PUBLIC INTEREST ADVOCACY CENTRE
LE CENTRE POUR LA DÉFENSE DE L'INTÉRÊT PUBLIC

November 5, 2026 **VIA E-MAIL**

Ritchie Murray
Registrar (registrar@oeb.ca)
Ontario Energy Board
Toronto, ON

Dear Mr. Murray:

Re: EB-2026-0032 E.L.K. Energy Inc. (ELK)
2027 Cost of Service Application
Interrogatories of the Vulnerable Energy Consumers Coalition (VECC)

Please find attached the revised interrogatories of VECC in the above-noted proceeding. We have also directed a copy of the same to the Applicant.

Yours truly,

Mark C. Garner

Digitally signed by Mark C. Garner
Date: 2026.11.05 16:49:19 -05'00'

Mark Garner
Consultants for VECC/PIAC

Josh Charles, Director, Regulatory Affairs
Telephone:
Email: regulatory@elkenergy.com

REQUESTOR NAME	**VECC**
TO:	**E.L.K. Energy Inc. (ELK)**
DATE:	**July 18, 2026**
CASE NO:	**EB-2026-0032**
APPLICATION NAME	**2027 Cost of Service Application**

1.0 ADMINISTRATION (EXHIBIT 1)

1.0-VECC-1

Reference: Exhibit 1, Attachment 1-A Business Plan

E.L.K.'s proposed 2026 – 2028 Capital Plan is provided in the Table below:

Category ($000s)	2026	2027	2028
System Access (Net)	892	348	456
System Renewal	1,228	1,911	1,566
System Service	592	182	474
General Plant	194	144	129
Total	**2,905**	**2,585**	**2,625**

E.L.K.'s proposed 2026 – 2028 Operational Plan is provided in the Table below:

Category ($000s)	2026	2027	2028
Operations	469	477	487
Maintenance	1,335	1,367	1,394
Billing andCustomer Service	1,172	1,196	1,219
Administrative and General	2,253	2,036	2,075
Total	**5,229**	**5,076**	**5,175**

a) There appear to be differences with the tables from the business plan shown above and the associated categories shown in Appendix 2-AB (Excel 20260910.XLSM), particularly in 2026 Plan. The 2026-2028 Business Plan appears to show the actual 2026 results and not the plan as shown in Appendix 2-AB. When (what date) was the Business Plan provided in Appendix 1-A created and finalized?

b) Similarly, there appear to be differences with respect to the Business Plan OM&A projections and the amounts shown in the filing for the 2026 Bridge and 2027 Test Year. Please clarify the reasons for the differences between the Business Plan and the amounts shown in Appendix 2-JA.

1.0-VECC-2

Reference: Exhibit 1, Attachment 1-F

a) Please update the Scorecard to show the 2025 results.

1.0-VECC- 3

Reference: Exhibit 1,

Table 36 - Poles, Towers and Fixtures Capex APB Unit Costs 2020-2024

Year	2020	2021	2022	2023	2024	Average (5-year period)
E.L.K.	5,726.02	7,678.38	13,349.59	8,840.29	34,119.00	13,942.66
YoY Change		34%	74%	-34%	286%	
Industry						19,461.8
vs. Industry Average						-28%

a) Please provide a revised table which shows the individual cost components that make up of the table sums.

1.0-VECC-4

Reference: Exhibit 1, page 60 of 61

"*The present Application therefore proposes the rebasing of E.L.K. on a stand-alone basis. As this is not a rebasing Application for the consolidated entity following a MAADs proceeding, many of the requirements of Section 2.1.10 of the Chapter 2 Filing Requirements are not applicable*."

a) Please provide the specific filing requirements that are argued to be not applicable.

2.0 RATE BASE AND CAPITAL (EXHIBIT 2)

2.0-VECC - 5

Reference: Exhibit 1, page 14
Exhibit 2, DSP - Appendix A, pdf pages 133, 134, 138 and 142

Preamble: Exhibit 1, page 14 states:
" *investments over the forecast period include new subdivisions, customer connections, and related metering projects*."

