



September 7, 2011

BY EMAIL AND BY COURIER

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge St., Suite 2700
Toronto, ON, M4P 1E4

Dear Ms. Walli:

RE: Notice of Proposal under Section 80 of the *Ontario Energy Board Act, 1998*

Solar Sunbelt General Partnership (the "Partnership") is an entity established for the purpose of developing renewable electricity generation projects including those contemplated by subsection 71(3) of the *Ontario Energy Board Act, 1998* (the "Act"). The Partnership will be involved in the business of development, financing, ownership, construction and operation of solar photovoltaic ("PV") projects.

The general partners of the Partnership are Horizon Utilities Corporation ("Horizon Utilities"), the licensed electricity distribution company operating in the City of Hamilton and the City of St. Catharines under Ontario Energy Board ("OEB" or the "Board") Electricity Distribution Licence ED-2006-0031, and Horizon Solar Corp. Horizon Utilities holds a 99.9% interest in the Partnership; Horizon Solar Corp. is a minority partner that holds less than 0.1% interest in the Partnership.

The Partnership has entered into multiple Feed-In Tariff ("FIT") contracts under the Ontario Power Authority's ("OPA") FIT Program. As an affiliate of Horizon Utilities, the Partnership, under section 80 of the Act, is required to give notice of its intent to acquire an interest in generation. Pursuant to section 80 of the Act, the Partnership submits a Notice of Proposal, a copy of which is attached herewith. The Partnership is not proceeding with all contracts offered by the OPA. This Notice of Proposal only deals with those contracts proceeding to commercial operation. The Partnership plans to enter into more FIT contracts should they be awarded at a future date.

The Partnership respectfully submits that a review of the Notice of Proposal for these projects is not necessary for the reasons that follow. In keeping with the fundamental principles of the *Green Energy and Green Economy Act, 2009*, the Partnership is pursuing the development of renewable energy supply. The multiple contracts awarded to the Partnership have been selected by way of a competitive process. In granting such contracts, the OPA has conducted a thorough review of the proposed projects including their ability to connect to the distribution system.

However, in the event that the Board does proceed to review the awarded contracts contemplated in this Notice of Proposal pursuant to section 82 (b) of the Act, the Partnership submits that, for the reasons stated above, the impact of the projects would not adversely affect the development and maintenance of a competitive market.

Following the review of the Notice of Proposal by the Board and receipt of 'Notices to Proceed' for all noted contracts from the OPA, application for a generator's licenses will be filed.

As noted, a copy of the Notice of Proposal is attached. Two hard copies will be submitted by courier.

Yours truly,

[Original signed by]

John G. Basilio
Senior Vice President and C.F.O.
Solar Sunbelt General Partnership
Tel: (905) 317-4783
Cell: (905) 308-2739
john.basilio@horizonutilities.com

cc: Adrian Pye, Ontario Energy Board

Ontario Energy Board
Preliminary Filing Requirements
For a Notice of Proposal under Sections 80 and 81
Of the *Ontario Energy Board Act, 1998*

INSTRUCTIONS:

This form applies to all applicants who are providing a Notice of Proposal to the Ontario Energy Board (the "Board") under sections 80 and 81 of the *Ontario Energy Board Act, 1998* (the "Act"), including parties who are also, as part of the same transaction or project, applying for other orders of the Board such as orders under sections 86 and 92 of the Act.

The Board has established this form under section 13 of the Act. Please note that the Board may require information that is additional or supplementary to the information filed in this form and that the filing of the form does not preclude the applicant from filing additional or supplementary information.

PART I: GENERAL MINIMUM FILING REQUIREMENTS

All applicants must complete and file the information requested in Part I.

1.1 Identification of the Parties

1.1.1 Applicant

Name of Applicant Solar Sunbelt General Partnership	File No: (Board Use Only)	
Address of Head Office 55 John Street North Hamilton, Ontario L8R 3M8	Telephone Number 1-905-522-6611	
	Facsimile Number 1-905-522-0119	
	E-mail Address john.basilio@horizonutilities.com	
Name of Individual to Contact Max Cananzi President and C.E.O., Solar Sunbelt General Partnership 55 John Street North Hamilton, Ontario L8R 3M8	Telephone Number 1-905-317-4702	
	Facsimile Number 1-905-522-0119	
	E-mail Address max.cananzi@horizonutilities.com	

1.1.2 Other Parties to the Transaction or Project*If more than one attach list*

Name of Other Party Horizon Utilities Corporation	Board Use Only	
Address of Head Office 55 John Street North Hamilton, Ontario L8R 3M8	Telephone Number 1-905-522-6611	
	Facsimile Number 1-905-522-0119	
	E-mail Address max.cananzi@horizonutilities.com	
Name of Individual to Contact Max Cananzi President and C.E.O. Horizon Utilities Corporation 55 John Street North Hamilton, Ontario L8N 3E1	Telephone Number 1-905-317-4702	
	Facsimile Number 1-905-522-0119	
	E-mail Address max.cananzi@horizonutilities.com	

