ERTH POWER

January 7, 2025

Ms. Nancy Marconi, Registrar
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, Suite 2700
Toronto, ON M4P 1E4

Re: ERTH Power Corporation
EB-2024-0021 –ERTH Power Corporation 2025 Price Cap IR Application Interrogatory Responses

Dear Ms. Marconi,

Please find enclosed the responses to ERTH Power's interrogatories for its 2025 IRM application, which is inclusive of a request for Incremental Capital with an ICM.

The completed responses and supporting files were submitted today via the Board's web portal in both electronic (i.e., Excel) and PDF form with the exception of SEC question #1 which will be filed on January 8th or sooner.

If there are any questions, please contact Megan Gooding at 519-485-1820 ext. 212, Megan.Gooding@erthpower.com.

Respectfully,

Digitally signed by Graig Pettit
Date: 2025.01.07 16:24:51 -05'00'

Graig Pettit
Vice President & General Manager

Table of Contents

ATTACHMENTS

- Attachment 1 – Ingersoll & Aylmer Lease Comparators
- Attachment 2 – Project Schedule
- Attachment 3 – ERTH Power – Building Components Expected Useful Life
- Attachment 4 – ERTH Avoided Rent Deferral Account
- Attachment 5 – Rental Income Deferral Account
- Attachment 6 – ERTH New Facility OM&A Cost Variance Account
- Attachment 7 – Map with Driving Distances

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY STAFF-1

Reference:

I. EB-2024-0021 / Rate Generator Models for Main Rate Zone and Goderich Rate Zone, Tab 11, Column L, Cells L22, L24, L26 and L35

II. EB-2024-0021 / Rate Generator Models for Main Rate Zone and Goderich Rate Zone, Tab 18, Columns B-E and Rows 21-25

III. EB-2024-0244 / Letter for 2025 Preliminary Uniform Transmission Rates and Hydro One Sub-Transmission Rates / November 1, 2024 / p. 2 / Appendix B

IV. Time of Use (TOU) prices set by the OEB for November 1, 2024 / October 18, 2024

V. Letter regarding Review of Fixed Monthly Charge for microFIT Generator Service Classification / November 19, 2024

Preamble:

Distributors must enter the applicable rates in the Rate Generator Model, for the preliminary Uniform Transmission Rates (UTRs), Hydro One Sub-Transmission Rates, microFIT charge, TOU prices, and Ontario Electricity Rebate (OER). These rates must align with the most recent rates and charges issued by the OEB.

Question(s):

a) OEB staff has updated the preliminary UTRs and Hydro One Sub-Transmission Rates in Reference I. Please verify the update and ensure that all subsequent tabs are updated accordingly.

:

b) OEB staff has updated the latest TOU prices and OER under the Regulatory Charges in Reference

II. Please verify the update and ensure that all subsequent tabs are updated accordingly.

c) OEB staff has updated the microFIT charge. Please verify the microFIT charge on the final tariff schedule tab of the Rate Generator Models and confirm the update as per the letter issued on November 19, 2024 (Reference V).

RESPONSE:

a) Confirmed updated preliminary UTRs have been updated and all subsequent tabs are updated accordingly.

b) The TOU and OER were updated correctly. Additionally, ERTH Power requested the Off-Peak percentage of TOU consumption be updated from 63% to 64% and is now displaying correctly.

c) Confirmed that the updated microFIT charge has been updated on the final tariff schedule tab and is consistent with the letter issued on November 19th.

:

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY STAFF-2

Reference:

I.

EB-2024-0021/ Rate Generator Models, Tab 3, Continuity Schedule

Preamble:

On September 13, 2024, the OEB published the 2024 Q4 prescribed accounting interest rates applicable to the carrying charges of deferral, variance and construction work in progress (CWIP) accounts of natural gas utilities, electricity distributors and other rate-regulated entities.

Question(s):

a) Please confirm whether ERTH Power has already updated its Rate Generator Models for the Q4 2024 OEB-prescribed interest rates in its application submitted on October 11, 2024. If not, please update Tab 3 (Continuity Schedule) as necessary to reflect the Q4 2024 OEB-prescribed interest rate of 4.40% for each Rate Generator Model.

RESPONSE:

a) Confirmed. ERTH Power has updated the projected interest for Jan 1, 2025 -Apr 30, 2025 in both models with the Q1 2025 OEB prescribed interest rate published on December 11, 2024. The updated excel models are included in ERTH Power's response.

:

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY STAFF-3

Reference:
I. EB-2024-0021 / Goderich Rate Zone Rate Generator Model, Tab 4, Cell C30
II. EB-2024-0021 / 2025 distribution rates application, Goderich Rate Zone, pp. 32 and 33
III. Chapter 3, Incentive Rate-Setting Applications / June 18, 2024 / p. 10

Preamble:
Chapter 3 of the Filing Requirements, as outlined in Reference III, allows distributors to choose whether to dispose of Group 1 account balances that fall below the threshold. Distributors are encouraged to evaluate the practicality of clearing what may be minimal balances for one or more customer classes.

OEB staff notes that the total claim for all Group 1 accounts, in Reference I, results in an amount below the threshold of $0.001 per kWh.

Question(s):
a) OEB staff requests that ERTH Power explain its assessment of the practicality of disposing of the Group 1 account balances in its 2025 rates application for the Goderich Rate Zone, as opposed to deferring the disposition to a future application.

RESPONSE:

a) ERTH Power has deemed it practical and prudent to dispose of the Group 1 account balances in its 2025 rate application for the Goderich rate zone. The disposition of the

:

Group 1 account balances results in a credit being returned to customers. The credit balance supports reduction of bill impacts from the ICM and IRM increases.

:

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY STAFF-4

Reference:

I. EB-2024-0021 / Appendix D. ICM Model: Goderich Rate Zone / Tab 5. Rev_Requ_Check

II. EB-2012-0175 / West Coast Huron Energy Inc. Settlement Agreement / pp. 5 and 17

Question(s):

a) Please update the Goderich Rate Zone ICM model Tab 5:

i. Cells labelled Z, AA and AB, with the rates from the Settlement Agreement, section Summary.

ii. Cells labelled AQ, AR, AS and AT, with the Revenue Offsets from the Settlement Agreement, section 3 d.

RESPONSE :

Please see the following Excel file:

Staff-04-ERTH_AppD-2025_ICM_Model_ERTH_Goderich_Updated_20241211.xlsm

Tab 5 of the Goderich Rate Zone ICM Model has been updated with the requested changes (i and ii).

:

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY STAFF-5

Reference:

I. EB-2024-0021 / Appendix A / pp. 7 and 14

II. EB-2017-0038 / Distribution System Plan / Appendix G / p. 70

Preamble:

ERTH Power states it "currently rents its facilities from ERTH CORP; including the Bell St. property, and a satellite operations centre located on Elm St. in Aylmer". Rent for the Elm Street property was $92,000 in 2023.

The Asset Management Plan filed in Erie Thames Powerlines' last cost of service application referenced leased service depots in the towns of Mitchell and Clinton.

Question(s):

a) Are there any properties that ERTH Power currently rents or owns, other than the Bell St. and Elm St. properties? If so:

i. Are the properties rented or owned?

ii. What are the annual costs for each facility?

iii. Will the current employees and activities remain at these locations after the New Facility is constructed? Please explain.

b) Please confirm the rental costs for both the Bell St. property and the Elm St. property for each year from 2018 through 2024.

c) Please provide the current market-comparable rental rate of similar properties in the area.

:

RESPONSE:

a) ERTH Power rents a facility in Goderich from the City of Goderich.

I) ERTH power Rents its facility in Goderich

II) Rent for 2025 is $102,756. This amount is comprised of amortization of $84,870 and interest expense of $12,430.

III) The current employees and activities that are performed out of the Goderich location will remain. These include operations specific to support customers in the Goderich service territory including maintenance and construction activities

b) Please see the following table:

	Audited Financial Statements						Budget
	2018	2019	2020	2021	2022	2023	2024
Rent	217,000	220,000	226,000	231,000	236,000	241,000	246,000
		101.4%	102.7%	102.2%	102.2%	102.1%	102.1%
Bell Street	134,000	136,000	141,000	144,000	147,000	149,000	152,091
Elm Street	83,000	84,000	85,000	87,000	89,000	92,000	93,909

The 2023 operating costs for the facilities are approximately:

Ingersoll $360,000 with rent and $210,000 excluding rent

Aylmer $176,000 with rent and $85,000 excluding rent

Goderich $173,000 with third party rent

c) ERTH Power did not find any comparable rental properties in its service area. Notwithstanding the foregoing point, ERTH Power has completed a review of local lease rates for administration offices and operations/warehouse space and has provided comparisons in *Attachment* 1: *Ingersoll Aylmer Lease Comparators 2024 detail OEB Staff-5*.

:

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY STAFF-6

Reference:

I. EB-2024-0021 / Appendix A / p. 15

II. EB-2019-0022 | EB-2019-0031 Decision and Rate Order, January 1, 2020

Preamble:

ERTH Power states it "…recognizes that the cost of rent is currently embedded within its approved rates. ERTH Power is open to innovative ways to recognize the savings on rent charges within the confines of an ICM application…".

ERTH Power has not included operating and maintenance costs associated with the New Facility in the application.

The decision in Reference II reaffirms that the OEB's Funding of Capital policy is a capital funding mechanism.

Question(s):

a) The cost of rent is included in ERTH Power's base rates:

i. How has ERTH Power forecast increased OM&A expenses at the New Facility for items such as property taxes, heating and cooling, snow removal, ground maintenance, security and other operating and maintenance costs? Please provide forecast yearly amounts until 2027.

ii. How has ERTH Power forecast increased revenues and decreased costs at the New Facility for such items as rent collected or reduced heating costs? Please provide forecast yearly amounts until 2027.

b) Considering all the changes in OM&A costs and revenues, what is the net change to yearly OM&A?

:

c) What level of confidence does ERTH Power have in the forecast cost differences? Please provide commentary as to why ERTH Power has such level of confidence in its forecast cost differences.

RESPONSE:

a)

I. ERTH Power has not forecasted its OM&A expenses associated with its New Facility. ERTH Power expects to identify its expenses associated with property taxes, heating and cooling, snow removal, ground maintenance, and security in 2025 or after the New Facility is placed in-service. As stated in response to SEC-6, ERTH Power proposes to capture variances in OM&A costs for the new building, as well as avoided rent expense currently in rates and incremental rental income at the New Facility via two new deferral accounts and one new variance account.

II. As noted in part a) i) ERTH Power does not have a forecast of its expenses through to 2027. ERTH Power has provided a proposal to the Board in SEC-6 on how incremental OM&A costs noted in part a above should be treated.

b) Given the response to part a) ERTH Power does not have sufficient information to estimate any net change to yearly OM&A.

c) ERTH Power does not have enough information to provide its level of confidence related to potential forecasted cost differences.

:

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY STAFF-7

Reference:

I. EB-2017-0038 / Chapter 2 Appendices / tab 2-AA

II. EB-2024-0021 / Appendix B 1

Pre-Amble:

In the last cost of service application, EB-2017-0038, Appendix 2-AA, ERTH Power included the following budget item identified in Table 1 below. Historic and forecast leasehold improvement values were also included in the Distribution System Plan (DSP) (Appendix B1) of this application.

Table 1

Project	2013	2014	2015	2016	2017 Bridge Year	2018 Test Year
Leasehold Improvements	$57,279	$49,451	$132,939	$41,813	$49,000	$35,000

Question(s):

a) What does the leasehold budget include, since ERTH Power rents the facilities?

b) What amount of leasehold improvements has been added to fixed assets, per year, since in 2017?

c) Please confirm if all the leasehold improvements will be moved to the New Facility.

   I. If yes, please confirm the remaining net book value of those leasehold improvements.

   II. If no, please confirm that ERTH Power intends to write off the remaining net book value and provide the amount to be written off.

d) Please confirm the revenue requirement relating to the leasehold improvements.

:

RESPONSE:

a) The leases ERTH Power has in place require any leasehold improvements on the facility to be paid for by ERTH Power, not undertaken by the landlord.

b) The following table lists the leasehold improvements performed at the Bell Street facility:

	2018	2019	2020	2021	2022	2023
Building renovations	44,090	10,745	3,700	34,780	18,296	-
Exterior Work	15,416	-	-	12,119	-	5,081
HVAC	-	10,885	8,809	8,885	19,660	-
Utility devises	-	-	9,943	-	-	-
EV Charger	-	-	8,002	-	-	-
	59,505	**21,630**	**30,454**	**55,784**	**37,956**	**5,081**

c) The leasehold improvements will not be moved to the New Facility, and ERTH Power will be writing off the remaining net book value of approximately $190,000.

d) These leasehold improvements revenue requirement approved in ERTH Power's 2018 rebasing application is approximately $29,000. This figure was calculated using ERTH Power's 2018 approved leasehold improvements ($476,207 average of 2017 and 2018 balance) multiplied by the approved WACC of 6.02%.

:

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY STAFF-8

Reference:

I. EB-2024-0021 / Appendix A / p. 15

Preamble:

ERTH Power states the New Facility will allow for achievement of multiple objectives, including "Ability to reduce cost of rent (Bell St. Property to 0%, Aylmer Property to 50% for use as job and emergency staging) through consolidated operations."

Question(s):

a) Please describe the "job staging" that will occur at the Aylmer property.

b) Please describe the "emergency staging" that will occur at the Aylmer property.

c) What portion of the building and yard will these activities occupy?

d) What will occur with the portion of the building and property that ERTH Power is not utilizing?

e) Please confirm the rental costs for the Aylmer property for 2025, 2026 and 2027.

RESPONSE:

a) Job staging is where ERTH Power will use the Aylmer location and shop for larger capital projects and any emergency response situations. This location will be leveraged as a temporary work location for large construction projects and ERTH Power will assign staff to work on a shorter-term basis from the Aylmer location to increase productivity and reduce paid travel time to complete these projects. This job staging would entail inventory being shipped to this location to minimize costs for ERTH staff to transport materials to the job site as well as minimize costs and increase efficiency.

:

b) Emergency staging is where the Aylmer location is used throughout the year to complete capital projects south of the 401 as part of ERTH Power's emergency response. It is also a location that can be leveraged in a disaster response situation to ensure that crews and management can effectively work to resolve issues that arise from major storms and power outages.

c) 50% of the building and yard space has been deemed as required to provide sufficient space for activities noted in part a and b of this response. The 50% is based on ERTH Power operations management's review of its historical emergency and job staging activities. ERTH Power currently operates the Aylmer facility as a remote operations centre and have leveraged the facility for all major projects south west of Ingersoll. Historically, extra staff and materials have been sent for four major projects which has informed ERTH Power to set 50% of the building and yard space for these operations activities.

d) ERTH Power does not know what will occur with the portion of the Aylmer building given the facility is owned by ERTH Corp.

e) Please see the response to Staff-5 part b.

:

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY STAFF-9

Reference:

I. EB-2024-0021 / Appendix A / p. 18

Preamble:

ERTH Power states:

Additionally, through a rental services agreement with ERTH CORP, the New Facility will also support approximately 10 additional ERTH FTE. The ERTH corporate employees will operate out of the New Facility and provide services to ERTH Power amongst other entities. This reduces ERTH Power's FTE's and allows it to operate at a lower cost.

Question(s):

a) What entity (or entities) will employ the 10 additional "ERTH FTE"; ERTH CORP, ERTH Power, or another affiliate?

b) When will ERTH Power see a reduction in FTEs due to these new employees, and at what cost savings?

c) How many individuals employed by ERTH Power affiliates will work out of the New Facility? i. What percentage of the total New Facility will these individuals occupy?

d) Are there plans for renting any part of the New Facility to parties that are not ERTH Power or any of its affiliates? If so, please explain.

e) If the answer to part (d) is a yes, what part(s) of the New Facility will non-ERTH Power employees utilize?

i. What percentage of the total New Facility will these individuals occupy?

:

f) What amount of rent per year will ERTH Power collect annually from its affiliates, and other parties if any, for the New Facility?

RESPONSE:

a) The approximation of ten additional employees noted in the ICM application are ERTH Corp employees. This approximation of ten additional employees has now been determined to be 16 ERTH Corp and ERTH Holdings Inc as described in the response to Staff-10 part a.
b) These employees are currently ERTH Corp's staff and therefore ERTH Power will not see a reduction to its number of employees.
c) ERTH Corp's 16 employees will be the amount of affiliate personnel that will work out of the new facility.
d) There are no plans to rent any part of the new facility out to other organizations that are not ERTH Power or its affiliates.
e) Not applicable.
f) Please see response to SEC-6 for details on ERTH Power's expected rental income and approach it proposes for treatment of rental income.

:

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY STAFF-10

Reference:

I. EB-2024-0021 / Appendix A / p. 19

Preamble:

ERTH Power states the design provides for future expansion of the New Facility when necessary and that the New Facility will support "44 FTE at present, with an expectation of additional ERTH Power FTE being required in the coming years" and "10 additional ERTH FTE".

For the purposes of this question, an office employee is defined as an employee who will work primarily in the building, whereas a field employee is defined as an employee who may report to the building at the beginning of the work day, but primarily work outside of the office location (for example, a powerline maintainer).

