

CLARIFICATION QUESTION, SETTLEMENT CONFERENCE

CLARIFICATION QUESTION SC-CCC-1

REFERENCES: JT3.5

Technical Conference Transcripts, Vol. 3, pp. 8-10

Appendix 2-H

QUESTIONS:

- a) Please confirm that the insurance claim recovery amounts set out in Tables 2 and 3 of JT3.5 reflect all the insurance claims (both MEARIE and third-party claims).
- b) Please identify the OM&A-related insurance claim recovery amounts reflected in Appendix 2-H (including the relevant account) for the historical and forecast periods.
- c) Please confirm that the forecast 2027-2031 OM&A related insurance claim recovery amount is based on the historical average. As part of the response, please advise which years of the historical period were used to derive the forecast amount as reflected in other revenues.
- d) Please reconcile the historical OM&A-related insurance claim recovery amounts to the insurance reimbursements set out in Table 2 of JT3.5.
- e) Please confirm that Elexicon has forecast zero capital-related insurance recoveries for the 2027-2031 period.
- f) Please identify which capital programs reflect offsets related to the actual historical capital-related insurance claim recoveries set out in Table 1 of JT3.5 and provide a table showing the capital offsets applied in each year of the historical period. In addition, please advise whether these capital-related insurance claim recoveries are presented as capital contributions in the relevant evidence (e.g., Appendix 2-AA).

1 **RESPONSE:**

2 a) Yes, confirmed all insurance claims as recorded in financial records of Elexicon between fiscal
3 year 2021 to 2025 have been provided in JT3.5. Please refer to Attachment 1, Table 4 of this
4 response where, after Elexicon noted an issue with data extraction for the insurance
5 information as provided in JT 3.5 in relation to 2024 and 2025 OM&A insurance claims, Elexicon
6 has updated the information accordingly.

7

8 b) OM&A related insurance reimbursements are recorded in account 4325 Revenues from
9 Merchandise and the associated costs related to the insurance claims are part of account 4330
10 – Costs and Expenses of Merchandising. Note that Appendix 2-H is only used to record insurance
11 reimbursement and costs associated with maintenance and repair of assets. However, if the
12 insurance claim is in relation to costs that would be considered OM&A in nature (e.g., 2024
13 Station Vandalism resulting in oil spill) these insurance reimbursements are recorded directly in
14 the OM&A program where the costs originated.

15

16 c) In forecasting Other Revenue for 2027-2031, the historical insurance reimbursements and
17 associated costs in Appendix 2H were considered. Amounts related to Insurance claims that were
18 recorded in OM&A programs in the historical period were not considered for forecasting
19 purposes.

20

21 d) Please see Attachment 1 to this response for reconciliation of historical OM&A insurance claim
22 recovery amounts to insurance reimbursements.

23

24 e) Confirmed. Elexicon has not forecast any costs for capital related insurance recoveries for the
25 2027-2031 period.

26

27 f) All capital costs and related insurance recoveries have been shown as part of System Access -
28 Externally Initiated Plant Relocation program. Please refer to Table 1 of JT 3.5 for the capital
29 offsets applied in each year of the historical period. Elexicon confirms that the insurance
30 reimbursements received are part of capital contributions.

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CLARIFICATION QUESTION SC-CCC-2

REFERENCES: 1-CCC-8, Attachment 1

JT2.12

Technical Conference Transcripts, Vol. 2, pp. 114-115

1-SEC-13, Appendix 2-AA

PREAMBLE:

Based on the discussion at the technical conference (at the citation above), we had expected to be able to reconcile the gross program costs in 1-CCC-8 (after applying annual inflation) and adding the capitalized overhead amounts in JT2.12 to Appendix 2-AA. We have been able to reconcile the program costs for some capital programs but not all.

For example, the Externally Initiated Plant Relocation Program reconciles as follows:

\$M	2027	2028	2029	2030	2031	Total
Uninflated	6.94	7.77	7.75	7.76	7.67	37.89
Inflated	7.08	8.08	8.23	8.40	8.47	40.26
Overhead Cap	0.54	0.61	0.6	0.63	0.44	2.82
Total	7.62	8.69	8.83	9.03	8.91	43.08
Appendix 2- AA	7.62	8.69	8.83	9.03	8.91	43.08

The Substation Renewal Program does not reconcile as follows:

\$M	2027	2028	2029	2030	2031	Total
Uninflated	17.47	23.65	18.74	21.60	16.96	98.42
Inflated	18.77	27.32	23.29	28.89	24.42	122.69
Overhead Cap	2.11	2.91	2.24	2.71	1.50	11.46
Total	20.88	30.23	25.53	31.60	25.92	134.16
Appendix 2- AA	19.58	26.55	20.98	24.31	18.45	109.88

The Substation Renewal Program does reconcile (with some minor rounding differences) if you do not escalate by the inflation rate (i.e., 7.4%-7.7%) as follows:

\$M	2027	2028	2029	2030	2031	Total
Uninflated	17.47	23.65	18.74	21.60	16.96	98.42
Overhead Cap	2.11	2.91	2.24	2.71	1.50	11.46
Total	19.58	26.56	20.98	24.31	18.46	109.88
Appendix 2- AA	19.58	26.55	20.98	24.31	18.45	109.88

QUESTIONS:

- a) For the following programs, which we have been unable to reconcile, please explain the reason the amounts cannot be reconciled in the manner discussed at the technical conference:

- 1 i. Substation Renewal
- 2 ii. Underground System Renewal
- 3 iii. Overhead System Renewal
- 4 iv. Reactive Capital
- 5 v. Substation Growth
- 6 vi. Grid Enhancements
- 7 vii. Voltage and System Conversion

8

9 If the amounts can be reconciled, please provide a reconciliation.

10

11 **RESPONSE:**

12

13 Elexicon has reviewed the gross amounts included in 1-CCC-08 and determined the gross amounts
14 for the programs identified included inflation in the Excel attachment to 1-CCC-08 (EE_1-CCC-
15 08(1)_WAC Inflation Rate_20260508). The amounts provided also did not reflect minor adjustments
16 to the Reactive Capital program and System Renewal programs that were made prior to the filing of
17 the application and which impacted the inflation calculation.

