BACKGROUNDER



DECISION AND ORDER – EB-2024-0021 ERTH POWER CORPORATION

Decision on ERTH Power's Incremental Capital Funding Request

On July 8, 2025, the Ontario Energy Board (OEB) issued its <u>Decision and Order</u> on ERTH Power Corporation's (ERTH Power) request for \$33.2 million in incremental capital funding. The funding request relates to the purchase of property and the design, construction and furnishing of a new administrative and operations facility in Ingersoll.

ERTH Power provides electricity to about 24,400 customers in several Ontario communities, including Port Stanley, Aylmer, Ingersoll and Goderich. The new building will become ERTH Power's main office and will replace rented spaces that no longer meet its needs. ERTH Power will still retain rented spaces in Goderich and Aylmer for storage and construction work.

The OEB was satisfied that ERTH Power's request met the OEB's criteria for incremental capital funding: materiality, need and prudence.

However, based on an expectation that 11% of the new building will be used by a separate, unregulated company affiliated with ERTH Power,¹ the OEB determined that only 89% of the new building's cost can be included during in rates starting on January 1, 2026. The excluded amount will be given further consideration during ERTH Power's next rebasing application, subject to the submission of supporting evidence by the utility.

The approved incremental funding amount will be split between ERTH Power's two rate zones²:

- 81% for the Main Rate Zone
- 19% for the Goderich Rate Zone

Estimated bill impacts will be available once the rate order process has been completed, likely in August 2025.

INTERVENORS

Intervenors are individuals or groups who have permission to participate in a hearing before the OEB because they have a substantial interest in the proceeding. The Vulnerable Energy Consumers Coalition and the School Energy Coalition were intervenors in this proceeding.

ABOUT THE OEB

The OEB is the independent regulator of Ontario's electricity and natural gas sectors. It protects the interests of consumers and supports the delivery of clean, reliable and affordable energy for the people, farms and businesses of Ontario. Its goal is to deliver public value through prudent regulation and

¹ The <u>Affiliate Relationships Code for Electricity Distributors and Transmitters</u> sets out how regulated entities must interact with their affiliate(s) and aims to protect ratepayers from harm that could arise from the cross-subsidization of affiliate activities and other conduct that provides an affiliate with an unfair business advantage. ² ERTH Power maintains two separate rate zones (the Main Rate Zone and Goderich Rate Zone) following the OEB's approval of the amalgamation between ERTH Power Corporation and the former West Coast Huron Energy Inc. (EB-2018-0082).



independent adjudicative decision-making which contributes to Ontario's economic, social and environmental development. You can learn more about the OEB at <u>oeb.ca</u>.

Independence in the hearing and determination of matters is a key element of the OEB's mandate, established through legislative structures, the Memorandum of Understanding between the Minister of Energy and Electrification and the Chair of the OEB, and by-laws that set out clear lines of communication between government and the OEB. Commissioner panels hear and determine matters independently, with legislative protections and other instruments to ensure decisions are free from interference by the CEO, the Board of Directors and government. This also includes the Chief Commissioner when not assigned to the specific case.

Contact Us

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Ce document est aussi disponible en français.

This Backgrounder was prepared by OEB staff to inform Ontario's energy consumers about the OEB's decision and is not for use in legal or regulatory proceedings. It is not part of the OEB's reasons for decision; those may be found in the Decision and Order issued July 8, 2025, which is the official OEB document.