



# Ontario Energy Board Commission de l'énergie de l'Ontario

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## DECISION AND ORDER

EB-2017-0011

EB-2017-0122

## ST. THOMAS ENERGY INC.

Application for a Service Area Amendment

BY DELEGATION, BEFORE: **Brian Hewson**  
Vice President  
Consumer Protection & Industry Performance

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March 23, 2017

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## DECISION AND ORDER

### THE APPLICATIONS

St. Thomas Energy Inc. (St. Thomas Energy) filed two applications, EB-2017-0011, dated January 20, 2017 and EB-2017-0122, dated March 2, 2017 under section 74 of the *Ontario Energy Board Act, 1998* (OEB Act) for an order of the Board to amend St. Thomas Energy's service area as described in Schedule 1 of its distribution licence ED-2002-0523. Since the two applications address the same matter, the proceedings were combined pursuant to Board's power under section 21(5) of the OEB Act.

The proposed service area amendments are required in order for St. Thomas Energy to provide electricity distribution services to Orchard Park Subdivision Phase 3 (Subject Area 1) and Harvest Run Subdivision Phase 1, formerly known as Axford Property Phase 1 (Subject Area 2), both in the County of Elgin. Subject Area 1 consists of 118 residential lots plus 47 condominium units and is owned by Springwater Developments Inc. (Developer 1), while Subject Area 2 consists of 104 residential lots and is owned by Doug Terry Limited (Developer 2). Both Subject Area 1 and 2 are located in the southeast section of City of St. Thomas, and are currently within the service area of Hydro One Networks Inc. (Hydro One), adjacent to St. Thomas Energy's service area.

Phase 1 and 2 of Subject Area 1 were the subject of a previous service area amendment application filed by St. Thomas Energy (EB-2011-0436), granted to St. Thomas Energy on February 14, 2012.

### FINDINGS

Based on the evidence, I find it to be in the public interest to approve the service area amendments proposed by St. Thomas Energy for Subject Area 1 and 2. I have considered the applications without holding a hearing pursuant to section 6(4) of the OEB Act. The following facts are relevant to this decision.

The evidence filed with the applications demonstrates that it is more economically efficient for St. Thomas Energy to serve the proposed developments. The applicant notes St. Thomas Energy's existing distribution assets are in close proximity to the developments (50 meters for Subject Area 1 and 250 meters for Subject Area 2), while Hydro One's closest connection point is 500 meters away in both cases. The applicant notes that following discussions between St. Thomas Energy and Hydro One, the

parties concluded that St. Thomas Energy's fully allocated connection costs to service the properties are less than the equivalent costs for Hydro One for both applications, therefore, service from St. Thomas Energy is practical and involves the lowest costs to connect Developer 1 and 2.

The incumbent distributor, Hydro One, has confirmed its support of the applications through two separate consent letters filed as part of each application. In addition, Developer 1 and 2 have indicated that they prefer St. Thomas Energy as the distributor for Subject Area 1 and 2 respectively, via two separate letters of support filed as part of each application.

The applicant states that the service area amendments will not result in stranded or duplicated assets nor creation or elimination of any load transfer arrangements in both cases. No negative impact on rates, safety, reliability or service quality of St. Thomas Energy or Hydro One has been identified as a result of the proposed amendments. The evidence filed with the OEB demonstrated that the outcome of the proceeding would not produce any adverse effects on the existing customers of the distributors, nor on potential customers who may locate in Subject Area 1 and 2.

I note that Hydro One's licence is not required to be amended given the manner in which Schedule 1 of Hydro One's licence is presented.

**IT IS ORDERED THAT:**

1. St. Thomas Energy Inc.'s electricity distribution licence (ED-2002-0523), specifically Schedule 1 of the licence, is amended to add the following:
  6. Part of Blocks 84, 86, 87, 94 and 99 Plan 11M-193 in the City of St. Thomas, County of Elgin.
  7. Harvest Run Phase 1 consisting of lots 1 to 20 and lots 49 to 69 on Acorn Trail, lots 21 to 48 on Honey Bend, and lots 70 to 104 on Ashberry Place, Part of Blocks 117 and 118, Part of lot 10, Concession 7, Geographic Township of Yarmouth, Municipality of Central Elgin, County of Elgin.