18

19 A revised version of 1-CCC-08(1) is being provided as an excel attachment, SC-CCC-02_20260723.xlsx
20 to this response. Elexicon also notes that the inflation rates and the related weighted average were
21 also determined to be incorrect and the updated inflation rates and the weighted averages
22 accordingly.

CLARIFICATION QUESTION, SETTLEMENT CONFERENCE

CLARIFICATION QUESTION SC-CCC-3

SC-CCC-3

REFERENCE: JT1.2-3, Attachment 1

PREAMBLE:

The revised large customer list highlights that 10 customer projects have been delayed (column BF) relative to the expectation set out in the pre-filed evidence.

QUESTION(S):

For each of the 10 customer projects that have been delayed, please provide a table that shows:

- i) The relevant Elexicon capital investment (both a facility description and the cost) and the in-service date required to meet the original customer timing.
- ii) The revised Elexicon capital investment and associated in-service date associated with the delays.

1 RESPONSE:

2 Table 1 below provides a comparison of the 10 customer driven projects whose anticipated in service
3 dates have been deferred from the original forecast. For each project, the table identifies the
4 associated Elexicon capital investment category, the forecasted gross capital investment, the original
5 planned in-service year required to meet the customer's initial schedule, and the revised anticipated
6 in-service year based on the customer's updated timing.

7
8 The delays are attributable to changes in customer schedules and are not the result of changes to
9 Elexicon's planned scope. For projects categorized as Customer & Generation Connections, Elexicon
10 applies a connection allowance of \$0.10M per connection.

11 **Table 1: Original and Revised In-Service Dates for Delayed Customer Projects**

Customer #	Gross Cost (\$M)	Customer Type	Investment Category	Original In-Service Year	Anticipated In-Service Year	Description
12	1.12	Residential (Long Term Care Home)	System Expansion	2026	2027	A long-term care facility requires 2.5 MW of capacity by 2027. The existing distribution lines in the area are at capacity and an expansion of ~0.5km from an alternate feeder is required to connect the customer.
22	0.35	Residential (High-Rise)	System Expansion	2026	2027	A Residential high-rise development requires 1.35 MW of capacity. The existing distribution assets in the area are constrained, and system upgrades are required to facilitate the customer's connection
24	49.80	Industrial	System Expansion	2027	2028	A large industrial/commercial developer in South Pickering has requested 40 MW of power by 2028. Supplying this load will require significant infrastructure expansion, including construction of two new poles lines spanning a total of 24.9 km with two feeders on each pole line from separate stations. The expansion involves multiple major highway crossings, making it a complex and high-cost project.
45	0.56	Industrial	System Expansion	2026	2029	An industrial customer requires 0.7MW, requiring approximately 0.5km pole line expansion from the 44kV system to connect the customer

8	0.10	Industrial	Customer Connection & Generation	2026	2029	An industrial customer requires 2.8 MW of capacity by 2029. The customer will be connecting to the existing distribution infrastructure in the area with no system expansion required.
29	0.10	Residential (Condo)	Customer Connection & Generation	2026	2027	A mixed residential development has requested a new service for 0.4 MW of capacity. The customer will be connecting to the existing distribution infrastructure in the area with no system expansion required.
50	0.10	Industrial	Customer Connection & Generation	2026	2027	An existing industrial customer requires 2 MW of additional capacity as part of a service upgrade.
51	0.10	Industrial	Customer Connection & Generation	2026	2027	Phase 2 of Customer #50, noted above.
52	0.10	Industrial	Customer Connection & Generation	2026	2027	An existing industrial customer has requested a service upgrade for 1 MW of additional capacity.
54	0.10	Commercial	Customer Connection & Generation	2030	2031	An existing Region of Durham owned Municipal facility has requested a service upgrade for 3.2 MW with additional phases planned beyond 2031 requiring system expansion.

1

- 2 ii) The amount of capital investments for customer connections has not materially changed as a
3 result of revised in-service dates.

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CLARIFICATION QUESTION SC-SEC-1

REFERENCES: 1-SEC-13, Appendix 2-BA (ICM)

Ex. 2A-6-1, Tables 6 and 12

2A-SEC-31, Table 3

QUESTIONS:

Appendix 2-BA (ICM) shows the gross assets for ICMs added to be \$63,358,113 (Cell G296) and net \$56,857,006 (Cell N296). Please reconcile these numbers to the gross and net amounts shown for the three ICMs in Tables 6 and 12 in Ex. 2A-6-1 and Table 3 in 2A-SEC-31 as follows:

	Table 6	Table 12	Table 3	
	Seaton TS	BRT	WSG	Total
Gross Assets (\$)	44,084,687	5,364,486	8,252,300	57,701,473
Accumulated Amortization (\$)	3,767,796	467,196	2,917,462	7,152,454
Net Assets (\$)	40,316,891	4,897,290	5,334,838	50,549,019

RESPONSE:

Elexicon notes that the net ICM amount of \$56,857,006 is shown in Cell O296 of the "App.2-BA_Fixed Asset Cont (ICM)" tab in Attachment 1 to 1-SEC-13 ("Appendix 2-BA (ICM)"), while the gross ICM amount of \$63,358,113 is shown in Cell G296, as referenced. Elexicon further notes that the WSG amounts are shown in Table 6 of 2A-SEC-31, and the tables for Seaton TS and BRT in Exhibit 2A - Tab 6 - Schedule 1 are as referenced.

The difference between the amounts shown in Appendix 2-BA (ICM) and the amounts reported in Table 6 of Exhibit 2A - Tab 6 - Schedule 1, Table 12 of Exhibit 2A - Tab 6 - Schedule 1 and Table 3 of 2A-SEC-31 is reconciled in Table 1 below.

Table 1: Appendix 2-BA (ICM) and Referenced Tables Variance Calculation¹

	Appendix 2-BA (ICM) (A)	Referenced Tables (B)	Net Asset Variance (A-B)
Gross Assets (\$)	63,358,113	57,701,473	5,656,640
Accumulated Amortization (\$)	6,501,107	7,152,454	(651,347)
Net Assets (\$)	56,857,006	50,549,019	6,307,987

Table 2 below provides a breakdown of the \$6,307,987 difference in net assets by ICM project. The reconciliation includes the approved Sandy Beach Substation ICM², which is reflected in Appendix 2-BA (ICM) but was not included in the references identified in the question.