Exhibit 2, Appendix A (pdf page 133) states:
"*This program consists of new subdivision projects within E.L.K.'s service areas that are required to accommodate new customer connections. Projects within this program are initiated by third-party developers and municipalities. E.L.K. is anticipating two major subdivision developments in the 2027 Test year, which are expected to result in the total connection of approximately 128 new residential lots across two different E.L.K. service areas once the projects are fully completed*."

Exhibit 2, Appendix A (pdf page 134) shows significant capital spending to support System Access subdivision development projects in 2026.

Exhibit 2, Appendix A (pdf page 138) states:
"*The Residential Connections Program is an ongoing System Access initiative required to support new residential development within E.L.K.'s service territory, including new service connections, upgrades, and relocation*."

Exhibit 2, Appendix A (pdf page 142) states:
"*E.L.K.'s Commercial Connections program is an annual, ongoing System Access program that provides new electrical service connections, service upgrades, and service relocations for E.L.K.'s general service (commercial and industrial) customers*."

a) Please provide the forecast for new residential customer connections (including those associated with new subdivisions) for each of the years in the forecast period starting with 2026 assumed for purposes of ELK's proposed capital expenditures.

b) Please provide the forecast for the new general service (commercial and industrial) customers connections assumed for purposes of ELK's proposed capital expenditures.

2.0-VECC -6

Reference: **Exhibit 2, DSP, page 10 (pdf page 47)**

Preamble: The Application states:
"..*throughout the Regional Planning Process, E.L.K. provides forecast load data..*
*The load in the Windsor-Essex region is expected to grow at a compound annual rate of approximately 2% in winter and 1.3% in the summer from 2024 to 2043***"**

a) Please provide load forecast that ELK provided for the 2024-2043 period for purposes of the Regional Planning Process.

2.0-VECC – 7

Reference: Exhibit 2, DSP, Section 5.3

a) Aside from capital spending on the largely reactive system access projects, ELK overspent its last DSP budget in every category (except General Plant in 2025). In fact ELK overspent its system renewal planned budget by 128% in the first year of the prior plan and by an average overspending of 132% in each of the following years in that category. This would indicate that ELK had poor capital planning in the last cost of service filing. Please explain the reasons for large variances in planned and actual capital expenditures in all the categories other than system access.

b) Please explain what changes have been made in the capital planning exercise that would show the current DSP is a more reliable indication of future spending.

c) Given the current plan to amalgamate ELK with ENWIN Utilities post 2028 of what, if any relevance is the proposed DSP post 2028? Specifically, is it anticipated that a revised DSP will be required post amalgamation?

d) Does the current DSP include any analysis or capital projects which are being done in anticipation of, or for the operational efficiency/harmony with, ENWIN Utilities? If so please explain what these are.

2.0-VECC -8

Reference: Exhibit 2, Section 5.2.3.3

"*Defective equipment, foreign interference, and scheduled outages have been identified as the three most common causes of interruptions on E.L.K.'s distribution system over the historical period*."

a) Please provide the most common defective equipment by type of equipment and explain how the proposed DSP addresses the most common type of equipment failures.

b) Has ELK established a target for reduction of outages due to defective equipment as part of its DSP? If not why not?

2.0-VECC -9

Reference: Exhibit 2, Section 5.2.3.3b

"*E.L.K. aims to minimize the impact of scheduled interruptions by executing capital work and maintenance, where appropriate, at times that would affect minimal customers and for periods of short duration*."

a) Please explain what programs ELK has put in place that will reduce the duration of scheduled outages. Specifically, please provide the policy implied by the reference above and explain how this policy is being implemented.

b) Please explain how ELK assess whether it is improving on average the duration of outage time for given types of capital projects.

2.0-VECC -10

Reference: Exhibit 2, Appendix 2-AA

a) Please provide an updated Appendix 2-AA which shows:

i. The actual amounts expended for 2026 up until October 31.

ii. The amount expected to be expended to year end 2026.

iii. Any adjustments to the capital expenditure forecast for 2027 resulting from revised 2026 capital expenditures.

