

Elexicon Energy

Settlement Proposal

EB-2025-0312

Presented on October 8, 2026



Agenda

- Parties to Settlement Proposal
- Overview of Elexicon
- Settled Issues
- Bill Impacts
- Rate Framework
- Load Forecast
- Capital Expenditures
- Commitments
- Unsettled Issues

Parties to the Settlement Proposal

- Building Owners and Managers Association (BOMA);
- Coalition of Concerned Manufacturers and Businesses of Canada (CCMBC);
- Consumers Council of Canada (CCC);
- Distributed Resource Coalition (DRC);
- Energy Probe Research Foundation (EP);
- Pollution Probe (PP);
- School Energy Coalition (SEC);
- Vulnerable Energy Consumers Coalition (VECC);
- Quinte Manufacturer's Association (QMA); and
- Observer: Power Workers' Union (PWU).



Gravenhurst

Beaverton

Cannington

Sunderland

Uxbridge

Port Perry

Whitby

Pickering

Ajax

Orono
Bowmanville

Newcastle

Port Hope

Belleville



elexicon
ENERGY



21,000
Transformers



180,000
Customers and
Growing



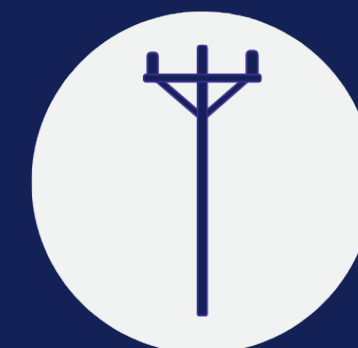
787
Square KM
of Territory



62
Distribution
Substations



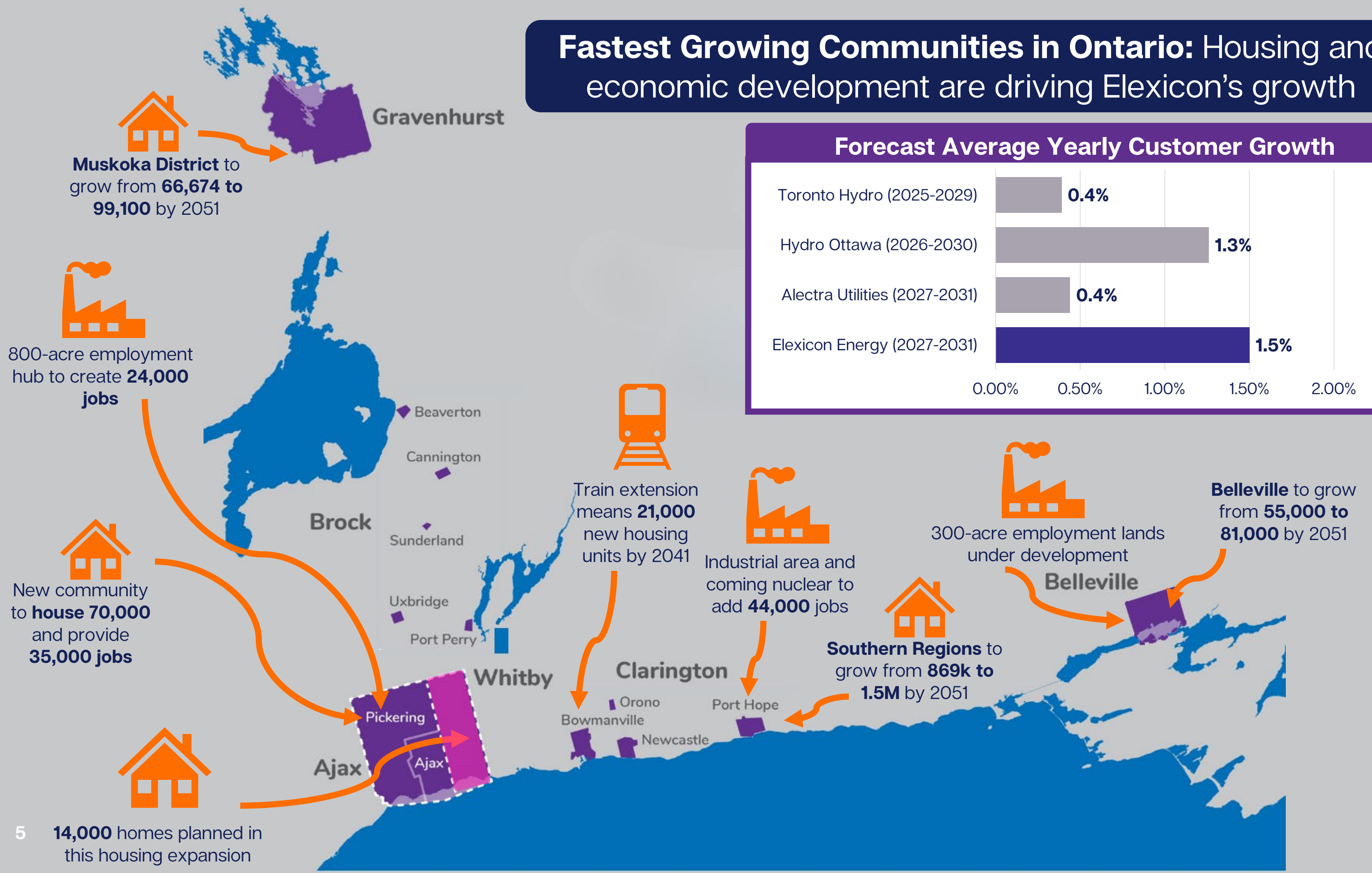
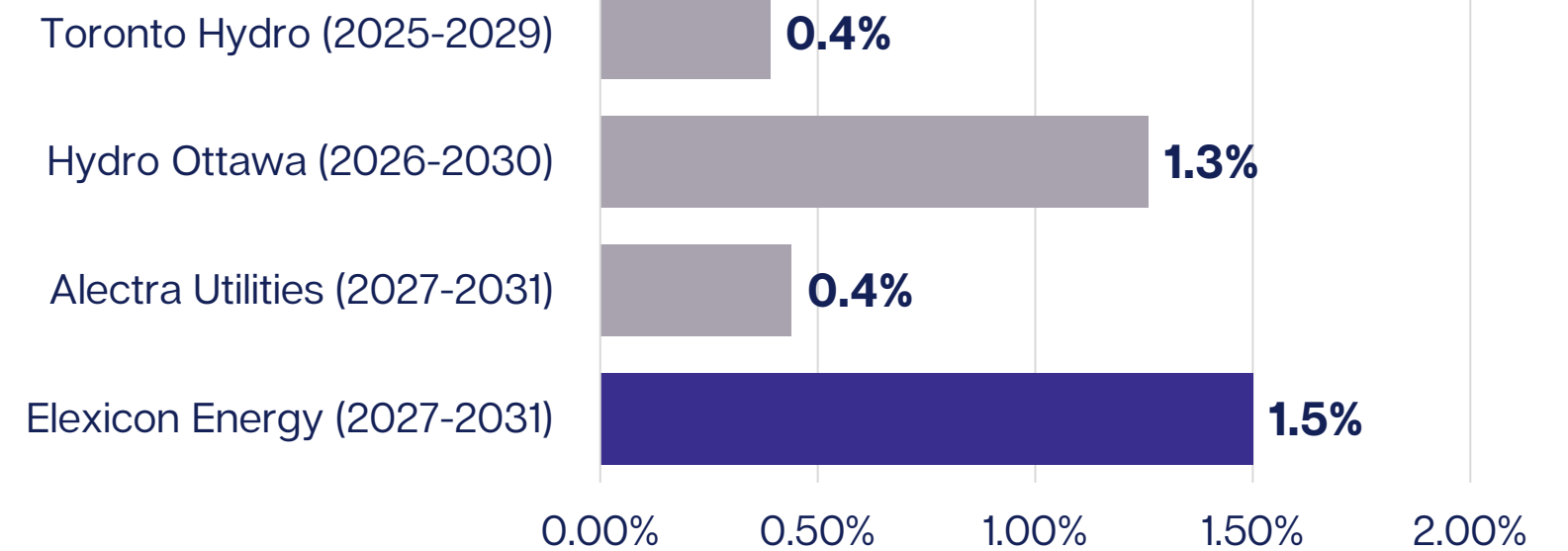
2,500
Kilometres of
Underground
Cables