Table 2: Net Asset Variance by ICM³

ICM	Net Asset Variance (\$)
Sandy Beach Net Assets ⁴	6,468,717
Seaton TS Net Assets	(872,398)
WSG Net Assets	711,667
BRT Net Assets	0
Total Net Asset Variance (\$)	6,307,987

These variances by ICM are explained below.

¹ Numbers may not sum due to rounding

² EB-2025-0046, Draft Rate Order, Updated VRZ_2026_Sandy Beach_ACM_ICM (Excel), dated January 21, 2026. The accumulated amortization in Appendix 2-BA (ICM) is \$81,330 rather than \$163,751 due to the application of the half-year rule for the 2026 in-service date, as described in Elexicon's Capitalization Policy filed as Exhibit 2A - Tab 2 - Schedule 1, Attachment 1.

³ Numbers may not sum due to rounding

⁴ Please note that the Sandy Beach Station (ICM EB-2025-0046) was not included in the reference provided in the question.

1 Table 3 below relates to the Sandy Beach ICM, and shows the resulting net asset variance of
2 \$6,468,717 between Appendix 2-BA (ICM) and the referenced amounts.

3

4

Table 3: Sandy Beach Substation⁵

	Appendix 2-BA (ICM)	N/A*	Variance
Gross Assets (\$)	6,550,047	0	6,550,047
Accumulated Amortization (\$)	81,330	0	81,330
Net Assets (\$)	6,468,717	0	6,468,717

* Not included in the references identified in the question, so there are no corresponding reference values.

5

6 The Seaton TS variance is due to \$893,408 Hydro One refund received in 2025 and the associated
7 accumulated amortization. As shown in Table 4 below, Appendix 2-BA (ICM) incorporates 2025
8 actuals, including the Hydro One refund received in 2025, whereas the referenced Table 6 was filed
9 earlier with the pre-filed evidence and was based on actuals as of December 31, 2024.

10

11

Table 4: Seaton TS⁶

	Appendix 2-BA (ICM)	Table 6 (Ex. 2A-6-1)	Variance
Gross Assets (\$)	43,191,280	44,084,687	(893,408)
Accumulated Amortization (\$)	3,746,786	3,767,796	(21,010)
Net Assets (\$)	39,444,493	40,316,891	(872,398)

12

13 The \$711,667 variance on WSG is attributable to differences in the underlying assumptions used to
14 calculate accumulated amortization. As shown in Table 5 below, the accumulated amortization in
15 Appendix 2-BA (ICM) was calculated using the pre-filed planned WSG asset additions, whereas the
16 referenced Table 6 used actual asset additions through the end of 2025 to project the accumulated

⁵ Numbers may not sum due to rounding

⁶ Numbers may not sum due to rounding

amortization at the end of 2026. As a result, the differing asset addition values and asset mixes produced a variance in the accumulated amortization and resulting net asset amounts.

Table 5: Whitby Smart Grid (WSG) ⁷

	Appendix 2-BA (ICM)	Table 6 (2A-SEC-31)	Variance
Gross Assets (\$)	8,252,300	8,252,300	0
Accumulated Amortization (\$)	2,205,795	2,917,462	(711,667)
Net Assets (\$)	6,046,505	5,334,838	711,667

As shown in Table 6 below, there is no variance between Appendix 2-BA (ICM) and the referenced Table 12 for BRT.

Table 6: Bus Rapid Transit ("BRT") – Highway 2 Project⁸

	Appendix 2-BA (ICM)	Table 12 (2A-SEC-31)	Variance
Gross Assets (\$)	5,364,486	5,364,486	0
Accumulated Amortization (\$)	467,196	467,196	0
Net Assets (\$)	4,897,290	4,897,290	0

⁷ Numbers may not sum due to rounding

⁸ Numbers may not sum due to rounding

CLARIFICATION QUESTION, SETTLEMENT CONFERENCE

CLARIFICATION QUESTION SC-SEC-2

REFERENCES: JT 3.9

QUESTIONS:

Please provide further details regarding the \$2,770,043 increase in governance costs.

RESPONSE:

As discussed in Technical Conference (beginning in Technical Conference Transcript Vol. 3, p. 12 line 11), the increase in governance costs is driven by a change to the governance structure, and by an increase in forecast Board Director fees to align with market compensation.

CLARIFICATION QUESTION, SETTLEMENT CONFERENCE

CLARIFICATION QUESTION SC-SEC-4

QUESTIONS:

Please provide the most recent 30-year A-rated Utility Corporate Bond yield (Bloomberg BVCAUA30 BVLI Index).

RESPONSE:

This index being requested is proprietary and accessible exclusively via a Bloomberg Terminal. Elexicon does not have the required subscription to access the requested information, and is therefore unable to respond.

CLARIFICATION QUESTION, SETTLEMENT CONFERENCE

CLARIFICATION QUESTION SC-SEC-5

REFERENCE: 9-Staff-149

JT3.34

QUESTIONS:

- a) Please provide the details that make up the totals in line 94 on tab “H1 Sch 1 Taxable Income Hist” and line 97 on tab “B1 Sch 1 Taxable Income Bridge”.
- b) Please confirm that based on the response in JT3.34, that Elexicon is complying with Section 2.6.2.1 of Chapter 2¹, which states that ‘Regulatory assets and liabilities must be excluded from taxes/PILs calculations when they were created and when they were disposed, regardless of the actual tax treatment accorded those amounts.’

RESPONSE:

- a) Details of these totals have been provided in the revised response to JT3.34 (filed on July 20, 2026). Specifically, Tables 1 and 2 respectively provide details of the totals in line 94 on tab “H1 Sch 1 Taxable Income Hist” and in line 97 on tab “B1 Sch 1 Taxable Income Bridge”.

For ease of reference, Elexicon is providing copies of the tables below. Please review the written response for further explanation.

