



# Elexicon Corporation

# 2024 ANNUAL REPORT

# Table of Contents

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## **Elexicon Corporation**

05	Who We Are
06	Facts & Figures
08	Joint Message from the Chairs
10	Financial Performance



## **Elexicon Energy Inc.**

13	Our Why · Our Way · Our How
14	Celebrating Five Remarkable Years
15	Milestones & Accomplishments
16	2024 Highlights

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# Our **Purpose**

Empowering through energy innovation  
for a cleaner, better future.

# Our **Beliefs**

- + Collaboration
  - + Curiosity
  - + Diversity, Equity and Inclusion
  - + Environmental and Social Well-being
  - + Health and Safety
- 

# Elexicon Corporation



# Who We Are



We're powering life's most meaningful moments, as well as creating a harmonious connection between experiences and people and the environments where they dwell. Through our safe and reliable services, we illuminate, we move, we grow, we comfort, we nourish, and we educate, ultimately shaping stronger communities and a better world.



**Elexicon Corporation** is a holding company, 100 per cent owned by five municipal shareholders: the Town of Whitby, the City of Pickering, the Town of Ajax, the Municipality of Clarington and the City of Belleville. Elexicon Corporation consists of two wholly owned subsidiary operating companies: Elexicon Energy Inc. and Elexicon Group Inc.

**Elexicon Energy Inc.** is a regulated electricity distribution company that delivers electricity to more than 180,000 homes and businesses located in ten municipalities in east-central Ontario. The company is regulated by the Ontario Energy Board, an independent regulator of the electricity and natural gas sector. Elexicon Energy, through its investments, is focused on grid modernization and integration of innovative technologies to its distribution network to provide reliable and cost-effective services, to meet the current and future needs of its customers. The company is defining the role of the distributor in the energy transition and electrification of the economy.



Note: Elexicon Corporation winded down the operations of its subsidiary company – Elexicon Group – as it refocused on its regulated business.

# 2024 Facts & Figures



**\$7.8 million**

in dividends paid to municipal shareholders



**\$370,000**

donated to local charities and community organizations



**\$338,000**

raised for seven vital community agencies at Elexicon Energy's Annual Charity Golf Tournament



**\$48,000**

raised at Dream Big, Dream Brighter Gala in support of Grandview Kids



**\$15,000**

donated to Ontario Tech University's Women for STEM (Science, Technology, Engineering and Mathematics)



**180,537**

residential and business customers across 10 municipalities



**41,491**

transformers and overhead switches



**38,417**

hydro poles and pole structures



**4,697**

kilometres of overhead wires



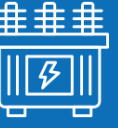
**2,731**

kilometres of underground cables



**787 km<sup>2</sup>**

of service territory (almost identical to the size of New York City at 785 km<sup>2</sup>)



**62**

distribution substations



**95%**

customer satisfaction survey score



**19,037**

customer emails responded to



**81**

new hires



**Innovation  
Excellence Award**

presented by the Electricity  
Distributors Association



**98,206**

customer calls answered



**294**

talented and committed  
employees



**Ontario Electricity  
Safety Award**

presented by the Electrical Safety  
Authority

# Joint Message from the Chairs



**Anthony Haines**

Chair of the Board of Directors  
Elexicon Corporation



**Nicole McNeill**

Chair of the Board of Directors  
Elexicon Energy

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Elexicon turned five in 2024. Since the merger of Veridian Corporation and Whitby Hydro Energy Corporation, we have invested \$467 million to deliver safe and reliable electricity to some of the fastest growing communities in Ontario, while also generating \$888 million in economic value and benefits. As one Elexicon, we are better positioned to meet the risks and realize the opportunities in a changing energy landscape, invest in meeting the evolving needs of our customers and be a strong voice of leadership in Ontario's energy sector.