Question(s):

a) How many office employees and how many field employees of ERTH Power and all affiliates are expected to occupy the New Facility in 2025 and 2026?

b) How many office employees and how many field employees is the New Facility constructed to accommodate?

c) Please explain, and quantify, what accommodations have been made for further employee growth due to potential:

i. LDC acquisitions or mergers

ii. Changes to outsourcing and insourcing activities

iii. Growth of affiliate companies

d) Please provide an estimate of future staffing needs and arrangements. Specifically, please highlight the current work model (e.g., hybrid or on-site) and specify which

:

employees will work on-site. Please also explain if ERTH Power intends to change any of its work models following the construction of the New Facility.

RESPONSE:

a) ERTH Power expects the following number of staff to occupy the New Facility in 2025:
   - ERTH Power: 38
     - Office employees 28 (1 metering)
     - Outside employees 10 (9 linepersons and 1 metering)
   - ERTH Corporation: 8
   - ERTH Holdings Inc: 8

b) The New Facility can accommodate 57 inside staff and 20 outside staff. ERTH Power expects 100% utilization of the available inside office space when the New Facility is placed in-service. The 100% utilization will be by a combination of staff belonging to the regulated entity (i.e. office employees and office space for outside employees to perform their administrative duties) and rental of space to ERTH Power's affiliates.

c) ERTH Power currently operates with a fully on-site work model. There is no plan of expanding the facility until such time that the New Facility is fully occupied. The current site plan includes an approval to allow for additional 4,000 sq ft.

d) As noted above, ERTH Power operates a fully on-site work model. It has no plans to deviate from the current arrangement. ERTH Power is actively engaging in merger or acquisition opportunities which should increase its employee count. However, ERTH Power does not have an estimate of any upcoming increases to its staffing at this time.

:

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY STAFF-11

Reference:

I. EB-2024-0021 / Appendix A / p. 20

Question(s):

a) Please explain how the New Facility will operate under power supply interruptions.

b) If there is an emergency generator, how much of the New Facility will it supply during outages? What is the forecast cost for the installation?

RESPONSE:

a) The New Facility is located in the town of Ingersoll which is supplied via the M49 and M50 feeders from the Ingersoll TS. ERTH Power has previously installed automated distribution switches that will automatically sectionalize and restore portions of the town during outages. The new facility, will be able to be supplied from either feeder depending on the circumstances (i.e. location, type of fault etc.) of an interruption. Additionally, there is an emergency diesel backup generator.

b) ERTH Power's New Facility will include a diesel generator that is designed to supply 100% of the required electricity for the office and lighting of the warehouse and fleet storage. The cost for the diesel generator is $520,000.

:

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY STAFF-12

Reference:

I. EB-2024-0021 / Appendix A / p. 20

II. G-2009-0300 Guidelines: Regulatory and Accounting Treatments for Distributor-Owned Generation Facilities

Preamble: The full cost of the building construction includes $1.5 million for a solar photovoltaic system.

Question(s):

a) When will the solar panels on the New Facility be operational?

b) What is the anticipated payback period for the solar photovoltaic system? Please provide the calculations.

c) Please review Reference II and provide explanation of how ERTH Power will account for the Generation Facilities:

   I. Costs during the initial construction, and

   II. Costs and revenues after the initial construction.

RESPONSE:

a) The solar generation facilities are expected to be operational before December 31 2025.

b) ERTH Power does not yet have all the information to perform a detailed payback period calculation. ERTH Power has produced the following high-level estimate of the payback period of 14 years:

   - Assumptions used in the high level estimated payback period calculation:
     - Current estimated cost of the system: $1,500,000

:

- Annual use: 690,000 kWh/a
- Cost of electricity: $0.16/kWh

- Estimated payback period calculation:
  1. Simple investment recovery: 690,000/0.16 = $110,400
  2. Estimated payback period: $1,500,000/$110,400 = 13.58 years.

c) Costs for the solar and generator are being recorded in WIP during initial construction and will be transferred to Account 1508 upon being placed in-service. ERTH Power does not plan to collect revenues from the Generation facilities. Upon being placed in-service the Generation facilities are expected to supply approximately 80% of the building load.

:

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY STAFF-13

Reference:

I. EB-2024-0021 / Appendix A / p. 38

II. EB-2024-0021 / Appendix C. ICM Model: Main Rate Zone / Tab 4

III. EB-2024-0021 / Appendix D. ICM Model: Goderich Rate Zone / Tab 4

Preamble:

ERTH Power determined the proportion of capital expenditures in each rate zone over 2018 to 2023 to determine the allocation of the ICM expenditures to each rate zone.

OEB staff has compiled the data in Table 2 below with information from the ICM models, as alternate methods of proportioning the costs between rate zones.

Table 2

Rate Zone / Basis	2018-23 Capital %	Customers*	Customer %	kWh	kWh %	kW	kWh %
Main	81	20,575	84	471,175,870	75	603,333	67
Goderich	19	3,976	16	154,765,431	25	295,302	33
Total	100	24,551	100	625,941,301	100	898,635	100

** The customer numbers used were from the residential, GS<50kW and GS 50 to 999kW only*

Question(s):

a) Please explain how ERTH Power determined that the capital spending in each rate zone was the most appropriate method of allocating the ICM capital costs. If other methods were considered, please identify them and provide reasoning for why they were ultimately not selected as the method of allocating the ICM capital costs.

:

RESPONSE:

a) ERTH Power did not evaluate other methods of allocation than its choice of capital spending between its Main and Goderich rate zones. The New Facility's cost is a capital investment which in ERTH Power's observation warranted cost allocation based on capital spending. As noted in the reference table provided by OEB Staff in its question, ERTH Power's capital spending is not materially different from allocating costs based on customer count or kWh.

:

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY STAFF-14

Reference:

I. Media Release / ERTH Power Breaks Ground on New Operations Centre - ERTH Power

II. EB-2024-0021 / Appendix A / pp. 20 and 42

Preamble:

When the application was filed, ERTH Power was in the process of evaluating bids to select a proponent to construct the New Facility. As noted in Reference I, ERTH Power has announced ground-breaking of its New Facility.

Question(s):

a) Please provide an update on the tender and contract completion process.

b) Has ERTH Power received, or is in the process of applying for, any energy efficiency grants, or any other external funding for the New Facility?

   I. If so, please identify the grants / funding and detail how ERTH Power has accounted for this funding?

c) Please provide the most recent costs for the project, similar to the format provided in Table 2: New Facility Costs in Reference II.

d) Please update the ICM models with the most recent project costs.

:

RESPONSE :

a) ERTH Power has completed its tender process for the construction of the New Facility. Since the filing of the application, ERTH Power has awarded the contract to build with the lowest bid price being awarded the project. Contracts have been signed and site work has begun. The forecasted cost/budget in the executed contracts are represented in the updated project costs found in response to SEC-2.

b) ERTH Power has not received nor applied for any funding of energy efficiency grants. ERTH Power has retained Power Advisory LLP ("Power Advisory") as of August 2024 to provide services related to identification of potential ancillary funding opportunities (including any energy efficiency grants). Power Advisory's assessment included a review of all federal, provincial and municipal funding sources other than tax credits such as grants for each technology type. Power Advisory produced a report on December 11, 2024 (the "Funding Report") which provided an overview of funding amounts, eligibility requirements, and the process required to secure funding. The Funding Report identified three federal government funding sources, including a 15% Clean Electricity Investment Tax Credit ("ITC"), the Smart Renewable & Electrification Pathways Program ("SREP") Utility Stream, and the Green Municipal Fund (GMF). ERTH Power expects to be applying for the ITC with respect to the New Facility's DERs, and it has submitted an expression of interest on December 13, 2024 under the SREP Program. ERTH Power has engaged the Green Municipal Fund ("GMF") and it is currently exploring funding opportunities. ERTH Power is also actively monitoring the province's Save on Energy platform for energy efficiency incentive programs applicable to the New Facility. At this point, ERTH Power has not identified any applicable incentives under this provincial program.

ERTH Power has not included any funding from potential grants or ancillary sources noted above in its application. To the extent ERTH Power receives any grant or other funding, this would be accounted for as part of the ICM true-up when the New Facility is added to rate-base.

:

c) Please see response to SEC-2 for most recent project costs.

d) ERTH Power has not updated the ICM models given the change in budget is approximately $175 K between the amount in the response to SEC-2 and the ICM Application.

:

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY STAFF-15

Reference:

I. EB-2024-0021 / Appendix A / pp. 19 and 20

Preamble:

In Reference I, ERTH Power has provided a table outlining the breakdown of capital expenditures for the New Facility, including costs related to land and building. Additionally, ERTH Power has detailed its plans for utilizing the New Facility as part of its ICM application.

Question(s):

a) Please provide a detailed breakdown of the estimated building-related costs.

b) Please include a detailed analysis of labor, materials, and contractor expenses for constructing the New Facility. Additionally, explain how prudence and needs analysis were applied in selecting options and other relevant considerations.

c) Provide a brief description of the design and engineering-related costs.

d) Is the New Facility certified to any specific construction efficiency standards? If so, what specific standards and were there any costs associated with permits and approvals, such as zoning, construction permits, or environmental compliance fees?

e) ERTH Power has estimated the cost of furniture, fixtures, and fittings to be $1.7 million.

i. Please provide the costs related to the installation of fire safety systems, elevators, ramps, and other accessibility features.

ii. Was a competitive procurement process conducted to select the vendors? Are these costs included in the $1.7 million estimate for furniture, fixtures, and fittings?

iii. What additional costs are included under the furniture, fixtures, and fittings category?

:

iv. Does ERTH Power plan to reuse its existing furniture in the New Facility?
If not, what is being done with its existing furniture and what is the justification for new furniture in the New Facility?

f) Please outline any additional relocation costs.
g) Were other energy-efficient features, such as energy-efficient lighting or green building enhancements, included other than the solar panels? If so, please provide cost benefit analysis of these features.
h) Confirm whether the capital costs will be shared by ERTH Power's affiliate companies and provide an explanation.
i) What is the actual square footage allocated per person in the:

i. New Facility
ii.Bell St. property
iii.Aylmer property

j) Provide the market-comparable price of land per square foot.
k) Detail any benchmarks or standards used to determine space requirements and costs for the facility, including metrics such as space per employee, cost per square foot, number of meeting rooms, operational savings, and energy efficiency features.
l) Was a market appraisal or valuation conducted? Provide justification for why purchasing this land was the most cost-efficient option for ERTH Power.

RESPONSE:

a) Please see response to Staff-14 part c.
b) Please see Staff-14 part c for detailed costs. Please see Section 3.4 Options Analysis in ICM application for an explanation of how ERTH Power selected the relevant options with respect to its choice of building its New Facility.
c) The design and engineering costs included the following activities:

:

- Design Scope Phase: This phase encompassed multiple facilitated sessions that produced a high level design of the New Facility. Some of the activities and considerations included in this phase are:
    - Conceptual design, schematical design, Class D estimate, provide coordination of civil, mechanical and electric engineering, prime consultant, design development, detailed documents for budding, permit and construction
    - Construction documentation, tendering and contract administration- after design approval
- Engineering Scope Phase: This phase entailed the following design, procurement, construction and post-construction activities:
    - Design phase, provide:
        - Structural design development and documentation
        - Mechanical and electrical design documentation
        - Class C estimate
    - Bidding Phase, provide
        - Finalize bid documentation, including general contractor prequalification
        - Client consultations
        - Issue final bid documentation for pricing to contractors
        - Bid support data and evaluation summary of bids received
    - Construction phase
        - Submit documentation for building permit application
        - Client consultations
        - Construction review, progress reports / evaluations
        - Monthly payment certificates and tracking to contract
        - Complete shop drawing review and assessments
        - Prepare issue change orders, site instructions, directives, etc
        - Complete field reviews of all aspects of construction
    - Post construction phase

:

- Complete deficiency reviews and assessments
- Issue instructions and directives for corrective measures
- Review warranties and as-built documentations
- Client consultations

d) The New Facility is not being designed or constructed to any specific efficiency standard.

e) Please see below for responses to all sub-parts:

I. The following list details the cost estimates related to the installation of fire safety systems, elevators, ramps, and other accessibility features.
   a. Fire Safety Systems:
      a. Sprinkler: $447,500.00
      b. Fire Alarm: $145,000.00
      c. Emergency Lighting: $109,833.00 (fixtures only excludes distribution wiring)
   b. Accessibility Features:
      d. Supply and Installation of Elevator Equipment, excludes Hoist way, excavation, pit slab etc.: $92,500.00
      e. Supply and Installation of Power Door Operators, excludes distribution wiring and termination (7): $27,384.00
      f. Estimate for Universal Washrooms (2): $120,000.00

II. Confirmed. A competitive procurement process was conducted to select the vendors, and these costs are included in the $1.7 million estimate for furniture, fixtures, and fittings.

III. Please see the following table. As context, the assets were grouped for tax purposes and asset component useful life.

:

Window coverings & Film	123,473.00
cavity wall insulation and air barrier	293,000.00
painting and finishing	141,500.00
Allocated studies and fees	135,634.17
Included in Tender	**693,607.17**
full height toilet partitions	48,796.00
metal lockers	43,618.00
washroom accessories	14,987.00
manual folding partition	67,996.00
entrance mat	4,697.00
Allocated studies and fees	43,777.92
Included in Tender	**223,871.92**
F&E - TBD	**872,000.00**
Total	**1,789,479.09**

IV. ERTH Power will be leveraging minimal furniture from its existing location. All existing office furniture is in excess of 20 years old and is beyond the end of its useful life. ERTH Power will repurpose whatever it is able to in order to mitigate costs.

f. ERTH Power forecasts minimal relocation costs. Relocation costs are expected to be limited to moving inventory and equipment from existing sites to the New Facility.

g. In the office section of the New Facility, the building envelope will consist of exterior grade gypsum sheathing, air/vapour/moisture barrier, exterior insulation and exterior cladding. The exterior continuous insulation reduces thermal bridging through the exterior envelope and is expected to enhance the energy efficiency of the entire building. Exterior cladding will consist of limestone veneer, aluminum composite panels and prefinished metal siding. Electrical systems will utilize high performance LED light fixtures, occupancy sensors, timers and 2-stage lighting to improve efficiency further in all areas of the facility.

h. The capital costs are not being shared with ERTH Power's affiliate companies.

:

i. Please see response to SEC-17 part a).

j. Please see response to VECC-9 part a for market-comparable price for land that was reviewed

k. Please see section 3.5 of the ICM application for benchmarking that was performed.

l. Please see response to VECC-9 part a for market-comparable price for land that was reviewed and supported the Thomas Street land being deemed the optimal purchase.

:

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY STAFF-16

Reference:

I. EB-2024-0021 / Manager's Summary / p. 42 of Part 1

Preamble:

In Reference I, ERTH Power states the following regarding the PILs and CCA calculations:

ERTH Power notes that it has not reflected the recent changes to Capital Cost Allowance tax rules, resulting from Bill C-97, in its ICM calculations. Consistent with the OEB's letter of July 25, 2019, ERTH Power intends to book any impacts of the CCA rule changes in Account 1592-PILS and Tax Variances for this and all other affected capital additions.

In addition, ERTH Power has elected to take a reduced CCA on the mechanical and energy systems portion of its New Facility request. In reducing the amount of CCA claimed in this ICM application, and over the course of the 2025, 2026 and 2027 tax years, a higher Undepreciated Capital Cost ("UCC") balance will remain at ERTH Power's 2028 cost of service, which will all else equal increase CCA at that time, reduce taxable income, and reduce PILs in rates for customers. In total, ERTH Power has reduced its planned full year CCA claim by $413,129 relative to the maximum CCA available. The impact of this choice within the ICM construct is annual PILs of $0 for both the Main and Goderich rate zones.

Question(s):

a) Please provide a comparison of the UCC balances as at May 1, 2028, PILs, ICM revenue requirements and CCA rates in the scenarios where (i) full CCA is claimed, and (ii) reduced CCA claim (as in the current application).

:

b) Please provide the dollar impact of the CCA rule change in Account 1592 sub-account CCA changes, specifically for the ICM assets in the incentive periods. Please show the calculations.

c) Is ERTH Power aware of any precedent cases where a utility reduced the amount of CCA claimed in its ICM application? If so, please provide the details including the decisions in those cases. Please elaborate how the partial CCA proposal made by ERTH Power would not impact the ratepayers in a negative way overall.

RESPONSE:

a) Please see below comparing the following between two scenarios; the reduced CCA proposed in this application, and a scenario in which the full eligible CCA claim is made. Based on the figures presented within ERTH Power's application, the table compares 2028 opening UCC balance[1] which will align with ERTH Power's planned 2028 rebasing application, the 2025 ICM CCA claim, resulting 2025 ICM PILs, and the 2025 ICM revenue requirement used to derive ICM riders.

($000's)	Full CCA Claim	Proposed Reduced CCA Claim	Variance
2028 Opening UCC Balance	$27,247	$27,584	$337
2025 ICM CCA	$2,383	$1,970	-$413
2025 ICM PILs	-$149	$0	$149
2025 ICM Revenue Requirement	$2,629	$2,778	$149

[1] The question requests May 1, 2028 UCC balance. While ERTH Power's rate year begins May 1st of each year, its fiscal year ends December 31st. As such, the balances presented are Opening UCC balances January 1, 2028, which will be used to establish rates beginning May 1, 2028.

