

500 Consumers Road
North York, Ontario
M2J 1P8
PO Box 650
Scarborough ON M1K 5E3

Lesley Austin
Regulatory Coordinator
Regulatory Proceedings
phone: (416) 495-6505
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VIA COURIER AND RESS

May 3, 2010

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, Ontario
M4P 1E4

Dear Ms. Walli:

**Re: Enbridge Gas Distribution Inc. (“Enbridge”) Application for Franchise
Renewal with the Town of Ajax (“Town”)**

Enbridge wishes to apply to the Ontario Energy Board (the “Board”) for an order granting approval for the renewal of its franchise with the Town, using the 2000 Model Franchise Agreement. The agreement between the Town and Enbridge is set to expire on October 9, 2010.

Enbridge is submitting this application through the Board’s RESS system; as well please find enclosed two paper copies of the following:

1. The aforementioned application,
2. Schedule A – Map showing the location of the Town of Ajax,
3. Schedule B – By-Law No. 53-75 and Franchise Agreement – March 8, 1976,
4. Schedule C – The Certificate of Public Convenience and Necessity for the Town of Ajax (FBC 75) – August 20, 1956,
5. Schedule D – The Certificate of Public Convenience and Necessity for the former Village of Pickering (FBC 10) – May 15, 1956, and
6. Schedule E – The signed Resolution from the Town, the form of the by-law and the proposed model franchise agreement.

Enbridge looks forward to receiving the direction from the Board in this matter.

2010-05-03
Ms. Kirsten Walli
Page 2

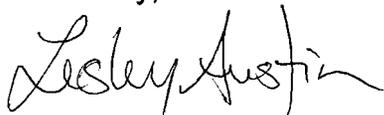
The contact information for this matter follows below:

Corporation of the Town of Ajax
65 Harwood Avenue South
Ajax, Ontario L1S 2H9
Tel: (905) 683-4550
Fax: (905) 683-1061
Attn: Martin de Rond
Town Clerk

Enbridge Gas Distribution Inc. (Head Office)
500 Consumers' Road
Toronto, Ontario M2J 1P8
Tel: (416) 495-5499 or 1-888-659-0685
Fax: (416) 495-6072
Email: EGDRRegulatoryProceedings@Enbridge.com
Attn: Tania Persad
Senior Legal Counsel, Regulatory

Enbridge Gas Distribution Inc. (Regional Office)
1350 Thorton Road S.
Oshawa ON L1J 8C4
Tel: 905-436-7025
Fax: 905-436-7029
Attn: Michael Wagle
Operations Manager – Central Region

Sincerely,



Lesley Austin
Regulatory Coordinator

Attachment

cc: Tania Persad – EGD, Senior Legal Counsel, Regulatory
Michael Wagle – Operations Manager – Central Region

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Municipal Franchises Act*,
R.S.O. 1990, c. M.55; as amended;

AND IN THE MATTER OF an application by
Enbridge Gas Distribution Inc. for an order extending
the term of the right to construct or operate works for
the distribution of gas, and the right to extend or add
to the works, in the Town of Ajax.

A P P L I C A T I O N

1. Enbridge Gas Distribution Inc. (the "Applicant") is an Ontario corporation with its head office in the City of Toronto.
2. The Corporation of the Town of Ajax ("Corporation") is a municipal Ontario corporation with its head office at 65 Harwood Avenue South, Ajax, Ontario, L1S 2H9. The Corporation's City Clerk is Mr. Martin de Rond. Attached hereto and marked as Schedule "A" is a map showing the geographical location of the Town of Ajax ("Municipality").
3. The Applicant and the Corporation are party to a municipal gas franchise agreement. Attached hereto and marked as Schedule "B" is a copy of the franchise agreement and by-law 53-75 enacted March 8, 1976. Section 12.(a) of the franchise agreement states that the current agreement will expire on October 9, 2010.
4. The Applicant possesses two certificates of public convenience and necessity ("Certificate") for the geographical area of the Corporation permitting it to distribute, store and transmit gas in the Municipality. Attached hereto and marked as Schedule "C" is the Certificate for the Town of Ajax, F.B.C. 75, August 20, 1956. Also attached hereto and marked as Schedule "D" is the Certificate for the former Village of Pickering, F.B.C. 10, May 15, 1956. As part of the creation of the Durham Region in 1974, on January 1, 1974 the former Village of Pickering was amalgamated to become part of the Town of Ajax.
5. The Applicant wishes to renew its municipal gas franchise with the Corporation and to continue serving the Municipality in accordance with the Certificates. The Applicant respectfully submits that it is in the public interest to do so. Attached hereto and marked as Schedule "E" is the Corporation's signed resolution, the draft by-law granting to the Applicant the franchise renewal, and a copy of the proposed franchise agreement between the Applicant and the Corporation ("the Agreement").