4,500
Kilometres of
Overhead
Lines

Fastest Growing Communities in Ontario: Housing and economic development are driving Elexicon's growth

Forecast Average Yearly Customer Growth



Settled Issues: Overview

Comprehensive settlement proposal addresses majority of issues in proceeding

Custom IR Framework
Custom Revenue Cap Index, new DVAs
Early Rebasing Request
Parties agree to need for Early Rebasing
Effective Date
Rates effective January 1, 2027
Cost Allocation & Rate Design
Full settlement on issues including RTSRs, Specific Service Charges, Loss Factors, method for annual updates, and Fixed/Variable split
Taxes
Payment-in-lieu-of-taxes (PILs) forecast \$0 for each year of the term

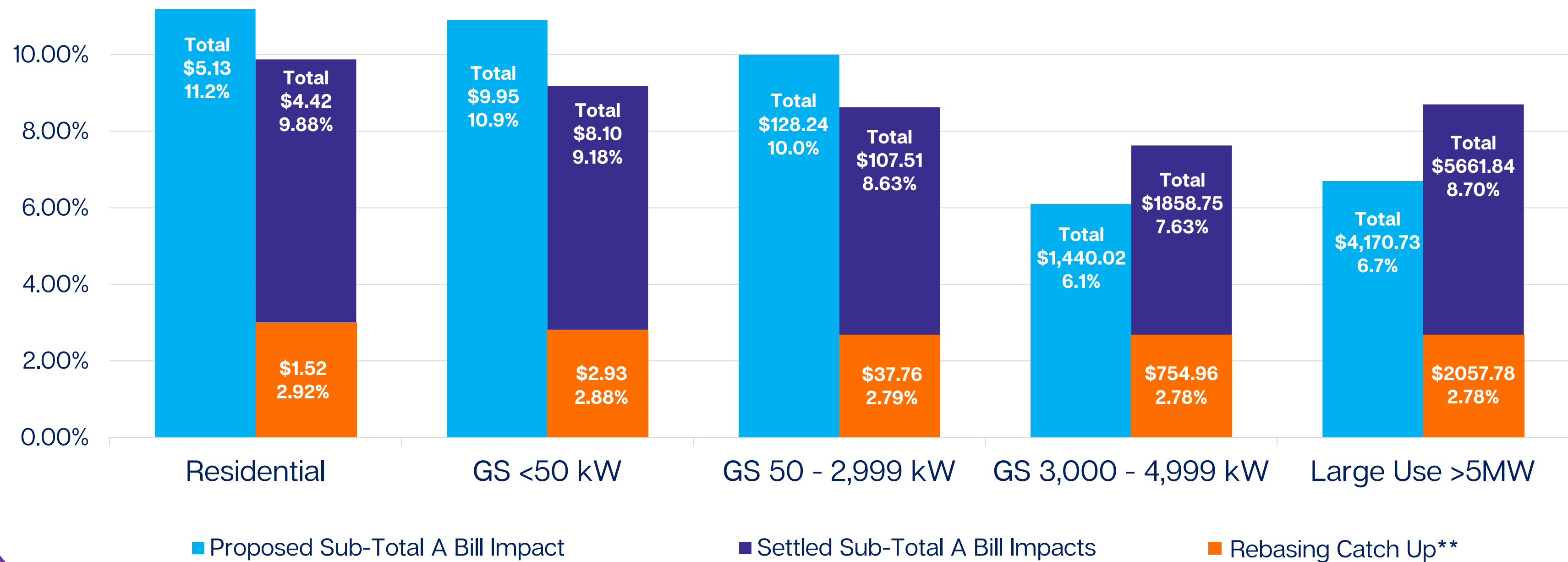
Capital Expenditures
Capital Expenditures and In-Service Additions for 2027-2031
2027 Opening Rate Base
Opening Rate Base, with disallowance of \$146K for implementation capital
Harmonization
All aspects other than harmonization period
DVA Balances
Balances, excluding Cloud account, settled Disposition period for Group 1 Accounts and PILs settled, Group 2 period unsettled
Cost of Capital Parameters
Capital Structure, ROE and cost of Short-Term Debt, Long-Term Debt Rate unsettled

