



Electricity Distribution Licence

ED-2003-0014

Milton Hydro Distribution Inc.

Valid Until

January 30, 2043

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

Date of Issuance: January 31, 2023

Ontario Energy Board
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LIST OF AMENDMENTS

Board File No.	Date of Amendment
EB-2008-0398	April 16, 2009 – original licence issue date
EB-2010-0216	November 12, 2010
EB-2010-0308	January 18, 2011
EB-2012-0065	March 16, 2012
EB-2014-0324	December 18, 2014
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EB-2017-0143	June 29, 2017
EB-2017-0210	June 29, 2017
EB-2017-0218	June 29, 2017
EB-2017-0239	June 29, 2017
EB-2017-0242	June 29, 2017
EB-2017-0318	February 8, 2018
EB-2018-0260	November 8, 2018
EB-2019-0167	September 12, 2019
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EB-2022-0311	January 31, 2023 – licence renewal date
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1 Definitions

In this Licence:

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

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

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

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

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

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

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

“**Licensee**” means Milton Hydro Distribution Inc.;

“**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 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 January 31, 2023, and expire on January 30, 2043. 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 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 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 Board;
- b) credit that net revenue against its revenue requirement subject to Board approval in rate proceedings; and
- c) provide access for wireless attachments to its poles on commercial terms normally found in a competitive market.

SCHEDULE 1 DEFINITION OF DISTRIBUTION SERVICE AREA

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

1. The Town of Milton as of December 31, 1990, excluding the following municipal addresses:
 - 5073 Bell School Line
 - 5073 Bell School Line
 - 5741 Bell School Line
 - 4087 Eglinton Avenue West
 - The lands located on the west side of Ninth Line beginning with municipal address 4496 up to and including municipal address 6432
 - 2586 Eramosa/Milton Townline
 - 3158 Eramosa/Milton Townline
 - 3188 Eramosa/Milton Townline
 - 3234 Eramosa/Milton Townline
 - 3284 Eramosa/Milton Townline
 - 4010 Eramosa/Milton Townline
 - 14276 Guelph Line
 - 14259 Guelph Line
 - 7051 Milborough Line
 - 7131 Milborough Line
 - 7151 Milborough Line
 - 7191 Milborough Line
 - 7199 Milborough Line
 - 7271 Milborough Line
 - 7291 Milborough Line
 - 7367 Milborough Line
 - 7385 Milborough Line
 - 7407 Milborough Line
 - 7411 Milborough Line
 - 7420 Ninth Line
 - 7491 Milborough Line
 - 7519 Milborough Line
 - 7553 Milborough Line
 - 7575 Milborough Line
 - 7579 Milborough Line
 - 7651 Milborough Line
 - 7707 Milborough Line
 - 7711 Milborough Line
 - 7755 Milborough Line
 - 7799 Milborough Line
 - 8159 Milborough Line
 - 8223 Milborough Line
 - 8251 Milborough Line
 - 8327 Milborough Line
 - 1025 Arkell Road

- 1057 Arkell Road
- 1083 Arkell Road
- 1165 Arkell Road
- 1180 Arkell Road
- 1187 Arkell Road
- 1200 Arkell Road
- 1218 Arkell Road
- 1250 Arkell Road
- 1269 Arkell Road
- 1308 Arkell Road
- 14070 Eden Estates Court
- 14072 Eden Estates Court
- 14074 Eden Estates Court
- 14075 Eden Estates Court
- 14076 Eden Estates Court
- 14077 Eden Estates Court
- 14080 Eden Estates Court
- 13719 First Line Nassagaweya
- 13761 First Line Nassagaweya
- 14089 First Line Nassagaweya
- 14106 First Line Nassagaweya
- 14125 First Line Nassagaweya
- 14140 First Line Nassagaweya
- 14150 First Line Nassagaweya
- 14254 First Line Nassagaweya
- 14258 First Line Nassagaweya
- 14310 First Line Nassagaweya
- 14350 First Line Nassagaweya
- 4315 Concession 11
- 11451 Midway Lane
- 11497 Midway Lane
- 11525 Midway Lane
- 12067 Nassagaweya-Puslinch Townline
- 12187 Nassagaweya-Puslinch Townline
- 12225 Nassagaweya-Puslinch Townline
- 12383 Nassagaweya-Puslinch Townline
- 12453 Nassagaweya-Puslinch Townline
- 12535 Nassagaweya-Puslinch Townline
- 12557 Nassagaweya-Puslinch Townline
- 12601 Nassagaweya-Puslinch Townline
- 12613 Nassagaweya-Puslinch Townline
- 12671 Nassagaweya-Puslinch Townline
- 13039 Nassagaweya-Puslinch Townline
- 13085 Nassagaweya-Puslinch Townline
- 13151 Nassagaweya-Puslinch Townline
- 13179 Nassagaweya-Puslinch Townline
- 13265 Nassagaweya-Puslinch Townline
- 13373 Nassagaweya-Puslinch Townline
- 13445 Nassagaweya-Puslinch Townline