:

b) No entries to Account 1592, Sub-Account CCA Changes will be required if ERTH Power's request is approved as filed. ERTH Power will claim CCA on the ICM assets in the amount approved by the OEB, and as such will not receive incremental tax benefits on an actual basis relative to what is approved in rates in this proceeding.

c) Yes. In EB-2023-0013 the OEB approved E.L.K. Energy's proposed CCA rate smoothing mechanism as it related to ICM funding. Specifically, E.L.K. Energy proposed to claim CCA on an actual basis in the exact amount required to yield a $0 PILs impact in the OEB's ICM model. E.L.K. Energy stated that if the CCA deducted is lower than the maximum eligible amount, the difference will be kept in the entity's UCC balance for future tax deductions. E.L.K. Energy argued that the proposed smoothing mechanism would ensure cost recovery and positive cash flow for E.L.K. Energy while preserving future benefits for ratepayers. In approving E.L.K. Energy's proposal, the OEB required that E.L.K. Energy include the approved CCA deductions in its tax returns, and required E.L.K. Energy to bring forward historical CCA and UCC amounts relating to its ICM assets forward in its next rebasing.

:

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY STAFF-17

Reference:

I. EB-2024-0021 / Manager's Summary / p. 20 of Part 1

Preamble:

In describing the New Facility in Reference I, ERTH Power stated that the full cost of building construction including finishes, fixtures and furniture is forecast at $27.2 million, which includes $1.5 million for a solar photovoltaic system, and $4.2 million to install a ground-source heat pump system in lieu of conventional heating and cooling.

The Clean Technology Investment Tax Credit is a refundable tax credit for capital invested in the adoption and operation of new clean technology (CT) property in Canada from March 28, 2023, to December 31, 2034. Tax credits are available for equipment used to generate electricity from solar, wind and water energy, and active solar heating equipment, air-source heat pumps and ground-source heat pumps.1

Question(s):

a) Has ERTH Power researched available funding programs, tax credits, grants, etc. that might offset the cost of the New Facility?

i. If not, why not?

ii. Please discuss the funding programs, tax credits, grants, etc. that ERTH Power is eligible for and/or has applied for, and what it expects to recover through those programs.

b) Please discuss whether any such funding is reflected in the current ICM request. i. If not, please explain how ERTH Power intends to reflect any funding it receives in its revenue

:

requirement.

RESPONSE:

a) Please see response to Staff-14 part b.

b) Please see response to Staff-14 part b.

:

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY STAFF-18

Reference:

I. EB-2024-0021 / GA Analysis Workform 2025 - Goderich Tab Principal Adjustments

Preamble:

In Reference I, Account 1588 - RSVA Power for year 2022 under Current year principal adjustments shows an adjustment for CT 1142/142 true-up based on actuals for $67,203. However, this adjustment was not reversed in 2023.

Question(s):

a) Please confirm, Account 1588 - RSVA Power for year 2023 under Reversal of prior year principal adjustments, should reflect an adjustment for Reversal of CT 1142/142 true-up based on actuals for $67,203.

b) If confirmed, please update the GA Analysis Workform and other evidence, as required.

c) If not confirmed, please explain why it is not being reversed in 2023.

RESPONSE:

a) Account 1588-RSVA Power for the year 2023 under Reversal of prior period adjustments should not reflect an adjustment for the Reversal of CT 1142/142 true-ups based on actuals for $67,203.

b) N/A

c) This transaction will not be recorded in the GL until 2024.

:

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY STAFF-19

Reference:

I. EB-2024-0021 / GA Analysis Workform 2025 - Goderich Tab Account 1588

Preamble:

In Reference I, Note 7, Column G reflects the Account 1588 as % of Account 4705 for 2023 as 1.2%.

Also, Column F reflects the Account 4706 - Power Purchased for 2023 as $2,868,320.

Question(s):

a) Please explain why the annual Account 1588 balance relative to cost of power is higher than 1% for 2023.

b) Please explain why the 2023 balance for Account 4705 - Power Purchased is significantly lower than the 2022 balance.

RESPONSE:

a) ERTH Power is billed one IESO invoice and is required to split its charges for cost of power posted to 4705 between its two rate zones while it maintains two separate tariff sheets. ERTH Power made an incorrect adjustment in its original application while splitting 4705 balances between the ERTH Main and Goderich rate zones. This adjustment has been corrected and the annual Account 1588 balance relative to cost of power is now 0.2% and therefore below the 1% threshold.

b) After correcting the adjustment with the splitting of 4705 balances between ERTH Main and Goderich Rate Zone, the total for Account 4705 – Power Purchased is now $4,467,230 and is no longer significantly lower than 2022.

:

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY STAFF-20

Reference:
I. EB-2024-0021 / GA Analysis Workform 2025 - Goderich Tab Principal Adjustments
II. EB-2022-0029 / GA Analysis 2023 - Goderich Tab Principal Adjustments.

Preamble:
In Reference II, Account 1588 - RSVA Power for year 2021 under Current year principal adjustments shows an adjustment for CT 148 true-up of GA Charges based on actual RPP volumes for $(15,769).

Also, Account 1589 - RSVA Global Adjustment for year 2021 under Current year principal adjustments shows an adjustment for CT 148 true-up of GA Charges based on actual Non-RPP volumes for $15,769.

Question(s):
a) Please confirm all the current year adjustments in Reference II for year 2021 should be reversed in Reference I GA Analysis Workform for 2022.
b) If confirmed, please update the GA Analysis Workform and other evidence, as required.
c) If not confirmed, please explain why it is not being reversed in 2022.

RESPONSE:

a) The current year adjustments in Reference II for 2021 should not be reversed in Reference I for 2022 because the transaction was not recorded in 2022. The transaction will be recorded in 2024 and will be reversed in a subsequent application for disposition.
b) N/A

:

c) See response to a).

:

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY STAFF-21

Reference:
I. EB-2024-0021 / GA Analysis Workform 2025 - Main, Tab Principal Adjustments
II. EB-2022-0029 / GA Analysis 2023 - Main, Tab Principal Adjustments.

Preamble:
In Reference II, Account 1588 - RSVA Power for year 2021 under Current year principal adjustments shows an adjustment for CT 148 true-up of GA Charges based on actual RPP volumes for $2,207,333.

Also, in Reference II, Account 1589 - RSVA Global Adjustment for year 2021 under Current year principal adjustments shows an adjustment for CT 148 true-up of GA Charges based on actual Non-RPP volumes for $(2,207,333).

All the above were reflected as recorded in GL in year 2022.

Question(s):
a) Please confirm all the current year adjustments in Reference II for year 2021 should be reversed in Reference I GA Analysis Workform for 2022 in the current proceeding.
b) If confirmed, please update the GA Analysis Workform and other evidence, as required.
c) If not confirmed, please explain why it is not being reversed in 2022.

:

RESPONSE:

a) The Principal adjustment of $1,106,860 should be reversed in the current application as it was recorded in 2022. The Principal Adjustment of $2,207,333 should not be reversed in the current application as it was not recorded to the GL in 2024 and reversed in a subsequent application.

b) N/A

c) See response to a).

:

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY STAFF-22

Reference:

I. EB-2024-0021 / GA Analysis Workform 2025 - Goderich Tab GA 2022

II. EB-2024-0021 / GA Analysis Workform 2025 - Goderich Tab Principal Adjustments

III. EB-2024-0021 / GA Analysis Workform 2025 - Main Tab Principal Adjustments

Preamble:

In Reference I, analysis of expected GA amount reflects the consumption billed in Column F is actual consumption including unbilled revenue.

Also, in Reference II, Account 1589 - RSVA Global Adjustment for 2023, under current year principal adjustments, an adjustment is shown as unbilled to actual revenue differences for the amount $40,012. Similarly, in Reference III, an adjustment is shown as unbilled to actual revenue differences for the amount $144,623.

Question(s):

a) Please explain, if being billed on actual consumption, why is there an adjustment reflecting unbilled to actual revenue difference respectively for the amount of $40,012 for the Goderich Rate Zone and $144,623 for the Main Rate Zone.

RESPONSE:

a) Since in reference I, analysis of expected GA amount reflects the consumption billed in Column F is actual consumption including unbilled revenue, ERTH Power should not include an adjustment reflecting unbilled to actual revenue difference for both rate zones. These

:

adjustments have been removed from the models for both rate zones. Through further analysis, ERTH Power determined the adjustments for "CT 148 True-up of GA Charges based on Actual Non-RPP Volumes – current year" were misstated for both rate zones. ERTH Power has updated these adjustments in the models for both rate zones and provided the updated models as part of this response.

:

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY STAFF-23

Reference:

I. EB-2024-0021 / GA Analysis Workform 2025 - Main Tab Principal Adjustments

II. EB-2022-0029 / GA Analysis 2023 - Main Tab Principal Adjustments.

Preamble:

In Reference I, Account 1588 - RSVA Power 2022, under current year principal adjustments, an adjustment is shown as Reversal of CT 1142/142 true-up based on actuals 2020 for the amount $(454,035).

In Reference II, Account 1588 - RSVA Power 2020, under current year principal adjustments, an adjustment is shown as Reversal of CT 1142/142 true-up based on actuals for $457,025.

Question(s):

a) Please confirm this amount is not the same as shown in Reference II.

b) If done in error, please provide updated forms as applicable.

c) If not done in error, please explain the difference.

RESPONSE:

a) Confirmed, the amounts in Reference I and Reference II are not the same. The True-up of $457,025 was filed with the IESO and recorded in the GL in 2022. The difference of $2,990 will be filed with the IESO and recorded to the GL in 2024.

b) N/A

c) See response in a).

:

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY STAFF-24

Reference:
I. EB-2024-0021 / GA Analysis Workform 2025 - Main Tab Principal Adjustments

Preamble:
In Reference I, Account 1588 - RSVA Power for year 2022 under Current year principal adjustments, an adjustment is shown as RPP Settlement True-up not in GL for the amount $539,431.

Also, in Reference I, Account 1588 - RSVA Power for year 2022 under Current year principal adjustments, an adjustment is shown as Embedded generation Correction from 2018.

Question(s):
a) Please explain the nature of the adjustments in Reference I.
b) Please provide supporting calculations for the adjustments in Reference I.

RESPONSE:

a) The adjustment shown as RPP Settlement True-up not in the GL is the reversal of a principal adjustment of $-662,462 from EB-2022-0029. $-539,431 was recorded in the GL in 2022. $-123,032 still needs to be claimed to the IESO and recorded in the GL in 2024.

The adjustment shown as Embedded Generation Correction from 2018 is the reversal of the principal adjustment of $-299,303 from EB-2022-0029. $-123,032 was recorded to the GL in 2022. $-176,271 still needs to be claimed to the IESO and recorded in the GL in 2024. The original application misstated the reversal as $29,405. The principal adjustment has

:

been updated to $123,032 in this response and the revised models are included with these IR responses.

b) Supporting calculations for the adjustments in Reference I:

	1588 Principal Adjustments	EB-2022-0029 Principal Adjustment	IESO Claim	Year Recorded in GL	Remaining to Claim
RPP Settlement True-Up Not in GL	$ 539,431	-$ 662,462	-$ 539,431	2022	-$ 123,032
Embedded Generation Correction from 2018	$ 123,032	-$ 299,303	-$ 123,032	2022	-$ 176,271

:

RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY SEC-2

[2025 IRM Application Part 1, Appendix A, ICM Application]

a. Please provide a more detailed budget and schedule for the proposed project.
b. With respect to your response to part (a), what is the basis for the estimate?
c. What is the budget class estimate for the New Project?
d. Please provide details on amounts spent to date for the New Facility.
e. Please provide major details regarding the contract(s) for the material aspects of the construction of the New Facility (i.e. fixed price, etc.).

RESPONSE:

a) The following table shows the current budget and *Attachment #2* to this response shows the current schedule for the New Facility. For the detailed cost estimates that comprise the budget for the building component of the New Facility, please see *Attachment 3* to this response. There has been minimal change to the budget and no change to the project schedule provided in the application. Given the difference in budget is approximately $175K, ERTH Power has not updated its ICM Models at this time.

:

Component		Cost ($)
Building	$	23,254,500
Professional Consulting/Support Fees	$	2,229,000
Furniture	$	872,000
Building Interest Expense	$	747,075
Building Sub-Total	**$**	**27,102,574**
Land	$	5,632,000
Land Interest Expense	$	585,000
Building and Land Sub-Total	**$**	**33,319,574**
Amount expensed & Not Included in ICM - sodding and seed	-$	54,000
Total	**$**	**33,265,574**

b) The budget is based upon actual tendered costs, actual costs incurred, forecasted expenditures and capitalized interest costs.

c) As noted in part b above, the proposed budget is based on actual tendered costs.

d) The following table shows the amounts spent to date as of December 16, 2024.

	Draw #1	New Costs	Total
Land purchase	5,520,372.46		5,520,372.46
Interest	307,313.05	24,921.37	332,234.42
Professional fees	1,945,352.43		1,945,352.43
Permits	55,030.83		55,030.83
Site prep	42,613.56		42,613.56
Construction	574,186.32	859,803.36	1,433,989.68
	8,444,868.65	**884,724.73**	**9,329,593.38**

e) The contracts for construction of the New Facility are fixed price subject to change orders. Total cost for the project includes a contingency of $750 thousand and additional cash allowance of $3.34 million. As of December 30, 2024 the contingency has been drawn down to $736 thousand and cash allowance reduced to $2,87 million.

:

RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY SEC-3

[2025 IRM Application Part 1, Appendix A, ICM Application]

ERTH Power's website includes the following October 24, 2024 announcement ERTH Power Breaks Ground on New Operations Centre. Please explain ERTH Power's plans with respect to funding of this new operations centre should the OEB not approve its ACM request.

RESPONSE:

ERTH Power's plan on how it will fund its new operation centre is dependent on the findings in the OEB decision in this proceeding. ERTH Power does not have a plan at this time.

:

RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY SEC-4

[2025 IRM Application Part 1, Appendix A, ICM Application, p. 7, 13 to 15]

a. Please provide details on the current rent ERTH Power pays to ERTH CORP for the Bell St. property.
b. ERTH Power notes that the existing main building and outbuilding will require roof repairs and some HVAC units are scheduled to be replaced. Please confirm that the capital costs for this work would be the responsibility of ERTH CORP.
c. How would the work referenced in part (b) above affect ERTH Power financially?
d. What is the square footage of the Elm St. (or Aylmer) property?
e. ERTH Power states that the rent for Elm St in 2023 was $92k and with the New Facility, that will be cut in half. Please explain what part of Elm St. will continue to be used and why, given the limitations described, ERTH Power wants to maintain using it.
f. What are the expected annual savings in energy costs as a result of installing a ground-source heat pump system and a solar photovoltaic system?
g. How does ERTH Power propose to recognize the savings related to energy costs during the IRM period?

RESPONSE:

a) Please see response to VECC-6 part a)
b) The leasehold improvements are the responsibility of the tenant, ERTH Power.
c) The financial impacts of the identified leasehold improvements are expected to be material. ERTH Power would capitalize these costs as leasehold improvements. ERTH Power notes that it determined that these expenditures are not prudent given the location

:

restrictions of the limited property size and other constraints detailed in the business plan. ERTH Power could spend as much money as required to repair and upgrade the building and the property would still not be sufficient for operations.

d) The square footage of the two properties are as follows:

(a) Bell Street 20,389 sq. Ft

- Truck bays 5,199 sq ft
- Storage 7,530 sq ft
- Office 7,660 sq ft

(b) Elm 13,824 sq ft

- Truck bays 2,457 sq ft
- Storage 5,832 sq ft
- Office 5,535 sq ft

e) Please see response to Board Staff IR #8

f) ERTH Power does not have specific calculations for the energy savings resulting from the ground-source heat pump and solar photovoltaic systems at this time. We can provide the following estimate based on the information available. Contractors have projected an annual production of 690,000 kWh from the solar photovoltaic system. As used in the response to Staff-12, if we apply a cost of electricity of $0.16/kWh to the annual production amount we calculate a dollar value of this production of approximately $110,400. Additionally, the installation of the ground-source heat pump is expected to eliminate the need for natural gas consumption, contributing to added energy cost savings.

g) ERTH Power proposes to recognize any savings related to energy costs at its next rebasing application in 2028.

:

RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY SEC-5

[2025 IRM Application Part 1, Appendix A, ICM Application, p. 8, 9, 17 and 19]

a. The footnote on page 17 states that "ERTH Power will rent space to ERTH CORP (i.e. At minimum 12 ERTH CORP FTE)" and on page 19 ERTH Power states that 'through a rental services agreement with ERTH CORP, the New Facility will also support approximately 10 additional ERTH FTE'. Please clarify.

b. Please provide a copy of the rental services agreement with ERTH CORP and explain the basis for how rent was determined.

c. What is the expected rent to be received from ERTH CORP for use of space in the New Facility each year, until ERTH Power's next rebasing application?

d. Page 17 refers to the current staffing of ERTH Power as 38 FTEs, page 19 refers to current staffing of ERTH Power of 44 FTEs. Page 8 states that there are 32 FTEs at the Bell St. property, and page 9 states ERTH Power has 4 staff at the Elm St. property. Please clarify the current number of FTEs for ERTH Power and where they are located.

e. What is the total number of FTEs the New Facility is being constructed for and how many ERTH Power FTEs will work from other locations once the New Facility is built?