¹ Filing Requirements for Electricity Distribution Cost of Service Rate Applications - 2026 Edition for 2027 Rate Applications, Cost of Service, December 16, 2025

**Table 1: Breakdown of the 2025 “Regulatory Assets (Deferred Variances) – Increase”
Balance (Tab H1 Sch 1 Taxable Income Hist, Line 94)**

USoA	Description	2025 DVA Balance (\$)
1511	Cloud Dx NEXT	(11,771,156)
1592	CCA Tax Variance	560,273
1508	Collection of Account Variance	(1,372,353)
1508	IFRS Transition Costs	(13,968)
1508	Locates	(621,623)
1508	LEAP	(309,964)
1508	ERA Application Costs	(2,560,809)
1508	OEB Cost Assessment	(90,912)
1508	Change in Estimated Useful Life	(409,223)
1509	Foregone Revenue	(4,374)
1508	Pole Attachment	616,662
1130	Provision for Reg Assets	(675,077)
	Total	(16,652,524)

**Table 2: Breakdown of the 2026 “Regulatory Assets (Deferred Variances) – Increase”
Balance (Tab B1 Sch 1 Taxable Income Bridge, Line 97)**

USoA	Description	2026 DVA Balance (\$)
1511	Cloud Dx NEXT	(10,708,380)
1592	CCA Tax Variance	1,492,741
1508	Collection of Account Variance	6,454,085
1508	IFRS Transition Costs	575,840
1508	Locates	(460,696)
1508	LEAP	(136,513)
1508	ERA Application Costs	(1,556,600)
1508	OEB Cost Assessment	1,767,882
1508	Change in Estimated Useful Life	115,546
1575	IFRS-CGAAP Transitional PPE	(1,896,985)
1508	Pole Attachment	(3,080,147)
	Total	(7,433,227)

- b) We confirm that Elexicon is complying with Section 2.6.2.1 of Chapter 2 and all regulatory assets and liabilities related to deferred tax are excluded from taxes/PILs calculations when they were created and when they were disposed.

CLARIFICATION QUESTION, SETTLEMENT CONFERENCE

CLARIFICATION QUESTION SC-SEC-3

QUESTIONS:

Please provide the weighted-average depreciation rates for in-service additions each year between 2027-2031 for each OEB category (system access, system renewal etc).

RESPONSE:

Please see Table 1 below.

Table 1: Weighted-average Depreciation Rates for in-service additions by OEB Category, 2027 to 2031

Investment Category	Weighted-Average Depreciation Rate
01 – System Renewal	2.59%
02 – System Access	2.61%
03 – General Plant	13.23%
04 – System Service	2.94%
2027 Total	4.86%
01 – System Renewal	2.47%
02 – System Access	2.69%
03 – General Plant	14.89%
04 – System Service	2.47%
2028 Total	3.58%
01 – System Renewal	2.47%
02 – System Access	3.51%
03 – General Plant	13.74%
04 – System Service	2.65%
2029 Total	4.14%
01 – System Renewal	2.46%
02 – System Access	3.52%
03 – General Plant	19.02%
04 – System Service	2.95%
2030 Total	4.40%
01 – System Renewal	2.46%
02 – System Access	3.46%
03 – General Plant	20.26%
04 – System Service	2.61%
2031 Total	3.54%

CLARIFICATION QUESTION, SETTLEMENT CONFERENCE

CLARIFICATION QUESTION SC-SEC-6

REFERENCE: 9-SEC-101

QUESTIONS:

- a) Please confirm if the large customer list underpinning the request for the large load variance account has changed since the reference interrogatory?

RESPONSE:

- a) The large customer list has changed since 9-SEC-101 following updates identified in JT1.2-3.1(1). The customers included in the list are unchanged. However, the updates result in changes to the years in which certain customers are reflected in the customer count forecast and to the associated annual loads. These changes made in JT1.2-3.1(1) result in corresponding updates to the LLRVA model and associated calculations, which are summarized below.
- Customer 7 was advanced from 2027 to 2026 and a load expansion after the anticipated year was erroneously left out of the billed kW calculation in 3-Staff-93. This was noted in JT1.2-10.2 and corrected in JT1.2-3.1(1).
 - The anticipated energization year for Customer 24 was delayed from 2027 to 2028.
 - The anticipated energization year for Customer 45 was delayed from 2026 to 2029.
- The revised table from 9-SEC-101 is provided below as Table 1. A new tab detailing the customers and loads included in the LLRVA calculations has also been added to the large customer list provided as SC-SEC-6 Attachment 1.

29

Table 1: Revised LLRVA Billed Loads and Customer Counts

	GS 3,000 to 4,999 kW		Large Use	
Year	Customer Count	Billed kW	Customer Count	Billed kW
2026	1.4	35,151	-	-
2027	3.3	85,688	-	-
2028	4.0	112,626	0.2	39,375
2029	4.4	135,694	0.4	115,500
2030	4.7	153,604	0.5	160,125
2031	4.8	161,231	0.5	168,000

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The annual billed loads and customer counts for each customer within the LLRVA are provided in Tables 2 and 3 below.

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33

Table 2: Revised Annual LLRVA Billed Loads by Customer

Customer #	2026	2027	2028	2029	2030	2031
GS 3,000 to 4,999 kW						
7	5,040	14,910	20,790	21,840	21,840	21,840
11	2,520	6,400	13,493	22,260	29,390	34,718
14	15,621	36,449	41,656	41,656	41,656	41,656
44	11,970	27,930	31,920	31,920	31,920	31,920
45	-	-	-	6,300	14,700	16,800
66	-	-	4,768	11,718	14,099	14,297
Total	35,151	85,688	112,626	135,694	153,604	161,231
Large Use						
24	-	-	39,375	115,500	160,125	168,000
Total	-	-	39,375	115,500	160,125	168,000

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35

36 **Table 3: Revised Annual LLRVA Billed Counts by Customer**

Customer #	2026	2027	2028	2029	2030	2031
GS 3,000 to 4,999 kW						
7	0.3	0.7	0.8	0.8	0.8	0.8
11	0.4	0.9	1.0	1.0	1.0	1.0
14	0.4	0.9	1.0	1.0	1.0	1.0
44	0.4	0.9	1.0	1.0	1.0	1.0
45	-	-	-	0.2	0.4	0.5
66	-	-	0.2	0.4	0.5	0.5
Total	1.4	3.3	4.0	4.4	4.7	4.8
Large Use						
24	-	-	0.2	0.4	0.5	0.5
Total	-	-	0.2	0.4	0.5	0.5

