customers/Connections			Volumes			
		2022 Actual	2023 Actual	Variance	2022 Normal	2023 Normal	kW/kWh	Variance
1	Residential	11,136	11,214	78	104,910,185	100,007,293	kWh	(4,902,891)
2	General Service < 50 kW	1,199	1,174	(25)	29,403,352	29,889,215	kWh	485,863
3	General Service > 50 kW	98	92	(7)	151,124	215,107	kW	63,983
4	Embedded Distributor	6	6	-	129,568	127,663	kW	(1,905)
5	Unmetered Scattered Load	31	30	(1)	246,267	258,015	kWh	11,748
6	Sentinel Lighting	73	73	-	360	357	kW	(3)
7	Street Lighting	3,133	3,162	29	3,342	3,319	kW	(23)
8	Total	15,676	15,750	74				

2023 billing determinants are compared with the 2022 billing determinants to assess variances in customer/connection counts and volumes across rate classes.

The General Service > 50 rate class experienced the highest increase in variable billing determinant volumes, with a 42% increase in kW over 2022, despite a decline of 7 customers. Demand in this rate class for 2023 and beyond was more closely tied to 2022 OEB-approved levels, indicating the 2022 Actual demand may have been an



outlier and abnormally low. Residential and Street Lighting continued to experience modest growth in customer / connection counts relative to the prior year.

2023 vs. 2024

Table 22 – 2023 Actual vs. 2024 Actual Billing Determinants

Line No.	Rate Class	Customers/Connections			Volumes			
		2023 Actual	2024 Actual	Variance	2023 Actual	2024 Actual	kW/kWh	Variance
1	Residential	11,214	11,299	85	96,458,582	101,363,979	kWh	4,905,397
2	General Service < 50 kW	1,174	1,170	(4)	28,828,610	30,766,203	kWh	1,937,593
3	General Service > 50 kW	92	90	(2)	215,107	203,008	kW	(12,099)
4	Embedded Distributor	6	6	-	127,663	121,970	kW	(5,694)
5	Unmetered Scattered Load	30	29	(1)	248,859	250,863	kWh	2,004
6	Sentinel Lighting	73	73	-	357	352	kW	(5)
7	Street Lighting	3,162	3,158	(4)	3,319	3,339	kW	19
8	Total	15,750	15,825	74				

Table 23 – 2023 Normalized vs. 2024 Normalized Billing Determinants

Line No.	Rate Class	Customers/Connections			Volumes			
		2023 Actual	2024 Actual	Variance	2023 Normal	2024 Normal	kW/kWh	Variance
1	Residential	11,214	11,299	85	100,007,293	103,046,621	kWh	3,039,328
2	General Service < 50 kW	1,174	1,170	(4)	29,889,215	31,276,922	kWh	1,387,707
3	General Service > 50 kW	92	90	(2)	215,107	203,008	kW	(12,099)
4	Embedded Distributor	6	6	-	127,663	121,970	kW	(5,694)
5	Unmetered Scattered Load	30	29	(1)	258,015	255,028	kWh	(2,987)
6	Sentinel Lighting	73	73	-	357	352	kW	(5)
7	Street Lighting	3,162	3,158	(4)	3,319	3,339	kW	19
8	Total	15,750	15,825	74				

2024 billing determinants are compared with the 2023 billing determinants to assess variances in customer/connection counts and volumes across rate classes.

General Service < 50 and Residential rate classes experienced the highest increase in volumes, with respective increases of 7% and 5% percent from the 2023 Actual. The increase in volume may be attributed to weather conditions. While heating degree days were 10% lower in 2024 than 2023 (2,960 HDD in 2023 vs 2,656 HDD in 2024), cooling degree days were 39% higher in 2024 than 2023 (322 CDD in 2023 vs. 447 CDD in 2024). Residential continued to experience modest growth in customer counts relative to the prior year.



2024 vs. 2025

Table 24 – 2024 Actual vs. 2025 Actual Billing Determinants

Line No.	Rate Class	Customers/Connections			Volumes			
		2024 Actual	2025 Actual	Variance	2024 Actual	2025 Actual	kW/kWh	Variance
1	Residential	11,299	11,355	56	101,363,979	104,661,544	kWh	3,297,565
2	General Service < 50 kW	1,170	1,179	9	30,766,203	31,964,519	kWh	1,198,316
3	General Service > 50 kW	90	89	(1)	203,008	203,061	kW	53
4	Embedded Distributor	6	6	-	121,970	116,093	kW	(5,876)
5	Unmetered Scattered Load	29	29	-	250,863	235,013	kWh	(15,851)
6	Sentinel Lighting	73	73	-	352	376	kW	24
7	Street Lighting	3,158	3,159	1	3,339	3,367	kW	28
8	Total	15,825	15,889	65				

Table 25 – 2024 Normalized vs. 2025 Normalized Billing Determinants

Line No.	Rate Class	Customers/Connections			Volumes			
		2024 Actual	2025 Actual	Variance	2024 Normal	2025 Normal	kW/kWh	Variance
1	Residential	11,299	11,355	56	103,046,621	104,241,851	kWh	1,195,230
2	General Service < 50 kW	1,170	1,179	9	31,276,922	31,836,341	kWh	559,419
3	General Service > 50 kW	90	89	(1)	203,008	203,061	kW	53
4	Embedded Distributor	6	6	-	121,970	116,093	kW	(5,876)
5	Unmetered Scattered Load	29	29	-	255,028	234,070	kWh	(20,957)
6	Sentinel Lighting	73	73	-	352	376	kW	24
7	Street Lighting	3,158	3,159	1	3,339	3,367	kW	28
8	Total	15,825	15,889	65				

2025 billing determinants are compared with the 2024 billing determinants to assess variances in customer/connection counts and volume across rate classes.