6. The proposed franchise agreement is in the form of the Ontario Energy Board ("Board") approved 2000 Model Franchise Agreement, with no amendments and is for a term of twenty years.
7. The Applicant hereby applies to the Board, pursuant to Section 9 of the *Municipal Franchises Act*, R.S.O. c. M.55, for:
 - i) an Order renewing the Applicant's right to distribute, store, and transmit gas in and through the Municipality for such period of time and upon the terms set out in the Agreement, or as may otherwise be prescribed by the Board; and
 - ii) an Order directing and declaring that the assent of the municipal electors to the terms and conditions of the franchise agreement is not necessary.
8. The persons affected by this application are the customers and other residents in the Municipality. Because of the number of such persons, it is impractical to set out their names and addresses herein.

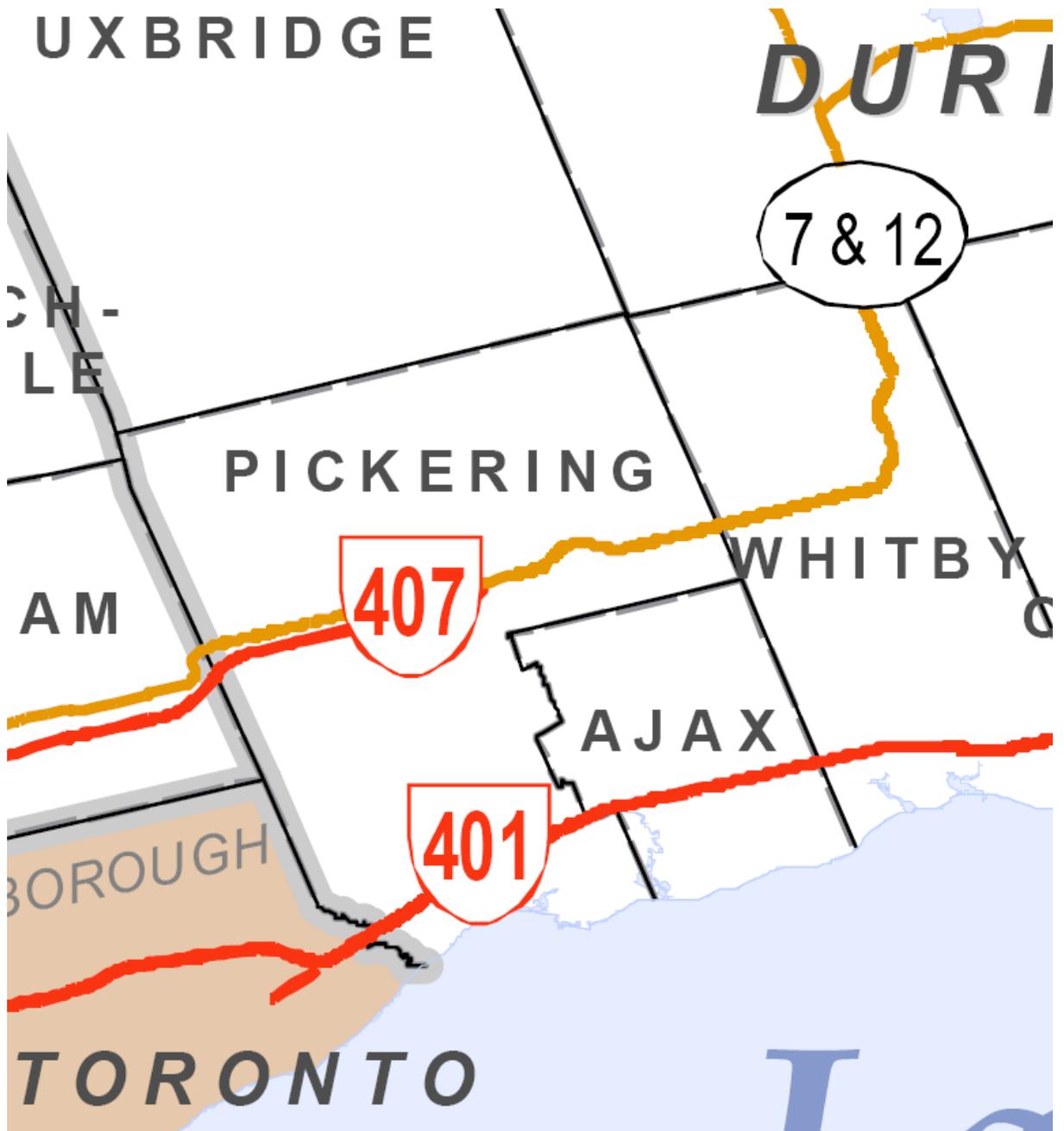
DATED at Toronto this 30th day of April, 2010.

