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July 13, 2009

Delivered and Via E-mail

Ontario Energy Board
2300 Yonge Street
P.O. Box 2319, 27th Floor
Toronto, Ontario
M4P 1E4

Attention: Kirsten Walli, Board Secretary

Dear Ms. Walli:

**Re: Application pursuant to subsection 86(2) of the *Ontario Energy Board Act, 1998* (the “Application”)
 Board File Number EB-2009-0157 – Clinton Power Corporation**

We acknowledge receipt of the letter dated June 12, 2009 from the Ontario Energy Board (the “Board”) which stated that further documentation would be required before the Board could continue to process the Application. We wish to address the requested documents in turn.

(i) 2008 audited financial statements for Clinton Power Corporation

The audit related to the 2008 financial statements is being conducted by a local firm in Clinton and is currently under way. As a result, 2008 audited financial statements are not available. As a result, at this time the Applicant is providing unaudited financial statements. The Applicant will file the audited statements once they are complete and approved. The Applicant has supplied Clinton Power Corporation’s 2007 audited financial statements as part of the original Application.

Despite the 2008 audited financial statements not being available before July 12, 2009 (30 days from the date of the Board’s letter), the Applicant respectfully requests that the Board continue to process the Application. The Applicant has highlighted in its Application the benefits of the proposed transaction, many of which are directly related to reliability and capital improvements, and therefore the Applicant requests that the Board continue with processing of the Application.

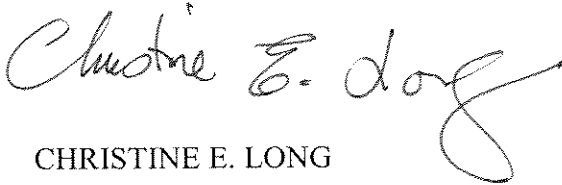
- (ii) Pro forma financial statements for the parties for the first full year following completion of the proposed transaction.

Pro forma financial statements were not included with the Application when filed due to the fact that the Applicant is not seeking leave from the Board for an amalgamation, but rather at this juncture is only seeking leave for the acquisition of the shares of Clinton Power Corporation. As a result of the nature of the proposed transaction, the Applicant is not expecting that the pro forma financial statements will show significant changes from recent financial statements. However, the Applicant is supplying the pro forma financial statements pursuant to the Board's request. The Applicant has advised Board Staff that it is providing non-consolidated pro forma financial statement for EARTH Corporation.

We trust the above is satisfactory. Please contact the writer should you have any questions or concerns.

Yours very truly,

BORDEN LADNER GERVAIS LLP



CHRISTINE E. LONG

CEL/mc
Encls.

cc: Mr. Tyler Moore, EARTH Corporation (via e-mail only)
Mr. Richard Harding, Clinton Power Corporation (via e-mail only)
Ms. Judith Fernandes, Ontario Energy Board (via e-mail only)

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ONTARIO ENERGY BOARD

IN THE MATTER OF *the Ontario Energy Board Act, 1998*; S.O. 1998, c.15, Sched B, as amended;

AND IN THE MATTER OF an application by ERTH Corporation under section 86 of the *Ontario Energy Board Act, 1998* seeking an order for leave to acquire shares of a distributor.

ERTH Corporation and Clinton Power Corporation

EB-2009-0157

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ERTH CORPORATION – CLINTON POWER CORPORATION

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2008 UNAUDITED FINANCIAL STATEMENTS

CLINTON POWER CORPORATION

**CLINTON POWER COROPRATION
BALANCE SHEET
AS AT DECEMBER 31, 2008**

ASSETS

	2008
Current	
Bank	\$ 80,328
Accounts Receivable	834,743
Unbilled Revenue	201,956
Inventory	19,990
	<u>1,137,017</u>
Capital Assets	1,095,936
Regulatory Assets	<u>204,442</u>
	<u>\$ 2,437,395</u>

LIABILITIES AND SHAREHOLDER'S EQUITY

Current	
Accounts Payable and Accrued Liabilities	\$ 546,507
Regulatory Liabilities	198,770
Due to Affiliate	31,979
Due to Related Parties	355,308
Customer Deposits	52,490
	<u>1,185,054</u>
Long-term Debt	
Related Party Note Payable	770,958
Deferred credits	(159,913)
	<u>611,045</u>
Shareholders' Equity	
Share Capital	698,786
Retained Earnings	(57,490)
	<u>641,296</u>
	<u>\$ 2,437,395</u>
	\$ -

CLINTON POWER COROPRATION
STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2008