RESPONSE:

a) ERTH Power provides the following clarity in response to questions in part a and d of this interrogatory. ERTH Power is planning for 54 staff to occupy the New Facility. The buildup of the 54 staff across ERTH Power and its affiliates is the following:
    a. Total Occupancy in New Facility: 54 Staff
        i. ERTH Power: 38 staff (For details please ee reconciliation in part d below)
        ii. ERTH Corp: 8 staff

:

iii. ERTH Holding Inc.: 6-8 staff

b) ERTH Power is developing its rental services agreement with ERTH Corp. ERTH Power will seek the services of a Real Estate firm to identify local market rental rates as its basis to charge ERTH Corp. The rental agreement will be executed prior to the New Facility being placed in-service.

c) As noted in part b) of this response, ERTH Power has not finalized annual rents for ERTH CORP will be charged. Please see response to OEB Staff 06 for ERTH Power's innovative regulatory treatment of rents.

d) ERTH Power currently has 42 staff. There are 7 of the 42 staff that will continue to work out of the Goderich facility. There will be 35 staff transferred to the New Facility.

   a. The 35 staff being transferred to the New Facility is inclusive of 2 remaining Aylmer Staff.
   b. ERTH Power is forecasting the addition of a two Conservation Demand Management staff within the next year (i.e Key Account managers)
   c. ERTH Power is forecasting the hiring of a Manager of Metering in the next year
   d. The sum of a, b and c above equates to the total of 38 staff.

e) As noted in part d above, 7 ERTH Power staff out of its expected total of 38 will not have the New Facility as their main work location. The New Facility is being constructed for 57 staff/cubicles with potential increase to 64.

:

RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY SEC-6

[2025 IRM Application Part 1, Appendix A, ICM Application, p. 15]
ERTH Power states: "ERTH Power recognizes that the cost of rent is currently embedded within its approved rates. ERTH Power is open to innovative ways to recognize the savings on rent charges within the confines of an ICM application."

Please propose an approach as part of this ICM application to recognize both,

a) avoided rent paid for the Bell St. and Aylmer properties already included in rates, and
b) expected rent paid to ERTH Power from ERTH CORP for their use of the New Facility.

RESPONSE:

ERTH Power proposes to use two new deferral accounts and one variance account to record rent amounts included in its rates which are no longer being paid, future rental income it receives from ERTH CORP, and variances in other OM&A costs resulting from the transition to the New Facility. ERTH Power has included three draft Accounting Orders as part of its proposal as *Attachments 4, 5, and 6* to this response; all of which are proposed as 1508, Other Regulatory Assets sub-accounts.

ERTH Avoided Rent Deferral Account: ERTH Power will credit $271,821.31 of rent which is currently included in its rates. This amount will be credited annually to ratepayers in the ERTH Avoided Rent Deferral Account ("EARDA"), pro-rated for any partial years, and will be subject to carrying charges at OEB prescribed rates. The following table details how the rent was calculated:

:

2018 COS Rent Expens	$ 217,260.00	IRM Increases
2019	$ 221,496.57	1.95%
2020	$ 223,091.35	0.72%
2021	$ 230,676.45	3.40%
2022	$ 246,362.45	6.80%
2023	$ 255,970.59	3.90%
2024	$ 263,137.76	2.80%
2025	$ 271,821.31	3.30%

Rental Income Deferral Account: ERTH Power has not determined the amount of rent it forecasts to charge ERTH CORP at this time. ERTH Power expects to determine the fees it will charge ERTH CORP in 2025 by hiring a third-party real estate firm to conduct a comparative market-based evaluation. ERTH Power and ERTH CORP plan to execute a Rental Service Agreement compliant with the OEB's Affiliate Relationship Code requirements prior to the New Facility being placed in-service and commence debiting monthly rental income amounts in the Rental Income Deferral Account ("RIDA") in 2025, subject to carrying costs at OEB prescribed rates.

ERTH New Facility OM&A Costs Variance Account: As highlighted by OEB staff in Staff-6, variances in rent are expected to be accompanied by variances in other OM&A costs, such as property taxes, heating and cooling, snow removal, ground maintenance, security and other operating and maintenance costs. ERTH Power will establish baseline values for OM&A costs directly related to its facilities based on status quo operations at the Bell St. and Aylmer locations, and will debit or credit variances to these baselines in the ERTH New Facility OM&A Costs Variance Account ("ENFOCVA"), subject to carrying costs at OEB prescribed rates.

ERTH Power proposes to bring forward substantiating evidence and dispose of the balances in the EARDA, RIDA, and ENFOCVA in its next rebasing application planned for 2028 rates.

:

RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY SEC-7

[2025 IRM Application Part 1, Appendix A, ICM Application, p. 17 and Table 2]

a. ERTH Power states that 'In early 2023, ERTH Power's conditional offer to purchase land in Ingersoll for its New Facility was accepted by the property seller.' What were the conditions? b. Please confirm that the purchase price is $6,217k. c. What is the status of the land purchase now?

RESPONSE:

a) The following is an excerpt of the conditions included in the conditional offer in the agreement to purchase land:

15. SEVERANCE CONDITION

(i) This Agreement is subject to compliance with the subdivision control provisions of the *Planning Act* (Ontario). Within fifteen (15) Business days following receipt of the Reference Plan from the Vendor, the Purchaser shall prepare a consent application under section 53 of the Planning Act to the Committee of Adjustment of the Town of Ingersoll for consent to the conveyance of the Property to the Purchaser, which consent shall: (A) include the delivery to the Purchaser of a signed and issued certificate of official from the Committee of Adjustment of the Town of Ingersoll for the Property; (B) be final and binding, with all conditions of the consent having been satisfied by the Vendor, at its sole cost and expense, to the full satisfaction of the Town of Ingersoll Committee of Adjustment; and (C) not be subject to any further rights of appeal (the "**Planning Act Consent**").

:

(ii) This Agreement is conditional upon the Purchaser obtaining the Planning Act Consent. The Vendor and Purchaser acknowledge that obtaining the Planning Act Consent is a true condition precedent to Closing which cannot be waived by either party and must be satisfied prior to Closing. In the event that the Planning Act Consent is not received and, accordingly, this condition has not been satisfied by the first Business Day that is 180 days following the Acceptance Date, unless otherwise agreed or extended by the parties in writing, this Agreement shall be automatically terminated and neither party shall be under any further obligation to the other to complete the Transaction and the Deposit shall be promptly returned to the Purchaser with interest earned and without any set-off abatement or deduction.

(iii) As soon as reasonably possible after obtaining the Planning Act Consent, the Purchaser shall cause the Reference Plan to be deposited against title to the Property at the Purchaser's sole cost and expense. The description of the Property to be used in the transfer/deed to be delivered by the Vendor to the Purchaser on Closing shall be based upon the Reference Plan.

(iv) If any material modifications to the Reference Plan are required by the Town of Ingersoll Committee of Adjustments or conditions are imposed by the Town of Ingersoll which materially alter the Final Area of the Property, then the Purchaser shall promptly notify the Vendor of such modifications or conditions in writing. Such modifications and conditions shall be subject to review and approval of both Purchaser and Vendor, both parties acting reasonably. Should either party not agree to the modification and conditions they shall have the right to terminate this Agreement by delivery of written notice to the Vendor and neither party shall be under any further obligation to the other to complete the Transaction and the Deposit shall be promptly returned to the Purchaser with interest any earned and without any deduction.

b) The final cost of the purchase of land is $6.22 million. This amount is comprised of land purchased at a cost of $5.40 million with additional closing costs, land transfer tax, permit and site preparation of $0.23 million and anticipated carrying costs of $0.585 million.

:

a. The land purchase was finalized in 2024.

:

RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY SEC-8

[2025 IRM Application Part 1, Appendix A, ICM Application, Table 4 and p.31]

a. In considering other options did ERTH Power investigate locating more than one service centre throughout its service territory in order to reduce travel and response times given that "[o]ne of the principal drivers of this design choice relates to the utility's characteristics as a rural distributor with a dispersed service territory separated by long distances'? If so, please provide details. If not, why not?

b. Did ERTH Power consider other options than those shown in Table 4? For example, did ERTH Power consider a less expensive new build option? If so, please provide details. If not, please explain why not.

c. In comparing options, did ERTH Power consider bill impacts? If so, please provide details. If not, why not?

RESPONSE:

A) ERTH Power did evaluate the optimal locations for service centres as noted in the ICM Application. ERTH Power currently has multiple service centers located in Ingersol, Aylmer and Goderich. ERTH Power determined that leaving the Goderich service centre as-is, and the consolidation of the Ingersol and Aylmer operations was appropriate. The service territory covered by the Aylmer service centre was well within the geographical reach of Ingersol and could be serviced out of Ingersol without impacting customer reliability. The Goderich service centre did not have similar characteristics as the Aylmer centre and therefore, is being left as-is. Additionally, the evaluation determined that the consolidation of the Aylmer and Ingersol facilities would deliver benefits including employee retention and improved safety from being part of a larger hub.

:

B) ERTH Power's evaluation of the new build option identified the least expensive optimal design. Section 3.2.3 of the ICM Application listed ERTH Power's core requirements and Table 1 listed the Facility Specifications. The tender process that ERTH Power conducted matched these specifications and resulted in the least expensive market based cost.

C) ERTH Power emphasized consideration of bill impacts in its design and procurement process in the following ways:

a. Designed the New Facility with economic and efficient building materials and did not overbuild. An example of this is the choice to not proceed with the more costly pre-cast design.
b. Maximized utilization of space in the final design to limit waste. i.e. designed the New Facility to maximize usage of office, operational and warehouse storage
c. Use of energy systems that significantly reduced ERTH Power's Greenhouse Gas emissions and provide societal benefit to ERTH Power's customers.
d. Executed a procurement process that included five bidders to ensure the lowest market price was attained.
e. The contract includes a $750,000 contingency subject to approved change orders. The site excavation has been completed with minimal incremental cost overruns experienced which is where the bulk of project risk was anticipated.

:

RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY SEC-9

[2025 IRM Application Part 1, Appendix A, ICM Application, p. 26]

a. ERTH Power states that the size of the New Facility has been determined with growth in mind, including growth due to future consolidations and electrification of the fleet. How much space has been added for each of these considerations?
b. Has additional space been allocated for growth by ERTH CORP? If so, please provide details.

RESPONSE:

a) ERTH Power estimates that the total site will be utilized 95% for normal day to day operation of the utility business while also providing some additional space for mutual assistance storm response actions needed from time to time.

The site is approx. 6 acres or 261360 Sq Ft. The building footprint occupies 42,300 Sq Ft of the site. Approx 100,000 Sq Ft is comprised mainly for parking, truck deliveries and load dock facilities, sidewalks, entrance access and municipal setbacks to meet all bylaws and building codes as well as some minor green space for landscaping purposes. The site plan could accommodate a future 2,500 Sq Ft of building surface (land space) times 2 stories in some unused green. There is approximately 16,000 Sq Ft of unusable space for natural grade sloping off of the road to site level (essentially unusable space which can't be utilized at any point in time). There is approximately 110,000 Sq Ft of remaining land surface at back of building of which is intended for transformer storage, material storage, garbage

:

and scrap wire storage, pole bunk storage, miscellaneous aggregate storage (sand, top soil, gravel) & safety practice poles as well as vehicle parking and maneuverability throughout the rear yard to access material and equipment and turn radius's.

b) ERTH Power has not allocated any space for growth by ERTH Corp. in its new facility design and build.

:

RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY SEC-10

[2025 IRM Application Part 1, p.29 and 45]

The distribution only bill impacts for the GS 50-999 kW and 1000-4999 kW classes for the Main rate zone are 21% and for the Goderich rate zone are 20.6%, for both the IRM and the ICM applications. In discussing the Total Bill Impacts, ERTH Power submits that they are reasonable and do not require rate mitigation.

Does ERTH Power consider the distribution only impacts for the GS classes to be reasonable and if so, please explain why?

RESPONSE:

ERTH Power does consider the distribution bill impacts to be reasonable. ERTH Power's distribution rates have not been rebased since 2018 and therefore, are not representative of its current costs. The consolidation of operations into the New Facility will deliver operational benefits noted in the application[1] to customers and financial benefits to customers. The financial benefits include ERTH Power's proposed financial treatment of rent savings and rental income from ERTH Corp, and expected lower utility costs at rebasing in 2028

ERTH Power also notes that the OEB's policies for IRM and Cost of Service applications focus on Total Bill impacts exceeding 10%. Utility applications that result in Total Bill impacts being greater than 10% require rate mitigation proposals. ERTH Power's IRM application Total Bill impacts inclusive of the ICM request produced results that did not exceed this level of impact.

[1] ICM Application page 28

:

RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY SEC-11

[2025 IRM Application Part 1, Appendix A, ICM Application, Table 4]
Please provide a copy of the underlying calculations, including all formulas, used for the purposes of the 2025 to 2044 Revenue Requirement NPV, i.e. please provide a live Excel spreadsheet.

RESPONSE:
Please find attached SEC-11_ERTH_2025ICM_20yrNPV_20250107, which demonstrates the calculation of 20-year net present value of revenue requirement across the 3 options anlayzed. The figures included in the attachment are the same as those relied upon for ERTH Power's initial application.

:

RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY SEC-12

[2025 IRM Application Part 1, Appendix A, ICM Application] Please provide:

a. All underlying calculations used to determine the inflation adjusted OEB Approved CAPEX in Table 5.

b. Please explain why ERTH Power chose these specific facilities.

c. Please provide a revised comparison table and figures that include the following additional electricity distributor administration and operation facilities, approved in the following applications:

- PUC Distribution (EB-2012-0162), Enersource (EB-2012-0033),
- Hydro Ottawa (EB-2015-0004),
- Energy+ (EB-2018-0028), and
- Energy+/Brantford Power (EB-2019-0022/0031).

Please provide the source for all information used.

d. The actual square footage for each facility dedicated to Office, Operations and Indoor Storage and the total square footage that was used to derive Figure 8 and their sources.

e. The number of FTEs used to derive Figure 9 and their sources.

f. Service areas and Customer counts used to derive Figure 10 and their sources.

g. Fleet count and Operations & Storage square footage used to derive Figure 11 and their sources.

RESPONSE:

:

a. In order to compare new building projects across a period spanning over a decade ERTH Power established an index which blended two publicly available StatsCan indices; the Non-Residential Building Construction Index (NRCBI)[1] and Value per Acre of Land,[2] filtered to the Province of Ontario. These two indices are intended to represent the increasing cost of real estate and construction separately, with each having experienced significant inflation over the past decade plus with variance between the two regarding pace. The two indices were weighted on an NRCBI 75% / Value per Acre of Land 25% basis to create a blended inflationary adjustment index, which was applied to each comparator building on the basis of its in-service year. ERTH Power took this generic approach to all comparator buildings, understanding that both real estate values and construction costs are locally specific, and are expected to experience the impacts of inflation differently by region. As such, it was not reasonably possible to construct customized indices for each comparator building on the basis of local property and construction costs. Lacking data beyond Q2 of 2024, ERTH Power assumed a conservative 2.5% annualized inflation rate from Q3 2024 forward. The resulting custom index is as follows:

Combined Inflation: Buildings & Land	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Custom Index	1.00	1.07	1.11	1.14	1.18	1.20	1.26	1.31	1.38	1.42	1.51	1.80	2.04	2.12	2.18
Growth	0.0%	6.8%	4.4%	2.5%	3.2%	2.1%	4.7%	3.8%	5.2%	3.2%	6.4%	19%	12.9%	4.1%	3.0%
Cumulative Growth	0.0%	6.8%	11.5%	14.3%	18.0%	20.4%	26.1%	30.9%	37.7%	42.1%	51.2%	80.3%	103.5%	111.9%	118.3%

b&c. In identifying comparator facilities for the purpose of completing the benchmarking analysis presented in Section 3.5 of Appendix A, ERTH Power relied on three parameters; comparability to ERTH Power as a utility, comparability to ERTH Power's proposed new facility, and data availability within comparator applications.

[1] The Non-Residential Building Construction Index tracks only 11 Census Metropolitan Areas in Canada. ERTH Power relied on the Toronto CMA data as the most proximate to the new facility https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1810027601

[2] The Value per Acre of Land index tracks farmland. Lacking another proxy for vacant land, this index was used to represent the rise in the cost of real estate. On review of the resulting growth rates, ERTH Power expects the index is a conservative representation of the increase in industrial real estate costs over the studied period. https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3210004701

:

On this basis, the noted facilities and proceedings included within this interrogatory are excluded from the comparator group for the following reasons:

PUC Distribution (EB-2012-0162): In its 2013 Cost of Service year, PUC Distribution reported 33,367 customers, not including unmetered connections,[3] and operates in mixed urban/rural environment. Though PUC Distribution has contiguous service territory with larger urban concentration of customers relative to ERTH Power, PUC Distribution is a reasonable utility for comparison purposes. PUC Distribution's new building was planned to be 110,382ft^2,[4] approximately double the size of ERTH Power's new building, and house 86.81 employees,[5] significantly more than ERTH Power's planned staffing in the new facility. ERTH Power had difficulty obtaining some data points pertaining to the PUC Distribution building, such as a breakdown of space usage as between office, operations, and storage. As noted by PUC at that time, "PUC does not have available the breakdown of the usable space in the format above for the new building. The architects have not completed the square footage calculations by departments."[6] Lacking such data, ERTH Power was unable to properly assess the building's comparability to ERTH Power's new facility, and excluded the PUC Distribution facility from its comparator group.