37

CLARIFICATION QUESTION, SETTLEMENT CONFERENCE

CLARIFICATION QUESTION VECC-CQ-1

REFERENCES: 3-Staff-93

3-SEC-68

JT 4.7 (1) – Large Customer List

JT 1.2 – 3.1(1) – Revised Large Customer List

JT 1.2 – 7.1 (1) – Revised Load Forecast

QUESTIONS:

a) Please confirm/correct VECC's understanding of the following:

- i. JT 4.7 is consistent with the Large Customer List provided in 3-Staff-93.
- ii. 3-Staff-93 sets out the Large Customer load additions as used in 3-Staff-68.
- iii. JT 1.2-3.1(1) is a revised Large Customer List that updates/corrects JT 4.7.
- iv. JT 1.2 – 7.1(1) is an updated Load Forecast that incorporates JT 1.2-3.1(1), along with other changes.
- v. JT 1.2 – 7.1(1) represents Elexicon's currently proposed Load Forecast.

RESPONSE:

a)

- i. Confirmed.
- ii. Confirmed. Elexicon understands the reference to 3-Staff-68 to be a reference to 3-SEC-68, consistent with the references identified in the question.
- iii. Confirmed.
- iv. Confirmed.
- v. Confirmed.

CLARIFICATION QUESTION, SETTLEMENT CONFERENCE

CLARIFICATION QUESTION VECC-CQ-2

REFERENCES: JT-1.2 – 3.1(1) – Revised Large Customer List

QUESTIONS:

a) Please confirm/correct VECC's understanding of the following:

- i. In JT 1.2 – 3.1(1), 3-Staff-93-b, Count Tab - the customer classification for new customer additions in columns F to K is based on the customer class designation set out in column P.
- ii. The customer class designation in column P is based on the size of the anticipated load addition (per Column D). As an example, Customer #27 has an anticipated peak load of 3,830 kW and is classified as GS 3,000-4,990 – even though billed load will be 2,681 kW (3,830x0.7).
- iii. In JT 1.2 – 3.1(1), 3-Staff-93-b, Bill kW Tab - the customer classification for the billing load additions in columns F to K is also based on the customer class designation set out in column P. Similarly, the customer class designation in column P is based on the size of the anticipated peak load addition (per Column D).
- iv. For existing customers, where the current customer classification (Column O) differs from the customer classification of the new load addition (Column P), the customer classification of the existing customer is not changed (i.e., there is no reassignment of the customer to the customer class as noted in Column P for determining the customer count by rate class)
- v. For existing customers, where the current customer classification (Column O) differs from the customer classification of the new load addition (Column P), the customer classification of the existing customer's load (prior to the addition) is not changed (i.e., there is no reassignment of the customer's pre-addition load to the

1 customer class as noted in Column P for purposes of determining the billed kW by
2 rate class)

3

4 (Note: For the preceding, VECC is just seeking confirmation and not requesting any
5 changes/corrections to JT 1.2 – 3.1(1))

6

7 **RESPONSE:**

8

9 a)

10 i. Confirmed.

11

12 ii. Confirmed.

13

14 iii. Confirmed, the customer class designation is set out in column P. For existing
15 customers, the customer class considers anticipated load addition incremental to
16 existing loads.

17

18 iv. Confirmed.

19

20 v. Confirmed.

CLARIFICATION QUESTION, SETTLEMENT CONFERENCE

CLARIFICATION QUESTION VECC-CQ-3

REFERENCES: JT-1.2-3.1(1) – 3-Staff-93-b, Count Tab

QUESTIONS:

- a) With respect to new customers 31, 37 and 43, please explain why (for some years) the customer count additions (columns F-K) exceed the product of One times the Confidence Level.

RESPONSE:

- a) The customer counts of these projects have more than one times the confidence level in columns F to K because they are anticipated to have more than one metered service point. In this context, each customer count addition represents a metered service point. The annual customer count additions for these projects in columns T to Y correspond to the anticipated number of metered service points for each project in the year those service points are expected to be connected.

The loads in tab '3-Staff-93-b Billed kW' are the aggregate demands of all customer counts within the project. Elexicon also notes that Customer 3 listed in JT-1.2-3.1(1) is forecast to have an additional customer count in addition to the existing customer count.

CLARIFICATION QUESTION, SETTLEMENT CONFERENCE

CLARIFICATION QUESTION VECC-CQ-4

REFERENCES: JT-1.2-10.1 -> 10.3

QUESTIONS:

- a) The responses and accompanying Table 1 identify Customers #43 and #69 as new customers with anticipated load additions after 2031. However, Customer #62 also appears to have anticipated load additions after 2031. Please confirm that if this is the case and, if so, update Table 1 in the response accordingly.

RESPONSE:

- a) Customer 62 does not have anticipated loads after 2031. The sum of Customer 62's annual anticipated loads in columns T to Y is lower than the overall project "Anticipated Load" because the customer connected in 2025, resulting in their anticipated load addition being reduced in 2026 by actual 2025 demand. For additional details, please also see VECC-CQ-5 part a-ii.

CLARIFICATION QUESTION, SETTLEMENT CONFERENCE

CLARIFICATION QUESTION VECC-CQ-5

REFERENCES: JT-1.2-3.1(1) – 3-Staff-93-b_Count Tab (Column AL) and 3-Staff-93-b_Bill kW Tab (Column AM)

QUESTIONS:

- a) With respect to the designation of customers as being “Connected in 2025” in each of the two Tabs, please explain/reconcile:
- i. Customer #44’s designation as not being Connected in 2025 when, per Columns C and Q, the customer is new in 2025.
 - ii. Customer #62’s designation as being Connected in 2025 when, per Column C, the customer’s load is anticipated in 2026.

RESPONSE:

- a)
- i. Customer 44 did not connect in 2025. The Energization Year should be 2026.
 - ii. Customer 62 connected in 2025 and the Energization Year should be 2025. The customer’s annual anticipated loads added in 2026 are lower than the total project Anticipated Load (80 kW lower, from 3,200 kW to 3,120 kW) to account for the portion of load that was already connected and attributed to the class’s 2025 volume.