**DATED** at Toronto March 23, 2017

**ONTARIO ENERGY BOARD**

*Original signed by*

Brian Hewson  
Vice President, Consumer Protection & Industry Performance



# Electricity Distribution Licence

## ED-2002-0523

### St. Thomas Energy Inc.

Valid Until

June 29, 2024

*Original signed by*

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**Brian Hewson**

**Vice President, Consumer Protection and Industry Performance  
Ontario Energy Board**

**Date of Issuance: June 30, 2004**

**Date of Last Amendment: March 23, 2017**

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## **LIST OF AMENDMENTS**

<b>Board File No.</b>	<b>Date of Amendment</b>
EB-2007-0934	December 21, 2007
EB-2010-0216	November 12, 2010
EB-2011-0436	February 14, 2012
EB-2014-0324	December 18, 2014
EB-2015-0217	July 23, 2015
EB-2016-0015	January 28, 2016
EB-2017-0101, EB-2017-0011 and EB-2017-0122	March 23, 2017

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## 1 Definitions

In this Licence:

“**Accounting Procedures Handbook**” means the handbook, approved by the Board which specifies the accounting records, accounting principles and accounting separation standards to be followed by the Licensee;

“**Act**” means the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Schedule B;

“**Affiliate Relationships Code for Electricity Distributors and Transmitters**” means the code, approved by the Board which, among other things, establishes the standards and conditions for the interaction between electricity distributors or transmitters and their respective affiliated companies;

“**Conservation and Demand Management**” and “**CDM**” means distribution activities and programs to reduce electricity consumption and peak provincial electricity demand;

“**Conservation and Demand Management Code for Electricity Distributors**” means the code approved by the Board which, among other things, establishes the rules and obligations surrounding Board approved programs to help distributors meet their CDM Targets;

“**distribution services**” means services related to the distribution of electricity and the services the Board has required distributors to carry out, including the sales of electricity to consumers under section 29 of the Act, for which a charge or rate has been established in the Rate Order;

“**Distribution System Code**” means the code approved by the Board which, among other things, establishes the obligations of the distributor with respect to the services and terms of service to be offered to customers and retailers and provides minimum, technical operating standards of distribution systems;

“**Electricity Act**” means the *Electricity Act, 1998*, S.O. 1998, c. 15, Schedule A;

“**IESO**” Independent Electricity System Operator;

“**Licensee**” means St. Thomas Energy Inc.

“**Market Rules**” means the rules made under section 32 of the Electricity Act;

“**Net Annual Peak Demand Energy Savings Target**” means the reduction in a distributor’s peak electricity demand persisting at the end of the four-year period (i.e. December 31, 2014) that coincides with the provincial peak electricity demand that is associated with the implementation of CDM Programs;

“**Net Cumulative Energy Savings Target**” means the total amount of reduction in electricity consumption associated with the implementation of CDM Programs between 2011-2014;

“**OPA**” means the Ontario Power Authority;

**“Performance Standards”** means the performance targets for the distribution and connection activities of the Licensee as established by the Board in accordance with section 83 of the Act;

**“Provincial Brand”** means any mark or logo that the Province has used or is using, created or to be created by or on behalf of the Province, and which will be identified to the Board by the Ministry as a provincial mark or logo for its conservation programs;

**“Rate Order”** means an Order or Orders of the Board establishing rates the Licensee is permitted to charge;

**“regulation“** means a regulation made under the Act or the Electricity Act;

**“Retail Settlement Code”** means the code approved by the Board which, among other things, establishes a distributor’s obligations and responsibilities associated with financial settlement among retailers and consumers and provides for tracking and facilitating consumer transfers among competitive retailers;

**“service area”** with respect to a distributor, means the area in which the distributor is authorized by its licence to distribute electricity;

**“Standard Supply Service Code”** means the code approved by the Board which, among other things, establishes the minimum conditions that a distributor must meet in carrying out its obligations to sell electricity under section 29 of the Electricity Act;

**“wholesaler”** means a person that purchases electricity or ancillary services in the IESO administered markets or directly from a generator or, a person who sells electricity or ancillary services through the IESO-administered markets or directly to another person other than a consumer.

## **2 Interpretation**

- 2.1 In this Licence, words and phrases shall have the meaning ascribed to them in the Act or the Electricity Act. Words or phrases importing the singular shall include the plural and vice versa. Headings are for convenience only and shall not affect the interpretation of the licence. Any reference to a document or a provision of a document includes an amendment or supplement to, or a replacement of, that document or that provision of that document. In the computation of time under this licence, where there is a reference to a number of days between two events, they shall be counted by excluding the day on which the first event happens and including the day on which the second event happens. Where the time for doing an act expires on a holiday, the act may be done on the next day that is not a holiday.