OM&A
2027 OM&A to be indexed by inflation and growth, 2027 OM&A unsettled
Working Capital Allowance
Weighted Working Capital Allowance of 6.62%, Working Capital to be updated in the Draft Rate Order to reflect latest inputs
Load Forecast
5-year charge determinants agreed to with minor revisions to forecast
Other Revenue
2027 Test Year amount and escalation method settled
Custom Scorecard
Parties agree no reporting on custom scorecard

Distribution Bill Impacts

Settlement proposal reduces 5-year average rate impacts for majority of classes

5 Year Average Proposed and Settled Bill Impacts*



*All bill impacts shown reflect average charges for a typical customer in each rate class.
** The “catch up” represents the revenue deficiency related to re-aligning with current, pre-rebasing cost structures (i.e. 2026 costs).
Bill impacts are more consistent across rate classes following a change to annual revenue allocations agreed to in settlement.
Bill impacts assume an inflation factor of 2% and outcomes of unsettled issues aligned with Elexicon’s proposal.

Rate Framework: Custom Index

Simplified custom index consistent with recently approved frameworks and enables efficient annual rate updates

$$\text{CRCI} = I - X + \text{RGF}$$

**Custom
Revenue
Cap Index**

**Inflation
Factor**

OEB Inflation
Factor,
updated
annually

X Factor

0.3% stretch,
0% productivity
factor

Revenue Growth Factor

Capital

Forecast, less
0.15%
incremental
stretch

OM&A

Index based
on I + G

Growth (G) is
1.57%

Rate Framework: New Deferral & Variance Accounts (DVA)

New utility-specific Group 2 DVAs to address uncertainty and protect customers

Proposed Account	As Settled
Earnings Sharing Mechanism Deferral Account ("ESMDA")	Accepted as Proposed
Connection and Cost Recovery Agreement Variance Account ("CCRAVA")	Accepted as Proposed
Non-Wires Solutions Deferral Account ("NWSDA")	Accepted as Proposed
Demand-Related Variance Account ("DRVA")	Accepted as Proposed, with a 15% symmetrical deadband
New Stations Deferral Account ("NSDA")	Removed
Large Load Variance Account ("LLRVA")	Removed
Capital In-Service Addition Variance Account ("CISAVA")	Removed

Rate Framework: Annual Updates

Annual Updates facilitate rate adjustments under CRCI, disposition of Group 1 accounts, and updated pass-through costs

Annual Updates



CRCI is applied annually, updated for OEB Inflation Factor to set base rates



Clearance of Group 1 Accounts



Other charges updated:

- **Retail Transmission Service Rates (RTSRs)**
- **Low Voltage Rates**
- **Pole Attachment Rates**
- **Retailer Service Charges**
- **Standard Supply Service Charge**
- **Wholesale Market Service Rate**