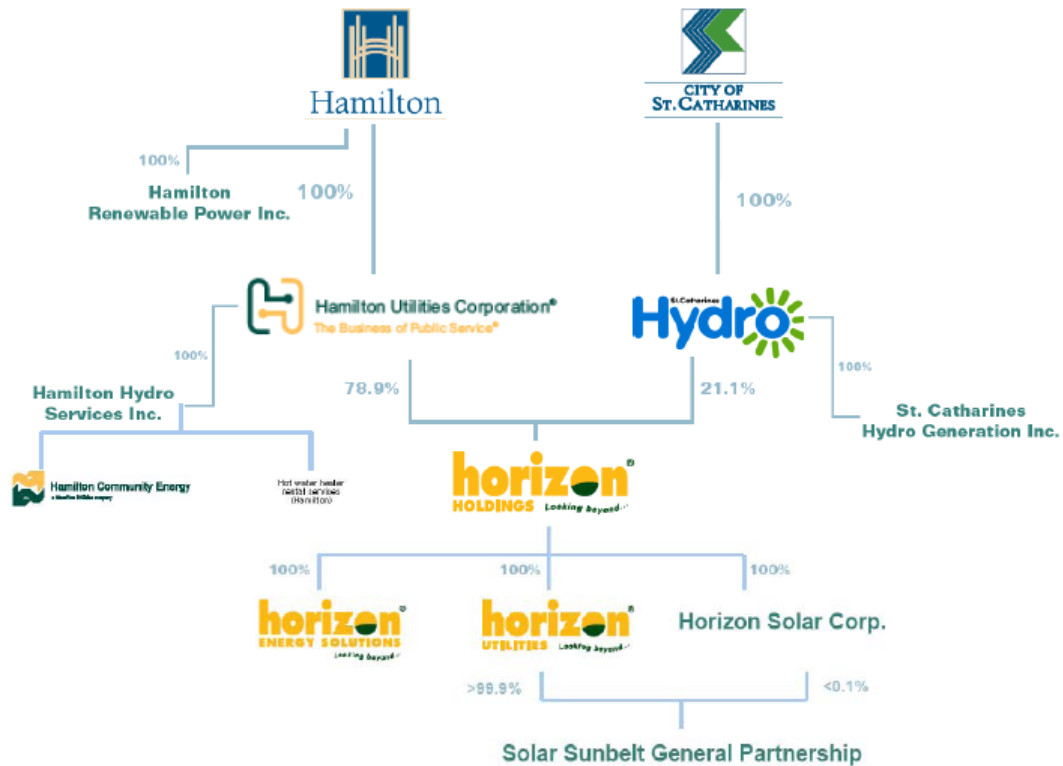
Name of Other Party Horizon Solar Corp.	Board Use Only	
Address of Head Office 55 John Street North Hamilton, Ontario L8R 3M8	Telephone Number 1-905-522-6611	
	Facsimile Number 1-905-522-6228	
	E-mail Address max.cananzi@horizonutilities.com	
Name of Individual to Contact Max Cananzi President and C.E.O. 55 John Street North Hamilton, Ontario L8N 3E1	Telephone Number 1-905-317-4702	
	Facsimile Number 1-905-522-0119	
	E-mail Address max.cananzi@horizonutilities.com	

1.2 Relationship between Parties to the Transaction or Project

1.2.1	<p>Attach a list of the officers, directors and shareholders of each of the parties to the proposed transaction or project.</p> <p>Horizon Utilities Corporation</p> <p><u>Directors</u></p> <p>Robert Dolan, Chair Ed Minich John Bergsma Alexander Adam Margaret Nelligan Rob Cary Joan Wepler Paul Benson Patrick Crowley Doug Harrison</p>	
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	<p><u>Officers</u></p> <p>Max Cananzi, President and C.E.O. John G. Basilio, Senior Vice President and C.F.O. Indy Butany-DeSouza, Vice President, Regulatory Affairs Eileen Campbell, Vice President, Customer Services Sarah Hughes, Vice President, Finance Kathy Lerette, Vice President, Utility Operations Marjorie Richards, Vice President, Corporate Services</p> <p><u>Shareholder</u></p> <p>Horizon Holdings Inc.</p> <p>Solar Sunbelt General Partnership:</p> <p><u>General Partners</u></p> <p>Horizon Utilities Corporation (Managing Partner) Horizon Solar Corp.</p> <p><u>Officers</u></p> <p>Max Cananzi, President and C.E.O. John G. Basilio, Senior Vice President and C.F.O.</p> <p>Horizon Solar Corp.</p> <p><u>Directors</u></p> <p>Max Cananzi John G. Basilio</p> <p><u>Officers</u></p> <p>Max Cananzi, President and C.E.O. John G. Basilio, Senior Vice President and C.F.O. Marjorie Richards, Vice President, Corporate Services Sarah Hughes, Vice President, Finance</p> <p><u>Shareholder</u></p> <p>Horizon Holdings Inc.</p>	
1.2.2	Attach a corporate chart describing the relationship between each of the parties to the proposed transaction or project and each of their respective affiliates.	

