

Decision on Elexicon Energy's Application to Change its Electricity Distribution Rates

On January 15, 2026, the Ontario Energy Board (OEB) issued its [Decision and Order](#) approving changes to Elexicon Energy Inc.'s (Elexicon) electricity distribution rates, effective January 1, 2026. The OEB determined that Elexicon's proposed incentive rate adjustment was in accordance with the annually updated parameters set by the OEB.

The estimated total bill impact¹ for a typical residential customer using 750 kWh per month will be an increase of \$6.52 per month (or 2.95%) in the Veridian Rate Zone, and \$1.78 per month (1.10%) in the Whitby Rate Zone.²

Elexicon's application includes a request for approval of \$28.08M in 2026 Incremental Capital Module (ICM) funding funding to support two Veridian Rate Zone investments that it stated were not covered by current distribution rates. The OEB approved partial ICM funding of \$6.55M in capital for the Sandy Beach Station project and denied Elexicon's request for \$18.38M in ICM funding for a new Dual Element Spot Network (DESN) at the Belleville Transformer Station.

ICM Project Details

- Sandy Beach Station** – Elexicon indicated that this project, scheduled for completion by October 2026, aims to address urgent reliability, safety and operational issues caused by deteriorating conditions, outdated equipment, inefficient layout and reliance on a temporary spare transformer.

The OEB determined that while the project met the ICM criteria (materiality, need, prudence), a portion of the project cost was already embedded in current rates. Accordingly, it approved funding of \$6.55M, a reduction of \$3.15M from the \$9.7M originally sought.

- Belleville Transformer Station** – To relieve immediate capacity constraints, Elexicon proposed a second DESN in Belleville, including two 75/125 MVA transformers.

The OEB denied funding for this project having found that while the project met the materiality and need criteria, its expected December 17, 2026 in-service date made it premature to confirm prudence for inclusion in 2026 rates. Even a short delay could cause the project to finish in 2027, which would eliminate the case for funding in 2026. The OEB found that a full assessment of prudence is more appropriately considered in the upcoming proceeding on Elexicon's major rates application for rates effective January 1, 2027.

¹ The bill impacts are subject to change through the rate order process.

² These amounts do not include applicable taxes, the Ontario Electricity Rebate, ICM funding or the disposition of balances in the regulatory balance accounts.

INTERVENORS

Intervenors are individuals or groups who have permission to participate in a hearing before the OEB because they have a substantial interest in the proceeding. A list of the six parties that were approved as intervenors in this proceeding, including representatives of different classes of consumers, is available on page three of the Decision.

ABOUT THE OEB

The OEB is the independent regulator of Ontario's electricity and natural gas sectors. It protects the interests of consumers and enables the delivery of clean, reliable, secure and affordable energy for the people, farms and businesses of Ontario, supporting economic growth in the province. Its goal is to deliver public value through prudent regulation and independent adjudicative decision-making which contributes to Ontario's economic, social and environmental development. You can learn more about the OEB at oeb.ca.

Independence in the hearing and determination of matters is a key element of the OEB's mandate, established through legislative structures, the [Memorandum of Understanding](#) between the Minister of Energy and Electrification and the Chair of the OEB, and by-laws that set out clear lines of communication between government and the OEB. Commissioner panels hear and determine matters independently, with legislative protections and other instruments to ensure decisions are free from interference by the CEO, the Board of Directors and government. This also includes the Chief Commissioner when not assigned to the specific case.

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Ce document est aussi disponible en français.

This Backgrounder was prepared by OEB staff to inform Ontario's energy consumers about the OEB's decision and is not for use in legal or regulatory proceedings. It is not part of the OEB's reasons for decision; those may be found in the Decision and Order issued January 15, 2026, which is the official OEB document.