2.0-VECC -11

Reference: Exhibit 2,

a) Please explain the methodology for forecasting the 2027 capital contributions and the 2028 – 2031 contribution forecasts

2.0-VECC - 12

Reference: Exhibit 2, Appendix A Material Investment Narrative Section 5.2.3.3 (PDF pages 114 & 170)

Table 1: Historical and Future Capital Expenditures

	Historical Costs ($ '000)					Future Costs ($ '000)				
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Capital (Gross)	-	-	-	-	240	678	447	360	510	305
Contributions	-	-	-	-	-	-	-	-	-	-
Capital (Net)	-	-	-	-	240	678	447	360	510	305

a) The 678k in voltage conversion does not match any single figure in Table 5.4-19 or any single row of Appendix 2-AA. Please identify the projects in both Table 5.4-19 and Appendix 2-AA which constitute all the elements of the Voltage Conversion program.

3.0 OPERATING REVENUE (EXHIBIT 3)

3.0-VECC - 13

Reference: **Exhibit 3, page 4**
Load Forecast Model, Inputs Tab

Preamble: The Application states:
"*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***."**

a) How is the average customer count for each year calculated (e.g., is it based on the average of the 12 monthly values or on some other basis)?

b) For each of the historical years, the Load Forecast Model reports the same customer/connection count for all months. Are historical customer/connection counts available on a monthly basis and, if so, please provide.

c) For each customer class, please provide the actual 2026 monthly customer counts for all months available.

3.0-VECC -14

Reference: **Exhibit 3, pages 5-6**

a) With respect to the Residential historic customer count, please provide the recorded customer count for 2021 and explain more fully why it was adjusted to be the average of the 2020 and 2022 values.

b) With respect to the GS>50 historic customer count, please provide the recorded customer counts for 2023 and 2024 and explain more fully why the 2023 and 2024 values were adjusted to be the average of 2022 and 2025 values.

c) With respect to the Embedded Distributor's historic kW values, please provide the recorded value for 2023 and explain more fully why it was adjusted to be average of 2022 and 2024 values.

d) With respect to the Sentinel Lighting's historic kW values, please provide the recorded value for 2023 and explain more fully why it was adjusted to be average of 2022 and 2024 values.

3.0-VECC -15

Reference: **Exhibit 3, page 8**
Load Forecast Model, Power Purchased Model Tab
Appendix 2-R

Preamble: The Application states:

"*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*."

a) Do the Total Power Purchases values set out in the Power Purchased Model Tab include all sources (i.e., wholesale purchases from HONI plus embedded generation)?

b) Please reconcile the Total Power Purchase values in the Load Forecast Model (Power Purchased Tab, Cells D157-D161) with those reported in Appendix 2-R (Rows A, B and C)..

3.0-VECC -16

Reference: Exhibit 3, page 8

Preamble: The Application states:
"*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*)"

a) Did ELK test any economic variables (e.g. Ont. GDP or Ont. Employment) to see if they were statistically significant so as to warrant inclusion in the load forecast model along with or instead of Number of Customers?
   a. If yes, what variables were tested and why where they rejected?
   b. If not, why not?

3.0-VECC -17

Reference: Exhibit 3, page 15, Table 12

a) What is the basis for the Weather Sensitivity %'s set out in Table 12?

4.0 OM&A (EXHIBIT 4)

4.0 -VECC -18

Reference: **Exhibit 4, pages 40-41**
Exhibit 4 (Updated), Attachment 4C, Second Amended Service Schedule Number 1, page 1 (pdf page 95)

Preamble: The Application (Exhibit 4, page 40) states:
"Starting in 2026, E.L.K. has entered into a services agreement with ENWIN (see Attachment 4-C) where ENWIN staff provide the following shared services to E.L.K.

- Corporate Services, including:
  - Executive and Management Services
  - Procurement Services
  - Human Resources Services
  - Information Technology
  - Communications and Public Affairs
  - Financial Services
  - Regulatory Services"

"*The primary driver of the variance in expenses from affiliate services was the start of the ENWIN Management Services contract in 2026. Previous to this, E.L.K. had received management support services from Entegrus Inc. until the end of 2024 – however, Entegrus Inc. was not affiliated with E.L.K*."