Elexicon continues to serve some of the fastest growing regions in Ontario and is experiencing an increasing demand for additional grid capacity in our rapidly growing communities. This demand is occurring while Elexicon has identified a significant backlog of aging and deteriorating assets, which we are working to address. While we prepare our future investment plans to keep pace with the needs of our customers and communities in the region,

we focussed our operations on maintaining critical infrastructure and serving this growth. In 2024, we invested nearly \$95 million in the grid, connected approximately 3,000 new customers, and despite the challenges, achieved a 95 per cent customer satisfaction score while maintaining our strong safety record.

We also made key progress on our Dx NEXT program to replace end-of-life technologies and platforms that support key functions across the organization, to improve customer experience, and bring together integrated and scalable tools to deliver cost-effective and resilient energy services to support the rapid growth in the communities Elexicon serves. In 2024, we completed construction of our integrated operations centre, which encompasses our grid control, outage management, enterprise technology and operating technology into one location.

With nearly 300 employees serving 180,000-plus customers across ten municipalities, Elexicon is proud to be an involved member of our communities. In 2024, we donated \$370,000 to local charities and community organizations through our corporate giving program, and our charity golf tournament raised \$338,000 for seven vital community agencies.

We are also pleased for Elexicon to have been recognized by our industry peers, including receiving the Electrical Safety Authority's Consumer Home and Safety Award for our continued commitment to providing safety education to elementary school children. We also pursued community innovation, having collaborated with Western University to unveil a first-in-Canada innovative solution to enhance power quality. The research on using Battery Energy Storage Systems (BESS) as a cost-effective alternative to traditional technology has proved to be a successful solution, providing power stability for induction motors used by industries such as mining and automotive.

As we look ahead to 2025, we will be focussing on staging for future success through finalizing our refreshed corporate strategy, continuing to invest in maintaining critical infrastructure and serving some of the fastest growing communities in Ontario, and building a strong Elexicon equipped to meet the demands of today and shape the opportunities of tomorrow.



# Financial Performance



Elexicon Corporation had a strong financial performance in 2024 and provided its shareholder municipalities with solid and consistent dividend distributions. Net income after net movements in regulatory balances for the year ended December 31, 2024 was \$5.6 million.

After normalization for the unrealized loss, the net income after net movements for the year ended December 31, 2024 was \$6.5 million and the Corporation paid \$7.8 million in dividends to shareholders for reinvestment into their communities. Elexicon Corporation continued to deliver economic benefits to local communities and made capital investments of \$94.6 million.

Elexicon Corporation's subsidiary company, Elexicon Group, operated in the non-regulated energy sector with the aim of reducing energy costs and improving sustainability for private and public sector clients. Following a few challenging years, the company wound down its operations in 2024. The other subsidiary company, Elexicon Energy, will continue to focus on its core business function – delivering safe and reliable electricity to more than 180,000 residential and business customers.



## \$185.4 million

in economic value and benefits delivered in 2024. The value created by Elexicon Corporation is fundamentally measured in terms of financial performance and operational excellence. In addition, the Province of Ontario and the communities we serve derive other economic benefits that, in 2024, amounted to approximately \$185 million.



## \$94.6 million

in capital expenditures in 2024. Investments in electricity distribution infrastructure to serve the needs of our growing communities.



**\$66.7 million**

in operating expenses in 2024. Property taxes, facility costs, professional fees, local purchasing, employee compensation and benefits, and other expenses.



**\$7.8 million**

in dividends paid to or payable to our shareholders for reinvestment in our communities.



**\$16.3 million**

in payments to capital providers and government, and interest and payments in lieu of taxes.



# Elexicon Energy

# Our Why - Our Way - Our How

Elexicon, with input from its employees, rewrote its Mission, Vision and Values, as well as its One Elexicon Operating Principles, into what is now referred to as 'Our Why, Our Way and Our How'. Our Why is why Elexicon exists, Our Way is the way Elexicon goes about delivering on its Why, and Our How is how Elexicon behaves to deliver on its Why and its Way.

## Our Why

We deliver safe and reliable energy to our communities\* and create the possibilities that energize our customers' future.