## **3 Authorization**

- 3.1 The Licensee is authorized, under Part V of the Act and subject to the terms and conditions set out in this Licence:
- a) to own and operate a distribution system in the service area described in Schedule 1 of this Licence;

- b) to retail electricity for the purposes of fulfilling its obligation under section 29 of the Electricity Act in the manner specified in Schedule 2 of this Licence; and
- c) to act as a wholesaler for the purposes of fulfilling its obligations under the Retail Settlement Code or under section 29 of the Electricity Act.

#### **4 Obligation to Comply with Legislation, Regulations and Market Rules**

- 4.1 The Licensee shall comply with all applicable provisions of the Act and the Electricity Act and regulations under these Acts, except where the Licensee has been exempted from such compliance by regulation.
- 4.2 The Licensee shall comply with all applicable Market Rules.

#### **5 Obligation to Comply with Codes**

- 5.1 The Licensee shall at all times comply with the following Codes (collectively the “Codes”) approved by the Board, except where the Licensee has been specifically exempted from such compliance by the Board. Any exemptions granted to the licensee are set out in Schedule 3 of this Licence. The following Codes apply to this Licence:
  - a) the Affiliate Relationships Code for Electricity Distributors and Transmitters;
  - b) the Distribution System Code;
  - c) the Retail Settlement Code; and
  - d) the Standard Supply Service Code.
- 5.2 The Licensee shall:
  - a) make a copy of the Codes available for inspection by members of the public at its head office and regional offices during normal business hours; and
  - b) provide a copy of the Codes to any person who requests it. The Licensee may impose a fair and reasonable charge for the cost of providing copies.

#### **6 Obligation to Provide Non-discriminatory Access**

- 6.1 The Licensee shall, upon the request of a consumer, generator or retailer, provide such consumer, generator or retailer with access to the Licensee’s distribution system and shall convey electricity on behalf of such consumer, generator or retailer in accordance with the terms of this Licence.

#### **7 Obligation to Connect**

- 7.1 The Licensee shall connect a building to its distribution system if:
  - a) the building lies along any of the lines of the distributor’s distribution system; and

- b) the owner, occupant or other person in charge of the building requests the connection in writing.

7.2 The Licensee shall make an offer to connect a building to its distribution system if:

- a) the building is within the Licensee's service area as described in Schedule 1; and
- b) the owner, occupant or other person in charge of the building requests the connection in writing.

7.3 The terms of such connection or offer to connect shall be fair and reasonable and made in accordance with the Distribution System Code, and the Licensee's Rate Order as approved by the Board.

7.4 The Licensee shall not refuse to connect or refuse to make an offer to connect unless it is permitted to do so by the Act or a regulation or any Codes to which the Licensee is obligated to comply with as a condition of this Licence.

## **8 Obligation to Sell Electricity**

8.1 The Licensee shall fulfill its obligation under section 29 of the Electricity Act to sell electricity in accordance with the requirements established in the Standard Supply Service Code, the Retail Settlement Code and the Licensee's Rate Order as approved by the Board.

## **9 Obligation to Maintain System Integrity**

9.1 The Licensee shall maintain its distribution system in accordance with the standards established in the Distribution System Code and Market Rules, and have regard to any other recognized industry operating or planning standards adopted by the Board.

## **10 Market Power Mitigation Rebates**

10.1 The Licensee shall comply with the pass through of Ontario Power Generation rebate conditions set out in Appendix A of this Licence.

## **11 Distribution Rates**

11.1 The Licensee shall not charge for connection to the distribution system, the distribution of electricity or the retailing of electricity to meet its obligation under section 29 of the Electricity Act except in accordance with a Rate Order of the Board.

## **12 Separation of Business Activities**

12.1 The Licensee shall keep financial records associated with distributing electricity separate from its financial records associated with transmitting electricity or other activities in accordance with the Accounting Procedures Handbook and as otherwise required by the Board.

### **13 Expansion of Distribution System**

- 13.1 The Licensee shall not construct, expand or reinforce an electricity distribution system or make an interconnection except in accordance with the Act and Regulations, the Distribution System Code and applicable provisions of the Market Rules.
- 13.2 In order to ensure and maintain system integrity or reliable and adequate capacity and supply of electricity, the Board may order the Licensee to expand or reinforce its distribution system in accordance with Market Rules and the Distribution System Code, or in such a manner as the Board may determine.

