



Ontario  
Energy  
Board

Commission  
de l'énergie  
de l'Ontario

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# **DECISION AND ORDER**

**EB-2019-0303**

## **FESTIVAL HYDRO INC.**

**Application for a Service Area Amendment**

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

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**March 12, 2020**

## DECISION AND ORDER

Festival Hydro Inc. (Festival Hydro) filed an application with the Ontario Energy Board (OEB) on December 20, 2019 under section 74 of the *Ontario Energy Board Act, 1998* (OEB Act) for an amendment to Schedule 1 of its distribution licence ED-2002-0513.

Festival Hydro requested the amendment so that it may provide electricity service to a new subdivision in the City of Stratford. The subject land, with a legal description Part of Lot Lot 2, part of Lot 3 and part of Lot 4, Concession 5, Geographic Township of Downie, now the Township of Perth South, County of Perth, which is vacant, will be developed by Xinyi Canada Glass Limited (Developer) into an industrial subdivision, which is the continuation of the existing industrial development in the southwest end of Stratford. The subject land is currently located within the licensed service area of Hydro One Networks Inc. (Hydro One) and is adjacent to Festival Hydro's service territory. The service areas within which Festival Hydro and Hydro One are authorized to provide electricity distribution services are set out in Schedule 1 of their respective licences ED-2002-0513 and ED-2003-0043.

The application has been considered by the Delegated Authority without holding a hearing pursuant to section 6(4) of the OEB Act.

The evidence filed with the application demonstrates that it is more economically efficient for Festival Hydro to serve the proposed development. The evidence identified that Festival Hydro has existing infrastructure near the subject area that can provide the required electrical service with minimal investment. To supply the development, Festival Hydro will install a new underground 27.6 kV circuit from the Festival Hydro's MTS#1 to the property. Although Hydro One also has existing distribution infrastructure that lies along the property, it does not have sufficient capacity to meet the demand. In order to connect the development, Hydro One would need to make a significant investment in its Stratford TS and install a new feeder, approximately 8 km in length.

Hydro One and the Developer have confirmed their support of the application through the consent letters filed as part of the application.

The evidence states that no assets will be stranded as a result of the proposed amendment. Rates of both distributors will be unaffected and there will be no effect on safety, reliability or quality of electricity supply to customers.

Based on the evidence, the OEB finds it to be in the public interest to approve the service area amendment proposed by Festival Hydro. Festival Hydro's and Hydro One's licences will be amended to reflect the proposed service area amendment.

**IT IS ORDERED THAT:**

1. Festival Hydro Inc.'s electricity distribution licence (ED-2002-0513), specifically Schedule 1 of the licence, is amended to add the following:

Part of Lot 2, part of Lot 3 and part of Lot 4, Concession 5, Geographic Township of Downie, now the Township of Perth South, County of Perth.

2. Hydro One Networks Inc.'s electricity distribution licence (ED-2002-0513), specifically Schedule 1 of the licence, is amended as follows:

- a. Remove from **Appendix B, Tab 1 Municipalities:**

**Name of Municipality:** The Township of Perth South

**Formerly Known As:** Township of Downie, Township of Blanshard, as at December 31, 1997.

- b. Add to **Appendix B, Tab 4 Municipalities in which a portion of the municipality is served by the licensee and another portion of the municipality is served by another distributor:**

**Name of Municipality:** The Township of Perth South

**Formerly Known As:** Township of Downie, Township of Blanshard, as at December 31, 1997.

**Area Not Served by Networks:** The area served by Festival Hydro Inc. within the former Township of Downie, as more particularly set out in Licence No. ED-2002-0513

**Networks assets within area not served by Networks:** Yes

**Customer(s) within area not served by Networks:** No

The amended licences are attached to this Decision and Order.

**DATED** at Toronto March 12, 2020

**ONTARIO ENERGY BOARD**

*Original Signed By*

Brian Hewson  
Vice President, Consumer Protection & Industry Performance



# Electricity Distribution Licence

**ED-2002-0513**

**Festival Hydro Inc.**

**Valid Until**

**October 20, 2023**

*Original Signed By*

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**Brian Hewson**

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

**Date of Issuance: October 21, 2003**

**Date of Last Amendment: March 12, 2020**

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## LIST OF AMENDMENTS

Board File No.	Date of Amendment
EB-2006-0126	September 1, 2006
EB-2009-0026	March 12, 2009
EB-2009-0352	December 1, 2009
EB-2010-0215	November 12, 2010
EB-2011-0138	September 6, 2011
EB-2012-0204	July 5, 2012
EB-2012-0457	March 14, 2013
EB-2013-0184	July 11, 2013
EB-2013-0282	October 24, 2013
EB-2014-0324	December 18, 2014
EB-2016-0015	January 28, 2016
EB-2017-0101	March 31, 2017
EB-2017-0196	June 15, 2017
EB-2017-0318	February 8, 2018
EB-2018-0327	March 21, 2019
EB-2019-0167	September 12, 2019
EB-2019-0282	January 30, 2020
EB-2020-0085	March 2, 2020
EB-2019-0303	March 12, 2020

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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 the Independent Electricity System Operator;

**“Licensee”** means Festival Hydro Inc.

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

**“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 21, 2003 and expire on October 20, 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**

[Intentionally left blank]