## Our Way: Strategic Pillars

### Customer Centricity

Developing an agile operating mindset that prioritizes decisions to build and maintain a positive customer experience. Customers are the cornerstone of any service organization.

### Operational Excellence

The continuous improvement of the organization's people, processes, places, safety and financial sustainability. As a newly formed organization, unifying our processes, focusing on our people and their safety (as well as the public's), and better connecting with our customers and stakeholders is key to the sustained success of the organization.

### Economic Development

Enabling the organization to be a trusted strategic partner and catalyst for growth by nurturing, developing, and managing relationships with our community shareholders and the stakeholders in the areas we serve

### Strategic Investment

With a solid investment strategy, Elexicon ensures we continue to provide customers with reliable, affordable energy services while building a robust grid to manage current demand while also upgrading infrastructure, as appropriate, to prepare for a changing energy landscape in the years ahead. The focus will be on investments to benefit today, prepare for tomorrow and meet the needs of our shareholders and stakeholders.

\*Communities: Shareholders, Customers and Team Members

## Our How:

Beliefs & Behaviours

### Safe & Well

We promote a culture of safety and wellness.

### Consistent

We hold self and others to a standard of excellence.

### Respectful

We work with the highest integrity, valuing and showcasing appreciation for others.

### Responsive

We are timely in addressing the needs of our communities.

### Collaborative

We work together, innovate and celebrate.

### Clear

We ensure clarity.

# Celebrating Five Remarkable Years

Five years ago, Elexicon embarked on a journey to provide its customers and communities with reliable, affordable energy services and to continually improve to meet their needs. Today, the company has quickly become one of the most successful and well-respected local distribution companies in the energy sector.



## How It All Began

July 2017

### Signing of a Memorandum of Understanding

Veridian Corporation and Whitby Hydro Energy Corporation announce they have reached the first milestone in merger evaluations with the signing of a Memorandum of Understanding.

June 2018

### Shareholders Approve Proposed Merger

All five municipal shareholders of Veridian Corporation and Whitby Hydro Energy Corporation approve a proposed merger between the two companies to create a new energy corporation.

December 2018

### Ontario Energy Board Approval

The Ontario Energy Board approves the proposed merger of Veridian Corporation and Whitby Hydro Energy Corporation.

