

ERTH Shareholders Agree to Pursue Merger with Goderich Hydro

Ingersoll, ON – August 16, 2017 – Representatives from ERTH Corporation (“ERTH”) announced today that at its Shareholder meeting on Thursday, August 10, 2017 ERTH’s eight municipal shareholders unanimously agreed to pursue a merger with West Coast Huron Energy Inc. (“Goderich Hydro”). This merger will benefit both the shareholder and ratepayers in the coming years.

The merger will take place between Erie Thames Powerlines Corporation and West Coast Huron Energy Inc. In return, the Town of Goderich (the sole shareholder of West Coast Huron Energy Inc.) will receive shares in ERTH Corporation and a seat on the Board of Directors. ERTH’s original seven municipal shareholders came together under a similar agreement back in 2000 and in 2010 expanded the partnership model with a merger with West Perth Power and Clinton Power.

This merger proposition comes at a time when the provincial government is encouraging local distribution companies to consolidate where it makes good business sense and where the shareholders and rate payers alike will benefit. However, no job losses will occur at either ERTH or Goderich Hydro as a result of the merger. Efficiencies will be found over time through attrition, eliminating duplicate back office systems, equipment, fleet and having a stronger buying power in the market. These efficiencies will be passed on to the end customer in the form of rate stability for a period of up to 10 years.

“ERTH Corporation and Goderich Hydro have shared a successful long standing relationship working closely together for over

15 years. We share many of the same values and corporate culture which will make for a smooth transition,” said Chris White, President & CEO of ERTH Corporation. “Our two companies coming together will position us well as a stronger regional organization well positioned for the future.”

Now that both ERTH shareholders and the Town of Goderich have given their approval for their respective parties to move towards a merger, final due diligence and negotiations will occur on both sides. Once that is complete, the merger will be submitted to the Ontario Energy Board for regulatory approval, which could take a few months to receive. It is anticipated that a completed merger would not occur until early 2018.