## **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 former Village of Brussels as of September 2001, now in the Municipality of Huron East.
  - Excluding the customers located at the following addresses:
    - i.     101 Turnberry Street, Brussels, ON N0G 1H0
    - ii.    105 Turnberry Street, Brussels, ON N0G 1H0
    - iii.   121 Turnberry Street, Brussels, ON N0G 1H0
    - iv.    189 Turnberry Street, Brussels, ON N0G 1H0
2.        The former Police Village of Dashwood as outlined on a map dated January 1, 2001 included as part of the application, now in the Municipality of Bluewater and the Municipality of South Huron.
  - Excluding the customer located at the following address:
    - i.     71044 Bronson Line, Dashwood, ON N0M 1N0
3.        The former Village of Hensall as of September 1998 including an illuminated sign on London Road outside the village boundary, now in the Municipality of Bluewater.
  - Excluding the customers located at the following addresses:
    - i.     24 London Road, Hensall, ON N0M 1X0
    - ii.    38 London Road, Hensall, ON N0M 1X0
    - iii.   26 King Street, Hensall, ON N0M 1X0
4.        The Town of St. Marys as of December 1996.
  - Excluding the customers located at the following addresses:
    - i.     50 Dickey Line, St. Marys, ON N4X 1C5
    - ii.    60 Dickey Line, St. Marys, ON N4X 1C5
5.        The former Town of Seaforth as of October 1998 excluding the residential customer at 234 Main Street and including the site of the Fall Fair at 122 Duke Street outside the town boundary, now part of the Municipality of Huron East.
6.        The Municipality of the City of Stratford as of February 2002,
  - Excluding the customers located at the following addresses:
    - i.     946 Downie Road 112, Stratford, ON N5A 6S3
    - ii.    893 Mornington Street, Stratford, ON N5A 6S2
    - iii.   897 Mornington Street, Stratford, ON N5A 6S2
    - iv.    907 Mornington Street, Stratford, ON N5A 6S2
    - v.     925 Mornington Street, Stratford, ON N5A 6S2
  - Including the customer located at the following addresses:
    - i.     688 Mornington Street, Stratford, ON N5A 5H2
    - ii.    730 Mornington Street, Stratford, ON N5A 5H2
    - iii.   732 Mornington Street, Stratford, ON N5A 5H2



- iv. 734 Mornington Street, Stratford, ON N5A 5H2
  - v. 736 Mornington Street, Stratford, ON N5A 5H2
  - vi. 740 Mornington Street, Stratford, ON N5A 5H2
  - vii. 742 Mornington Street, Stratford, ON N5A 5H2
  - viii. 3200 37<sup>th</sup> Line, Stratford, ON N5A 6S2
7. The former Village of Zurich as of September 1998 including the following customers outside the village boundary, now in the Municipality of Bluewater:
- the ball diamond at 23 East Street,
  - the residential customers at #'s 37893, 37896, 38107, 38110 (2 units), 38111, 38114, 38116, 38117, 38119 Hensall Road, and
  - the bowling alley at 38120 Hensall Road.
8. The Municipality of the City of Stratford as at February 2002, and Lot 3, Concession 2 in the Township of Perth East, Ellice Ward, Part 1 of Plan 44R-4354 (City of Stratford Recreation Complex).
9. Part of PIN 53272-0127 (LT) specifically Parts 3, 4, 5, 6, 7, and 8 being Part Lot C, Concession 3 in the City of Stratford.
10. Part of PIN 53272-0062 (LT) specifically Parts 12, 13, 14, 15, 16 and 17 being Part Lot 4, Concession 3 in the City of Stratford.
11. Part of Lot 6, Concession 1 in the City of Stratford, County of Perth.
12. Part of Lots 3 & 4 and all of blocks S, U & V, Concession 2 (Geographic Township of Ellice), Registered Plan No. 11, City of Stratford, County of Perth.
13. 42909 and 42971 Huron Road, Seaforth.
14. Part of Lot 5, Concession 2 (Geographic Township of Ellice), Registered Plan No. 11, City of Stratford, County of Perth.
15. Part of Lots 3 & 4, Concession 2 (Geographic Township of Ellice), Registered Plan No. 11, City of Stratford, County of Perth.
16. The customers located at the following addresses in the Township of Perth South, formerly known as Township of Downie, Township of Blanshard, as at December 31, 1997
- 84 O'loane Avenue, Downie, ON N5A 6S4
  - 104 O'loane Avenue, Downie, ON N5A 6S4
  - 128 O'loane Avenue, Downie, ON N5A 6S4
  - 290 O'loane Avenue, Downie, ON N5A 6S4
  - 300 O'loane Avenue, Downie, ON N5A 6S4
  - 576 O'loane Avenue, Downie, ON N4X 1C6
  - 606 O'loane Avenue West, Downie, ON K0L 1L0
  - 620 O'loane Avenue West, Downie, ON K0L 1L0
  - 636 O'loane Avenue West, Downie, ON K0L 1L0
  - 1917 James Street South, Blanshard, ON N0B 2P0

17. Part Lot 6, Concession 1 (Geographic Township of Downie), in the City of Stratford.
18. Part Lots 3 and 4, Concession 2 Ellice, City of Stratford, County of Perth, municipally known as 4117 Perth Line 36 and 450 McCarthy Rd. West, Stratford, ON.
19. Part of Lot 5, Concession 2, City of Stratford, County of Perth. Developed as Countryside Estates – Phase 3.
20. Part of Lot 2, part of Lot 3 and part of Lot 4, Concession 5, Geographic Township of Downie, now the Township of Perth South, County of Perth.

**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.
2.        The Licensee is exempt from the requirement to implement time-of-use pricing as of the mandatory date for RPP customers with eligible time-of-use meters as required under the Standard Supply Service Code for Electricity Distributors. The mandatory time-of-use pricing date exemption expires on April 30, 2012.

## **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.