



Electricity Distribution Licence

ED-2002-0540

Lakeland Power Distribution Ltd.

Valid Until

January 30, 2043

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

Date of Issuance: January 31, 2023

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LIST OF AMENDMENTS

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EB-2002-0540	October 15, 2003 - original licence issue date
EB-2010-0216	November 12, 2010
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1 Definitions

In this Licence:

“Accounting Procedures Handbook” means the handbook, approved by the Ontario Energy 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;

“distribution services” means services related to the distribution of electricity and the services the Ontario Energy 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;

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

“IESO” means the Independent Electricity System Operator;

“Licensee” means Lakeland Power Distribution Ltd.;

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

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

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

“service area” means the area in which the distributor is authorized by its licence to distribute electricity;

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 Ontario Energy Board, except where the Licensee has been specifically exempted from such compliance. 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.

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.

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 Ontario Energy 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.

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 Ontario Energy 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 Ontario Energy 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 Ontario Energy Board may determine.

14 Provision of Information to the Ontario Energy Board

- 14.1 The Licensee shall maintain records of and provide, in the manner and form determined by the Ontario Energy Board, such information as the Ontario Energy Board may require from time to time.
- 14.2 Without limiting the generality of paragraph 14.1, the Licensee shall notify the Ontario Energy 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; and
- d) give or send free of charge a copy of the process to any person who reasonably requests it.

17 Term of Licence

- 17.1 This Licence shall take effect on January 31, 2023 and expire on January 30, 2043. The term of this Licence may be extended by the Ontario Energy Board.

18 Fees and Assessments

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

19 Communication

- 19.1 The Licensee shall designate a person that will act as a primary contact with the Ontario Energy Board on matters related to this Licence. The Licensee shall notify the Ontario Energy 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 Pole Attachments

21.1 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 Ontario Energy Board and included in the Licensee's tariff.

21.2 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 Ontario Energy Board;
- b) credit that net revenue against its revenue requirement subject to Ontario Energy 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. In the former Town of Bracebridge as at April 1, 1999, the service area:
 - South West corner of Muskoka Concession 10 Lot 14 and goes East along Concession 10 to the South East corner of Muskoka Concession 10 Lot 1.
 - It then goes south along the border of Muskoka Lot 2, Concession 9 and Muskoka Lot 1, Concession 9 to the southwest corner of Muskoka Lot 1, Concession 8. It then turns easterly along the border of Muskoka Lot 1, Concession 7 and Muskoka Lot 1, Concession 8. It then follows an irregular line along the west and south edges of the registered properties known as 1181 and 1188 Campbell's Road, Gravenhurst to the border of Muskoka Lot 1, Concession 7 and Draper Lot A Concession 7 approximately 125m south of the Draper Lot 1, Concession 8 and Draper Lot A, Concession 7 border.
 - It then goes south along the Muskoka and Draper Concession Border to the South West Corner of Muskoka Concession 7 Lot 1. It then continues East North East until it reaches the west corner of Draper Concession 7 Lot A. It continues South East to the South West Corner of Draper Concession 7 Lot A. It then continues East North East along Draper Concession 6 and Draper Concession 7 border to the corner of Draper Concession 7 Lot 4.
 - It then goes North North West to the North West corner of Draper Concession 12 Lot 5. It then follows the West side of Hwy 11 until 100m West of the corner of Macaulay Concession 2 Lot 7.
 - It then continues East North East between Macaulay Concession 1 and Macaulay Concession 2 to the South West corner of Macaulay Concession 2 Lot 21.
 - Then it goes North North West to the North East corner of Macaulay Concession 5 Lot 21. It then goes West South West along the border of Macaulay Concession 6 and Macaulay Concession 5 to the East side of Hwy 11 and heads North North West along Hwy. 11 to 50m East of the corner of Macaulay Concession 7 Lot 8.
 - It then goes West South West along the border of Macaulay Concession 7 and Macaulay Concession 8 to the North West corner of Macaulay Concession 7 Lot 1. Three addresses within Concession 7 Lot 2 are excluded.
 - It then goes North North West to the corner of Monck Concession A Lot 13 and heads West South West to the North West corner of Monck Concession A Lot 13. It then goes South South West to the North East corner of Monck Concession 7 Lot 3.
 - It continues West South West to the North West corner of Monck Concession 7 Lot 4. It continues South South East to the North West corner of Monck Concession 6 Lot 4.
 - It continues West South West along the border of Monck Concession 7 and Monck Concession 6/5 to the North West Corner of Monck Concession 6 Lot 5. It then continues

South South East to the North Edge of the property lines at Monck Concession 5 Lot 6. It follows the North Edge of the property lines to the South West.