Corporate charts describing the relationships between each of the parties to the proposed projects and each of their respective affiliates accompany this application as Attachment 1.2.2 below:



1.3 Description of the Businesses of Each of the Parties

- 1.3.1 Attach a description of the business of each of the parties to the proposed transaction or project, including each of their affiliates licensed under the OEB Act to operate in Ontario for the generation, transmission, distribution, wholesaling or retailing of electricity or providing goods and services to companies licensed under the OEB Act in Ontario ("Electricity Sector Affiliates").

	<p>Horizon Utilities Corporation ("Horizon"), a licensed electricity distributor that owns, operates, and manages the assets associated with the distribution of electrical power and energy within the geographic territory and municipal boundaries of the City of Hamilton and the City of St. Catharines as further described in Electricity Distribution Licence ED-2006-0031, a copy of which accompanies this application as Attachment 1.3.1. (Hard copy of license included separately and with paper submissions).</p> <p>Solar Sunbelt General Partnership (the "Partnership") - the Partnership is an entity established for the purpose of developing renewable electricity generation projects including those contemplated by subsection 71(3) of the <i>Ontario Energy Board Act, 1998</i>. The Partnership will be involved in the business of development, financing, ownership, construction and operation of solar PV projects. The general partners of the Partnership are Horizon Utilities Corporation and Horizon Solar Corp. – Horizon Utilities Corporation holds a 99.9% interest in the Partnership; Horizon Solar Corp. is a minority partner holding less than 0.1% of Solar Sunbelt General Partnership. The Partnership will apply to hold Electricity Generation Licenses as the projects in which it will be involved will have nameplate capacities of less than or equal to 500 kW (known as Capacity Allocation Exempt projects) and will be subject to contracts with the Ontario Power Authority (the "OPA") for the sale of electricity under the OPA's Feed-in Tariff ("FIT") Program. Applications for generation licenses will be filed to the OEB following receipt of the required 'Notice to Proceed' ("NTP") documents from the OPA for each project.</p> <p>Horizon Holdings Inc. ("Holdco") – Holdco is a corporation incorporated pursuant to the laws of the Province of Ontario. Holdco holds all of the shares of:</p> <ul style="list-style-type: none"> (a) Horizon Utilities Corporation (see description above); and (b) Horizon Energy Solutions Inc. ("MSPCo"), an affiliate of Horizon that operates a non-regulated meter service business and acts as a meter service provider. <p>Hamilton Utilities Corporation ("HUC") – HUC is wholly owned by the Corporation of the City of Hamilton and holds 78.9% of the shares of Holdco.</p> <p>Hamilton Renewable Power Inc. ("HRPI") - HRPI is wholly owned by the Corporation of the City of Hamilton and is a generation affiliate of HUC. HRPI holds OEB Electricity Generator Licence EG-2006-0059.</p> <p>Hamilton Hydro Services Inc. ("HHSI") – HHSI is the competitive affiliate of HUC. HHSI is wholly owned by HUC, and holds OEB Electricity Generator Licence EG-2002-0383. HHSI is involved in a range of unregulated energy related businesses through its operating division Hamilton Community Energy. HHSI and its operating division is not part of this transaction and will remain wholly owned by HUC.</p> <p>St. Catharines Hydro Inc. ("SCHI") – SCHI is wholly owned by the Corporation of the City of St. Catharines and holds 21.1% of the shares of Holdco.</p> <p>St. Catharines Hydro Generation Inc. ("SCHGI") – SCHGI is wholly owned by SCHI and is the generation affiliate of SCHI. SCHGI holds OEB Electricity Generator Licence EG-2003-0129. Note that SCHGI is not an affiliate of Holdco, Horizon, HUC or the other members of the Horizon Solar General Partnership corporate family.</p>	
1.3.2	Attach a description of the geographic territory served by each of the parties to the proposed transaction or project, including each of their Electricity Sector Affiliates, if applicable, and the geographic location of all existing generation facilities.	