CLARIFICATION QUESTION, SETTLEMENT CONFERENCE

CLARIFICATION QUESTION VECC-CQ-6

REFERENCES: JT 1.2-7.1(1), Revised Load Forecast, CDM Tab

JT 1-11.1(1), Revised 2023 LRAMVA Workform

QUESTIONS:

- a) VECC has summed the annual persisting savings through to 2031 reported by program in JT 1-11.1(1), Revised 2023 LRAMVA Workform, Tab 5 for each of the implementation years 2015 to 2021. VECC has also summed the persisting savings to 2031 reported in the CDM Tab across the various rate classes for implementation years 2015-2021. The totals from the two sources do not appear to match for the following Implementation Year/Savings Years for the WRZ:
- Implementation Year 2016 – All Savings Years 2016-2031
 - Implementation Year 2019 – All Savings Years 2019-2031.

Please reconcile.

RESPONSE:

- a) The CDM tab in JT 1.2-7.1(1) did not include savings from the 2019 Save on Energy Small Business Lighting Program in the Whitby rate zone. This was noted in JT1.2-11, however, the CDM data in the revised load forecast model filed as Attachment 1 to JT1.2-7.1 did not include this revision. Attachment 1 to this response contains a further revised load forecast model that incorporates the 2019 CDM data for the WRZ GS<50 kW rate class has been revised to include savings from this program and the WRZ GS<50 kW regression model has been rerun. This revision increases the GS<50 kW forecast by approximately 7,000 kWh per year (0.002%).

The further revised load forecast model attached this response also incorporates the model label revisions described in VECC-CQ-10.

Table 1 shows that the persisting savings for Implementation Year 2016 reconcile between the JT1.2-7.1(1) CDM Tab and the Revised LRAMVA Workform, Tab 5. Table 2 shows that the Implementation Year 2019 discrepancy is attributable to the omission of the 2019 Save on Energy Small Business Lighting Program savings and is resolved in the revised CDM Tab included in VECC-CQ-6 Attachment 1.

Table 1: Reconciliation of Implementation Year 2016

Year	JT1.2-7.1 (1) CDM Tab Column U, row 41-46	Revised LRAMVA Tab 5 Row 399, Col D-S
2016	35,589,587	35,589,587
2017	34,579,057	34,579,057
2018	34,582,608	34,582,608
2019	34,582,414	34,582,414
2020	34,582,221	34,582,221
2021	34,394,659	34,394,659
2022	34,394,659	34,394,659
2023	34,392,447	34,392,447
2024	34,328,200	34,328,200
2025	34,265,446	34,265,446
2026	33,859,961	33,859,961
2027	30,806,478	30,806,478
2028	22,220,886	22,220,886
2029	22,145,235	22,145,235
2030	16,871,392	16,871,392
2031	15,920,989	15,920,989

Table 2: Reconciliation of Implementation Year 2019

Year	JT1.2-7.1 (1) CDM Tab Column U, row 89-101	Revised LRAMVA Tab 5 Row 999, Col D-P	VECC-CQ-6 Attachment 1 Revised CDM Tab Column U, row 89-101
2019	27,772,370	27,794,186	27,794,186
2020	27,859,113	27,878,323	27,878,323
2021	27,846,835	27,863,005	27,863,005
2022	27,801,704	27,817,874	27,817,874
2023	27,721,215	27,736,154	27,736,154
2024	26,529,733	26,541,900	26,541,900
2025	26,482,201	26,491,529	26,491,529
2026	26,456,369	26,464,466	26,464,466
2027	25,703,794	25,709,046	25,709,046
2028	25,671,184	25,674,964	25,674,964
2029	24,314,537	24,317,354	24,317,354
2030	23,797,279	23,798,954	23,798,954
2031	12,600,247	12,601,840	12,601,840

1

CLARIFICATION QUESTION, SETTLEMENT CONFERENCE

CLARIFICATION QUESTION VECC-CQ-7

REFERENCES: JT 1.2-7.1(1), Revised Load Forecast, CDM Tab

3-SEC-68(1), Load Forecast Update, CDM Tab

QUESTIONS:

- a) Please explain the reason for the changes in the CDM savings for the following Implementation Years/Savings Years as between the two forecasts for both VRZ and WRZ:
- i. 2021 Implementation Year (per the eDSM Framework Tab) – all years after 2022
 - ii. 2022 Implementation Year – all years after 2022
 - iii. 2023 Implementation Year – all years after 2023
 - iv. 2024 Implementation Year – all years after 2024
 - v. 2025 Implementation Year – all years after 2025
 - vi. 2026 Implementation Year – all years after 2026
 - vii. 2027 Implementation Year – all years after 2027
 - viii. 2028 Implementation Year – all years after 2028
 - ix. 2029 Implementation Year – all years after 2029
 - x. 2030 Implementation Year – all years after 2030

RESPONSE:

- a) The changes in CDM savings for the 2021 to 2030 implementation years between the two forecasts are attributable to updates to the CDM inputs. While both revised load forecast models incorporate updates, the changes that directly affected the CDM tab were the replacement of planned 2024 CDM data with actual 2024 CDM data and updating Elexicon's allocation of savings in 3-SEC-68(1), and the revisions to historical savings values for 2015 to 2020 made in JT 2.1-11 to the revised load forecast model filed with the response to JT 1.2-

1 7.1. The updates to historical savings changed the persistence ratios applied to programs
2 implemented from 2021 to 2030, and the resulting CDM savings forecast. The method used
3 to calculate persistence has remained unchanged and consistent with the approach used in
4 the pre-filed load forecast (Exhibit 3 – Tab 1 – Schedule 1, Attachment 1). This method is
5 summarized below.

6
7 The IESO reported persistence of Elexicon's programs from 2014 to 2020 but did not report
8 the persistence of programs implemented from the 2021-2024 CDM Framework or eDSM
9 framework. The persistence of programs starting 2021 are calculated based on the average
10 loss of persistence of programs implemented from 2014 to 2020 to subsequent years.

