



Electricity Distribution Licence

ED-2003-0015

E.L.K. Energy Inc.

Valid Until

March 31, 2023

Original signed by

Brian Hewson
Vice President, Consumer Protection and Industry Performance
Ontario Energy Board

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LIST OF AMENDMENTS

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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;

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

“**Licensee**” means E.L.K. Energy Inc.

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

“**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;

“**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 and 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.

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 October 16, 2003 and expire on March 31, 2023. 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

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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.

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 Town of Belle River as of December 31, 1997, now part of the Town of Lakeshore.
2. The Police Village of Comber as of December 31, 1998, now part of the Town of Lakeshore.
3. The Village of Cottam as of December 31, 1998, now part of the Town of Kingsville, including Part Lot 269 Part 1 12R-23403, Part Lot 268 Part 1 12R-23674 and Part Lot 269RP 12R-1331 Parts 4 and 5 located at 168 Belle River Road North.
4. The Town of Essex as of December 31, 1998.
5. The Town of Harrow as of December 31, 1998, now part of the Town of Essex.
6. The Town of Kingsville as of December 31, 1998.
 - Including the customers located at the following physical address:
 - i. 1 Florian Street, Gosfield North, N8M 3E2, Kingsville, ON
7. Plan 12R-311, Parts 1 through 6. Specifically in the Town of Essex (formerly Township of Colchester North), in the County of Essex, being part of Lots 17 and 18, Concession 13.
8. Pt Lt 283 Con Ntr Maidstone; Pt Lt 283 Con Ntr including Blocks 36 to 39 Maidstone (Essex) Pt 1, 2R5880 Except Pt1, 12R6417, Pt1, 12R8554, Pt1, 12R10473 and Pt 1 and 2, 12R16870, Lakeshore.
9. Pt Lt 12 Con Gore or 2nd Range Colchester Pt 1, 12R15021 & Pt2, 12R16478; Essex.
10. Lot 1, Plan 12M565; Town of Kingsville (10 Emily Ave, Kingsville ON, N9Y 2K5)
11. Lot 2, Plan 12M565 (12 Emily Ave, Kingsville ON, N9Y 2K5)
12. Lot 3, Plan 12M565 (14 Emily Ave, Kingsville ON, N9Y 2K5)
13. LT 4 PL 12M565 & PT LT 3 CON 1 Eastern Division Gosfield Designated as PT 1 PL 12R24801; Town of Kingsville (16 Emily Ave, Kingsville ON, N9Y 2K5)
14. Lot 5, Plan 12M565 (18 Emily Ave, Kingsville ON, N9Y 2K5)
15. PT LT 3 CON 1 Eastern Division Gosfield Designated as PT 2 PL 12R24801; Town of Kingsville (18 Emily Ave, Kingsville ON, N9Y 2K5)
16. LT 6 PL 12M565 & PT LT 3 CON 1 Eastern Division Gosfield Designated as PT 3 PL 12R24801; Town of Kingsville (20 Emily Ave, Kingsville ON, N9Y 2K5)
17. Lot 7, Plan 12M565 (22 Emily Ave, Kingsville ON, N9Y 2K5)

18. PT LT 3 CON 1 Eastern Division Gosfield Designated as PT 4 PL 12R24801; Town of Kingsville (22 Emily Ave, Kingsville ON, N9Y 2K5)
19. PT LT 1 CON 1 Eastern Division Gosfield PT 35 12R15587 (7 Sandybrook Way, Kingsville, ON, N9Y 4A6)
20. PT LT 1 CON 1 Eastern Division Gosfield PT 36 12R15587 (17 Sandybrook Way, Kingsville, ON, N9Y 4A6)
21. PT LT 1 CON 1 Eastern Division Gosfield PT 37 12R15587 (23 Sandybrook Way, Kingsville, ON, N9Y 4A6)
22. PT LT 1 CON 1 Eastern Division Gosfield PT 38 12R15587 (27 Sandybrook Way, Kingsville, ON, N9Y 4A6)
23. PT LT A CON 1 WBR Maidstone as in R1444824, PIN 75034-0093, in the Town of Lakeshore.
24. PT Lots 3 & 4 Registered Plan 202 (being a subdivision of Part of Lots 7 & 8 Concession 2) Geographic Township of Colchester South, now in the Town of Essex, PT. 1 12R-06401; Town of Essex
25. PT N1/2 LT 269 CON STR Gosfield PT 25 12R-16255; Kingsville
PIN: 75165 – 0411 LT
26. PT N1/2 LT 269 CON STR Gosfield PT 26 12R-16255; Kingsville
PIN: 75165 – 0412 LT
27. PT N1/2 LT 269 CON STR Gosfield PT 27 12R-16255; Kingsville
PIN: 75165 – 0413 LT
28. PT N1/2 LT 269 CON STR Gosfield PT 28, 32 12R-16255; S/T R1438297; Kingsville
PIN: 75165 – 0414 LT
29. PT N1/2 LT 269 CON STR Gosfield PT 29, 31 12R-16255; S/T R1438297; Kingsville
PIN: 75165 – 0415 LT
30. PT N1/2 LT 269 CON STR Gosfield PT 20, 30, 36 12R-16255; Kingsville
PIN: 75165 – 0433 LT
31. PT N1/2 LT 269 CON STR Gosfield PT 7 12R-16615; S/T R1442707; Kingsville
PIN: 75165 – 0399 LT
32. PT N1/2 LT 269 CON STR Gosfield PT 8, 45 12R-16615; S/T R1442707; Kingsville
PIN: 75165 – 0398 LT
33. PT N1/2 LT 269 CON STR Gosfield PT 9, 46 12R-16615; S/T R1442707; Kingsville
PIN: 75165 – 0397 LT
34. PT N1/2 LT 269 CON STR Gosfield PT 10, 47 12R-16615; S/T R1442707; Kingsville
PIN: 75165 – 0396 LT
35. PT N1/2 LT 269 CON STR Gosfield PT 11, 48 12R-16615; S/T R1442707; Kingsville
PIN: 75165 – 0395 LT