The Application (Exhibit 4 (Updated, Attachment 4C) states:
"*The Provider shall deliver the following Services to the Recipient:*
• Shared Corporate Services (as such term is defined in the OEB's Affiliate Relationships Code for Electricity Distributors and Transmitters), which for greater certainty shall include Finance Supervision, Customer Service/Billing Supervision and eDSM Services Administration;
• Hydro Operations Supervision;
• Hydro Operations;
• Hydro Engineering;
• Metering;
• Customer Service and Billing"

a) Given the difference in the types of shared services identified as being provided in the two references, please provide a schedule listing the types of shared services to be provided by ENWIN for which costs have been included in ELK's proposed 2027 revenue requirement.

b) Exhibit 4, Table 19 indicates that the total costs for the shared services provided by ENWIN to ELK is forecast to be $250,000 in each of 2026 and 2027. Please provide a schedule that breaks down the costs for each year by type of service (as identified in part (a)).

c) The Preamble indicates that E.L.K. had received management support services from Entegrus Inc. until the end of 2024. Please list the management support services previously provided by Entegrus and indicate: i) the costs paid by ELK for each type of service in 2024, ii) how ELK obtained such services for 2025 (i.e., prior to the contract with ENWIN) and ii) what the cost for each service was in 2025.

d) Which of the shared services now provided by ENWIN (as indicated in the Preamble) were previously provided by Entegrus?
    a. Please provide a schedule that, for each of these services, indicates the amount charged by Entegrus in 2024.

d) Are there any shared services that are to be provided by ENWIN in 2027 that were not provided to ELK by Entegrus? If yes, please identify and indicate how ELK obtained such services prior to 2026 and what the cost of each was for 2024 and 2025?

e) Are there any services that were previously provided by Entegrus that are <u>not</u> now provided by ENWIN as a shared service?
    i. If yes, please indicate what these services are and how they will be provided to ELK in 2026 and 2027.

4.0 -VECC -19
Reference: Exhibit 4, page 28

"*Unionized employees have transitioned effective September 24, 2026 to become employees of ENWIN – however, their activities remain dedicated to E.L.K. activities, and their costs are fully allocated to E.L.K. pursuant to a Managed Services Agreement (for further details, see Section 4.5.3).*"

a) Please provide the incremental labour cost (if any) caused by the transfer of ELK employees to ENWIN. Please provide this by the categories of Appendix 2-K (i.e. Management, Non-Management/Union)

4.0 -VECC - 20
Reference: Exhibit 4, Section 4.7, Appendix 2-M

"*Increased Executive Salaries due to a salary continuance agreement that was not forecast in 2022 Board Approved. This is a one-time cost that would not be expected to continue and is not forecast for the 2027 Test Year*."

a) We are unclear what this statement means. What is the nature of the agreement referred to and what expense is associated with that agreement.

b) We note that the 2022 Board approved Executive Salaries and Expenses (account 5615) was 24k (rounded) whereas the actual amount in that year is 498k. The following year (2023) it is 97k and the next year (2024 actuals) the amount recorded as a negative amount of -21k. We are unclear what is being recorded in account 5615. Please elucidate.

c) Please explain how the amounts recorded in accounts 5605 (Executive) and account 5610 (Management) Salaries and Expenses reconcile with the amounts for the similar "Management including Executive" category in Appendix 2-K.

4.0 -VECC -21
Reference: Exhibit 4 Table 11, page 26, Section 4.7 /Appendix 2-JD

"*Higher Regulatory expenses as a result of the 2022 Cost of Service process, as the 2022 Test Year had 1/5 of total Application costs included pursuant to the OEB's methodology for including these costs in rates, while 2022 would reflect actual costs incurred in the year*."

Table 20 – One-Time Regulatory Costs

Particulars	2022 Board Approved	Actual 2022 Cost of Service	2027 Cost of Service		
			2025 Actual	2026 Bridge	2027 Test
Cost Incurred	$ 539,799	$ 730,331	$ 19,799	$ 436,201	$ 254,000
1/5 Amortized for Test Year Revenue Requirement					$ 142,000

a) What was the 1/5 amount as a dollar amount for each year related to the 2022 cost of serve application?

b) Please explain the large increase in Regulatory Expenses in 2022 as compared to 2025 onward as shown in Table 11 Account 5655.

c) Please explain the large increase in Regulatory Expenses in 2026 as compared to the year prior and after.

d) Are any of the costs of this application shown in any of the presentations of 2025 and 2026 OM&A (e.g. shown in schedules Appendix 2-JA, 2-JC etc.). If yes please identify these costs.