January 2019

### New Company Name Unveiled

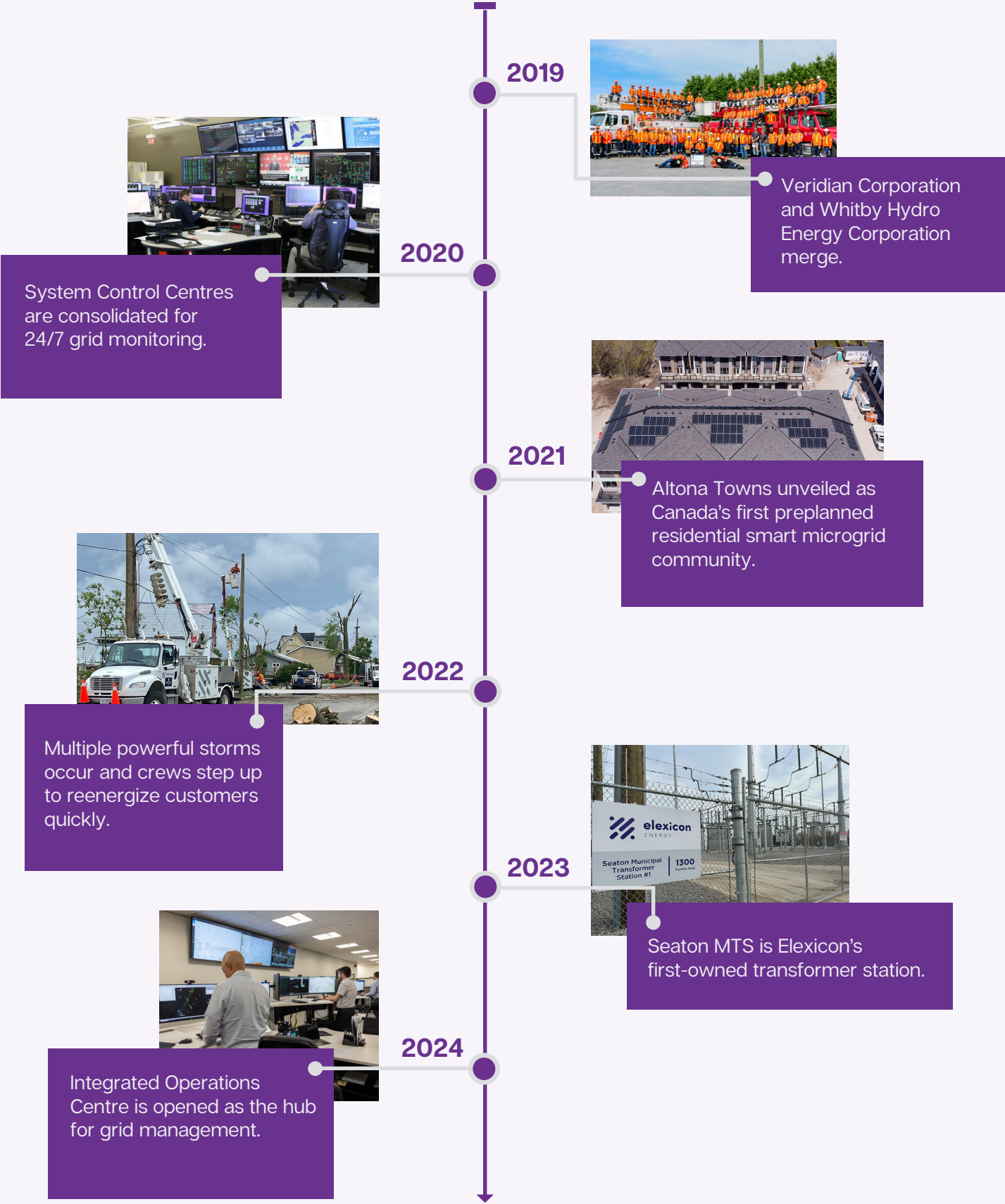
Veridian Corporation and Whitby Hydro Energy Corporation unveil Elexicon Corporation and its subsidiaries, Elexicon Energy and Elexicon Group.

April 2019

### Elexicon Corporation and Subsidiaries are Formed

Veridian Corporation and Whitby Hydro Energy Corporation complete the closing of an agreement to merge the two companies to form Elexicon Corporation, the single shareholder of subsidiary corporations - Elexicon Energy and Elexicon Group.

# Milestones & Accomplishments



# 2024 Highlights

## Dx NEXT: Revitalizing, Connecting and Transforming

Elexicon is undertaking a five-year program that will advance how the organization does business. The program, named Dx NEXT, will replace end-of-life technologies and platforms that support key functions across the organization, ultimately improving the customer experience, and bringing together integrated and scalable tools to deliver cost-effective and resilient energy services to support the rapid growth in the communities Elexicon serves.

In 2024, Elexicon marked two important milestones for the program. The first was the construction of an Integrated Operations Centre (IOC). Work on the state-of-the-art facility at the organization's corporate headquarters in Ajax began in September 2023 and was completed in April 2024. The IOC houses Elexicon's System Operations team, and encompass grid control, outage management, enterprise technology and operating technology.

The second milestone was selecting a partner to guide Elexicon on the transformation journey. Capgemini, a global leader in consulting, technology services and digital transformation, was selected through a competitive request for proposal process. Elexicon is confident that Capgemini's expertise and innovative approach will drive the organization's transformation forward. Both are committed to achieving the goals that have been identified and setting new benchmarks in the energy sector. In 2025, the program will focus on Elexicon's Customer Experience team and the platforms they use to assist and support customers.