	<p>The Partnership intends to develop projects throughout Ontario</p> <p>Horizon serves the geographic territory of the Cities of Hamilton and St. Catharines described in Electricity Distribution Licence ED-2006-0031. A map of the Horizon service area accompanies this application as Attachment 1.3.2.</p> <p>The generation facilities owned by HRPI and HHSI are located within the Horizon service area.</p>	
1.3.3	Attach a breakdown of the annual sales (in C\$, and in MWh) as of the most recent fiscal year end of the existing generation output among the IESO Administered Markets ("IAM"), bilateral contracts, and local distribution companies.	
	<p>HHSI is not a party to this application. However, as noted above, HHSI (OEB Electricity Generator License EG-2002-0383) is wholly owned by HUC and is a generation affiliate of HUC and the Applicant. HHSI's electricity sales in 2010 totaled 11,579 MWh, with a value of \$1,118,837. These totals are broken down as follows:</p> <p>Sales to Provincial Grid: MWh: 524 Value: \$24,784</p> <p>Sales to City of Hamilton: MWh: 11,054 Value: \$1,094,053</p> <p>HRPI is not a party to this application. However, as noted above, HRPI (OEB Electricity Generator Licence EG-2006-0059) is wholly owned by the Corporation of the City of Hamilton and is a generation affiliate of HUC and Horizon. HRPI's electricity sales in 2010 totaled 36,955.7 MWh, with a value of \$3,893,287.62. These totals do not require further breakdown. All HRPI generation in 2010 was sold directly to the IESO through an OPA contract.</p> <p>SCHGI is not a party to this application, nor is it an affiliate of Horizon or Holdco.</p>	
1.3.4	Attach a list identifying all relevant Board licences and approvals held by the parties to the proposed transaction or project and each of their Electricity Sector Affiliates, and any applications currently before the Board, or forthcoming. Please include all Board file numbers.	
	<p>Horizon: OEB Electricity Distribution Licence ED-2006-0031</p> <p>HRPI: OEB Electricity Generator Licence EG-2006-0059.</p> <p>HHSI: OEB Electricity Generator Licence EG-2002-0383.</p> <p>SCHGI: OEB Electricity Generator Licence EG-2003-0129. Note that SCGI is not an affiliate of Holdco, Horizon, HUC or the other members of the Partnership corporate family.</p>	

1.4 Current Competitive Characteristics of the Market

1.4.1	Describe the generation capacity (in MW), within the Province of Ontario, of the parties to the proposed transaction or project, including each of their respective Electricity Sector Affiliates, prior to the completion of the proposed transaction or project.	
	<p>HHSI: 3.5 MW</p> <p>HRPI: 4.8 MW</p> <p>SCHGI: Note that SCHGI is not an affiliate of Holdco, Horizon, HUC or the other members of the Partnership corporate family.</p>	
1.4.2	Describe the generation market share based on actual MWh production as a percent of the Annual Primary Demand, within the Province of Ontario, of the parties to the proposed transaction or project, including each of their respective Electricity Sector Affiliates, prior to completion of the proposed transaction or project.	
	The total Annual Ontario Energy Demand for 2010 was 142.1 TWh (142,100,000 MWh), as provided in the IESO's June 2011 – November 2012 18 Month Outlook. ¹ HHSI's actual generation market share based on MWh production for 2010 is approximately 11,579 MWh (approximately 0.00008% of the total Annual Ontario Energy Demand for 2010); and HRPI's actual generation market share based on MWh production for 2010 is approximately 36,955.7 MWh (approximately 0.0003% of the total Annual Ontario Energy Demand for 2010).	

1.5 Description of the Proposed Transaction or Project and Impact on Competition - General

1.5.1	Attach a detailed description of the proposed transaction or project, including geographic locations of proposed new transmission or distribution systems, or new generation facilities.	
	<p>As shown in Attachment 1.2.2 and as discussed in Section 1.3.1 above, the Partnership is an entity established for the purpose of developing renewable electricity generation projects including those contemplated by subsection 71(3) of the <i>Ontario Energy Board Act, 1998</i>. The Partnership will be involved in the business of development, financing, ownership, construction and operation of solar PV projects and related energy sustainability products and services. As noted in section 1.3.2 above, the Partnership intends to develop projects throughout Ontario.</p> <p>Specific projects which have obtained Ontario Power Authority Feed-in Tariff Contracts and are proceeding to generation are listed below. Note that none of the projects are expected to generate power in 2011.</p> <p>1) FIT Reference #: FIT-FMVDUPK FIT Contract Identification #: F-001723-SPV-130-502 Contract Capacity (kW): 100</p> <p>2) FIT Reference #: FIT-FQ0TGBH FIT Contract Identification #: F-001724-SPV-130-502 Contract Capacity (kW): 100</p>	