Settled Customer Load Forecast

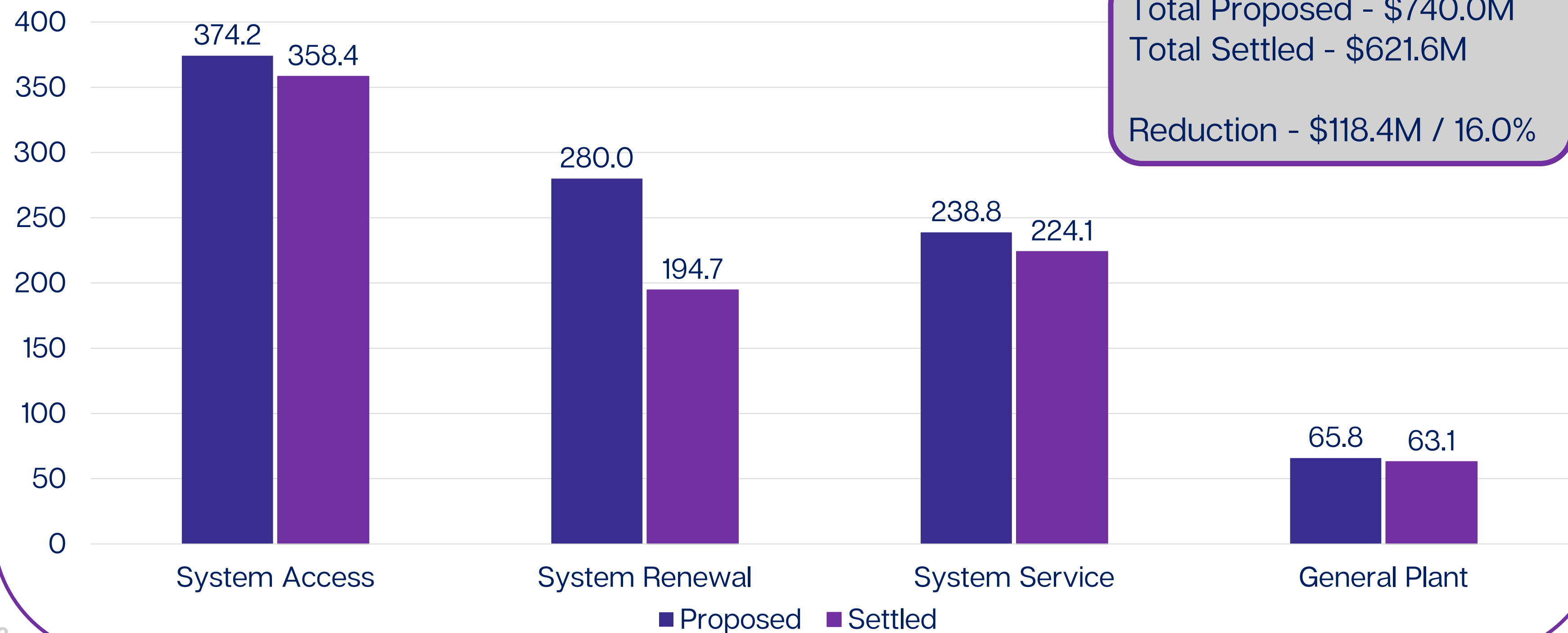
Load forecast agreement establishes the charge determinants for the five-year test period

Year		Total GWh	Annual GWh % Change	Total Billed MW	Annual MW % Change	Total Customers / Connections	Annual % Customer / Connection Change
2027	Proposed	3,885.2	5.1%	4,576.8	8.4%	231,870	1.3%
	Settled	3,932.9	5.6%	4,647.7	9.0%	231,905	1.3%
2028	Proposed	4,033.1	3.8%	4,831.2	5.6%	235,064	1.4%
	Settled	4,081.6	3.8%	4,900.3	5.4%	235,116	1.4%
2029	Proposed	4,165.7	3.3%	5,063.1	4.8%	238,615	1.5%
	Settled	4,213.0	3.2%	5,129.1	4.7%	238,684	1.5%
2030	Proposed	4,251.3	2.1%	5,194.4	2.6%	242,217	1.5%
	Settled	4,294.2	1.9%	5,251.8	2.4%	242,303	1.5%
2031	Proposed	4,309.3	1.4%	5,272.5	1.5%	245,669	1.4%
	Settled	4,350.2	1.3%	5,326.0	1.4%	245,773	1.4%