### **14 Provision of Information to the Board**

- 14.1 The Licensee shall maintain records of and provide, in the manner and form determined by the Board, such information as the Board may require from time to time.
- 14.2 Without limiting the generality of paragraph 14.1 the Licensee shall notify the Board of any material change in circumstances that adversely affects or is likely to adversely affect the business, operations or assets of the Licensee as soon as practicable, but in any event no more than twenty (20) days past the date upon which such change occurs.
- 14.3 The licensee shall inform the Board as soon as possible of any material changes to the service agreement with St. Thomas Services Inc. (the "Service Agreement").
- 14.4 If either party to the Service Agreement provides notice of its intention to exercise a right to terminate or discontinue any services under the services agreement, the Licensee shall:
- a) Immediately notify the Board in writing of the notice; and
  - b) provide a plan to the Board as soon as possible, but no later than ten (10) days after the receipt of the notice, as to how the affected distribution services will be maintained in compliance with the terms of this Licence.
- 14.5 In the event of termination of the Service Agreement for any reason, the Licensee shall:
- a) ensure there is no interruption of distribution services to the consumers as a result of the termination;
  - b) notify the Board of the name of the new company that will provide the distribution services; and
  - c) file with the Board the distribution services agreement with the new company.

### **15 Restrictions on Provision of Information**

- 15.1 The Licensee shall not use information regarding a consumer, retailer, wholesaler or generator obtained for one purpose for any other purpose without the written consent of the consumer, retailer, wholesaler or generator.

- 15.2 The Licensee shall not disclose information regarding a consumer, retailer, wholesaler or generator to any other party without the written consent of the consumer, retailer, wholesaler or generator, except where such information is required to be disclosed:
- a) to comply with any legislative or regulatory requirements, including the conditions of this Licence;
  - b) for billing, settlement or market operations purposes;
  - c) for law enforcement purposes; or
  - d) to a debt collection agency for the processing of past due accounts of the consumer, retailer, wholesaler or generator.
- 15.3 The Licensee may disclose information regarding consumers, retailers, wholesalers or generators where the information has been sufficiently aggregated such that their particular information cannot reasonably be identified.
- 15.4 The Licensee shall inform consumers, retailers, wholesalers and generators of the conditions under which their information may be released to a third party without their consent.
- 15.5 If the Licensee discloses information under this section, the Licensee shall ensure that the information provided will not be used for any other purpose except the purpose for which it was disclosed.

## **16 Customer Complaint and Dispute Resolution**

- 16.1 The Licensee shall:
- a) have a process for resolving disputes with customers that deals with disputes in a fair, reasonable and timely manner;
  - b) publish information which will make its customers aware of and help them to use its dispute resolution process;
  - c) make a copy of the dispute resolution process available for inspection by members of the public at each of the Licensee's premises during normal business hours;
  - d) give or send free of charge a copy of the process to any person who reasonably requests it; and
  - e) subscribe to and refer unresolved complaints to an independent third party complaints resolution service provider selected by the Board. This condition will become effective on a date to be determined by the Board. The Board will provide reasonable notice to the Licensee of the date this condition becomes effective.

## **17 Term of Licence**

- 17.1 This Licence shall take effect on June 30, 2004 and expire on June 29, 2024. The term of this Licence may be extended by the Board.

## **18 Fees and Assessments**

18.1 The Licensee shall pay all fees charged and amounts assessed by the Board.

## **19 Communication**

19.1 The Licensee shall designate a person that will act as a primary contact with the Board on matters related to this Licence. The Licensee shall notify the Board promptly should the contact details change.

19.2 All official communication relating to this Licence shall be in writing.

19.3 All written communication is to be regarded as having been given by the sender and received by the addressee:

- a) when delivered in person to the addressee by hand, by registered mail or by courier;
- b) ten (10) business days after the date of posting if the communication is sent by regular mail; and
- c) when received by facsimile transmission by the addressee, according to the sender's transmission report.

## **20 Copies of the Licence**

20.1 The Licensee shall:

- a) make a copy of this Licence available for inspection by members of the public at its head office and regional offices during normal business hours; and
- b) provide a copy of this Licence to any person who requests it. The Licensee may impose a fair and reasonable charge for the cost of providing copies.

## **21 Conservation and Demand Management**

### **21.1 2011-2014 Conservation and Demand Management Framework**

21.1.1 The Licensee shall achieve reductions in electricity consumption and reductions in peak provincial electricity demand through the delivery of CDM programs. The Licensee shall meet its 2014 Net Annual Peak Demand Savings Target of 3.940 MW, and its 2011-2014 Net Cumulative Energy Savings Target of 14.920 GWh (collectively the "CDM Targets"), over a four-year period beginning January 1, 2011.