Enersource (EB-2012-0033): In its 2013 Cost of Service year, Enersource reported 199,863 customers, not including unmetered connections,[7] and operates in a dense suburban environment. Further, it is ERTH Power's understanding that the Derry Road facility which was evidenced in this application was an administrative facility, as opposed to an operations and administrative facility,[8] and planned to accommodate the relocation of 150 administrative

[3] 2013 OEB Electricity Distributor Yearbook
[4] EB-2012-0162, 2-Staff-13, c)
[5] Ibid., 2-SEC-16, c)
[6] Ibid., 2-SEC-43s
[7] 2013 OEB Electricity Distributor Yearbook
[8] EB-2012-0033, Exhibit 1, Tab 2, Schedule 1, page 14

:

employees from its existing Mavis facility.[9] The Derry Road facility was also purchased as a completed building, as opposed to a greenfield new construction project.[10] Neither the utility in question, nor the facility in question, are appropriate comparators to ERTH Power and its new facility.

Hydro Ottawa (EB-2015-0004): In its 2016 rebasing year, Hydro Ottawa reported 327,880 customers, not including unmetered connections,[11] and operates in an environment in which most customers are located in dense urban/suburban locations. Hydro Ottawa's facilities strategy, implemented across EB-2011-0054 and EB-2015-0004, ultimately led to the construction of an Eastern Operations Centre and Campus, and a Southern Operations Centre and Warehouse; dividing functions across properties given the size of the utility, as opposed to consolidating all operations in a single location.[12] Neither the utility in question, nor the facilities in question, are appropriate comparators to ERTH Power and its new facility.

Energy+ (EB-2018-0028): In its 2019 rebasing year, Energy+ reported 65,808 customers, not including unmetered connections,[13] and operates in mixed urban/rural environment. Though noticeably larger than present-day ERTH Power, Energy+ in 2019 is a reasonably comparable utility to ERTH Power. Energy+'s application outlined two new facilities in its application. First, the utility purchased an existing heritage property in downtown Cambridge for $1.00, and proposed to renovate the building to serve as an administrative office (Southworks). Given its purpose as an administrative-only building, Energy+'s opportunity to purchase the property at a cost of $1.00, and the project being restoration of a heritage property, the Southworks facility is not an appropriate comparator to ERTH Power's new facility. Energy+ also communicated its

[9] EB-2012-0033, Exhibit 2, Tab 2, Schedule 5, page 9
[10] Ibid., page 12
[11] 2016 OEB Electricity Distributor Yearbook
[12] EB-2015-0004, Exhibit B, Tab 1, Schedule 2, pages 238-241
[13] 2016 OEB Electricity Distributor Yearbook

:

plans to enter into a long-term lease agreement with Brantford Power at Garden Avenue and Highway 403, as further discussed below.[14]

Energy+/Brantford Power (EB-2019-0022/0031): Brantford Power had from 2016 to 2018 planned to build a new greenfield facility at Garden Avenue and Highway 403 (Garden Avenue) which would serve a mix of administrative, operations and storage functions, and would be shared with tenants including Energy+. The facility was planned to be 64,487 ft^2 in total including tenant space (compared to ERTH Power's facility total of 57,170 ft^2 including tenant space). The land size was 9.9 acres (compared to ERTH Power's 6 acres). Though the significant space dedicated to tenants may have reduced comparability, the Garden Avenue facility would have been reasonably comparable to ERTH Power's new facility. However, Brantford Power did not ultimately construct the Garden Avenue facility. Brantford Power issued an RFP in late 2018 specifying a total cap for construction of the facility of $31.9M, including land and soft costs. When adjusted for inflation consistent with the other members of the comparator group provided in this application (assuming a 2020 in-service date), this cap would be $49.1M in 2025. Brantford Power received no bids on the RFP, and ascertained in subsequent consultation with potential bidders that the cap specified was too low to make the project commercially attractive. [15]

Around the same time of Brantford Power's unsuccessful RFP, the property owners of 150 Savannah Oaks Drive in Brantford (150 Savannah Oaks) expressed renewed interest in sale of the property, opening up an alternative for Brantford Power's facility needs. Brantford Power pursued this option, which purchased and renovated an existing building at 150 Savannah Oaks at a forecast total cost of $28.4M, or $43.6M adjusted for inflation on the same basis outlined above. 150 Savannah Oaks was considerably larger than ERTH Power's new facility, at a total of

[14] EB-2018-0028, Exhibit 2, Section 2.7.3
[15] EB-2019-0022, Incremental Capital Module Application, pages 19-23

:

131,539ft^2.[16] As a renovation project over double the size of ERTH Power's new facility, 150 Savannah Oaks is a sub-optimal comparator to ERTH Power's new facility.

For the purpose of providing a complete response, please see below a revised version of Table 5 including the noted applications and facilities, as requested. ERTH Power has prepared this information on a reasonable efforts basis, and was not able to locate all the data included in Table 5.

Utility	Case	Acres	Total ft2	OEB Approved CAPEX ($000)	Project Type
Algoma Power	EB-2019-0019	7	41,703	$15,361	New Build
Milton Hydro	EB-2015-0089	7	91,828	$24,594	Existing Building Renovation
Waterloo North	EB-2010-0144	20	104,000	$57,839	New Build
InnPower	EB-2014-0086	7	36,172	$19,129	New Build
ERTH Power	**EB-2024-0019**	**6**	**57,170**	**$33,439**	New Build
PUC Distribution	EB-2012-0162	N/A	110,382[17]	$48,034[18]	New Build
Enersource	EB-2012-0033	N/A	79,000[19]	$36,792[20]	Existing Building Purchase
Hydro Ottawa - East	EB-2015-0004	21	186,000[21]	$126,057[22]	New Build
Hydro Ottawa - South	EB-2015-0004	20	165,000[23]	$41,369[24]	New Build
Hydro Ottawa - Total	EB-2015-0004	41	351,000	$167,427	New Build
Energy+	EB-2018-0028	N/A	21,892[25]	$11,981[26]	Existing Building Renovation
Brantford Power - Garden Avenue	N/A	10	64,487[27]	$49,059[28]	New Build
Brantford Power - 150 Savannah BPI-Only	EB-2019-0022	N/A	70,747[29]	$24,780[30]	Existing Building Renovation
Brantford Power - 150 Savannah Total	EB-2019-0022	33	131,539[31]	$43,599[32]	Existing Building Renovation

[16] Ibid., pages 23-24
[17] EB-2012-0162, 2-Staff-13, c)
[18] Ibid., Exhibit 2, Tab 2, Schedule 7, page 25
[19] EB-2019-0022, ICM Application, page 25
[20] EB-2012-0033, Exhibit 2, Tab 2, Schedule 5, page 13
[21] EB-2015-0004, HOL IRR SEC, PDF page 39
[22] EB-2015-0004, Distribution System Plan, page 339
[23] EB-2015-0004, HOL IRR SEC, PDF page 39
[24] EB-2015-0004, Distribution System Plan, page 339
[25] EB-2018-0028, Exhibit 2, Section 2.7.3, Table 2-43
[26] EB-2021-0018, Decision and Order, page 14
[27] EB-2019-0022, ICM Application, page 22
[28] Ibid.
[29] Ibid., page 24
[30] Ibid.
[31] Ibid.
[32] Ibid.

:

d. Please see below the ft2 by distributor facility. For the purpose of comparing relative administrative, operations and storage space non-utility ft2 was excluded where applicable.

Distributor	Non-Utility ft2	Office ft²	Operations ft2	Storage ft2	Total ft2 (for utility)	Total ft2 (total)
Algoma Power[33]	N/A	13,676	15,747	12,280	41,703	41,703
Milton Hydro[34]	N/A	43,618	12,210	36,000	91,828	91,828
Waterloo North[35]	N/A	68,000	21,000	15,000	104,000	104,000
InnPower	5,630	22,853	6,660	6,660	36,172	41,802
ERTH Power	6,546	13,439	13,965	23,221	50,624	57,170

e. Please see below the FTE by distributor facility.

Distributor	FTE
Algoma Power[36]	55
Milton Hydro[37]	62
Waterloo North[38]	117
InnPower	41
ERTH Power	44

[33] EB-2019-0019, Distribution System Plan, Attachment: Strategic Facility Planning "A", pages 12-15
[34] EB-2015-0089, 4-Staff-62, a) provides total ft2 of facility, c) indicates 47.5% of facility is administration, which equals 43,618; EB-2015-0089, Decision and Order, page 3 indicates indoor storage area; remaining square feet are deemed operations space
[35] EB-2010-0144; total ft2 found at Exhibit 2, page 87; operations ft2 found at Staff-5, a) page 10 of 95; storage ft2 found at Staff-5, a) page 12 of 95; remaining square feet are deemed administrative space
[36] EB-2019-0019, 2-Staff-30, d)
[37] EB-2015-0089, 4-Staff-62 e)
[38] EB-2010-0144, Exhibit 2, page 87

:

f. Please see below Service Area and Customer Count by distributor facility. These figures were sourced from the OEB's Electricity Distributor Yearbooks and/or the OEB's Open Data initiative.

Distributor	**Customer Count**	**Service Area (km2)**
Algoma Power	12,332	14,200
Milton Hydro	36,818	371
Waterloo North	52,611	672
InnPower	16,157	292
ERTH Power	24,386	1,895

g. Please see below Fleet Count by distributor facility. The Operations and Storage ft2 are provided in response to d) above.

Distributor	**Fleet Vehicles**
Algoma Power[39]	16
Waterloo North[40]	55
ERTH Power	17
ERTH Power - Present Day Fleet	20

[39] EB-2019-0019, Distribution System Plan, Attachment: Strategic Facility Planning "A", pages 4-5
[40] EB-2010-0144, Exhibit 4, page 83

:

RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY SEC-13

[2025 IRM Application Part 1, Appendix A, ICM Application, Table 5 and Figure 13]

a. Based on the data in Table 5, the $/square footage of the five facilities is as follows:

	Algoma	Milton	Waterloo	InnPower	ERTH
Adjusted Cost ($000)	15,361	24,594	57,839	19,129	33,439
Squared footage	41,703	91,828	104,000	36,172	50,624
$/square footage	368	268	556	529	661

Please explain why the cost per square foot for ERTH Power's New Facility is 54% greater than the average of the other four buildings.

b. Please provide the actual costs and the inflation factors which were applied to produce the total costs shown for each facility.

c. Please provide the total cost for the ERTH Conventional Energy facility.

RESPONSE:

a. ERTH Power expects the individual costs of each comparator building will be informed by the individual specifics of the facility and utility in question, as noted by the wide variance amongst the comparator utilities on a $/ft2 basis. By way of example, Figure 8 of Appendix A of ERTH Power's application shows there is a variance by facility with respect to the proportion of ft2 dedicated to office, operations and storage space, which drives variances in overall expenditure. Similarly, variances could be expected regarding local land costs, construction costs, and utility physical infrastructure requirements for the building.

:

With respect to ERTH Power's position relative to the comparators on a $/ft2 basis, one driver is the recent government and OEB focus on promoting distributed energy resources,[1] such as ERTH Power's proposed solar photovoltaic installation. This component of the new facility may not be a design requirement with the $/ft2 analysis presented above. The same is true of ERTH Power's geothermal heating and cooling system.

b. Please see below the actual OEB-approved costs applicable to each comparator building. For explanation and annual values associated with the construction cost and land index used to escalate historical building costs please see response to SEC-12 a.

Distributor	Year	OEB-Approved CAPEX	Inflation-Adjusted CAPEX (2025 $)
Algoma Power	2022	12,690,000	15,361,196
Milton Hydro	2016	13,565,000	24,593,593
Waterloo North[2]	2011	26,681,739	58,235,569
InnPower	2015	10,337,704	19,129,266
ERTH Power	**2025**	33,439,250	33,439,250

c. The total cost assumed for the purpose of providing an ERTH Conventional Energy Facility comparator in the benchmarking analysis was $29.6 million. This figure was derived by removing the cost of the solar photovoltaic system (approximately $1.5 million) and a portion of the geothermal system costs (approximately $2.5 million) to approximate the costs of the building with a conventional natural gas heating and electrical air conditioning

[1] NTD: INSERT MINISTER, MINISTRY AND OEB REFERENCES PUSHING DERS

[2] The initial analysis presented in evidence inadvertently used an OEB-approved value of $26,500,000 for Waterloo North Hydro's new building. On re-examining the settlement proposal in EB-2010-0144 during interrogatory response preparation, ERTH Power notes the actual value approved was $26,681,739 per page 12 of the Settlement Proposal appended to the OEB's Decision and Order

:

system. For clarity, ERTH Power did not prepare technical plans, engineering, or vendor-endorsed cost estimates for the purpose of this illustration.

:

RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY SEC-14

[2025 IRM Application Part 1, Appendix A, ICM Application, p. 32]

a. Footnote 10 states 'ERTH figure assumes ERTH Power is able to reduce fleet by 1 heavy and 2 light vehicles through repatriation of Aylmer facility' What would be the resulting savings?
b. How does ERTH Power propose to recognize the savings related to vehicles during the IRM period?
c. Is this reduction in the number of vehicles incorporated in the Fleet Sustainment Plan?

RESPONSE:

a) The Fleet Sustainment plan incorporates the purchase of a "36'-40' Service Truck" in 2026 which would replace a larger "full size" 47' Bucket Truck. This service truck is substantially smaller than the full size bucket truck and is approximately $200,000 less to purchase, however cannot complete all line work within the system; it is being considered as a reduction of large vehicles by half (½), as opposed to the stated one (1). The Plan also incorporates a 2500 Pickup Truck (#101-11) that will not be replaced when it has reached its useful life, as determined by maintenance and operating costs; it otherwise would have been replaced in the next 1-3 years. The second reduction in small vehicles will be beyond the forecast period within the ICM/DSP application as another pickup truck will be surpluses once it has reached the end of its useful life.

b) ERTH Power will recognize savings related to its Fleet Sustainment Plan through its Earning Sharing Mechanism ("ESM") during the remainder of its deferred rebasing period. Where ERTH Power exceeds the deferred rebasing period 300 basis point deadband, customers

:

will receive 100% of the excess earnings. Sustained savings from the Fleet Sustainment Plan will also be passed through to customers at rebasing in 2028.

c) Confirmed to be included in the Fleet Sustainment Plan.

:

RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY SEC-15

[2025 IRM Application Part 1, Appendix A, ICM Application, p. 35]

a. ERTH Power indicates that it engaged with its nine shareholders, but not directly with its customers. Please provide the materials presented to the shareholders, including what they were told about the bill impacts.

b. Please explain why ERTH Power did not engage directly with its customers on the New Facility and the ICM application.

c. Please confirm that the distribution bill impacts resulting from the ICM are significantly higher than both the applied for and approved distribution bill impacts in ERTH Power's last cost of service application (EB-2017-0038).

RESPONSE:

a) ERTH Power has attached the following two Special Shareholder Meeting materials:
   - March 23, 2023 Special Shareholder Meeting which includes:
     - Land Purchase re: New Operations Centre for ERTH Power Corporation
     - Presentation package
     - Special Resolution of the shareholders
   - February 15, 2024 Special Shareholder Meeting which includes:
     - Approval to proceed with construction of new operations centre for ERTH Power Corp
     - Special resolution of the shareholders of ERTH Corporation

:

b) ERTH Power did not directly engage customers given the expenditure is focused on utility operations and indirectly impacts the customer base. ERTH Power focused its consultation on its 9 shareholders ("Shareholder") who it deemed as the primary representatives of the customer base. The 9 shareholders are all municipal corporations that are ultimately elected by and directly accountable to ERTH Power's customer base. The Shareholder were informed about the utility operational needs, current challenges and both Distribution and Total Bill impacts from the New Facility. The Shareholder provided 100% unanimous support.

c) ERTH Power cannot confirm that the distribution bill impacts resulting from the ICM are significantly higher than both the applied for and approved distribution bill impacts in ERTH Power's last cost of service application (EB-2017-0038). ERTH Power notes that its last cost of service application is not comparable to this ICM application given it was for rates in 2018, it is comprised of several cost elements that are not included in this ICM application, and the criteria of significantly higher is a subjective measure. Additionally, it is not clear to ERTH Power how the bill impacts in EB-2017-0038 are relevant to the current ICM request.

:

RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY SEC-16

[2025 IRM Application Part 1, Appendix A, ICM Application, Table 7]

a. ERTH Power has allocated the cost of the New Facility ($33,439k) to each rate zone using the same percentages as it has used to determine the maximum eligible incremental capital for each rate zone (i.e. determined the proportion of capital expenditures in each rate zone relative to its total capital expenditures on an actual basis over the 2018 to 2023 period). Please explain why ERTH Power considers it appropriate that each rate zone should bear the proportion of the cost of the New Facility based on historical capital expenditures.
b. Did ERTH Power consider any other allocation methodology, e.g. number of customers or kWhs in each rate zone? If so, please provide details. If not, please explain why.

RESPONSE:

a. ERTH Power believes allocation of the New Facility costs to its rate zones on the basis of their respective historical capital spend is a reasonable approach, as these values serve as a fair proxy of ERTH Power's relative attention to, and investment in, these areas of its system. On completing this analysis, ERTH Power also noted the highly similar bill impacts which would be experienced by typical residential customers in each rate zone, at $6.44 in the Main rate zone, and $6.64 in the Goderich rate zone. The alignment of incremental costs across all customers, while maintaining the use of a principled cost allocation methodology, was deemed an optimal outcome.
b. ERTH Power considered alternative cost allocation methodologies, with allocation by customer count generally viewed to be the most promising approach. On reviewing the

:

results of allocation by historical capital expenditures, including the resulting typical residential bill impacts, ERTH Power chose not to propose allocating costs by customer count. This said, ERTH Power is not opposed to allocation of the New Facility costs by customer count. For reference, allocation of costs by the relative customer/connection counts included in the IRM models for the Main and Goderich rate zones would change the current 81/19% split between Main and Goderich, to an 83/17% split.