Capital Expenditures

Parties agreed to a 16% reduction to capital, Elexicon has implemented this reduction as illustrated below

Proposed & Settled Net Capex
Five-Year Envelope (\$M)



Commitments

Elexicon is undertaking 12 commitments for its next application

Engagement

- Expanded Stakeholder Engagement
- ULO TOU/Off-Peak Charging Awareness
- LEAP Emergency Financial Assistance

DERs and EVs

- Managed EV Charging
- EV Charging Connection Tracking
- MURB and Rental Housing EV Charging

Energy Transition

- DER Capacity Constraints
- Non-Wires Solutions
- V2X Readiness

System Planning Enhancements

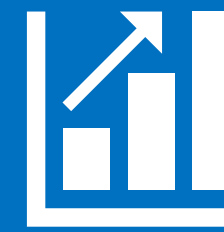
- Collaboration with Local Planning Entities
- Energy Transition Planning
- Connection Constraints

Unsettled Issues

Unsettled issues for the oral hearing



**2027 Test Year
OM&A**



**Cost of Capital - Long
Term Debt Rate**



**Cloud Computing
Implementation Costs -
Deferral Account
(Dx NEXT)**



**Rate Harmonization
Period**



**Group 2 Account
Balances –
Disposition Period**

Thank you
Questions?

Bill Impacts: All Classes by Rate Zone

2027-2031 Average Sub-Total A Bill Impacts (\$) (Distribution Charges & Distribution-Related Rate Riders)							
Rate Zone	Rate Class	Proposed		Settlement		Difference	
		\$	%	\$	%	\$	%
Veridian	Residential	\$ 5.44	12.0%	\$ 4.63	10.5%	\$ (0.81)	-1.5%
	GS <50	\$ 11.78	12.8%	\$ 8.72	10.0%	\$ (3.06)	-2.8%
	GS 50 - 2,999 kW	\$ 148.02	11.6%	\$ 118.47	9.7%	\$ (29.55)	-2.0%
	GS 3,000 - 4,999 kW	\$ 1,548.28	6.6%	\$ 1,957.99	8.1%	\$ 409.72	1.5%
	Large Use >5MW	\$ 2,757.40	4.6%	\$ 5,661.84	8.7%	\$ 2,904.44	4.1%
	Street Light	\$ 1,159.35	5.7%	\$ 807.50	4.1%	\$ (351.86)	-1.6%
	Sentinel	\$ 1.61	12.5%	\$ 1.00	8.5%	\$ (0.60)	-4.1%
	Unmetered Scattered Load	\$ 2.41	9.9%	\$ 1.61	7.0%	\$ (0.80)	-2.9%
	Seasonal Residential	\$ 10.61	12.7%	\$ 7.46	9.5%	\$ (3.15)	-3.2%
Whitby	Residential	\$ 4.70	9.8%	\$ 3.88	8.3%	\$ (0.81)	-1.5%
	GS <50	\$ 9.31	9.3%	\$ 6.25	6.6%	\$ (3.06)	-2.7%
	GS 50 - 2,999 kW	\$ 108.13	7.8%	\$ 78.62	5.9%	\$ (29.51)	-1.9%
	GS 3,000 - 4,999 kW	\$ 1,262.92	5.2%	\$ 1,673.27	6.7%	\$ 410.34	1.5%
	Street Light	\$ (5,394.96)	-13.3%	\$ (5,780.31)	-14.6%	\$ (385.35)	-1.3%
	Sentinel	\$ 1.67	13.3%	\$ 1.07	9.2%	\$ (0.60)	-4.1%
	Unmetered Scattered Load	\$ 0.44	1.4%	\$ (0.36)	-1.2%	\$ (0.80)	-2.7%