21.1.2 The Licensee shall meet its CDM Targets through:

- a) the delivery of Board approved CDM Programs delivered in the Licensee's service area ("Board-Approved CDM Programs");
- b) the delivery of CDM Programs that are made available by the OPA to distributors in the Licensee's service area under contract with the OPA ("OPA-Contracted Province-Wide CDM Programs"); or

c) a combination of a) and b).

21.1.3 The Licensee shall make its best efforts to deliver a mix of CDM Programs to all consumer types in the Licensee's service area.

21.1.4 The Licensee shall comply with the rules mandated by the Board's Conservation and Demand Management Code for Electricity Distributors.

21.1.5 The Licensee shall utilize the common Provincial brand, once available, with all Board-Approved CDM Programs, OPA-Contracted Province-Wide Programs, and in conjunction with or co-branded with the Licensee's own brand or marks.

## **21.2 2015-2020 Conservation and Demand Management Framework**

21.2.1 The Licensee shall, between January 1, 2015 and December 31, 2020, make CDM programs, available to customers in its licensed service area and shall, as far as is appropriate and reasonable having regard to the composition of its customer base, do so in relation to each customer segment in its service area ("CDM Requirement").

21.2.2 The CDM programs referred to in item 21.2.1 above shall be designed to achieve reductions in electricity consumption.

21.2.3 The Licensee shall meet its CDM Requirement by:

a) making Province-Wide Distributor CDM Programs, funded by the Ontario Power Authority (the "OPA"), available to customers in its licensed service area;

b) making Local Distributor CDM Programs, funded by the OPA, available to customers in its licensed service area; or

c) a combination of a) and b).

21.2.4 The Licensee shall, as far as possible having regard to any confidentiality or privacy constraints, make the details and results of Local Distributor CDM Programs available to other licensed electricity distributors upon request.

21.2.5 The Licensee shall, as far as possible having regard to any confidentiality or privacy constraints, make the details and results of Local Distributor CDM Programs available to any other person upon request.

21.2.6 The Licensee shall report to the OPA the results of the CDM programs in accordance with the requirements of the licensee's "CDM-related" contract with the OPA.

## **22 Pole Attachments**

22.1 The Licensee shall provide access to its distribution poles to all Canadian carriers, as defined by the Telecommunications Act, and to all cable companies that operate in the Province of Ontario. For each attachment, with the exception of wireless attachments, the Licensee shall charge the rate approved by the Board and included in the Licensee's tariff.



22.2 The Licensee shall:

- a) annually report the net revenue, and the calculations used to determine that net revenue, earned from allowing wireless attachments to its poles. Net revenues will be accumulated in a deferral account approved by the Board;
- b) credit that net revenue against its revenue requirement subject to Board approval in rate proceedings; and
- c) provide access for wireless attachments to its poles on commercial terms normally found in a competitive market.

### **23 Winter 2016/17 Disconnection, Reconnection and Load Limiter Devices**

23.1 Subject to paragraph 23.4, the Licensee shall not, during the period commencing February 24, 2017 and ending at 11:59 pm on April 30, 2017:

- a) disconnect an occupied residential property solely on the grounds of non-payment;
- b) issue a disconnection notice in respect of an occupied residential property solely on the grounds of non-payment; or
- c) install a load limiter device in respect of an occupied residential property solely on the grounds of non-payment.

Nothing in this paragraph shall preclude the Licensee from (i) disconnecting an occupied residential property in accordance with all applicable regulatory requirements, including the required disconnection notice; or (ii) installing a load limiter device in respect of an occupied residential property, in each case if at the unsolicited request of the customer given in writing on or after February 24, 2017.

23.2 Subject to paragraph 23.4, if the Licensee had disconnected a residential property on or before February 23, 2017 solely on the grounds of non-payment, the Licensee shall reconnect that property, if an occupied residential property, as soon as possible. The Licensee shall waive any reconnection charge that might otherwise apply in respect of that reconnection.

Nothing in this paragraph shall require the Licensee to reconnect an occupied residential property if the customer gives unsolicited notice to the Licensee not to do so in writing on or after February 24, 2017.

23.3 Subject to paragraph 23.4, if the Licensee had installed a load limiter device in respect of an occupied residential property on or before February 23, 2017 either for non-payment or at the customer's request, the Licensee shall remove that device and restore full service to the property as soon as possible. The Licensee shall waive any charge that might otherwise apply in respect of such removal.