“One of our corporate values at Elexicon is Collaboration. The establishment of the IOC highlights our commitment to embodying this value. This initiative united teams from various departments across the organization - including Operations, Digital and Innovation, Facilities, People and Culture, and more - to brainstorm, design and implement this space.”

**Sam Sadeghi**  
Vice President,  
Distribution Operations and  
Asset Management





## POWERING OUR COMMUNITIES WITH SAFE AND RELIABLE ELECTRICITY

Elexicon distributes power from the provincial electricity grid across its network to more than 180,000 residential and business customers in ten communities.

The company's sophisticated electricity distribution network features intelligent monitoring systems and automated controls. At the heart of this system is a team of highly skilled operators and engineers that monitor the flow of electricity across a network of 7,400 kilometres of overhead lines and underground cables.

To keep the system running smoothly, Elexicon continually invests in proactive prevention strategies that include tree trimming, wildlife mitigation and thermographic inspection of distribution system apparatus to identify hot spots before they result in outages.

If an outage cannot be restored remotely, a crew is dispatched from the nearest Operations Centre to investigate the cause, make repairs and restore power to customers as quickly and as safely as possible.

Elexicon is proud of its ability to mobilize crews and equipment from all parts of its service territory to restore power in any of its communities that suffer widespread outages due to severe weather events.

## AWARD WINNING COLLABORATION WITH WESTERN UNIVERSITY



A collaboration between Elexicon Energy and Western University has led to the development of an innovative solution to improve power quality and voltage stability for industries reliant on induction motors.

Induction motors used by petrochemical, mining and automotive industries, among others, can shut down due to voltage dips. Using a static synchronous compensator or STATCOM can prevent this from happening. This project focused on the application of Battery Energy Storage Systems (BESS), as developed by Western University professor Dr. Rajiv Varma, as a STATCOM.



Since May 2023, Dr. Varma's graduate students have been conducting research at Elexicon's corporate headquarters in Ajax, working together on software and hardware simulations to implement the BESS-STATCOM technology for motor stabilization. The BESS-STATCOM offers an easier, faster to install, and lower cost alternative to traditional STATCOMs, which particularly benefits utilities and large customers with voltage-sensitive equipment.

The research was funded by the Electricity Distributors Association's (EDA) LDC Tomorrow Fund, Natural Sciences and Engineering Research Council of Canada, MITACS, and supported by cash and in-kind contributions from Elexicon.

## PARTNERING WITH CENTENNIAL COLLEGE TO ENHANCE POWER DISTRIBUTION SECTOR TRAINING

As the energy sector continues to change and grow, Elexicon recognizes that the skills of workers in this field will also need to evolve. That's why the organization is proud to partner with Centennial College to develop and launch two micro-credentials for learners interested in a career in power distribution. This program was made possible thanks to a generous grant from the Ministry of Colleges and Universities, a critical investment in educating the next generation of energy distribution sector workers.

The new curriculum, which is expected to launch in 2025, focuses on Electrical Utility Distribution Stations and Control Stations. Over 10 weeks, learners will cover 40 hours of module-based, part-time training. The curriculum is designed to address existing labour market needs and skills gaps by upgrading the competencies of industry talent as the sector continues to adopt new technologies.

## ELEXICON'S COMMITMENT TO ELECTRICAL SAFETY EDUCATION RECOGNIZED BY ESA

Elexicon was pleased to receive the Ontario Electrical Safety Award in the category of Consumer Home and Safety. The honour was bestowed at the Electrical Safety Authority's (ESA) Annual General Meeting and Safety Awards held in September. This is the second time Elexicon has been recognized for its dedication to safety awareness and education.

The organization was selected for its commitment to the Kids' Safety Village of Durham Region and the Children's Safety Village in Belleville in 2023. Both programs, located in communities served by Elexicon, deliver safety education to elementary school children. In addition, Elexicon's Field Safety Supervisor, delivers in-classroom presentations to teach children about the dangers of electricity in their homes and neighbourhoods.



