



Ms. Christine E. Long
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4
Registrar@oeb.ca

Dear Ms. Long:

Re: Applicant Reply Submission
ERTH Power Corporation
Application for 2021 Electricity Distribution Rates
OEB File Number: EB-2020-0019

Please find attached ERTH Power's Reply Submission in the above referenced proceeding, pursuant to Procedural Order No. 1.

If you have any questions or concerns please do not hesitate to contact me at 519-485-1820 ext 254 or at Graig.Pettit@erthpower.com.

Yours truly,

Original signed

Graig Pettit
Vice President & General Manager
ERTH Power Corporation

Your Hometown Utility

1. Deferral and Variance Account (DVA) Disposition Request (Group 1 Accounts excluding Accounts 1588 and 1589.

- ***Board staff reviewed the evidence and balances submitted with respect to ERTH Power's 2019 Group 1 variances accounts and supports the disposition of these balances with the exception of accounts 1588 and 1589 for both of ERTH Power's Main and Goderich rate zones on an interim basis. Board staff proposes this disposition despite the balances not meeting the materiality thresholds.***
- ***ERTH Power submits that this approach is acceptable and will help to mitigate the minor increases in distribution and transmission charges that will result.***

2. Account 1588 and 1589 ERTH Main and Goderich Rate Zones

- ***Board staff have noted additional evidentiary support that it feels ERTH Power should provide before final disposition of 1588 and 1589 by considering the accounting guidance in the context of its historical balances before 2015-17 are disposed of on a final basis. ERTH Power has considered the accounting guidance and its impact on these historical balances. The current review of ERTH Power's balances however will also be applied against its historical years to fully confirm the amount disposed of was prudent and accurate.***
- ***ERTH Power submits that its detailed review will confirm that the accounting guidance has been applied properly to January 1st 2018 balances and beyond and that any material adjustments required to true up the balances will be reported.***
- ***ERTH Power concurs that it will provide appropriate evidence should the balance in account 1588 remains higher than anticipated after any required adjustments or true ups are completed.***
- ***ERTH Power will provide all of the above as part of its 2022 IRM rate application.***



3. Achieved Return on Equity ROE

- ***ERTH Power notes that both Board staff and VECC after reviewing responses indicating the prior period impacts of its LRAMVA adjustments on ROE support that the adjustment is appropriate.***
- ***Given this fact both parties submit that the actual ROE for 2019 is within the deadband and as such support ERTH Power's request for an inflationary IRM increase to rates.***
- ***ERTH Power submits that given the prior period nature of the LRAMVA adjustments and the fact that when removed it is demonstrated that there was no overearning that the IRM increase requested be approved as prescribed by the IRM process.***