¹ <http://www.ieso.ca/imoweb/pubs/marketReports/18MonthOutlook_2011may.pdf> Page 3, Table 3.1

	<p>3) FIT Reference #: FIT-FG62YKC FIT Contract Identification #: F-001821-SPV-130-502 Contract Capacity (kW): 250</p> <p>4) FIT Reference #: FIT-FVCTAMW FIT Contract Identification #: F-001902-SPV-130-502 Contract Capacity (kW): 250</p> <p>5) FIT Reference #: FIT-F06UHM0 FIT Contract Identification #: F-001910-SPV-130-502 Contract Capacity (kW): 210</p> <p>6) FIT Reference #: FIT-FUBMAL5 FIT Contract Identification #: F-001913-SPV-130-502 Contract Capacity (kW): 200</p> <p>7) FIT Reference #: FIT-FMA2UUUS FIT Contract Identification #: F-002352-SPV-130-502 Contract Capacity (kW): 250</p>	
1.5.2	Describe the generation capacity (in MW), within the Province of Ontario, of the parties to the proposed transaction or project, including each of their respective Electricity Sector Affiliates, after the completion of the proposed transaction or project.	
	<p>The Partnership anticipates developing a total of approximately 8MW of renewable generation over the next 2 years.</p> <p>The generation capacity of HHSI, SCHGI, and HRPI will not change as a result of this transaction.</p>	
1.5.3	Describe the generation market share based on anticipated MWh production as a percentage of the Annual Primary Demand, within the Province of Ontario, of the parties to the proposed transaction or project, including each of their respective Electricity Sector Affiliates, after the completion of the proposed transaction or project.	
	<p>Based on the total Annual Ontario Energy Demand for 2010 of 142.1 TWh, the Partnership anticipates that its generation market share based on MWh production for 2011 will be approximately 0 MWh (approximately 0.0% of the total Annual Ontario Energy Demand for 2010).</p> <p>The generation market share of HHSI, SCHGI and HRPI will not change as a result of these projects.</p>	
1.5.4	Attach a short description of the impact, if any, of the proposed transaction or project on competition. If there will be no impact on competition, please state the reasons. Cite specifically the impacts of the proposal on customer choice regarding generation, energy wholesalers, and energy retailers.	
	This transaction will have no impact on competition. This transaction does not affect the ownership or operation of HHSI, SCHGI, or HRPI. Customer choice with respect to generation, energy wholesalers and/or energy retailers will not be affected. The Partnership will be a participant in OPA standard offer programs, similar to the many other participants in these programs.	

1.5.5	Provide confirmation that the proposed transaction or project will have no impact on open access to the transmission or distribution system of the parties or their affiliates. If open access will be affected explain how and why.	
	<p>The proposed projects will have no impact on open access to the Horizon distribution system as well as the provincial distribution system.</p> <p>As a licensed electricity distributor, Horizon will still be required to allow non-discriminatory access to its distribution system as provided for in the <i>Electricity Act, 1998</i>, as amended, subject to such limitations on open access as may be provided for by legislation or the OEB. Horizon is also subject to the OEB's Affiliate Relationships Code for Distributors and Transmitters, and as such is not permitted to provide preferential treatment to the Partnership.</p>	

1.6 Other Information

1.6.1	Attach confirmation that the parties to the proposed transaction or project are in compliance with all licence and code requirements, and will continue to be in compliance after completion of the proposed transaction or project.	
	<p>As noted at Section 1.3.1, above, the Partnership will apply to hold Electricity Generation Licenses, as the projects in which it will be involved will have nameplate capacities of less than or equal to 500 kW and will be subject to contracts with the Ontario Power Authority (the "OPA") for the sale of electricity under the OPA's FIT Program. Applications for generation licenses will be filed to the OEB following receipt of the required 'Notice to Proceed' ("NTP") documents from the OPA for each project.</p> <p>As noted at Section 1.3.4, above, Horizon holds an electricity distribution Licence (ED-2006-0031) which is effective until March 31, 2023. To the best of its knowledge, Horizon is in compliance with all licence and code requirements and will remain in compliance during and following the completion of the Partnership's generation projects contemplated by this Notice. While not parties to the proposed transaction, to the best of their knowledge, HHSI (Generator Licence EG-2002-0383), HRPI (Generator Licence EG-2006-0059) and SCHGI (Generator Licence EG-2003-0129) are in compliance with all licence and code requirements and will remain in compliance during and following the completion of the Partnership's generation projects contemplated by this Notice.</p>	

PART II: SECTION 80 OF THE ACT—TRANSMITTERS AND DISTRIBUTORS ACQUIRING AN INTEREST IN GENERATORS OR CONSTRUCTING A GENERATION FACILITY

All applicants filing a Notice of Proposal under section 80 of the Act must complete and file the information requested in Part II.