36. PT N1/2 LT 269 CON STR Gosfield PT 12 12R-16615; S/T R1442707; Kingsville
PIN: 75165 – 0394 LT
37. PT LT 269 SOUTH TALBOT ROAD DESIGNATED AS PT 1 AND PT 3, PL 12R26548
PIN: 75165 – 0495 LT
38. PT N1/2 LT 269 CON STR Gosfield PT 14, 49 12R-16615; S/T R1442707; Kingsville
PIN: 75165 – 0392 LT
39. PT N1/2 LT 269 CON STR Gosfield PT 15, 50 12R-16615; S/T R1442707; Kingsville
PIN: 75165 – 0391 LT
40. PT N1/2 LT 269 CON STR Gosfield PT 16, 51 12R-16615; S/T R1442707; Kingsville
PIN: 75165 – 0390 LT
41. PT N1/2 LT 269 CON STR Gosfield PT 17, 52 12R-16615; Kingsville
PIN: 75165 – 0389 LT
42. PT N1/2 LT 269 CON STR Gosfield PT 18, 53 12R-16615; Kingsville
PIN: 75165 – 0388 LT
43. PT N1/2 LT 269 CON STR Gosfield PT 39 12R-16615; Kingsville
PIN: 75165 – 0453 LT
44. PT N1/2 LT 269 CON STR Gosfield PT 19, 54, 76, 77 12R-16615; Kingsville
PIN: 75165 – 0387 LT
45. PT N1/2 LT 269 CON STR Gosfield PT 20, 55 12R-16615; Kingsville
PIN: 75165 – 0386 LT
46. PT N1/2 LT 269 CON STR Gosfield PT 21, 12R-16615; Kingsville
PIN: 75165 – 0385 LT
47. PT N1/2 LT 269 CON STR Gosfield PT 22, 12R-16615; Kingsville
PIN: 75165 – 0384 LT
48. PT N1/2 LT 269 CON STR Gosfield PT 23, 12R-16615; Kingsville
PIN: 75165 – 0419 LT
49. PT N1/2 LT 269 CON STR Gosfield PT 24, 12R-16615; Kingsville
PIN: 75165 – 0418 LT
50. PT N1/2 LT 269 CON STR Gosfield PT 25, 56 12R-16615; Kingsville
PIN: 75165 – 0417 LT
51. PT N1/2 LT 269 CON STR Gosfield PT 26, 57, 74, 75 12R-16615; Kingsville
PIN: 75165 – 0416 LT
52. PT N1/2 LT 269 CON STR Gosfield PT 27, 58, 72, 73 12R-16615; Kingsville
PIN: 75165 – 0431 LT

53. PT N1/2 LT 269 CON STR Gosfield PT 28, 59 12R-16615; Kingsville
PIN: 75165 – 0430 LT
54. PT N1/2 LT 269 CON STR Gosfield PT 29, 60 12R-16615; Kingsville
PIN: 75165 – 0429 LT
55. PT N1/2 LT 269 CON STR Gosfield PT 30, 61 12R-16615; Kingsville
PIN: 75165 – 0428 LT
56. PT N1/2 LT 269 CON STR Gosfield PT 31, 62 12R-16615; Kingsville
PIN: 75165 – 0427 LT
57. PT N1/2 LT 269 CON STR Gosfield PT 32, 63 12R-16615; Kingsville
PIN: 75165 – 0426 LT
58. PT N1/2 LT 269 CON STR Gosfield PT 33, 64 12R-16615; S/T R1442707; Kingsville
PIN: 75165 – 0425 LT
59. PT N1/2 LT 269 CON STR Gosfield PT 34, 65 12R-16615; S/T R1442707; Kingsville
PIN: 75165 – 0424 LT
60. PT N1/2 LT 269 CON STR Gosfield PT 35, 66 12R-16615; S/T R1442707; Kingsville
PIN: 75165 – 0423 LT
61. PT N1/2 LT 269 CON STR Gosfield PT 36, 67 12R-16615; S/T R1442707; Kingsville
PIN: 75165 – 0422 LT
62. PT N1/2 LT 269 CON STR Gosfield PT 37, 68 12R-16615; S/T R1442707; Kingsville
PIN: 75165 – 0421 LT
63. PT N1/2 LT 269 CON STR Gosfield PT 38, 69, 70, 71 12R-16615; S/T R1442707; Kingsville
PIN: 75165 – 0420 LT
64. PT N1/2 LT 269 CON STR Gosfield PT 78, 79, 80, 81 12R-16615; S/T R1442707; Kingsville
PIN: 75165 – 0433 LT
65. PT N1/2 LT 269 CON STR Gosfield PT 2 12R-26548; TOWN OF KINGSVILLE
PIN: 75165 – 0494 LT
66. PT LT 269 STR DESIGNATED AS PT 196 ON PL 12R16819; KINGSVILLE T/W A RIGHT
OVER PT 194 ON PL 12R16819 AS IN CE200824.
PIN: 75165 – 0473 LT
67. Part of Lots 1 and 2, Registered Plan 202 (being a subdivision of Part of Lots 7 & 8 Con. 2),
Geographic Township of Colchester South, now in the Town of Essex, County of Essex.
More specifically Part 1 of Plan 12R-26886.

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.