Electricity Revenue	\$ 2,676,444
Cost of Power	<u>2,221,977</u>
Gross Margin	454,467
Miscellaneous Revenues	<u>43,246</u>
Total Revenues from Operations	497,713
Expenses	
Billing and Collecting	136,957
Community Relations	738
Regulatory and Professional	69,257
Office and Administration	85,488
Direct Operation	<u>228,521</u>
	520,961
Net Income from Operations Before Taxes, Interest & Amortization	(23,248)
Amortization	61,448
Shareholder Interest	23,130
Other Interest	<u>19,229</u>
	(127,055)
Net Income from Operations Before Tax	(127,055)
Other Income	
Investment Income	15,341
Gain on sale of equipment	
Miscellaneous Income	<u> </u>
	(111,714)
Net Income Before Income Taxes	(111,714)
Current Taxes	
PILS	<u> </u>
	(111,714)
Net Income (Loss)	(111,714)
Retained Earnings (deficit) Beginning of Period	<u>54,224</u>
Retained Earnings (deficit) End of Period	<u><u>\$ (57,490)</u></u>

PRO FORMA FINANCIAL STATEMENTS
CLINTON POWER CORPORATION

**CLINTON POWER CORPORATION
PROJECTED BALANCE SHEET
AS AT JUNE 30, 2010**

ASSETS

Current		
	Bank	\$50,000
	Accounts Receivable	859,785
	Inventory	42,881
	Unbilled Revenue	<u>205,995</u>
		1,158,661
Capital Assets		1,375,464
Regulatory Assets		<u>137,442</u>
		<u><u>\$2,671,567</u></u>

LIABILITIES AND SHAREHOLDER'S EQUITY

Current		
	Accounts Payable and Accrued Liabilities	\$776,449
	Due to Affiliate	31,979
	Due to Related Parties	<u>195,395</u>
		1,003,823
Long-term Debt		
	Customer Deposits	52,490
	Obligation under capital lease	270,000
	Note Payable Related Party	<u>770,958</u>
		1,093,448
Shareholder's Equity		
	Share Capital	698,786
	Retained Earnings	<u>(124,490)</u>
		<u>574,296</u>
		<u><u>\$2,671,567</u></u>

**CLINTON POWER CORPORATION
PROJECTED STATEMENT OF INCOME
JULY 1, 2009 TO JUNE 30, 2010**

	2010
Distribution Revenue	\$ 2,757,000
Cost of Power	\$ 2,244,000
	<u>\$ 513,000</u>
Miscellaneous Revenues	<u>\$ 60,000</u>
Total Revenues from Operations	573,000
Expenses (Note 1)	
Amortization	\$ 80,000
Billing, Data Processing and Collecting	\$ 135,000
Regulatory & Professional	\$ 70,000
General Administration	\$ 85,000
Operating and Maintenance	<u>\$ 230,000</u>
	<u>\$ 600,000</u>
Net Income before Interest	\$ (27,000)
Interest Expense LTD	\$ 20,000
Interest Expense other	\$ 20,000
Net Income from Operations before Taxes	(67,000)
PILS	<u> </u>
Net Income (Loss)	<u>(67,000)</u>

Note 1: These projections do not take into account any potential synergies that may arise from the anticipated transaction.

NON-CONSOLIDATED PRO FORMA FINANCIAL STATEMENTS

ERTH CORPORATION

ERTH CORPORATION
PRO FORMA NON-CONSOLIDATED BALANCE SHEET
AS AT JUNE 30, 2010

ASSETS

Current Assets

Bank	\$	680,000
Accounts receivable		850,000
Prepaid expenses		305,000
Due from related parties		805,000
Future payment in lieu of income tax asset		34,000
		<u>2,674,000</u>
Investments		18,701,000
Property, Plant and Equipment		3,793,000
Goodwill		77,000
Organizational Costs		<u>174,000</u>
	\$	<u>25,419,000</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities

Accounts payable and accrued liabilities	\$	773,000
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Long-term Debt

Related party note payable		598,000
Bank loan		11,274,000
		<u>11,872,000</u>

Shareholders' Equity

Share capital		10,736,000
Retained earnings		2,038,000
		<u>12,774,000</u>
	\$	<u>25,419,000</u>

ERTH CORPORATION
PRO FORMA NON-CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED June 30, 2010

Revenue	\$	2,056,000
Expenses		
Advertising and promotion		68,000
Direct operation		721,000
Office and administration		343,000
Professional fees		245,000
		<u>1,377,000</u>
Net Income (Loss) from Operations Before Amortization and Interest		679,000
Amortization		240,000
Interest		393,000
		<u>633,000</u>
Net Income	\$	46,000