

**EB-2020-0019**

**ERTH Power Corporation**

**Application for electricity distribution rates and other  
charges beginning May 1, 2021**

**VECC Interrogatories  
February 10, 2021**

**VECC-1**

Ref 1: Manager's Summary Page 3

Ref 2: OEB ELECTRICITY REPORTING & RECORD KEEPING REQUIREMENTS Effective March 31, 2020

At Reference #1, ERTH Power notes it achieved an ROE in excess of 300 basis points in its merged 2019 financial performance.

At Page 18 of Reference #2 (2.1.5.6), the OEB indicates "A distributor shall report the regulatory return on equity earned in the preceding fiscal year. The reported return is to be calculated on the same basis as was used in establishing the distributor's base rates.

- a) Please provide all calculations to show the achieved ROE amount compared to the deemed amount in ERTH's base rates on the same basis as was used in establishing ERTH Power's ROE in base rates.
- b) Please summarize and quantify the drivers of the 2019 overearnings and indicate if the drivers are ongoing or one-time events.
- c) Is ERTH Power proposing any adjustments to its ROE calculation due to the drivers identified in part (b)? If yes, please provide the calculation and explain why these adjustments are appropriate for the regulatory ROE calculation.

**VECC-2**

- a) Please provide ERTH Power's Deemed ROE (2019 CoS) and Achieved ROE amounts (\$) for 2019 and 2020.
- b) Please provide ERTH Power's Deemed Regulated Equity (2019 CoS) and Achieved Regulated Equity amounts (\$) for 2019 and 2020.

### VECC-3

- a) Please provide the Forecast and Achieved ROE (%) for 2020.
- b) Please provide the Achieved ROE (%) for 2020 excluding the impacts of COVID-19.
- c) Please provide the forecast ROE (%) for 2021 and provide all assumptions.

### VECC-4

Ref: OEB Filing Requirements For Electricity Distribution Rate Applications - 2020 Edition for 2021 Rate Applications - Chapter 3 Incentive Rate-Setting Applications May 14, 2020 - 3.3.5 Off-ramps P33

The Filing Requirements state, "For each of the OEB's three rate-setting options, a regulatory review may be triggered if a distributor's earnings are outside of a dead band of +/- 300 basis points from the OEB approved return on equity. The OEB monitors results filed by distributors as part of their reporting and record-keeping requirements and determines if a regulatory review is warranted. Any such review will be prospective, and could result in modifications, termination or the continuation of the respective Price Cap IR or Annual IR Index plan for that distributor. A distributor whose earnings are in excess of the dead band is expected to refrain from seeking an adjustment to its base rates through a Price Cap IR or Annual IR Index plan."

Please explain why EARTH Power should be eligible for the Price Cap Index adjustment given its achieved ROE in 2019.