4.0 -VECC -22
Reference: Exhibit 4, Section 4.7, Appendix 2-M

a) Please provide the OEB annual assessment costs for each year 2022 through 2027 (forecast)

4.0 -VECC - 23
Reference: Exhibit 4, Section 4.7, Appendix 2-M

d) Please describe the OEB Section 30 costs related to this application (i.e. 25k).

4.0 -VECC - 24
Reference: Exhibit 4, Section 4.3.4, page 24

a) Please explain how the forecast for bad debt for 2027 was estimated.

b) Please provide the actual 2026 bad debt expense to date.

4.0 -VECC - 25
Reference: Exhibit 4, Section 4.4.1, pages 27-

a) Please provide a table of job categories comparing 2022, 2025 and 2027 which includes:
   i. Position Description;
   ii. HR Salary band (range) of Position;
   iii. Number of FTEs approved for the Position; and,
   iv. Actual number of FTEs filling position in the given year.

4.0 -VECC -26
Reference: Exhibit 4, Table 6, page 21 / Appendix 2-JD

a) Please provide an updated Appendix 2-JD (Table 6) which shows for 2026:
   i. The actual amount spent to end of October 2026.
   ii. The anticipated remaining amount that will be expended for November and December 2026.

4.0 -VECC -27
Reference: Exhibit 4, Section 4.3.6, pages 25- / Appendix 2-JD

a) Please explain the increase in Miscellaneous General Expenses from 2025 ($21,584) to 2026 and 2027 (250k in each year).

b) Please explain the methodology for forecasting miscellaneous expenses.

5.0 COST OF CAPITAL (EXHIBIT 5)

5.0-VECC-28
Reference: Exhibit 5

a) Please update the cost of capital for the revised Board cost of capital parameters issues on October 29, 2026.

b) Please provide the revenue requirement impact of this change.

5.0-VECC-29
Reference: Exhibit 5, Section 5.2.1

Table 2 - Long-Term Debt Summary

Application	Description	Lender	Affiliate / Third Party	Fixed / Variable	Start Date	Term (Years)	Principal	Rate	Interest
2022 Cost of Service	CIBC Term Loan	CIBC Bank	Third-Party	Fixed	July 2, 2022	4	$ 2,200,000	4.61%	$ 101,354
2027 Cost of Service	Shareholder Loan	WCUL	Affiliate	Variable	August 11, 2026	2.8	$ 13,509,297	4.73%	$ 638,990

a) The referenced table does not appear to match for 2022 Appendix 2-B as shown in Excel Chapter2_20260919.XLSM, where 2022 shows a rate of 2.54%. Please explain the difference

5.0-VECC- 30
Reference: Exhibit 5

"*E.L.K.'s expected 2027 long-term debt is a shareholder loan from its parent, WCUL. WCUL is the holding company and acts as the treasury for the group of companies. A separate credit facility has been established with the Royal Bank of Canada by WCUL for E.L.K. to exclusively utilize – therefore, this intercompany debt is effectively third-party debt which carries a variable market interest rate.*

a) Please provide the current variable rate of the referenced credit facility.

5.0-VECC- 31
Reference: Exhibit 5, Attachment 5-A, Affiliate Debt Agreement

"3.2 *The parties hereto agree that the Loan shall bear interest at the same rate as the set out for Facility #4 in the RBC Agreement and shall be calculated monthly based upon the entire Loan amount, provided that where such rate changes, interest shall accrue at the applicable rate in effect from time to time, with interest accrued up to and including the day immediately preceding such change calculated at the prior rate and interest accruing from and after the effective date of such change calculated at the new rate*

a) Please provide the referenced "Facility #4" terms and conditions.

5.0-VECC- 32

Reference: Exhibit 5, Attachment 5-A, Affiliate Debt Agreement

"3.*3 The Loan under this facility shall be repayable in full on May 27, 2029."*

a) Please explain how ELK intends to meet the above provison.