Nothing in this paragraph shall (i) require the Licensee to remove a load limiter device if the customer gives unsolicited notice to the Licensee not to do so in writing on or after February 24, 2017; or (ii) prevent the Licensee from installing or maintaining a load limiter device at the unsolicited request of customer given in writing on or after February 24, 2017.

- 23.4 Nothing in paragraphs 23.1 to 23.3 shall:
- a) prevent the Licensee from taking such action in respect of an occupied residential property as may be required to comply with any applicable and generally acceptable safety requirements or standards; or
  - b) require the Licensee to act in a manner contrary to any applicable and generally accepted safety requirements or standards.
- 23.5 The Licensee shall waive any collection of account charge that could otherwise be charged in relation to an occupied residential property during the period referred to in paragraph 23.1.
- 23.6 The Licensee shall provide the Board with periodic reports on its progress in complying with paragraphs 23.2 and 23.3. The first such report shall be filed with the Board no later than March 3, 2017, and reports shall be provided every 7 calendar days thereafter until such time as no further action remains to be taken by the Licensee under those paragraphs.
- 23.7 For the purposes of paragraphs 23.1 to 23.4:
- “load limiter device” means a device that will allow a customer to run a small number of electrical items in his or her premises at any given time, and if the customer exceeds the limit of the load limiter, then the device will interrupt the power until it is reset; and
- “occupied residential property” means an account with the Licensee:
- a) that falls within the residential rate classification as specified in the Licensee’s Rate Order; and
  - b) that is:
    - i) inhabited; or
    - ii) in an uninhabited condition as a result of the property having been disconnected by the Licensee or of a load limiter device having been installed in respect of the property on or before February 23, 2017.
- 23.8 Paragraphs 23.1 to 23.5 apply despite any provision of the Distribution System Code to the contrary.

**SCHEDULE 1                      DEFINITION OF DISTRIBUTION SERVICE AREA**

This Schedule specifies the area in which the Licensee is authorized to distribute and sell electricity in accordance with paragraph 8.1 of this Licence.

1.        The municipal boundaries of the City of St. Thomas as of December 31, 1999, with the exclusion of the customer located at 1 Cosma Court.
  
2.        Concession 8, Part Lot 10, Registered Plan 11R7149, Part 2 to 6 and 11, Geographic Township of Yarmouth, Municipality of Central Elgin, County of Elgin.
  
3.        Block 19, Registered Plan 11M-92, City of St. Thomas, County of Elgin.
  
4.        Part of Lot 9 Concession 7, Registered Plan 11R-8918, City of St. Thomas, County of Elgin.
  
5.        Part of Lots 5 and 6, Concession 6, Geographic Township of Yarmouth as in E390923, City of St. Thomas, County of Elgin.
  
6.        Part of Blocks 84, 86, 87, 94 and 99 Plan 11M-193 in the City of St. Thomas, County of Elgin.
  
7.        Harvest Run Phase 1 consisting of lots 1 to 20 and lots 49 to 69 on Acorn Trail, lots 21 to 48 on Honey Bend, and lots 70 to 104 on Ashberry Place, Part of Blocks 117 and 118, Part of lot 10, Concession 7, Geographic Township of Yarmouth, Municipality of Central Elgin, County of Elgin.

**SCHEDULE 2                      PROVISION OF STANDARD SUPPLY SERVICE**

This Schedule specifies the manner in which the Licensee is authorized to retail electricity for the purposes of fulfilling its obligation under section 29 of the Electricity Act.

1.        The Licensee is authorized to retail electricity directly to consumers within its service area in accordance with paragraph 8.1 of this Licence, any applicable exemptions to this Licence, and at the rates set out in the Rate Orders.

**SCHEDULE 3                    LIST OF CODE EXEMPTIONS**

This Schedule specifies any specific Code requirements from which the Licensee has been exempted.

1.        The Licensee is exempt from the requirements of section 2.5.3 of the Standard Supply Service Code with respect to the price for small volume/residential consumers, subject to the Licensee offering an equal billing plan as described in its application for exemption from Fixed Reference Price, and meeting all other undertakings and material representations contained in the application and the materials filed in connection with it.

## APPENDIX A

### MARKET POWER MITIGATION REBATES

#### 1. Definitions and Interpretations

In this Licence

“embedded distributor” means a distributor who is not a market participant and to whom a host distributor distributes electricity;

“embedded generator” means a generator who is not a market participant and whose generation facility is connected to a distribution system of a distributor, but does not include a generator who consumes more electricity than it generates;

“host distributor” means a distributor who is a market participant and who distributes electricity to another distributor who is not a market participant.