11
12 For example, in row 129 of the 'CDM' tab in the Revised Load Forecast Model filed as
13 Attachment 1 to the response to JT 1.2-7.1, the persistence of 2021 program savings to 2022
14 is calculated by multiplying first-year 2021 savings by an average loss of persistence ratio
15 derived from the average year-over-year persistence of 2014 to 2020 programs. This ratio is
16 calculated as the sum of 2014 savings persisting to 2015, 2015 savings persisting to 2016,
17 2016 savings persisting to 2017, 2017 savings persisting to 2018, 2018 savings persisting to
18 2019, 2019 savings persisting to 2020, and 2020 savings persisting to 2021 divided by the
19 sum of first year savings in 2014, 2015, 2016, 2017, 2018, 2019, and 2020.

CLARIFICATION QUESTION, SETTLEMENT CONFERENCE

CLARIFICATION QUESTION VECC-CQ-8

REFERENCES: 3-VECC35 a)->c)

QUESTIONS:

a) The response to VECC 35 b) states:

“The 2021-2024 Conservation and Demand Management (CDM) Framework Local Initiatives Program was managed by the IESO, with CDM programs delivered by the IESO through the Save on Energy brand under the framework. Elexicon was not involved with any projects under the Local Initiatives program in 2023 and 2024.”

To Elexicon’s knowledge did the IESO undertake any CDM programs under the Local Initiatives program over the 2021-2024 period in its service area?

RESPONSE:

a) Elexicon is not aware of any specific Local Initiatives programs undertaken by the IESO in the 2021-2024 period within its service area.

CLARIFICATION QUESTION, SETTLEMENT CONFERENCE

CLARIFICATION QUESTION VECC-CQ-9

REFERENCES: JT 1.2-8

JT 1.2-7.1(1), Revised Load Forecast, Individual Customer Class Tabs

QUESTIONS:

- a) The response to JT 1.2-8 states that “EV and heating loads are subtracted from the sum of actual monthly kWh and CDM for the purpose of regression modeling.” However, with the exception of the VRZ-Residential Model Tabs, the Tabs with all of the other customer class regression models appear to use the customer class kWh data in the Monthly Data Tab that represents monthly usage with No CDM but prior to the removal of EV and heating loads. Please confirm if this is the case and, if so, update the models and forecasts as required.

RESPONSE:

- a) Confirmed.

The regression models for each class have correctly used the rate class adjusted load (“No_CDM_AL”) as the dependent variable and the values in Column D of each tab do not impact the forecast volumes.

The values in the individual rate class tabs are used only for reference in relation to the predicted or normalized values that include EV and heating loads. In the green prediction model tabs, the values are used to calculate monthly variances and to produce graphs that compare predicted and actual volumes. In the blue normalized tabs, the values are used to produce graphs that compare actual volumes with weather-normalized and forecast volumes. The monthly predicted/normalized values include EV and heating loads so the “No

- 1 CDM" values without the EV and heating load adjustment are the appropriate reference
- 2 values.
- 3
- 4 Column D in the VRZ Residential tab has been revised in VECC-CQ-6 Attachment 1 to exclude
- 5 the EV and heating load adjustment.

CLARIFICATION QUESTION, SETTLEMENT CONFERENCE

CLARIFICATION QUESTION VECC-CQ-10

REFERENCES: JT 1.2-7.1(1), Revised Load Forecast, Individual Customer Class Tabs

QUESTIONS:

- a) The VRZ-GS<50 Tab contains two regression models based on 2016-2025 data. However, the VRZ-GS<50 Normalized Tab appears to use a regression model based on 2015-2024 data. Please confirm the basis for the regression model used in the VRZ-GS<50 Normalized Tab and why it was selected.
- b) The VRZ-Large Use Tab contains two regression models based on 2016-2025 data. However, the VRZ-Large Use Normalized Tab appears to use a regression model based on 2015-2024 data. Please confirm the basis for the regression model used in the Large Use Normalized Tab and why it was selected.
- c) With respect to the WRZ-GS 50-2,999 Class, the WRZ-GS 50-2,999 Tab contains two regression models based on 2016-2025 data. However, the WRZ-GS 50-2,999 Normalized Tab appears to use a regression model based on 2015-2024 data. Please confirm the basis for the regression model used in the WRZ-GS 50-2,999 Normalized Tab and why it was selected.
- d) In addition to the above noted issues, please explain why:
 - i. The models set out in both the VRZ-Residential Tab and the VRZ-Residential Normalized Tab appear to be based on 2015-2024 data as opposed to 2016-2025 data.
 - ii. The model in the WRZ-Residential Tab appears to be based on 2016-2025 data whereas the model in the WRZ-Residential Normalized Tab appears to be based on 2015-2024 data.

- 1 iii. The model in the WRZ-GS 3,000-4,999 Tab appears to be based on 2016-2025 data
2 whereas the model in the WRZ- GS 3,000-4,999 Normalized Tab appears to be
3 based on 2015-2024 data.

4
5 **RESPONSE:**
6

7 The discrepancies noted in each part of this clarification question relate only to the labeling of the
8 data headers in the Normalized rate class tabs and do not affect forecast volumes. The labels did not
9 have cell references, and as a result, they were not updated in the revised load forecast models filed
10 as Attachment 1 to 3-SEC-68 and subsequently as Attachment 1 to JT1.2-7.1. The labels are therefore
11 out of date. The model labeling is corrected in the revised load forecast model filed as VECC-CQ-6
12 Attachment 1.

- 13
14 a) The VRZ-GS<50 Normalized tab uses the same regression model as the VRZ-GS<50 tab, which
15 is produced with 2016 to 2025 data and excludes the Oshawa FTE Seasonally Adjusted
16 variable. The coefficient values in the VRZ-GS<50 Normalized tab have cell references to the
17 coefficient values in the VRZ-GS<50 tab. However, as noted above, the model labels are out
18 of date. The selected regression model was used because it excludes the Oshawa FTE
19 Seasonally Adjusted variable which is not statistically significant.

- 20
21 b) The VRZ-Large Use Normalized tab uses the same regression model as the VRZ-Large Use
22 tab, which is produced with 2016 to 2025 data and excludes the Spring variable. The
23 coefficient values in the VRZ-Large Use Normalized tab have cell references to the coefficient
24 values in the VRZ-Large Use tab. However, as noted above, the model labels are out of date.
25 The selected regression model was used because it excludes the Spring variable that is not
26 statistically significant.