6.0 REVENUE REQUIREMENT (EXHIBIT 6)

6.0-VECC- 33

Reference: Exhibit 6, page 14
Appendix 2-H

a) For each of the following accounts, please explain how the forecast values for 2026 and 2027 were established:
   - USOA #4225
   - USOA #4235
   - USOA #4375
   - USOA #4280
   - USOA #4290

b) Given that there is bank interest reported for each of the years 2022-2025, why is there no bank interest forecast for 2026 or 2027?

d) In the case of USOA #4210 please provide a schedule that sets out the number of poles and applicable rates used to determine the revenues for 2022 through 2027.

e) With respect to USOA #4235, please provide a breakdown of the revenue for 2025 through 2027 by type of charge.

6.0-VECC-34

Reference: Exhibit 6, page 14
Appendix 2-H
Exhibit 4, page 39

Preamble: Exhibit 4 states:
"*E.L.K. had historically entered into a services agreement with Solutions for maintenance services for streetlights and sentinel lights. Staff were made available by E.L.K. to Solutions and work was performed under the supervision of Solutions. This service was provided on a fully-allocated cost basis with costs determined based on employee time at fully burdened rates, as*

well as truck and material expenses at fully burdened costs. In 2024, Solutions changed their streetlighting maintenance service provider from E.L.K. to a third-party contractor. Therefore, in 2024 and thereafter, E.L.K. no longer provides those services and as a result no cost or charges are incurred or billed for those streetlighting maintenance services. Billing services provided by E.L.K. to Solutions for both Streetlighting maintenance and Sentinel lighting are provided and are expected to continue. Please see Attachment 4-B for a copy of the services agreement related to these ongoing services." (emphasis added)

a) Given that Solutions changed their streetlighting maintenance service provider from E.L.K. to a third-party contractor in 2024, why in Appendix 2-H (Row 182) are there no revenues reported in USOA #4375 for Street Lighting maintenance for the years prior to 2024 but there are for 2025-2027?

f) Please explain why there are no revenues reported in USOA #4375 for Sentinel Light maintenance services provided to Solutions for the years prior to 2024.

g) In 2024 did Solutions also change their Sentinel Lights maintenance services from ELK to a third party contractor?
   i. If not, why there are no revenues reported for Sentinel Light maintenance services provided to Solutions for the years 2024 and after?

d) With respect to USOA #4375 why are there no historical (2022-2025) revenues for Billing Services for Streetlighting and Sentinel?

7.0 COST ALLOCATION (EXHIBIT 7)

7.0-VECC-35

Reference: **Exhibit 7, page 8**
Cost Allocation Model, Tab I8 – Demand Data and Tab I9 – Direct Allocation

Preamble: The Application states:
"*In this Application, E.L.K. has proposed to continue directly assigning costs that are directly attributable to HONI, together with an allocated share of other expenses. This approach is consistent with the methodology applied in E.L.K.'s 2022 Cost of Service application*."

a) Please describe the ELK facilities used to supply each of the 6 Embedded

Distributor customers and, in particular, whether any of ELK's primary facilities (e.g.,. poles and conductors) are utilized. If the supply to any of these customers utilizes ELK's primary facilities, please explain why the PNCP4 value (per Tab I8) for this class is zero.

b) With respect to Exhibit 7, Table 6, please explain how each of the amounts directed allocated to the Embedded Distributor class was established.

c) Please confirm that as well as the costs set out in Table 6, HONI is also directly allocated $210,895 for meter costs (USOA #1860) and explain how this cost was derived.

d) Please explain why, in Table 6, HONI is not directly allocated a portion of the Meter Maintenance costs (USOA #5375).

7.0-VECC-36

Reference: Exhibit 7, page 4

Preamble: The Application states:
"*Street Lighting also has a proportionally higher weighting factor based on the level of manual effort involved in billing this distinct rate class*."

a) Please explain why similar (higher) manual efforts are not required for billing the USL and Sentinel rate classes.