In this Licence, a reference to the payment of a rebate amount by the IESO includes interim payments made by the IESO.

#### 2. Information Given to IESO

- a Prior to the payment of a rebate amount by the IESO to a distributor, the distributor shall provide the IESO, in the form specified by the IESO and before the expiry of the period specified by the IESO, with information in respect of the volumes of electricity withdrawn by the distributor from the IESO-controlled grid during the rebate period and distributed by the distributor in the distributor’s service area to:
  - i consumers served by a retailer where a service transaction request as defined in the Retail Settlement Code has been implemented; and
  - ii consumers other than consumers referred to in clause (i) who are not receiving the fixed price under sections 79.4, 79.5 and 79.16 of the *Ontario Energy Board Act, 1998*.
- b Prior to the payment of a rebate amount by the IESO to a distributor which relates to electricity consumed in the service area of an embedded distributor, the embedded distributor shall provide the host distributor, in the form specified by the IESO and before the expiry of the period specified in the Retail Settlement Code, with the volumes of electricity distributed during the rebate period by the embedded distributor’s host distributor to the embedded distributor net of any electricity distributed to the embedded distributor which is attributable to embedded generation and distributed by the embedded distributor in the embedded distributor’s service area to:
  - i consumers served by a retailer where a service transaction request as defined in the Retail Settlement Code has been implemented; and
  - ii consumers other than consumers referred to in clause (i) who are not receiving the fixed price under sections 79.4, 79.5 and 79.16 of the *Ontario Energy Board Act, 1998*.
- c Prior to the payment of a rebate amount by the IESO to a distributor which relates to electricity

consumed in the service area of an embedded distributor, the host distributor shall provide the IESO, in the form specified by the IESO and before the expiry of the period specified by the IESO, with the information provided to the host distributor by the embedded distributor in accordance with section 2.

The IESO may issue instructions or directions providing for any information to be given under this section. The IESO shall rely on the information provided to it by distributors and there shall be no opportunity to correct any such information or provide any additional information and all amounts paid shall be final and binding and not subject to any adjustment.

For the purposes of attributing electricity distributed to an embedded distributor to embedded generation, the volume of electricity distributed by a host distributor to an embedded distributor shall be deemed to consist of electricity withdrawn from the IESO-controlled grid or supplied to the host distributor by an embedded generator in the same proportion as the total volume of electricity withdrawn from the IESO-controlled grid by the distributor in the rebate period bears to the total volume of electricity supplied to the distributor by embedded generators during the rebate period.

### 3. Pass Through of Rebate

A distributor shall promptly pass through, with the next regular bill or settlement statement after the rebate amount is received, any rebate received from the IESO, together with interest at the Prime Rate, calculated and accrued daily, on such amount from the date of receipt, to:

- a retailers who serve one or more consumers in the distributor's service area where a service transaction request as defined in the Retail Settlement Code has been implemented;
- b consumers who are not receiving the fixed price under sections 79.4, 79.5 and 79.16 of the *Ontario Energy Board Act, 1998* and who are not served by a retailer where a service transaction request as defined in the Retail Settlement Code has been implemented; and
- c embedded distributors to whom the distributor distributes electricity.

The amounts paid out to the recipients listed above shall be based on energy consumed and calculated in accordance with the rules set out in the Retail Settlement Code. These payments may be made by way of set off at the option of the distributor.

If requested in writing by OPGI, the distributor shall ensure that all rebates are identified as coming from OPGI in the following form on or with each applicable bill or settlement statement:

“ONTARIO POWER GENERATION INC. rebate”

Any rebate amount which cannot be distributed as provided above or which is returned by a retailer to the distributor in accordance with its licence shall be promptly returned to the host distributor or IESO as applicable, together with interest at the Prime Rate, calculated and accrued daily, on such amount from the date of receipt.

Nothing shall preclude an agreement whereby a consumer assigns the benefit of a rebate payment to a retailer or another party.

Pending pass-through or return to the IESO of any rebate received, the distributor shall hold the funds received in trust for the beneficiaries thereof in a segregated account.

## **ONTARIO POWER GENERATION INC. REBATES**

For the payments that relate to the period from May 1, 2006 to April 30, 2009, the rules set out below shall apply.