Sentinel Lighting, General Service < 50 and Residential rate classes experienced the highest increase in the volumes, with respective increases of 7%, 4% and 3% from the 2024 Actual. The increase in volume could be attributed to weather conditions. Heating degree days were 28% higher in 2025 than 2024 (2,656 HDD in 2024 vs 3,399 HDD in 2025) and cooling degree days were 2% higher in 2025 than 2024 (447 CDD in 2024 vs. 455 CDD in 2025). Residential continued to experience modest growth in customer counts relative to the prior year, in addition to slight General Service < 50 increases.



2025 vs. 2026 Bridge

Table 26 – 2025 Actual vs. 2026 Bridge Year Forecast Billing Determinants

Line No.	Rate Class	Customers/Connections			Volumes			
		2025 Actual	2026 Forecast	Variance	2025 Actual	2026 Normal	kW/kWh	Variance
1	Residential	11,355	11,423	68	104,661,544	106,440,813	kWh	1,779,270
2	General Service < 50 kW	1,179	1,188	9	31,964,519	32,562,365	kWh	597,846
3	General Service > 50 kW	89	89	-	203,061	204,673	kW	1,612
4	Embedded Distributor	6	6	-	116,093	116,093	kW	-
5	Unmetered Scattered Load	29	28	(1)	235,013	230,431	kWh	(4,582)
6	Sentinel Lighting	73	73	-	376	376	kW	-
7	Street Lighting	3,159	3,182	24	3,367	3,392	kW	25
8	Total	15,889	15,989	100				

Table 27 – 2025 Normalized vs. 2026 Bridge Year Forecast Billing Determinants

Line No.	Rate Class	Customers/Connections			Volumes			
		2025 Actual	2026 Forecast	Variance	2025 Normal	2026 Normal	kW/kWh	Variance
1	Residential	11,355	11,423	68	104,241,851	106,440,813	kWh	2,198,962
2	General Service < 50 kW	1,179	1,188	9	31,836,341	32,562,365	kWh	726,024
3	General Service > 50 kW	89	89	-	203,061	204,673	kW	1,612
4	Embedded Distributor	6	6	-	116,093	116,093	kW	-
5	Unmetered Scattered Load	29	28	(1)	234,070	230,431	kWh	(3,639)
6	Sentinel Lighting	73	73	-	376	376	kW	-
7	Street Lighting	3,159	3,182	24	3,367	3,392	kW	25
8	Total	15,889	15,989	100				

2025 billing determinants are compared with the 2026 forecast billing determinants to assess variances in customer/connection counts and volume across rate classes.

Residential, General Service < 50 and Street Lighting classes are expected to experience a 2% increase in volumes, attributable to growth in customer / connection counts for these rate classes. Relative to 2025 Actuals, the normalized heating degree days relied upon for the 2026 Bridge forecast are 6% less than 2025 (3,399 HDD in 2025 vs 3,209 HDD in 2026) while normalized cooling degree days are 1% higher than 2025 Actuals (455 CDD in 2025 vs. 459 CDD in 2026). Residential and Street Lighting are forecast to continue to experience modest growth in customer / connection counts relative to the prior year.



2026 Bridge vs. 2027 Test

Table 28 –2026 Bridge Year Forecast vs. 2027 Test Year Forecast Billing Determinants

Line No.	Rate Class	Customers/Connections			Volumes			
		2026 Forecast	2027 Forecast	Variance	2026 Normal	2027 Normal	kW/kWh	Variance
1	Residential	11,423	11,491	69	106,440,813	107,137,096	kWh	696,283
2	General Service < 50 kW	1,188	1,197	9	32,562,365	32,830,262	kWh	267,897
3	General Service > 50 kW	89	89	-	204,673	204,752	kW	79
4	Embedded Distributor	6	6	-	116,093	116,093	kW	-
5	Unmetered Scattered Load	28	28	(1)	230,431	225,939	kWh	(4,492)
6	Sentinel Lighting	73	73	-	376	376	kW	-
7	Street Lighting	3,182	3,206	24	3,392	3,418	kW	26
8	Total	15,989	16,090	101				

2026 forecast billing determinants are compared with the 2027 forecast billing determinants to assess variances in customer/connection counts and volume across rate classes. Keeping weather constant, only a 1 percent increase is expected for Residential and General Service < 50 rates classes between the years. Modest growth in Residential, General Service < 50 and Street Lighting customer / connection counts are expected, consistent with recent trending.