:

RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY SEC-17

[2025 IRM Application Part 1, Appendix A, ICM Application, Figures 9 and 11]

a. Please provide the square footage per Office Staff for ERTH Power's current facility, the proposed New Facility and the benchmarked peer group.
b. How has ERTH Power determined the required square footage per FTE in the New Facility?

RESPONSE:

a. For the purpose of completing this comparison inclusive of the peer group, ERTH Power is unable to delineate between total staff and Office staff. The following is the Office square footage, staff count, and Office ft2 per staff member for the requested ERTH Power facilities:
    a. Bell St: 7,660 ft2 with 33 staff = 232 ft2 / staff
    b. Aylmer: 5,535 ft2 with 2 staff = 2,767 ft2 / staff
    c. The New Facility: 13,439 sq ft with 38 staff = 354 ft2 / staff

The following is provides the equivalent figures for the identified peer group, with references provided in response to SEC 12 d):

a. Algoma Power: 13,676 ft2 with 55 staff = 249 ft2 / staff
b. Milton Hydro: 43,618 ft2 with 61.5 staff = 709 ft2 / staff
c. Waterloo North: 68,000 ft2 with 117 staff = 581 ft2 / staff
d. InnPower: 22,853 ft2 with 41 staff = 557 ft2 / staff

:

b. ERTH Power created a cross functional team to lead and create its New Facility requirements. ERTH Power's teams initially engaged with its Engineering and Architecture in parallel to eliminate duplication of effort and costs to design its New Facility. This cross functional and expert based team produced the final design including the required square footage. The primary ERTH Power team consisted of selected individuals who have both experience with a broad base of utility and space related functions:

- CEO – 35 years of utility business experience including line technician by trade & hands on experience in warehouse logistics, construction / design experience from past life work life experiences.
- Director of Engineering and Operations – 15 years of electrical engineering and design function experience.
- Director of IT – 20 years of IT systems, operations and facilities experience
- Manager of Purchasing, Fleet and Facilities – 10 years experience in procurement and fleet, facilities.
- Executive Assistant – 20 + years of experience with record keeping, event planning and design/layout experience, communications.

Additionally, ERTH Power organized a secondary advisory team that consisted of:

- COO – 28 years experience of customer service, billing and customer solutions experience
- Operations manager – 30 years engineering and operations experience
- Line Supervisor – 38 years of powerline techical experience

ERTH Power's team engaged with ERTH staff, Board of Directors as well as its Shareholders through a requirements identification process that gathered space, operations and human resources requirements for all areas of the business. These requirements have formed the facility specifications outlined in the ICM application. Consistency from all stakeholders was received that the building needed to take into account energy efficiency into the design, green technologies (solar and geothermal).

:

ERTH Power's team toured multiple newer electrical utility and municipal operational and business centres[1] to understand from these entities past experiences (i.e. what they liked, disliked, lessons learned and concepts that worked). ERTH Power also gathered measurements of strategic spaces from these sites (i.e. control room, training room, lunchroom, warehouse space, fleet storage area) to inform it of what was reasonable and adequate in its New Facility.

ERTH Power created a New Facility requirements list upon completion of the steps noted above. The New Facility requirements list was taken by the Engineering and Architecture firms to produce concept renderings. The requirements list included:

- Number of offices required for supervisors, managers, senior managers and executives and approximate sizing for offices based findings from site visits.
- Number of cubicle spaces and or touch down spaces by department.
- Number of meeting rooms and Board room.
- Kitchen facility / training room –that would be interconnected through a collapsible foldaway wall so the space was created for multi-use.
- Control room size requirement, Operations space, tool and equipment storage, metering and station work space
- Warehouse size requirement including staging area for materials for jobs specific projects accessible by crews
- Fleet area to accommodate and increase the useful life of ERTH Power's vehicles given the exponential cost increases.
- New Facility was to be EV ready to allow ERTH Power to electrify our fleet over time

[1] Innisfil Hydro (Administration & Operations), Enova – Formerly Kitchener/Waterloo (Administration & Operations facilities), Milton Hydro (Administration & Operations facilities), Entegrus (Administration & Control Room) - (Chatham), Entegrus Operations facility (St. Thomas), Hydro One (Operations) - (Woodstock), Municipality of West Perth (Administration & Operations) – Mitchell, Township of Zorra (Administration & Operations facilities)

:

- New Facility was to be an energy efficiency building that incorporated “green” or “clean technologies”.

Through this iterative process between the ERTH Power team and engineering and architecture firms, the New Facility design was finalized. The design considerations and tradeoffs made by ERTH Power to ensure the final design was the most cost-effective solution that met the listed requirements are described throughout this ICM application and interrogatory responses.

The square footage per FTE was an output of the requirements process listed above being converted into the final New Facility design produced by the engineering and architecture firms.

:

RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY SEC-18

[2025 IRM Application Part 1, Distribution System Plan (DSP), Appendix K - 2025 Project Narratives] The Project Narrative for ALL-LEASEHOLD-Leasehold Improvements notes that 'This project represents costs associated with upgrades at the ERTH Aylmer and Goderich Operating Centers. This line item does NOT include any costs associated with the new Ingersoll Operations Center.

a. When was the DSP prepared?
b. Please confirm that the Goderich Operation Center is an operations center that ERTH Power has in addition to the Bell St. property in Ingersol and the Elm St. property in Aylmer.
c. If confirmed, please provide details on what this operation center is used for and the square footage, number of vehicles stored, etc. at the Goderich Operation Centre.

RESPONSE:

a. The DSP was prepared in 2024 to support this ICM application.
b. Confirmed.
c. The Goderich Operations Center is used solely as a field operations centre. There are no office staff at this facility (i.e. no billing, customer service, engineering staff etc.) There are five (5) Power Line Technicians, one (1) Field Services Technician and one (1) Lines Supervisor that report to the Goderich Operationss Center, which services the Towns of Goderich, Clinton, Dublin & Mitchell. These five (5) PLT's maintain an after-hours on call rotation for the area, customer service work, capital projects, single phase metering, and simple engineering tasks. The building consists of an inventory warehouse area, truck bays,

:

offices, lunch room, washrooms, and outside yard. There are two (2) bucket trucks, one (1) RBD truck, and four (4) pickup trucks. The approximate square footage is as follows:

- Truck Bays: 3850 sqft
- Stores/Warehouse: 1950sqft w/ mezzanine above 50%
- Office/Washrooms/Lunch Room: 3600 sqft
- Outside Yard: 66,434 sq/ft or 1.5 acres

:

RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY SEC-19

[2025 IRM Application Part 1, Distribution System Plan, Tables 14 to 25]

Based on the data in the tables referenced above, please produce a table (in Excel) similar to Appendix AB in cost-of-service applications showing, Planned and Actual Gross and Net Capital for 2018 to 2023, and Forecasted Gross and Net Capital for 2024 to 2029.

RESPONSE:

Please see the following table:

:

Category	2018			2019			2020			2021			2022			2023			2024	2025	2026	2027	2028	2029
	Plan	Actual	Var.	Plan	Actual	Var.	Plan	Actual	Var.	Plan	Actual	Var.	Plan	Actual	Var.	Plan	Actual	Var.	Plan	Plan	Plan	Plan	Plan	Plan
	$'000		%	$'000		%	$'000		%	$'000		%	$'000		%	$'000		%	$'000	$'000	$'000	$'000	$'000	$'000
System Access	928	1,130	22%	970	1,330	37%	863	1,024	19%	868	1,237	42%	874	1,449	66%	901	959	6%	652	1,062	1,083	2,230	2,247	2,269
System Renewal	2,744	2,397	-13%	2,607	2,805	8%	2,517	2,803	11%	2,787	2,634	-5%	2,506	2,550	2%	2,584	2,779	8%	2,892	3,186	3,267	3,397	3,578	3,759
System Service	90	296	229%	90	26	-71%	55	0	-100%	55	6	-89%	55	114	108%	57	96	69%	35	120	122	125	127	130
General Plant	212	204	-4%	301	201	-33%	556	422	-24%	308	456	48%	611	660	8%	630	452	-28%	1,148	1,116	1,708	1,036	898	1,127
NET Capital Expenditure	3,975	4,027	1%	3,968	4,362	10%	3,991	4,248	6%	4,018	4,333	8%	4,046	4,773	18%	4,172	4,286	3%	4,727	5,484	6,180	6,788	6,850	7,285
*Capital Contribution	-	-1,242	-	-	-1,199	-	-	-2,756	-	-	-1,495	-	-	-1,387	-	-	-1,945	-	(1,828.99)	(2,121.92)	(2,391.48)	(2,626.40)	(2,650.60)	(2,818.92)
GROSS Capital Expenditure	-	5,270	-	-	5,561	-	-	7,004	-	-	5,828	-	-	6,160	-	-	6,231	-	6,556	7,606	8,572	9,414	9,501	10,104
** System O&M	-	3,437	-	-	2,275	-	-	2,625	-	-	2,530	-	-	2,890	-	-	2,336	-	2,682	2,763	2,846	2,931	3,019	3,109

* ERTH Power (previously Erie Thames Powerlines) did not include 'plan' capital contribution amounts in its 2017 DSP

** ERTH Power (previously Erie Thames Powerlines) did not include 'plan' O&M amounts in its 2017 DSP

1

:

RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY SEC- 20

[2025 IRM Application Part 1, Appendix D - ICM Model for Goderich]
Please explain why on Tab 5 Cell C20 (Depreciation Expense) is not the same as Cell C47 (Amortization).

RESPONSE:

Cells C2 and C47 in Tab 5 of the ICM Model for Goderich should be the same value, and were entered in error. To populate the Revenue Requirement inputs for this model, ERTH Power relied upon West Coast Huron's 2013 Cost of Service application; specifically the latest Revenue Requirement Work Form and Chapter 2 Appendices filed in that proceeding. On review, it appears these models were not appropriately updated to reflect settlement outcomes in EB-2012-0175.

Attachment Staff-04-ERTH-AppD-2025_ICM_Model_Goderich corrects the revenue requirement inputs in Tab 5, including the input for Depreciation Expense. The impact of this change is to reduce the materiality threshold, and thus there is no impact to ICM riders or bill impacts as a result of the update.

:

RESPONSES TO VULNERABLE ENERGY CONSUMERS COALITION INTERROGATORIES

INTERROGATORY VECC-1

Ref: Appendix A p.4

ERTH Power is requesting ICM Approval to fund the purchase of property, design, construction, and furnishing of a new administrative and operational facility with an in-service date in Q4 of 2025.

a) Please provide the start date and current status of the project.

b) Please provide the latest project schedule for the project and provide the latest in-service date.

c) When was the need for the project first identified?

RESPONSE:

a) The project started on September 24, 2024 and the current status is on-schedule.

b) Please see the response to SEC-2 part a) for the project schedule.

c) The need for the project was identified during a Board of Directors and management strategy session in 2022.

:

RESPONSES TO VULNERABLE ENERGY CONSUMERS COALITION INTERROGATORIES

INTERROGATORY VECC-2

Ref: Appendix B1 p. 1

The evidence states "ERTH Power maintains three (3) operations centers located in Aylmer, Goderich and Ingersoll with the latter retaining all executive, administration, finance, customer service, metering and engineering departments.

VECC seeks to understand the full scope of the operations centres currently maintained by ERTH Power.

a) Please complete the following table:

Operations Centre	Address	Acres	Own or Rent	Total 2023 Rent $	Total Square Footage of all Facilities	Total 2023 Cost to Operate $	Total Square Footage of Centre	# FTEs	# Fleet	% Capacity

b) For each of the operations centres in part a) please list the individual facilities at each Centre, and provide the associated square footage, functions and condition of each of these

:

individual facilities.

c) Please complete the Table in part a) for the New Facility based on forecast 2026 rent and operation costs.

d) Please provide a map that shows of the location of the existing Operation Centres and the distance/travel times between them.

e) Has ERTH Power retained any 3rd Parties to study its operation facility needs? Please provide copies of all 3rd Party reports.

RESPONSE:

a) Please see following for completed table as requested.

Operations Centre	Address	Acres	Own or Rent	Total 2023 Rent $	Total Square Footage of all Facilities	Total 2023 Cost to Operate	Total square footage of Centre	# FTEs	# Fleet	% Capacity
INGERSOLL	143 Bell St PO Box 157 Intersoll On	1.8425	RENT	149,420	20,389	359,463	20,389	38	15	100
AYLMER	280 Elm St Aylmer On	2.4	RENT	91,580	13,716	176,256	13,716	3	4	75
GODERICH	240 Huckins Street Goderich On		RENT	96,951	8,600	172,921	7,500	7	8	80

b) The square footage of each facility is listed in the table in response A. The Ingersoll Bell street facility is an operational facility as well as an administration office location. A detailed analysis of its condition has been provided within the ICM application as part of the needs assessment. The Goderich and Aylmer facilities are operational centres focused on fleet and material with small office spaces for the operational. The Aylmer facility is an aging location that is need of updates and repairs. The Goderich facility is in a shape that meets the needs for ERTH Power to service its territory on and around Highway 8.

c) Given that the rent that will be charged for affiliates use of the New Facility is unknown, ERTH Power is unable to replicate the table in part a as requested. However, ERTH power notes that the building footprint is approximately 1 acre or 42,399 square feet in area totaling 50,624 square feet of floor space across two stories. It will include space for staff training, server and control rooms as well as a metering work station and sufficient

:

warehouse space for storage of inventory. The distribution of the square footage uses approximately 13,439 ft2 of office space, 13,965 ft2 of operational space and 23,221 ft2 of indoor storage and garage.

d) Please see *Attachment 7*.

e) No external consultant report is available however ERTH Power staff and its contracted engineering firms and architecture firm worked to determine the optimal design to meet the operational needs of the organization and how they would best be served by the new facility. Detailed review of similar buildings for other LDC's helped to develop the operational assessment for the new facility by learning from the best and worst attributes of other similar buildings.

:

RESPONSES TO VULNERABLE ENERGY CONSUMERS COALITION INTERROGATORIES

INTERROGATORY VECC-3

Ref: Appendix A p. 11-14

ERTH Power explains the Bell Street Property Challenges.

Please provide a breakdown of costs to rectify these property challenges.

RESPONSE:

ERTH Power has not procured cost estimates to rectify the property challenges noted in Section 3.2 and 3.2.1 related to its Bell St property. Notwithstanding, if any remedies are undertaken the property size cannot be altered and has been noted as the largest contributing factor to the replacement of the operational facility. Even with these remedies the modernization and effectiveness of the facility will fall significantly short of what could be achieved in a new location and build. For clarity the challenges with the Bell St property include:

- **Fleet Maintenance**: ERTH Power fleet operations and staging are split across two separate facilities, neither of which is optimally designed or sized for ERTH Power's current operational requirements. As a result, tasks and materials are unnecessarily reduced in efficiency, and many routine fleet maintenance activities must be completed outdoors.
- **Fleet Maneuverability**: The size and location of the building envelopes on the property significantly hinder ERTH Power's heavy fleet vehicles' ability to complete basic maneuvers into, out of, and around the property. This reduces overall efficiency and effectiveness of basic operations, including emergency operations, and places extraordinary wear-and-tear on tarmac surfaces due to heavy-vehicle, multi-point turns. Finally, the constrained space

:

creates extreme challenges for large-truck, third party deliveries of supplies and materials to the facility, which further hinders ERTH Power's fleet and outdoor storage during delivery.

- **Outdoor Storage:** The Bell St. Property has extremely limited space for outdoor storage of large distribution components such as poles and transformers, resulting in sub-optimal organization of and access to these materials with impacts on efficiency. Any attempt to increase outdoor storage would subtract from space available for fleet maneuverability, which is already below basic requirements.
- **Safety:** One implication of the current outdoor space configuration is an increased risk to safety. Building configuration creates multiple blind spots between vehicles and pedestrians within the constrained yard, and the required storage conditions for poles recently led to a near-miss safety incident.
- **Multiple Electrical Service Connections:** Current distribution connection configuration renders ERTH Power unable to electrify its fleet as the energy transition advances, and the cost to reconfigure and consolidate these connections would be high.
- **Upcoming Maintenance & Investments:** The existing main building and outbuildings will require roof repairs within the next 5-10 years, while some of the Bell St. Property HVAC units are scheduled to be replaced within the next 5 years.
- **Control Room:** Due to the fragmented and largely structural nature of the building, the current control room lacks physical security and separation from the general office space of the building, inconsistent with utility best practice. Further, the current configuration does not have an optimal or readily available War Room adjacent to the control room to facilitate improved emergency response and coordination.
- **Server Room:** The server room currently lacks adequate temperature control and fire suppression relative to best practice.
- **Office Staff Requirements:** Interior office space is restricted for growth, and its fragmented layout limits the ability for staff collaboration and overall efficiency. Lacking any available outdoor space to spare, there is no green space for staff, nor is there any opportunity to

:

create such. As the labour market is anticipated to remain tight through most or all of the 2020's, the environment provided at Bell St. no longer meets basic office employee expectations relative to competitors. In addition, employee parking is near full capacity, with no opportunities for expansion.