### **1. Definitions and Interpretations**

In this Licence

“embedded distributor” means a distributor who is not a market participant and to whom a host distributor distributes electricity;

“embedded generator” means a generator who is not a market participant and whose generation facility is connected to a distribution system of a distributor, but does not include a generator who consumes more electricity than it generates;

“host distributor” means a distributor who is a market participant and who distributes electricity to another distributor who is not a market participant.

In this Licence, a reference to the payment of a rebate amount by the IESO includes interim payments made by the IESO.

### **2. Information Given to IESO**

- a Prior to the payment of a rebate amount by the IESO to a distributor, the distributor shall provide the IESO, in the form specified by the IESO and before the expiry of the period specified by the IESO, with information in respect of the volumes of electricity withdrawn by the distributor from the IESO-controlled grid during the rebate period and distributed by the distributor in the distributor’s service area to:
  - i consumers served by a retailer where a service transaction request as defined in the Retail Settlement Code has been implemented and the consumer is not receiving the prices established under sections 79.4, 79.5 and 79.16 of the *Ontario Energy Board Act, 1998*; and
  - ii consumers other than consumers referred to in clause (i) who are not receiving the fixed price under sections 79.4, 79.5 and 79.16 of the *Ontario Energy Board Act, 1998*.
- b Prior to the payment of a rebate amount by the IESO to a distributor which relates to electricity consumed in the service area of an embedded distributor, the embedded distributor shall provide the host distributor, in the form specified by the IESO and before the expiry of the period specified in the Retail Settlement Code, with the volumes of electricity distributed during the rebate period by the embedded distributor’s host distributor to the embedded distributor net of any electricity distributed to the embedded distributor which is attributable to embedded generation and distributed by the embedded distributor in the embedded distributor’s service area to:



- i consumers served by a retailer where a service transaction request as defined in the Retail Settlement Code has been implemented; and
  - ii consumers other than consumers referred to in clause (i) who are not receiving the fixed price under sections 79.4, 79.5 and 79.16 of the *Ontario Energy Board Act, 1998*.
- c Prior to the payment of a rebate amount by the IESO to a distributor which relates to electricity consumed in the service area of an embedded distributor, the host distributor shall provide the IESO, in the form specified by the IESO and before the expiry of the period specified by the IESO, with the information provided to the host distributor by the embedded distributor in accordance with section 2.

The IESO may issue instructions or directions providing for any information to be given under this section. The IESO shall rely on the information provided to it by distributors and there shall be no opportunity to correct any such information or provide any additional information and all amounts paid shall be final and binding and not subject to any adjustment.

For the purposes of attributing electricity distributed to an embedded distributor to embedded generation, the volume of electricity distributed by a host distributor to an embedded distributor shall be deemed to consist of electricity withdrawn from the IESO-controlled grid or supplied to the host distributor by an embedded generator in the same proportion as the total volume of electricity withdrawn from the IESO-controlled grid by the distributor in the rebate period bears to the total volume of electricity supplied to the distributor by embedded generators during the rebate period.

### 3. Pass Through of Rebate

A distributor shall promptly pass through, with the next regular bill or settlement statement after the rebate amount is received, any rebate received from the IESO, together with interest at the Prime Rate, calculated and accrued daily, on such amount from the date of receipt, to:

- a retailers who serve one or more consumers in the distributor's service area where a service transaction request as defined in the Retail Settlement Code has been implemented and the consumer is not receiving the prices established under sections 79.4, 79.5 and 79.16 of the *Ontario Energy Board Act, 1998*;
- b consumers who are not receiving the fixed price under sections 79.4, 79.5 and 79.16 of the *Ontario Energy Board Act, 1998* and who are not served by a retailer where a service transaction request as defined in the Retail Settlement Code has been implemented; and
- c embedded distributors to whom the distributor distributes electricity.

The amounts paid out to the recipients listed above shall be based on energy consumed and calculated in accordance with the rules set out in the Retail Settlement Code. These payments may be made by way of set off at the option of the distributor.

If requested in writing by OPGI, the distributor shall ensure that all rebates are identified as coming from OPGI in the following form on or with each applicable bill or settlement statement:

"ONTARIO POWER GENERATION INC. rebate"

Any rebate amount which cannot be distributed as provided above or which is returned by a retailer to the distributor in accordance with its licence shall be promptly returned to the host distributor or IESO as applicable, together with interest at the Prime Rate, calculated and accrued daily, on such amount from the date of receipt.

Nothing shall preclude an agreement whereby a consumer assigns the benefit of a rebate payment to a retailer or another party.

Pending pass-through or return to the IESO of any rebate received, the distributor shall hold the funds received in trust for the beneficiaries thereof in a segregated account.