7.0-VECC-37

Reference: Exhibit 7, page 4
Cost Allocation Model, Tabs I7.1 and I7.2

a) Do any of the Residential, GS<50, or GS>50 have more than one meter that is owned and/or read by ELK. If so please indicate, by rate class, the additional number of meters that are: i) owned and ii) read.

7.0-VECC-38

Reference: Exhibit 7, pages 5-7
Cost Allocation Model, Tabs I6.1, I6.2 and I8

a) With respect to the GS>50 class, Tabs I6.1 indicates that one or more customers received the Transformer Ownership Allowance and Tab 6.2 indicates that the CCP count is 89 while the CCLT and CCS counts are 88. However, in Tab I8, the PNCP4, LTNCP4 and SNCP4 values are all the same (55,129 kW). Please reconcile.

8.0 RATE DESIGN (EXHIBIT 8)

8.0-VECC- 39

Reference: Exhibit 8, pages 4-5

Preamble: The Application states:
"*The Table below outlines E.L.K.'s current distribution revenue split between fixed and variable charges. The revenue allocation was calculated by applying the existing 2026 Board-approved monthly service and volumetric distribution rates to the forecasted 2027 Test Year customer and consumption data from the proposed load forecast, excluding all rate riders and the Transformer Ownership Allowance*."

a) Please provide the detailed calculation for the fixed-variable split for each class. In doing so please clearly set out the treatment of the Transformer Ownership Allowance and the rationale for such treatment.

8.0-VECC- 40

Reference: Exhibit 8, pages 10-12

Preamble: The Application states:
"*The Table below provides the RTSR rates generated from the 2027 RTSR Workform. Note that consistent with E.L.K.'s existing practice, the Embedded Distributor rate class is not assigned RTSRs*." (page 10)

"*The derivation of the LV service rates, and a comparison to historical actuals, is provided in Tab 9 – LV Rates of the filed RTSR Workform and is summarized in the Table below. Note that consistent with E.L.K.'s existing practice, the Embedded Distributor rate class is not assigned LV charges*." (page 12)

a) Please confirm that HONI does not bill ELK for ST-RTSRs for the power delivered to the Embedded Distributor class.

b) Please confirm that HONI does not apply its ST rates to the power delivered to the Embedded Distributor class.

8.0–VECC -41

Reference: Exhibit 8, pages 16-18
Appendix 2-R (Loss Factors)

a) Please revise the loss factor calculation using the formula for the SFLF (Row K) set out in the footnotes to Appendix 2-R.

8.0-VECC- 42

Reference: Exhibit 1, page 23 (Table 17)
Exhibit 8, pages 23 and 26-27 (Table 22)

a) Please provide the 2027 bill impacts before the planned mitigation.

8.0–VECC - 43

Reference: Exhibit 8, page 24

Preamble: Figure 1 sets out the forecasted Residential Distribution Fixed Service Charge under both a status quo approach and ELK's proposed phase in.

a) Please provide the actual values for each of the years 2026-2031 for both the status quo and phase-in approaches in Figure 1.

b) Please confirm that the fixed service charge values shown include the deferred revenue rate rider proposed for each year. If not included, please provide a revised response to part (a) that includes these values.

c) Do the values shown for 2028-2031 include any allowance for the annual IRM adjustment that will occur each year?

   i. If yes, what is the assumed annual adjustment (%) for each year?

   ii. If not, please provide a revised response to part (a/b) assuming the annual OEB inflation adjustment is 3%.

9.0 DEFERRAL AND VARIANCE ACCOUNTS (EXHIBIT 9)

9.0 –VECC - 44

Reference: Exhibit 9, page 20 / Exhibit 2, page 26

"The analysis above indicates that E.L.K.'s recoveries vary from actual costs by approximately $25,000 over the three-year period. As this amount is less than E.L.K.'s materiality threshold of $50,000, E.L.K. does not propose a true-up of May 1, 2024 through April 30, 2027 ICM revenues relative to costs in this Application."

a) ELK proposes to recover $47,681 from the OEB Cost Assessment Account. ELK notes it is not proposing to true up its ICM variance because it is below its 50k materiality threshold. Please explain why that materiality threshold does not apply to the OEB Cost Assessment Account variance.

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