## RECORD HIGH LOCATE PERFORMANCE

When contractors and developers, and even homeowners, are planning outdoor work that involves digging it is the law to contact Ontario One Call to ensure the project does not interfere with Exelcon's infrastructure or third-party cables, pipes or wires. Hitting a powerline or cable can cause a power outage, hefty financial consequences or serious injury.

Compliance with cable locates was not meeting Exelcon's goals, with only 49 per cent compliance in 2022. This led the organization, with support from its Executive Leadership Team, to build a new internal team for locates, damage prevention and inspections in 2023.

This team met monthly with stakeholders across the organization to review locate performance, closely examining why compliance was so low. In 2023, Exelcon saw an increase in locates, with an annual compliance rate of 88 per cent. In 2024, the annual compliance reached a staggering 97 per cent.

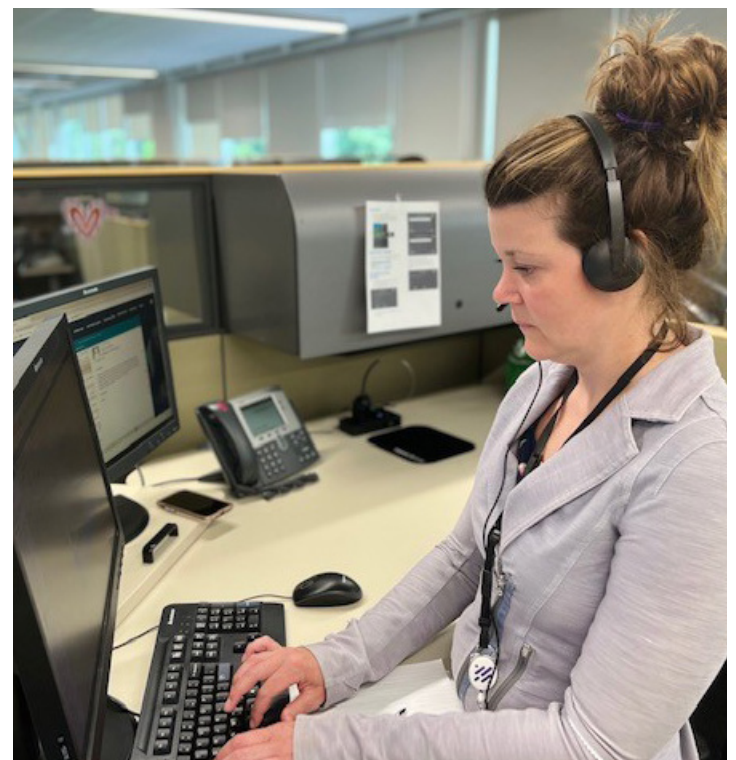


## 95 PER CENT CUSTOMER SATISFACTION RATING

Providing exceptional customer service has always been a top priority at Exelcon. The organization believes its customers deserve a timely resolution to their questions, concerns and needs. To achieve this goal, Exelcon has a team of knowledgeable and dedicated Customer Service Advisors committed to exceeding customers' expectations, every time.

In 2024, Exelcon conducted a Customer Satisfaction Survey to assess how they were delivering on that pledge. The organization was pleased to receive an impressive 95 per cent customer satisfaction rating. Customers were particularly satisfied with the reliability of their electricity service, billing accuracy, and the convenient options to receive and pay their bill statements.

But it doesn't stop there. As customer needs continue to evolve, Exelcon is aligning its people, processes and technology so they can move forward as the utility provider their customers and communities expect and deserve.



## ELEXICON GOLF TOURNAMENT RAISES RECORD-BREAKING AMOUNT

On a sunny summer day in August, 380 golfers gathered at Deer Creek in Ajax for Elexicon's fourth annual charity golf tournament. The tournament, one of Durham Region's biggest and most successful, raised an incredible \$338,000 for seven community agencies, exceeding the previous year's fundraising amount by \$138,000.

The organizations receiving the funds provide many vital services in the communities in which Elexicon operates, including child and youth initiatives, community safety, and paediatric respite and hospice care. The seven recipients of the tournament are: five Big Brothers Big Sisters agencies, Kids' Safety Village of Durham Region, and Sloane's House Paediatric Respite & Hospice Care Centre. Since 2019, the tournament has raised a remarkable \$757,000.