2.1 Effect on Competition

2.1.2	Describe whether the proposed generation output will be primarily offered into the IAM, sold via bilateral contracts, or for own use.	
	The proposed generation output will be subject to contracts with the Ontario Power Authority (the "OPA") for the sale of electricity under OPA standard offer programs such as the FIT and microFIT programs.	
2.1.3	Provide a description of the generation including fuel source, technology used, maximum capacity output, typical number of hours of operation in a year, and peaking versus base-load character.	
	As noted at Section 1.3.1, above, the Partnership will be involved in the business of development, financing, ownership, construction and operation of solar PV projects. The projects in which the Partnership will be involved will have nameplate capacities of less than or equal to 500 kW and will be subject to contracts with the Ontario Power Authority (the "OPA") for the sale of electricity under OPA standard offer programs, more specifically in conjunction with the Feed-In-Tariff regime.	
2.1.4	Provide details on whether the generation facility is expected to sign a "must run" contract with the IESO.	
	The Partnership's generation facilities will not be "must-run" facilities.	
2.1.5	Provide details of whether the generation facility is expected to serve a "load pocket", or is likely to be "constrained on" due to transmission constraints.	
	The Partnership's generation facilities will not serve load pockets. Further, the Partnership's generation facilities are not likely to be "constrained on" due to transmission constraints.	

2.2 System Reliability

Section 2.2 must be completed by applicants who are claiming that the proposed transaction or project is required for system reliability under section 82(2)(b) of the Act.

This section is not applicable; the proposed transaction or project is not required for system reliability under section 82(2)(b) of the Act

2.2.1	Provide reasons why the proposal is required to maintain the reliability of the transmission or distribution system. Provide supporting studies.	
2.2.2	Discuss the effect of the proposal on the adequacy (ability of supply to meet demand) of supply in the relevant control area or distribution region, citing effects on capacity plus reserve levels in comparison to load forecasts.	
2.2.3	Discuss the effect of the proposal on the security (ability of supply to respond to system contingencies) of supply.	
2.2.4	Provide a copy of the IESO Preliminary System Impact Assessment Report, if completed, and the IESO Final System Impact Assessment Report, if completed. If the IESO is not conducting a System Impact Assessment Report, please explain.	

PART III: SECTION 81 OF THE ACT—GENERATORS ACQUIRING AN INTEREST IN OR CONSTRUCTING A TRANSMISSION OR DISTRIBUTION SYSTEM

All applicants filing a Notice of Proposal under section 81 of the Act must complete and file the information requested in Part III.

3.1 Effect on Competition

This section is not applicable.

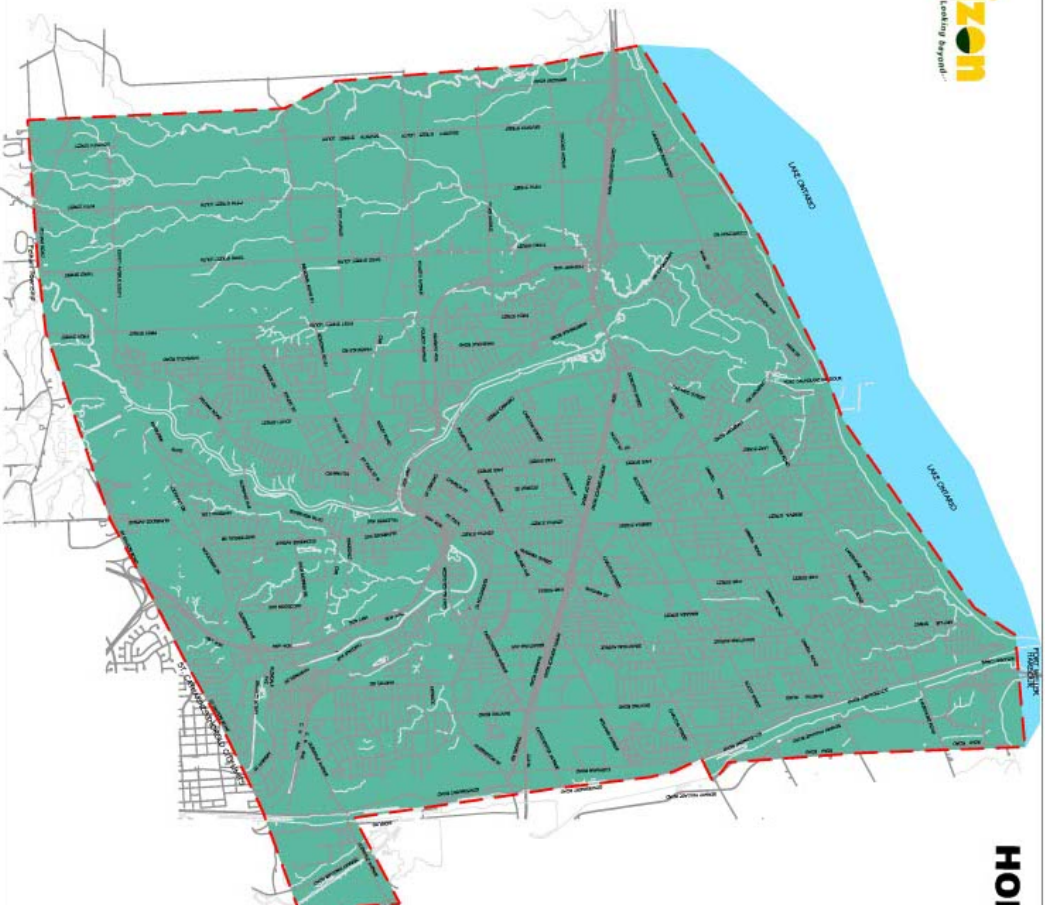
3.1.1	Provide a description of the transmission or distribution system being acquired or constructed.	
3.1.2	Provide details on whether the generation facilities owned by the acquiring company are or will be directly connected to the transmission or distribution system being acquired or constructed.	
3.1.3	Provide details of whether the generation facility is expected to serve a "load pocket", or is likely to be "constrained on" due to transmission constraints.	
3.1.4	Provide details on whether the generation facilities are expected to sign a "must run" contract with the IESO.	