- 1062 Seventeen Side Road
- 1075 Seventeen Side Road
- 1005 Twenty Side Road
- 1038 Twentyfive Side Road
- 4050 Highway 7
- 5654 Highway 7
- Crewsons Line & Highway 7 – CN Crossing
- 14130 Crewsons Line
- 14146 Crewsons Line
- 14166 Crewsons Line
- 14200 Crewsons Line
- 10580 Nassagaweya Esquesing Townline
- 10664 Nassagaweya Esquesing Townline
- 10670 Nassagaweya Esquesing Townline
- 11040 Nassagaweya Esquesing Townline
- 11192 Nassagaweya Esquesing Townline
- 11196 Nassagaweya Esquesing Townline
- 11200 Nassagaweya Esquesing Townline
- 11276 Nassagaweya Esquesing Townline
- 5565 Fifteen Side Road
- 5593 Fifteen Side Road
- 5657 Fifteen Side Road
- 3003 Burnhamthorpe Road West
- 4034 Regional Road 25
- 4090 Regional Road 25

2. Customers in the City of Burlington at the following municipal addresses:

- 5222 No. 1 Side Road
- 5244 No. 1 Side Road
- 5300 No. 1 Side Road
- 6080 Bell School Line
- 6100 Bell School Line
- 6144 Bell School Line
- 6220 Bell School Line
- 6550 Bell School Line
- 6500 Bell School Line
- 2576 Derry Road
- 2580 Derry Road
- 2584 Derry Road
- 5274 Derry Road
- 5192 Derry Road
- 5184 Derry Road
- 5150 Derry Road
- 5150 Derry Road
- 5150 Derry Road
- 5118 Derry Road
- 4316 Derry Road
- 4280 Derry Road

- 4262 Derry Road
- 4240 Derry Road
- 4220 Derry Road
- 4200 Derry Road
- 4140 Derry Road
- 4130 Derry Road
- 4110 Derry Road
- 4082 Derry Road
- 4050 Derry Road
- 4030 Derry Road
- 4020 Derry Road
- 4006 Derry Road
- 3900 Derry Road
- 3800 Derry Road
- 3700 Derry Road
- 3200 Derry Road
- 3154 Derry Road
- 2192 Derry Road
- 2180 Derry Road
- 2130 Derry Road
- 1200 Derry Road
- 6719 McNiven Road
- 6740 McNiven Road

3. Customers in the Township of Puslinch at the following municipal addresses:

- 4052 Milborough Line
- 4082 Darkwood Road
- 4108 Darkwood Road
- 4114 Darkwood Road
- 4120 Darkwood Road
- 4126 Darkwood Road
- 4166 Darkwood Road
- 4178 Darkwood Road
- 4194 Darkwood Road

4. Customers in the Township of Guelph/Eramosa at the following municipal addresses:

- 8456 Highway 7
- 8470 Highway 7
- 8532 Highway 7
- 8540 Highway 7
- 8554 Highway 7
- 8572 Highway 7
- 8584 Highway 7
- 8610 Highway 7
- 8616 Highway 7
- 8654 Highway 7
- 8656 Highway 7

- 8658 Highway 7
 - 8662 Highway 7
 - 8668 Highway 7
 - 8676 Highway 7
 - 100 Fellows Drive
5. Customers in the City of Hamilton at the following municipal addresses:
- 2161 Milborough Line
 - 2177 Milborough Line
 - 2185 Milborough Line
 - 2199 Milborough Line
 - 2259 Milborough Line
 - 2063 Milborough Line
6. Customers in the Town of Halton Hills at the following municipal addresses:
- 9285 Townline Road
 - 9321 Townline Road
 - 13335 Townline Road
7. Customers in the Town of Oakville at the following municipal addresses:
- 3114 Burnhamthorpe Road West
 - 3164 Burnhamthorpe Road West
 - 3326 Burnhamthorpe Road West
 - 3328 Burnhamthorpe Road West
 - 3364 Burnhamthorpe Road West
 - 3388 Burnhamthorpe Road West
 - 3406 Burnhamthorpe Road West
 - 3414 Burnhamthorpe Road West
 - 3466 Burnhamthorpe Road West
 - 4269 Bronte Road
 - 4289 Bronte Road
 - 4343 Bronte Road
 - 4449 Bronte Road
 - 1470 Lower Base Line Road West
 - 1556 Lower Base Line Road West
 - 1670 Lower Base Line Road West
 - 2026 Lower Base Line Road West
 - 2400 Lower Base Line Road West
 - 2410 Lower Base Line Road West
 - 2156 Lower Base Line Road West
 - 2170 Lower Base Line Road West
 - 2194 Lower Base Line Road West
 - 4268 Fourth Line
 - 4278 Fourth Line
 - 4414 Fourth Line

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.

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.

zNothing 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.