“We are incredibly grateful to be one of the recipients of the tournament. Funds received will assist us with providing further opportunities to youth in our local communities through our life-changing mentoring programs. We currently have young people waiting up to four years for a mentor, additional funding will help support those young people and reduce waiting times. Elexicon Energy's generosity is creating BIG opportunities for multiple organizations across many regions that will be very impactful. Thank you for your support.”

**Miranda Chaffey, Executive Director**  
Big Brothers Big Sisters of Orillia and District

“On behalf of Kids' Safety Village of Durham Region, we are tremendously grateful to Elexicon Energy, their partners and everyone that supported their golf tournament for their generous donation. The money received from the tournament will enhance the safety programs that we provide to the children in the region.”

**Andrew Elliott, Treasurer**  
Kids' Safety Village of Durham Region

“What a fabulous day on the green for Sloane's House at Elexicon Energy's Annual Charity Golf Tournament. The opportunity to meet the Elexicon team and friends of Elexicon, and to share our vision was such a privilege. From arrival to getting to our hole, to our fabulous time meeting and connecting with golfers, we were reminded about the power of community to make a difference. We are so thankful to Elexicon for their commitment to community.”

**Brenda Slomka, Executive Director**  
Sloane's House Paediatric Respite & Hospice Care Centre

## \$48K RAISED FOR KIDS TO DREAM BIG, DREAM BRIGHTER



On November 21, more than 100 people gathered at Royal Ashburn in Whitby to raise money for Grandview Kids Foundation. Hosted by Elexicon and Grandview Kids, the third 'Dream Big, Dream Brighter Gala' raised \$48,000. The amount brings the three-year fundraising total to more than \$117,000.

The proceeds will ensure Grandview Kids Foundation can continue to help thousands of children and youth live life at their full potential in Durham Region.

The event included special guest speaker, Anthony Lue, an accessibility ambassador who suffered a life-altering accident. Anthony shared his journey and experiences from being a superstar teen athlete with Olympic dreams to excelling as one of the most able-bodied paraplegics - and still determined to make it to the Paralympics.

The culmination of the evening was the presentation of the Elexicon Energy Spirit of Grandview Kids Awards to Anna Wiley and Justine Wilmot. Anna and Justine were selected from a group of nominees for their values, perseverance to achieve their goals, and drive to make the future a brighter and better place.

## ELEXICON RESTORES POWER AFTER MAJOR STORM IN GRAVENHURST

On November 29, heavy snow began to fall in the Town of Gravenhurst. Two days later, approximately 140 centimeters had accumulated. The intense storm stranded vehicles, caused power outages and the closure of Highway 11 - the only road access in and out of the community. The town's mayor declared a state of emergency due to the substantial snowfall and prolonged closure of Highway 11.

Elexicon declared its own emergency given the number of customers that were without power, and the estimated times of power restoration due to the weather conditions and damage to infrastructure. Power restoration efforts were difficult and time consuming as crews had to carefully navigate their way around town on snow filled roads. Alternative modes of transportation were used such as snowmobiles to get support crews and equipment into the community and snowshoes for linepersons to assess damage in some of the remote areas.

On December 7, Elexicon announced it was ending its emergency declaration after safely restoring power to its customers. The town's emergency control group ended their emergency declaration a little over a week later, on December 16.



“Elexicon worked diligently for several days to get the lights back on and we are grateful for their efforts. The work was daunting at times, but these brave individuals kept at it.”

**Heidi Lorenz, Mayor**  
Town of Gravenhurst



**55 Taunton Rd. E.  
Ajax, ON L1T 3V3**

**Elexicon Corporation**  
1-888-445-2881 | [elexiconcorp.com](http://elexiconcorp.com)

**Elexicon Energy**  
1-888-445-2881 | [elexiconenergy.com](http://elexiconenergy.com)