- **Field Staff Requirements:** Field staff locker rooms, lunchroom and washrooms are inadequate and uninviting for a growing work force. ERTH Power has made best efforts to improve these facilities, however the physical and structural layout of the building provides limited cost-effective opportunities to significantly improve workplace conditions for field staff, including the persistent need for pest control.
- **Training:** The Bell St. Property does not have a room capable of facilitating full staff training events to maintain the working knowledge and effectiveness of both office and field staff. For mid-to-large training sessions, the truck bays must be cleared to provide a make-shift training space for staff. For full-sized training, third-party offsite accommodations must be arranged.

:

RESPONSES TO VULNERABLE ENERGY CONSUMERS COALITION INTERROGATORIES

INTERROGATORY VECC-4

Ref: Appendix A p. 14

ERTH Power explains the Aylmer Property Challenges.

Please provide a breakdown of costs to rectify these property challenges.

RESPONSE:

ERTH Power has not procured cost estimates to rectify all of the property challenges noted in Section 3.2 and 3.1.2 related to its Aylmer property. [1]

[1] ERTH Power has noted in Section 3.1.2 of its ICM application that the Aylmer Property has chronic roof issues leading to water damage, no change rooms or shower facilities, and requires upgrades to office and operations spaces to provide an ergonomic and modernized facility.

:

RESPONSES TO VULNERABLE ENERGY CONSUMERS COALITION INTERROGATORIES

INTERROGATORY VECC-5

Ref: Appendix A p.15
ERTH Power has determined that addressing the challenges associated with its Bell St and Aylmer Properties is best performed through a consolidation of both facilities into a new Operations and Administrative property (New Facility).

a) Please provide the cost/benefit analysis to support this assessment.

b) Please provide a Business Case to support this assessment.

c) Please provide any third-party studies of the Bell Street and Aylmer properties.

RESPONSE:

a) There is no cost benefit analysis that can be done or was produced with respect to the consolidation of current facilities into the New Facility. The decision to proceed with the New Facility was to correct substantive challenges noted in Section 3.2 of the application. ERTH Power determined that its Bell Street and Aylmer properties are at the end of their useful lives for it to perform efficient operations and deliver services to its customers. Remediation of physical issues on either building in Ingersoll or Aylmer do not resolve the property size restrictions of either location. The small footprint of the property cannot be alleviated at either location and given this insurmountable limitation, has established an end-of-life situation that necessitated the decision to relocate and build a new operations facility.

b) Please see response to SEC-1 part b for the business case.

:

c) Please see responses to VECC-3 and VECC-4 for information that detailed the challenges with the existing facilities which was used to determine the needs of the New Facility.

:

RESPONSES TO VULNERABLE ENERGY CONSUMERS COALITION INTERROGATORIES

INTERROGATORY VECC-6

Ref: Appendix A p.15

ERTH Power discusses the ability to reduce the cost of rent (Bell St. Property to 0%, Aylmer Property to 50% for use as job and emergency staging) through consolidated operations. ERTH Power recognizes that the cost of rent is currently embedded within its approved rates. ERTH Power is open to innovative ways to recognize the savings on rent charges within the confines of an ICM application.

a) Please provide the savings on rent charges calculation.

b) Please provide a breakdown of the rent costs embedded in approved rates.

c) Please explain further the job and emergency staging related to the 50% rent proposal of the Aylmer property.

RESPONSE:

a) Please see the following table that shows the expected rent savings of $428,000. The estimate of rent for 2025 reflects and update to market rates. The update to rent paid in 2025 is the first market comparison update made since ERTH Power's last cost of service application.

:

		Audited Financial Statements						Budget			
		2018	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**
Rent		217,000	220,000	226,000	231,000	236,000	241,000	246,000	428,000		
			101.4%	102.7%	102.2%	102.2%	102.1%	102.1%			
Bell Street		134,000	136,000	141,000	144,000	147,000	149,000		255,000	0	0
Elm Street		83,000	84,000	85,000	87,000	89,000	92,000		173,000	88,230	89,995

b) As noted in the table above, rental amounts included in ERTH Power's Rates at its last rebasing was $217,000.

c) Please see responses to OEB Staff-IR #8.

:

RESPONSES TO VULNERABLE ENERGY CONSUMERS COALITION INTERROGATORIES

INTERROGATORY VECC-7

Ref: Appendix A p.16 In Table 1, ERTH Power identifies the major specifications required of a New Facility.

a) Please explain the process of how these specifications and new facility characteristics were determined.

b) Please provide the internal documents that set out these specifications.

RESPONSE:

a) The facility specifications outlined in the referenced Table 1 of the ICM Application were determined through a systematic process. The process commenced with site visits to several peer electricity distributors[1], and planning sessions with the architect and engineering design companies.

A) Please see SEC-1 part b) for the Business Case.

[1] Site visits were made to the following facilities: Innisfil Hydro (Administration & Operations), Enova – Formerly Kitchener/Waterloo (Administration & Operations facilities), Milton Hydro (Administration & Operations facilities), Entegrus (Administration & Control Room) - (Chatham), Entegrus Operations facility (St. Thomas), Hydro One (Operations) - (Woodstock), Municipality of West Perth (Administration & Operations) – Mitchell, Township of Zorra (Administration & Operations facilities)

:

RESPONSES TO VULNERABLE ENERGY CONSUMERS COALITION INTERROGATORIES

INTERROGATORY VECC-8

Ref: Appendix A p.17 ERTH Power determined that Ingersoll is the optimal location for the New Facility.

a) Did ERTH Power consider other locations? If not, why not?

b) If yes, please provide other locations considered and the analysis and criteria used to determine Ingersoll is the optimal location for the New Facility.

RESPONSE:

a) ERTH Power did not consider other cities as the location for the New Facility. ERTH Power determined that the central nature of Ingersol to the majority of its service territory fit best with respect to effective operations. ERTH Power did engage a Real Estate firm to identify all available properties for the New Facility. This is detailed in the options analysis section of the ICM application and elaborated in the following table:

:

Property	Assessment Summary
Clarke Rd:	Location – Excellent – 401 profile Attraction / Retention of staff – ideal location close to the 401 Availability Timelines – Excellent 2024/2025 Outside of ERTH's service territory – Hydro One territory – not desirable Hydro Electric Servicing – Hydro One Service Territory – reliability concerns overtime – single radial fed 27.6 KV feeder with no redundancy of supply New construction - Free Standing steel construction – 30 year life expectancy – no ability to add Green Technologies Building Size – 233,619 SF – lease rate estimated to be $12 SF = $2.8M / year Building is oversized which would require being divided up into multiple tenants creating a hazard for utility operations and large fleet traffic movement Property does not allow outside storage or operational fleet movement on the site creating a hazard for staff and other occupants – not conducive for Utility Operations (this is a storage warehouse) Office space is too small requiring significant upgrades to the building for Utility Operation (inside and outside) – estimated to cost upwards of $10m or more
Oxford West Industrial Park:	NO tangible benefits to this location over our 385 Thomas Street Attraction / Retention of staff – ideal location close to the 401 Costs are estimated to be the same as preferred location 385 Thomas Street (building on Green Space) Outside of ERTH's service territory – Hydro One territory – not desirable Hydro Electric Servicing – Hydro One Service Territory – reliability / response time concerns – 27.6 KV feeder loop fed from Hydro One supply with no control through ERTH Power

1

2

:

100 Newman Street Ingersoll (Option 2):	Location – Excellent – 401 profile Attraction / Retention of staff – ideal location close to the 401 Availability Timelines – Excellent 2024/2025 Outside of ERTH's service territory – Hydro One territory – not desirable Hydro Electric Servicing – Hydro One Service Territory – reliability concerns overtime – single radial fed 27.6 KV feeder with no redundancy of supply New construction - Free Standing steel construction – 30 year life expectancy – no ability to add Green Technologies · Building Size – 233,619 SF – lease rate estimated to be $12 SF = $2.8M / year · Building is oversized which would require being divided up into multiple tenants creating a hazard for utility operations and large fleet traffic movement · Property does not allow outside storage or operational fleet movement on the site creating a hazard for staff and other occupants – not conducive for Utility Operations (this is a storage warehouse) · Office space is too small requiring significant upgrades to the building for Utility Operation (inside and outside) – estimated to cost upwards of $10m or more
385 Thomas Street (Preferred location):	Location – Excellent – good profile by way of Ingersoll street – easy access to 401 and other Highways to service ERTH Shareholder communities Attraction / Retention of staff – ideal location close to the 401 Low volume traffic – ideal for staff and operations street access (safety) Green Space Land Size – Optimized at 6 acres determined by ERTH Power through severance purchase offer Adequate yard space for Utility operations and green technologies (geo thermal field) Building Design through consultants can design the ideal Utility Operations from conception and incorporate operational efficiencies and energy efficient concept reducing overall operating costs Hydro Electric Servicing – through ERTH Power 27.6 KV looped system (multiple supply ability through automated switching) – automation on existing feeder to support better reliability over time (lower cost utility) ERTH's service territory

B) See response to part a.

:

RESPONSES TO VULNERABLE ENERGY CONSUMERS COALITION INTERROGATORIES

INTERROGATORY VECC-9

Ref: Appendix p. 17

In early 2023, ERTH Power's conditional offer to purchase land in Ingersoll for its New Facility was accepted by the property seller.

a) What was ERTH Power's condition and was it accepted by the vendor? Provide details.

b) Did ERTH Power consider other land opportunities to purchase in Ingersoll? Provide details.

c) Please explain how ERTH Power's land costs of $6.217 million for the New Facility compare to the market prices for similar properties.

RESPONSE:

a) Please see response to SEC-7 part a).

b) ERTH Power did evaluate a property at 271 Ingersoll St. The assessment was performed in September, 2022 for a plot that was 5 acres in size with an asking price of $6.34 million.

c) ERTH Power's land costs of $6.217 million is favourable and the least expensive relative to the evaluated properties. The total cost of the land includes closing costs, property taxes and capitalized interest, while those costs would be incremental to the cost noted of $6,34 million for the property at 271 Ingersoll St..

:

RESPONSES TO VULNERABLE ENERGY CONSUMERS COALITION INTERROGATORIES

INTERROGATORY VECC-10

Ref: Appendix p. 17

ERTH Power commissioned Powell Engineering to produce an engineering design of the New Facility that meets its requirements and mitigates the challenges noted above with the Bell St and Aylmer Properties.

a) Please describe the process ERTH Power followed to retain Powell Engineering.

b) Did ERTH Power consider other engineering designs for the New Facility? If yes, please provide details of the alternatives considered including costs and the criteria used to decide to proceed with this design of Powell Engineering.

RESPONSE:

a) ERTH Power engaged the consultant Nelson Dawley P.Eng from Hanover, Ontario to guide the selection of an engineering and architect firm. POW Engineering was interviewed based on the recommendation from Nelson Dawley. POW Engineering provided ERTH Power a quotation with reduced pricing which combined with a check of references resulted in it being the preferred engineering firm. The following excerpt from the POW Engineering proposal details the reduced pricing:

b) ERTH did consider a pre-cast design and reviewed that option with the engineering firm and it was determined that the costs would increase significantly and that the energy costs to heat and cool would be exceptionally higher. POW Engineering noted the cost increase of leveraging a pre-cast design from experience and ERTH Power leveraged their expertise to choose a more cost-effective path. Layout and functionality was determined through the

:

site visits and identified from the facility requirements and ERTH has not strayed from the original design intent. The design considered the optimal form of the building. The form of the building was designed for simplicity. The design reduced the number of jogs in the exterior envelope, rationalized the structural grid and provides for structural spans that are typical for precast concrete floors and structural steel framing.

:

RESPONSES TO VULNERABLE ENERGY CONSUMERS COALITION INTERROGATORIES

INTERROGATORY VECC-11

Ref: Appendix p. 18

The New Facility is being designed to be a serviceable operations and administrative center that once completed, will house ERTH Power's employees and generate rental income from ERTH CORP.

Please provide the rental income details and forecast amounts for the next three years.

RESPONSE:

Please see response to OEB Staff – 9 part f).

:

RESPONSES TO VULNERABLE ENERGY CONSUMERS COALITION INTERROGATORIES

INTERROGATORY VECC-12

Ref: Appendix p. 18 Table 2 provides a breakdown of New Facility Costs.

a) Please provide a details breakdown of Building Costs.

b) Please provide a detailed breakdown of Furniture, Fixtures & Equipment.

c) Please provide a detailed breakdown of Mechanical and Energy Systems.

RESPONSE:

a) , b) and c) Please see OEB Staff-14 part c).

:

RESPONSES TO VULNERABLE ENERGY CONSUMERS COALITION INTERROGATORIES

INTERROGATORY VECC-13

Ref: Appendix p. 29

In order to assess the relative reasonableness and prudence of ERTH Power's New Facility, a benchmarking analysis was completed which compared the new building to those of other mid-sized distributors in Ontario in recent years, across a variety of metrics.

a) Please provide a copy of the benchmarking analysis document.

b) Please explain how the peer group was chosen.

c) Please identify other utilities considered but not included in the analysis and why.

d) Please provide the underlying data in Figures 8-14.

RESPONSE:

a) Please see Attachment SEC-1 DRAFT ERTH New Facility Business Plan.

b) Please see SEC-12 b) and c).

c) Please see SEC 12 b) and c).

d) Please see SEC 12 d).

:

Attachment 1

Staff-5 – Ingersoll & Aylmer Lease Comparators

$12.50/square feet

2 - 100 NEWMAN STREET
Ingersoll, Ontario N5C3J8

Listing Description

Newly constructed move in ready facility located along Highway 401. The building has all the specs and features a tenant needs: large shipping court, high door count, ESFR sprinklers, LED motion sensor lights, turnkey finished offices. Ingersoll draws from a large labour pool in the area and benefits from being along Highway 401 at two major exits. Occupancy in December 2024. Low operating costs, tax base and a professional landlord. (36838667)

Location Description

Clarke Rd E

Property Summary

Property Type Industrial
Building Type Warehouse
Annual Property Taxes $3

Building

Heating & Cooling Partially air conditioned
Heating Type Radiant heat
Utilities
Water Municipal water
Business Type
Industrial (Warehouse)

$16/square feet

A & B - 263 WOODALL WAY
Woodstock, Ontario N4T0K9

Listing Description

Brand new industrial spec development by Sierra Construction on Woodall Way in Woodstock. Entire building is approximately 37,000 SF with 2 truck level docks and 2 drive-in doors. The building can be split in half, with each half having 1 truck level dock and 1 drive-in door. Ceiling height is 23 foot clear, and building delivery is estimated to be April 2025. Additional Rent to be determined upon completion. (36868390)

Location Description

Woodall Wy & Seagrave Rd

Property Summary

Property Type
Industrial
Building Type
Warehouse
Annual Property Taxes
$0
Time on REALTOR.ca
36 days

Building

Heating & Cooling
Cooling Fully air conditioned
Heating Type Other (Natural gas)
Utilities
Water Municipal water
Business Type Industrial (Warehouse)

$15.50/square feet

462 GRIFFIN WAY
Woodstock, Ontario N4T0N2

Listing Description

Brand new industrial commercial building under construction in Woodstock. Located in new industrial pocket near Toyota and Highway 401. 10,000 square-foot building can be split into two units. Perfect space for small business or regional business looking to service Southwestern Ontario and the growing Woodstock area. Zoning allows a mix of commercial and industrial uses. Construction has started and building will be complete mid 2025. (37081023)

Location Description

Devonshire Ave & Griffin Way

Property Summary

Property Type Industrial
Building Type Warehouse
Annual Property Taxes $5

Building

Heating & Cooling
Cooling
Partially air conditioned
Heating Type Forced air (Natural gas)
Utilities Water
Municipal water Business
Business Type Industrial (Warehouse)

Measurements

Square Footage
10000 sqft

$17/square feet

417 GRIFFIN WAY
Woodstock, Ontario N4T0N2

Listing Description

Brand new Class-A 16,000 SF +/- industrial unit coming soon. Currently under construction and anticipated completion Q2 2024. Located in highly desirable and growing industrial community of Woodstock, in the new Griffin Way industrial Park. Building can also be leased in its entirety of 32,000 SF +/- or split into equal halves (16,000 SF +/-). The unit will feature 3,000 SF of 2-storey office with elevator, 38 ft industrial clear height, 2 truck level docks, 1 drive in door on 2 acre total site. This clear height is rare and hard to find. The zoning is General Industrial (M3-14) and permits a wide array of uses including assembly / manufacturing / packaging plant, truck terminal, food processing, warehouse and many more. Lease is net and tenant to pay operating costs/additional rent. Additional Rent is estimated for the first year. (35064482)

Location Description

South of Devonshire Ave, on Griffin Way.