How to Contact the Ontario Energy Board

The Ontario Energy Board is located at:

P.O. Box 2319
2300 Yonge Street, Suite 2701 Toronto, Ontario
M4P 1E4
Telephone: 416-481-1967
Toll Free Number: 1-888-632-6273
Fax: 416-440-7656
Website: <http://www.oeb.gov.on.ca>
Board Secretary's e-mail address: boardsec@oeb.gov.on.ca

Attachment 1.3.1 – Horizon Utilities Corporation
Electricity Distribution Licence ED-2006-0031



HORIZON UTILITIES CORPORATION BOUNDARY MAP ST. CATHARINES

-  - Horizon Utilities Corporation Service Territory
-  - Boundary





Electricity Distribution Licence

ED-2006-0031

Horizon Utilities Corporation

Valid Until

April 5, 2026

Mark C. Garner

Managing Director, Market Operations

Ontario Energy Board

Date of Issuance: April 6, 2006

Date of Amendment: November 27, 2006

Date of Amendment: January 5, 2007

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street
27th. Floor
Toronto, ON M4P 1E4

Commission de l'Énergie de l'Ontario
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Horizon Utilities Corporation
Electricity Distribution Licence ED-2006-0031

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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;

"Licensee" means Horizon Utilities Corporation

"Market Rules" means the rules made under section 32 of the Electricity Act;

"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 IMO administered markets or directly from a generator or, a person who sells electricity or ancillary services through the IMO-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 business day.

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 April 6, 2006 and expire on April 5, 2026. 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.

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 condition 8.1 of this Licence.

1. The former Police Village of Ancaster in the former Town of Ancaster as of December 31, 1973, now in the City of Hamilton and described as:
 - NW corner of Concession 1, Lot 42 and Old Railway Line
 - Directly NNE to middle of Concession I, Lot 46
 - North to Dundas boundary, along boundary NE to Hamilton boundary, along Dundas/Hamilton boundary
 - SW across Filman Road to include 1245 Filman, travel SW parallel with Hwy 2 to the escarpment
 - S along escarpment (include Ancaster heights survey)
 - S to W border of Concession II, Lot 49 to Railway Right of Way (behind Mohawk Road)
 - SW to Cayuga Drive, W to Railway Right of Way
 - West along Right of Way to far west boundary of Concession III, Lot 47
 - South between Lot 46 and 47 to include 38 Chancery Drive West
 - West, parallel with Golf Links Road to back lot of 23 Cameron Drive in Concession III, Lot 44
 - Follow back of Cameron Drive back lot to 35 Cameron, go south parallel to end of 209 Rosemary Drive, East to the back of 206 Rosemary Drive
 - North along back lots to 104 Rosemary, East to back lot of 103 Rosemary
 - North along back lots of St. Margarets Road to Hwy 2
 - Direct line SW, crossing over Fiddlers Green to middle of Concession III, Lot 41 North back lot of Rembrandt Court to Jerseyville Road W
 - SW along Jersey ville through back lots of Blair, Terrence Park and Oakhill to back lot lien of 211/220 Colleen Crescent