- 27
28 c) The WRZ-GS 50-2,999 Normalized tab uses the same regression model as the WRZ-GS 50-
29 2,999 tab, which is produced with 2016 to 2025 data and excludes the Fall variable. The
30 coefficient values in the WRZ-GS 50-2,999 Normalized tab have cell references to the

1 coefficient values in the WRZ-GS 50-2,999 tab. However, as noted above, the model labels
2 are out of date. The selected regression model was used because it excludes the Fall variable
3 that is not statistically significant.

4
5 d)

6 i. The VRZ-Residential Normalized tab uses the same regression model as the VRZ-
7 Residential tab, which is produced with 2016 to 2025. The coefficient values in the
8 VRZ-Residential Normalized tab have cell references to the coefficient values in the
9 VRZ-Residential tab. However, as noted above, the model labels are out of date.

10
11 ii. The WRZ-GS 3,000-4,999 Normalized tab uses the same regression model as the
12 WRZ-GS 3,000-4,999 tab, which is produced with 2016 to 2025. The coefficient
13 values in the WRZ-GS 3,000-4,999 Normalized tab have cell references to the
14 coefficient values in the WRZ-GS 3,000-4,999 tab. However, as noted above, the
15 model labels are out of date.

16
17 iii. The VRZ-Residential Normalized tab uses the same regression model as the VRZ-
18 Residential tab, which is produced with 2016 to 2025. The coefficient values in the
19 VRZ-Residential Normalized tab have cell references to the coefficient values in the
20 VRZ-Residential tab. However, as noted above, the model labels are out of date.

CLARIFICATION QUESTION, SETTLEMENT CONFERENCE

CLARIFICATION QUESTION VECC-CQ-11

REFERENCES: JT 4.10

PREAMBLE:

The response includes the following Table:

Table 1: Calculation of the Account Groupings for the Billing and Collecting Weighting Factor

Billing and Collecting Account Grouping	Cost (\$)	Details*	Calculation
Canada Post	\$1,934,738	Within 3515 Customer Billing	\$1,934,738
Key Accounts	\$352,209	5405 Supervision	\$189,771
		5410 Community Relations - Sundry	+\$767,478
		less amounts unrelated to Key Accounts	-\$605,040
		Total	\$352,209
Customer Service Expenses	\$3,324,512	5305 Supervision	\$176,175
		5340 Miscellaneous Customer Accounts Expenses	+\$3,148,337
		Total	\$3,324,512
Billing Department	\$3,928,639	5315 Customer Billing	\$6,894,510
		less Canada Post	-\$1,734,738
		less Meter Reading tracked in 5315	-\$1,031,133
		Total	\$3,928,639
Collections Department	\$1,632,941	5320 Collecting	\$1,652,405

*Canada Post, Key Accounts and Meter Reading amounts are consistent with forecast activity-based cost tracking

QUESTIONS:

- a) Please confirm that the Canada Post amount deducted for purposes of determining the Billing Department costs is \$1,934,738 and not \$1,734,738.
- b) Please explain why the \$1,031,133 in Metering Reading costs deducted for purposes of determining the Billing Department costs isn't reclassified to Meter Reading Expense (USOA #5310) in the I3 TB Data Tab of the Cost Allocation model.

- 1 c) The calculation of Key Account costs includes all of the costs in USOA #5405 and a portion
2 of the costs in USOA #5410. According to the E4 TB Allocation Details Tab of the Cost
3 Allocation model USOA #5405 and #5410 are both allocated based on O&M. Why isn't
4 both the full amount in USOA #5405 and the portion of USOA #5410 that is included in Key
5 Accounts costs reclassified in the I3 TB Data Tab such that they are allocated to classes
6 using the Billing and Collecting Weighting Factors?
- 7 d) Table 2 indicates that the GS<50 weighting factor for Billing is 1.0. However, in Table 3
8 Elexicon has used a weighting factor of 1.2 to determine the GS<30 weighted customer
9 count for Billing. Please reconcile.

10
11 **RESPONSE:**

- 12
- 13 a) Confirmed.
- 14
- 15 b) Elexicon agrees the amount for meter reading costs should be reclassified from USoA #5315
16 to USoA #5310 in I3 TB Data Tab and will include this change in subsequent cost allocation
17 models.
- 18
- 19 c) For clarity, the "amounts unrelated to Key Accounts" in Table 1 refer to amounts in both
20 USoA #5405 and #5410 are the amount in USoA #5405 Supervision is not fully related to Key
21 Accounts. Elexicon agrees the amounts for Key Accounts costs should be reclassified from
22 USoA #5405 and #5410 to #5405 in I3 TB Data Tab and will include this change in subsequent
23 cost allocation models.
- 24
- 25 d) The weighting factor for Billing is 1.0 for the GS < 50 rate class in Table 2 is correct. The
26 resulting weighted billing cost per GS < 50 kW customer should be 17.65 in Table 5. The
27 proposed weighting factor in Table 5 and the analysis in JT4.10(1) use the correct 17.65
28 weighted billing factor.

CLARIFICATION QUESTION, SETTLEMENT CONFERENCE

CLARIFICATION QUESTION VECC-CQ-12

REFERENCES: VECC-CQ-12

QUESTIONS:

- a) Please confirm that the “customer tab” in JT1.2-3.1(1) has been updated from 9-Staff-93 to reflect new customer (Customer 44) to be added in 2026. It appears this load has been reflected in the kW tab, but does this also not require correction in the customer tab?

RESPONSE:

- a) The revised large customer list in JT1.2-3.1(1) reflects Customer 44 as a new customer in 2025 in the “3-Staff-93-b Counts” tab (Columns T to Y). The revised large customer list provided as Attachment 1 to SC-SEC-6 corrects the energization date to 2026. As a result, the count has been revised from 0.5 in each year to 0.4 in 2026, 0.9 in 2027, and 1.0 in 2028 and subsequent years. Overall, this change increases the GS 3,000 to 4,999 kW customer count by 0.4 in 2027 and 0.5 in each year from 2028 to 2031.

This change does not affect the billed kW values in the “3-Staff-93-b Billed kW” tab (JT1.2-3.1(1), Columns T to Y), which correctly reflects 2026 as the first year of service for this customer.