Property Summary

Property Type Industrial
Land Size 194 x 467 FT; irreg
Annual Property Taxes $3,497.84

Building

Heating & Cooling
Cooling Fully air conditioned
Heating Type Forced air (Natural gas)
Utilities
Water Municipal water

$12.50/square feet

575 JACK ROSS Avenue
Woodstock, Ontario N4V1B6

Listing Description

Industrial new build along Highway 401 in Woodstock. High profile build with tremendous 401 visibility. Located next to Woodstock's newest industrial park. Building will feature high efficiency design and specifications, with the ability to customize build out during planning and construction. On track for December 2024 delivery. This building is uniquely situated at the crossroads of Hwy 401 and 403 and within 1 hour to the GTA. (66637362)

Location Description

Ridgeway Road

Property Summary

Property Type Industrial
Storeys 1
Subdivision Name Woodstock - South
Title Freehold
Land Size 9.57 ac|2 - 4.99 acres
Annual Property Taxes $3

Building

Interior Features
Basement Type None
Building Features
Utilities
Utility Sewer
Municipal sewage system
Water Municipal water
Maintenance Fees Include

Measurements

Square Footage 138723 sqft
Exterior Building Size 138723 sqft

$12.90/square feet

55 DENNIS Road Unit# 1
St. Thomas, Ontario N5P0B6

Listing Description

Rare 9,067 sf End cap Industrial unit in beautiful multi Tenant building. Beautifully finished bright open & adaptable offices with wrap around full height glass windows. Kitchenette, both office & Shop washrooms. Bright high warehouse with two large 14x 14 drive In doors. (67720679)

Location Description

Highbury Road S, left on Dennis Road

Property Summary

Property Type Industrial
Storeys 1
Subdivision Name NE
Title Freehold
Land Size Unknown
Annual Property Taxes $0

Measurements

Square Footage 9067 sqft
Exterior Building Size 9067 sqft

Attachment 2

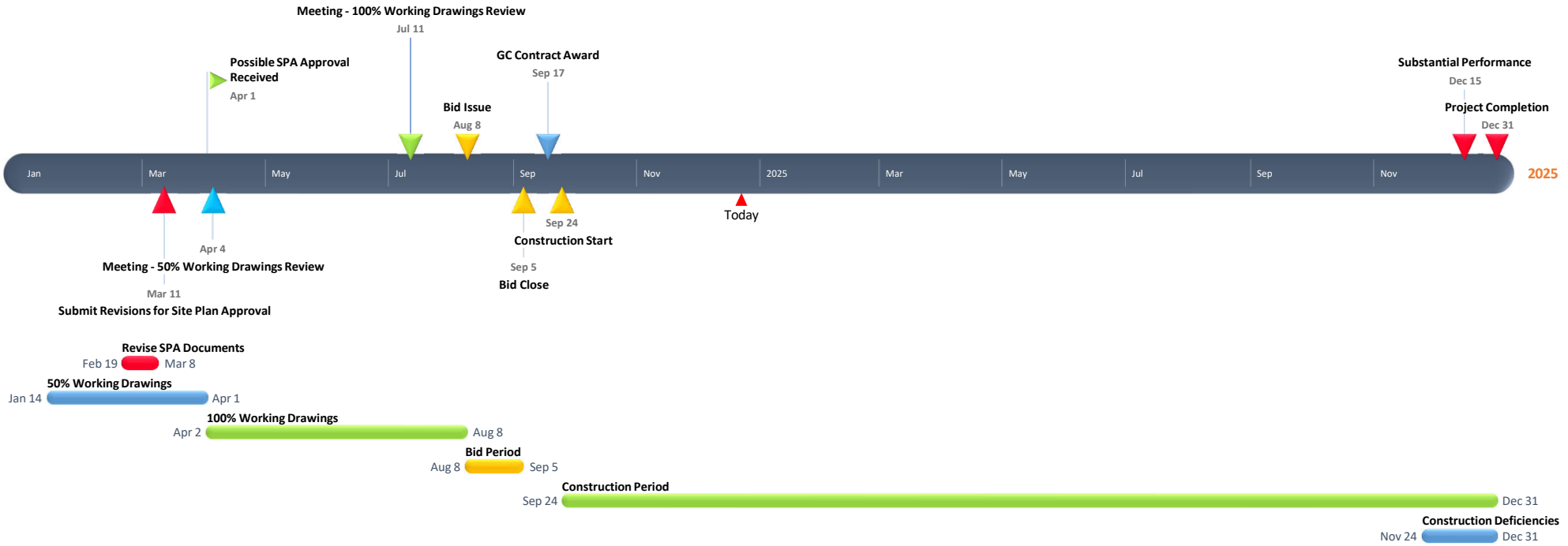
SEC-2 – Project Schedule

ERTH Power Operations Hub - 385 Thomas Street, Ingersoll

Project Schedule

Schematic Design to End of Construction

December 18, 2024
AAA Project No.: 2123.00



JPM ARCHITECTURE INC.

POW PETERMAN consulting engineers

ERTH POWER

Attachment 3

SEC-2 – ERTH Power Building Components Expected Useful Life

Building Component Expected Useful Life

Component		Estimated Cost (2024)	Expected Useful Life (EUL)
testing and inspection	$	75,000.00	N/A
supply and install of finish hardware	$	380,000.00	25
CCTV security system	$	20,000.00	10
Interior & Exterior Signage	$	50,000.00	15
Industrial Racking Allowance	$	60,000.00	25
Fencing, Garbage Enclosure, Bollards	$	180,000.00	25
ESA plans review	$	5,000.00	N/A
municipal water meter	$	5,000.00	25
wireless access points allowance	$	110,000.00	10
Audio/Visual Systems	$	480,000.00	N/A
window coverings allowance	$	100,000.00	10
general accounts	$	1,262,843.00	N/A
bonds and insurance	$	267,337.00	N/A
excavation, b/filling, topsoil, site grading, and outside services	$	1,143,500.00	50+
asphalt paving	$	178,714.00	25
asphalt line painting	$	3,409.00	5
site mobilization	$	25,000.00	N/A
landscaping and sod	$	53,250.00	50+
concrete sidewalks and curbs	$	256,701.00	30
polyurethane coating	$	14,545.00	10
change room benches	$	6,981.00	20
cast-in place concrete	$	864,338.00	50+
hollow-core precast concrete panels	$	246,100.00	50+
coat racks	$	1,662.00	20
masonry	$	727,000.00	50+
masonry reinforcing	$	16,647.00	50+
structural steel and open web steel joist	$	1,287,390.00	50+
miscellaneous metals	$	194,550.00	50+
rough carpentry	$	257,869.00	50+
millwork	$	300,180.00	20
perimeter rigid insulation below grade	$	97,538.00	50+
Exterior Cladding and Insulation	$	1,327,310.00	40
exterior aluminum window louvre shades	$	120,000.00	40
two ply mod bit roofing, metal flashing	$	865,000.00	20
sprayed fireproofing	$	9,890.00	50+
firestopping and smoke seals	$	13,642.00	20
sealant and caulking	$	10,944.00	15

hollow metal doors, frames and screens	$	66,122.00	30
wood doors	$	71,270.00	30
overhead doors	$	135,770.00	25
roll-up steel doors	$	24,240.00	25
aluminum windows	$	370,641.00	30
window film	$	23,473.00	15
gypsum board, metal studs, acoustics	$	869,000.00	50+
ceramic, LVT, carpet, sheet vinyl	$	293,000.00	20
concrete sealer	$	11,420.00	50+
painting and finishing	$	141,500.00	15
whiteboards	$	12,668.00	15
full height toilet partitions	$	48,796.00	20
metal lockers	$	43,618.00	50+
washroom accessories	$	14,987.00	20
manual folding partition	$	67,996.00	25
loading dock leveler and bumpers	$	21,720.00	20
Bike Rack	$	1,242.00	25
entrance mats	$	4,697.00	30
elevator	$	92,500.00	30
mechanical, plumbing, hvac, sprinklers	$	4,154,000.00	50+
sprinklers	$	447,500.00	40
supply of light fixtures allowance	$	80,000.00	25
electrical	$	2,800,000.00	50+
420kw PV System	$	1,200,000.00	25
Ground Source Heat Pump System	$	491,000.00	25
Total	**$**	**22,504,500.00**	
Contingency Allowance	$	750,000.00	N/A
Grand Total Bid Price	$	23,254,500.00	

Notes:

1. Building Components noted as 50+ are considered "Long Lived" and are generally expected to last the life of the building with ongoing maintenance.
2. Excluded from above is regular maintenance work or refinishing associated with each component i.e. sealed concrete, the material will last 50+ years, however, it will need to be resealed every 5 years.

Attachment 4

SEC-6 – ERTH Avoided Rent Deferral Account

ERTH Power Corporation

Draft Accounting Order

Account 1508 – Other Regulatory Assets, Sub-account ERTH Avoided Rent Deferral Account ("EARDA")

ERTH Power Corporation (ERTH Power) shall establish the new deferral account, "ERTH Avoided Rent Deferral Account", effective January 1, 2025, to record avoided rent costs resulting from its conclusion and/or reduction of lease arrangements as it transitions from existing operational spaces to occupy a New Facility in 2025. Amounts entered in the EARDA will be credit entries to the benefit of ratepayers, calculated based on ERTH Power's most recent Cost of Service rent costs for facilities no longer leased, escalated by ERTH Power's Price Cap Index up to the year 2025, and pro-rated for any partial years. Amounts will be credited to the EARDA on an annual basis. Carrying charges will be applied to the EARDA on a monthly basis at the Ontario Energy Board's (OEB) prescribed rates.

Balances in the EARDA sought for disposition are subject to an OEB prudence review, which will require the presentation of appropriate supporting documentation. ERTH Power will make credit entries to the EARDA from 2025 through to its next Cost of Service application, at which time ERTH Power will recommend either the continuance or discontinuance of the Sub-Account, and the OEB will make a determination in that matter.

Annual Entries:

Cr: 1508	Sub-Account EARDA
Dr: 4080	Distribution Services Revenue
To record the rent costs included in distribution rates which are no longer incurred on an actual basis	
Cr: 1508	Sub-Account EARDA
Cr: 4405	Interest Income
To record Carrying Charges associated with amounts recorded in Sub-Account EARDA	

Attachment 5

SEC-6 – Rental Income Deferral Account

ERTH Power Corporation

Draft Accounting Order

Account 1508 – Other Regulatory Assets, Sub-account Rental Income Deferral Account ("RIDA")

ERTH Power Corporation (ERTH Power) shall establish the new deferral account, "Rental Income Deferral Account", effective January 1, 2025, to record rental income generated from leased space in its New Facility currently not included in distribution rates. Amounts entered in the RIDA will be credit entries to the benefit of ratepayers, equal to all rental income received from lease of space in ERTH Power's New Facility which is currently not included in distribution rates. Amounts will be credited to the RIDA on a monthly basis. Carrying charges will be applied to the RIDA on a monthly basis at the Ontario Energy Board's (OEB) prescribed rates.

Balances in the RIDA sought for disposition are subject to an OEB prudence review, which will require the presentation of appropriate supporting documentation. ERTH Power will make credit entries to the RIDA from 2025 through to its next Cost of Service application, at which time ERTH Power will recommend either the continuance or discontinuance of the Sub-Account, and the OEB will make a determination in that matter.

Annual Entries:

Cr: 1508	Sub-Account RIDA
Dr: 4385	Non-Utility Rental Income
To record rental income generated from lease of space in ERTH Power's New Facility	
Cr: 1508	Sub-Account RIDA
Cr: 4405	Interest Income
To record Carrying Charges associated with amounts recorded in Sub-Account RIDA	

Attachment 6

SEC-6 – ERTH New Facility OM&A Cost Variance Account

ERTH Power Corporation

Draft Accounting Order

Account 1508 – Other Regulatory Assets, ERTH New Facility OM&A Cost Variance Account ("ENFOCVA")

ERTH Power Corporation (ERTH Power) shall establish the new deferral account, "ERTH New Facility OM&A Cost Variance Account", effective January 1, 2025, to record variances in Operating, Maintenance and Administration (OM&A) costs resulting from its transition to a New Facility in 2025. Accounts 5670 – Rent and 4385 – Non-Utility Rental Income will be excluded from the recording of variances in the ENFOCVA. Amounts entered in the ENFOCVA can be debit or credit entries, and will be equal to variances between actual OM&A costs and OM&A costs included in distribution rates, where such variances are directly attributable to ERTH Power's transition to a New Facility in 2025. Amounts will be debited or credited to the ENFOCVA on an annual basis. Carrying charges will be applied to the ENFOCVA on a monthly basis at the Ontario Energy Board's (OEB) prescribed rates.

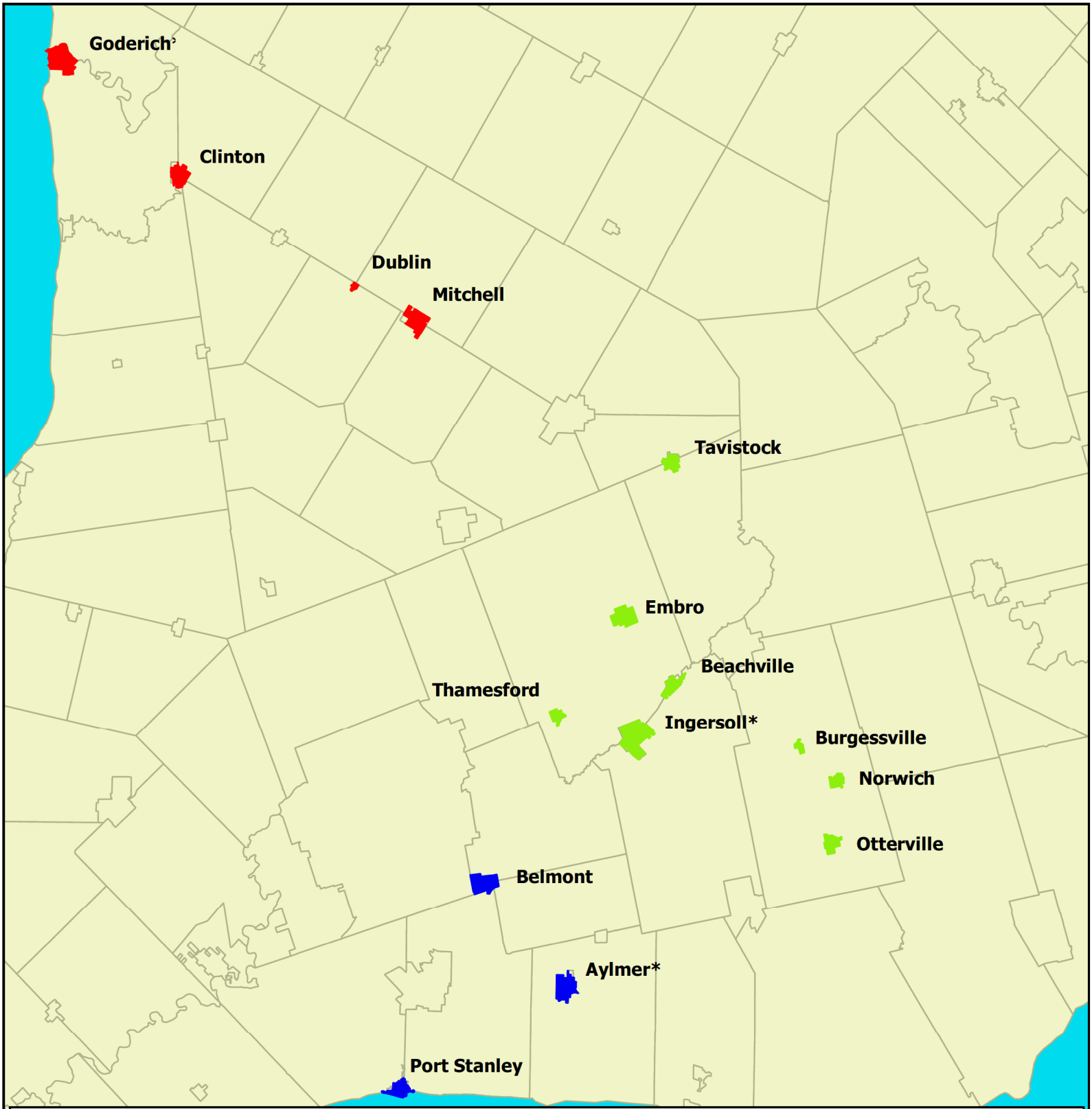
Balances in the ENFOCVA sought for disposition are subject to an OEB prudence review, which will require the presentation of appropriate supporting documentation. ERTH Power will make debit and/or credit entries to the ENFOCVA from 2025 through to its next Cost of Service application, at which time ERTH Power will recommend either the continuance or discontinuance of the Sub-Account, and the OEB will make a determination in that matter.

Annual Entries:

Cr/Dr: 1508	Sub-Account ENFOCVA
Cr/Dr: Various	Various Operations, Maintenance and Administration Accounts
To record variances in Operations, Maintenance and Administration costs directly resulting from ERTH Power's transition to a New Facility	
Cr/Dr: 1508	Sub-Account ENFOCVA
Cr/Dr: 4405	Interest Income
To record Carrying Charges associated with amounts recorded in Sub-Account ENFOCVA	

Attachment 7

VECC-2 – Map with Driving Distances



Travel Times from Service Centres

Goderich Service Area

Clinton: 19km (18min)

Dublin: 43km (37min)

Mitchell: 50km (45min)

Ingersoll Service Area

Aylmer: 36km (30min)

Beachville: 7km (8min)

Belmont: 32km (25min)

Burgessville: 22km (21min)

Embro: 16km (15min)

Norwich: 28km (26min)

Otterville: 32km (29min)

Pt Stanley 67km (50min)

Tavistock: 42km (33min)

Thamesford: 9km (8min)

Aylmer Service Area

Belmont: 21km (18min)

Pt Stanley: 30km (26min)