- NE to division of back lot along border of Concession III, Lots 41 & 42
 - SW along border to lot line of 145 Terrence Park, across Terrence Park to include back lots of 51 and 55
 - SE over Terrence Park between houses 94 and 90
 - N along the rear lots of Terrence Park and McGregor Crescent
 - NE between houses 69 & 65 McGregor, across McGregor between houses 74 and 62
 - Continue rear lots East between houses 54 and 50 McGregor
 - North in direct line to Sulphur Springs Road
 - West 100 metres, directly NW to Concession II, Lot 42 to Old Railway Line
2. The former Town of Dundas as of December 31, 1980, now in the City of Hamilton.
 3. The former Police Village of Lynden in the former Town of Ancaster as of December 31, 1973, now in the City of Hamilton.
 4. The former Village of Waterdown in the former Township of Flamborough as of December 31, 1980, now in the City of Hamilton.
 5. The expansion area as set out in By-law No. 96-17-H in the former Township of Flamborough as of December 31, 1980, now in the City of Hamilton and defined as :

East Boundary: Concession 3 East – Centreline of Kerns Road extending north along east boundary of 60' Interprovincial Pipeline easement continuing north along boundary line between Town of Flamborough and City of Burlington.

North Boundary: Concession 5 East – Centreline of the 50' wide Sun Canadian Pipeline Company easement – extending across Hwy. No. 6, along boundary line between properties 25.50.200.430.56400 and 25.30.200.430.56800/ 25.30.200.430.56600.

West Boundary: Boundary line between Lots 19 and 20 on Concession 1, Concession 2, Concession 3, and Concession 4 proceeding northerly to north boundary as described above.

South Boundary: Flamborough/Burlington/Dundas boundaries where the electrical distribution systems of Ontario Hydro and Burlington Hydro are already separated.

Includes to the East: The boundaries of the Town of Lynden as defined in 1. above.

6. The City of Hamilton as of December 31, 2000.
7. The former City of Stoney Creek as of December 31, 2000, now in the City of Hamilton.
8. Plan 62 R-15706, Part of Lot 3, Block 1, Concession 1, former Geographic Township of Binbrook, in the former Township of Glanbrook, now in the City of Hamilton, comprising Part 1 to Part 11 inclusive.
9. Land located "in the former Township of Binbrook, in the former Township of Glanbrook, as of December 31, 1973, now in the City of Hamilton and described as Block 1, Block 2 and Street 'A' part of a plan of "The Brooks of Rymal/20 Phase 1", being a subdivision of Part of Lots 1 and 2 - Block 4, Concession 1".
10. The former Township of Binbrook in the former Township of Glanbrook as of December 31, 1973, now in the City of Hamilton and described as Part of Township Lots Six (6) and Seven (7), Block Five (5) in the First Concession of the Geographic Township of Binbrook and known as Summit Park Phase 1 on Plan 62M. These lands are bounded to the north by Rymal Road east, to the east by Fletcher Road, to the west by Dakota Boulevard and to the south by a Hydro One Networks Inc. high voltage transmission line right of way.
11. The former Township of Binbrook in the former Township of Glanbrook as of December 31, 1973, now in the City of Hamilton and described as Part of Township Lots Six (6) and Seven (7), Block Five (5) in the First Concession of the Geographic Township of Binbrook and known as Summit Park Phase 2, on Plan 62M except for the following addresses (which are excluded):
 - 1898 Rymal Road East, RR # 1, Hannon, Ontario, L0R 1P0
 - 1912 Rymal Road East, RR # 1, Hannon, Ontario, L0R 1P0
 - 1900 Rymal Road East, RR # 1, Hannon, Ontario, L0R 1P0
 - 1910 Rymal Road East, RR # 1, Hannon, Ontario, L0R 1P0.
12. The City of St. Catharines as at December 31, 1990.
13. The former Township of Binbrook in the former Township of Glanbrook as of December 31, 1973, now in the City of Hamilton and described as Part of Township Lot Seven (7), Block Five (5) in the First Concession of the Geographic Township of Binbrook and

known as Summit Park Phase 3, on Plan 62M except for the following addresses (which are excluded);

- 70 Fletcher Road East, Hannon, Ontario, L0R 1P0
- 80 Fletcher Road East, Hannon, Ontario, L0R 1P0.

14. The former Township of Binbrook in the former Township of Glanbrook as of December 31, 1973, now in the City of Hamilton and described as Part of Township Lot Seven (7), Block Five (5) in the First Concession of the Geographic Township of Binbrook and known as Summit Park Phase 4, on Plan 62M except for the following address (which is excluded):

- 134 Fletcher Road East, Hannon, Ontario, L0R 1P0.

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.

The Licensee is authorized to retail electricity directly to consumers within its service area in accordance with condition 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.

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.