- It then heads South South East 800m into Lake Muskoka, then 2350m East South East in Lake Muskoka.
 - It then continues 2130m South East in Lake Muskoka and then goes South South West 1790m in Lake Muskoka, then goes South East 1090m in Lake Muskoka and then heads South 2800m in Lake Muskoka.
 - It then heads East to the Shore of Muskoka Concession 9 Lot 14 then heads North North East to the South West Corner of Concession 10 Lot 14.
 - Includes Islands of Auburn Island, Ennis Island, Caisse Island, Sandspit Island, McVittie Island, Peninsula Island, Summer Island and Frank Island;
 - Excluding customers at the following addresses:
 - i. 154 Beaumont Drive
 - ii. 1987 Manitoba Street, Bracebridge, ON P1L 1W9
 - iii. 1981 Manitoba Street, Bracebridge, ON P1L 1W9
 - Including customers at the following addresses:
 - i. 1007 Crawford Road, Bracebridge, ON
 - ii. 1010 Crawford Road, Bracebridge, ON
 - iii. 1025 Crawford Road, Bracebridge, ON
 - iv. 1033 Crawford Road, Bracebridge, ON
 - v. 1016 Partridge Lane, Bracebridge, ON
 - vi. 1048 Partridge Lane, Bracebridge, ON
 - vii. 1060 Partridge Lane, Bracebridge, ON
 - viii. 1086 Partridge Lane, Bracebridge, ON
 - ix. 1108 Partridge Lane, Bracebridge, ON
 - x. 1122 Partridge Lane, Bracebridge, ON
 - xi. 1004 Pearcey Lane, Bracebridge, ON
 - xii. 1015 Pearcey Lane, Bracebridge, ON
 - xiii. 1031 Pearcey Lane, Bracebridge, ON
 - xiv. 1030 Boyd Bay Road, Bracebridge, ON
 - xv. 1038 Boyd Bay Road, Bracebridge, ON
 - xvi. 1040 Boyd Bay Road, Bracebridge, ON
 - xvii. 1044 Boyd Bay Road, Bracebridge, ON
 - xviii. 1046 Boyd Bay Road, Bracebridge, ON
 - xix. 1048 Boyd Bay Road, Bracebridge, ON
2. The former Village of Sundridge as at July 3, 1963.
3. The Village of Burk's Falls as at March 1, 1951 in the district of Parry Sound.
4. The former town of Huntsville as of December 31, 1970,
- Excluding the consumer located at 61 Domtar Road,

- Including the customers (12) located at the following addresses:
 - i. 20 Dairy Lane, Huntsville, ON P1H 1L4
- 5. The former village of Magnetewan as of December 31, 1997, now in the Township of Magnetewan.
 - Excluding the customers located at the following addresses:
 - i. 13 Billschwamm Road, Magnetewan, ON P0A 1P0
 - ii. 289 Victoria Street, Magnetewan, ON P0A 1P0
 - iii. 277 Victoria Street, Magnetewan, ON P1O 1Z0
- 6. The Town of Parry Sound as of January 1, 1982,
 - Excluding the customers located at the following addresses:
 - i. 65 Harris Drive, Parry Sound, ON P2A 0C3
 - ii. 78 Harris Drive, Parry Sound, ON P2A 0C3
 - iii. 21 Townview Trail, Parry Sound, ON P2A 2X3
 - iv. 19 Townview Trail, Parry Sound, ON P2A 2X4
 - v. 15 Townview Trail, Parry Sound, ON P2A 2X2
 - vi. 0 Oak Island, Parry Sound, ON
 - vii. 25 South Channel Road, Parry Sound, ON
 - viii. 18 Deep Water Road, Parry Sound, ON
 - ix. 10 Deep Water Road, Parry Sound, ON
 - x. 16 Deep Water Road, Parry Sound, ON
 - xi. 0 South Channel Road, Parry Sound, ON
 - xii. 27 South Channel Road, Parry Sound, ON
 - xiii. 13 South Channel Road, Parry Sound, ON
 - xiv. 5 South Channel Road, Parry Sound, ON
 - xv. 19 South Channel Road, Parry Sound, ON
 - xvi. 17 South Channel Road, Parry Sound, ON
 - xvii. 1180 Geewadin Road, Parry Sound, ON
 - xviii. 1175 Geewadin Road, Parry Sound, ON
 - xix. 1171 Geewadin Road, Parry Sound, ON
 - xx. 1179 Geewadin Road, Parry Sound, ON
 - xxi. 1183 Geewadin Road, Parry Sound, ON
 - xxii. 1187 Geewadin Road, Parry Sound, ON
 - xxiii. 1191 Geewadin Road, Parry Sound, ON
 - xxiv. 1167 Geewadin Road, Parry Sound, ON
 - xxv. 1207 Geewadin Road, Parry Sound, ON
 - xxvi. 1210 Geewadin Road, Parry Sound, ON
 - xxvii. 1195 Geewadin Road, Parry Sound, ON
 - xxviii. 1196 Geewadin Road, Parry Sound, ON
 - xxix. 1208 Geewadin Road, Parry Sound, ON
 - xxx. 1213 Geewadin Road, Parry Sound, ON
 - xxxi. 1221 Geewadin Road, Parry Sound, ON
 - xxxii. 1217 Geewadin Road, Parry Sound, ON
 - xxxiii. 1220 Geewadin Road, Parry Sound, ON
 - Including the customers located at the following addresses:
 - i. 5 Hwy 69, Parry Sound, ON P0G 1A0
 - ii. Limbert's Island Premise One Parry Sound ON

- iii. Limbert's Island Premise Two Parry Sound ON

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 by the Ontario Energy Board.

SCHEDULE 3 LIST OF CODE EXEMPTIONS

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

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.