ENBRIDGE GAS DISTRIBUTION INC.
500 Consumers Road
Toronto ON M2J 1P8
by its Solicitor



Tania Persad
Senior Legal Counsel, Regulatory
Tel: (416) 495-5891
Fax: (416) 495-5994
E-mail: Tania.Persad@enbridge.com

Mailing Address:
P.O. Box 650
Toronto ON M1K 5E3



THE CORPORATION OF THE TOWN OF AJAX

BY-LAW NUMBER 53-75

A By-law to authorize a Franchise Agreement between the Corporation and The Consumers' Gas Company

The Council of the Corporation of the Town of Ajax enacts as follows:

- 1. That the proposed Franchise Agreement with Consumers' Gas Company be and the same is hereby approved and authorized and the franchise provided for therein granted.
- 2. That the Mayor and Clerk are hereby authorized and instructed on behalf of the Corporation to enter into and execute under its Corporate Seal and deliver the aforesaid agreement annexed hereto which agreement is hereby incorporated into and shall form part of this by-law.
- 3. This By-law shall not come into force and take effect
 - (a) Until the assent of the electors of the Town of Ajax has been obtained thereto pursuant to subsection 1 of section 3 of The Municipal Franchises Act, or until such assent has been dispensed with by order of the Ontario Energy Board pursuant to The Municipal Franchises Act subsection 4 of section 9.
 - (b) Until the terms and conditions upon which and the period for which such franchise is to be granted have first been approved by the Ontario Energy Board as provided in Section 9 of The Municipal Franchises Act.

READ a first time this Twenty-Eighth day of July, 1975.

READ a second time this Twenty-Eighth day of July, 1975.

Mary A. Reid
.....
Acting Mayor

[Signature]
.....
Clerk

- (c) With respect to those parts of the Town which were on the 31st day of December, 1973 the Village of Pickering and part of the Township of Pickering, until the final passing of this By-law.

(d) With respect to that part of the Town which was on the 31st day of December, 1973 the Town of Ajax, until the final passing of this By-law or upon the expiration of By-law Number 152, which was passed by the Council of the former Town of Ajax on the 13th day of August, 1956, whichever shall last occur.

READ a third time and finally passed, as amended by order of the Ontario Energy Board, E.B.A. 176, this Eighth day of March, 1976.


.....
Mayor


.....
Clerk

Certified true copy of By-law Number 53-75 as witness my hand and the Seal of the Corporation.


.....
Clerk

THIS AGREEMENT made the 8th day of March, 1976

BETWEEN:

THE CONSUMERS' GAS COMPANY

hereinafter called the "Company"

OF THE FIRST PART

and

THE CORPORATION OF THE TOWN

OF AJAX

hereinafter called the "Municipality"

OF THE SECOND PART

WHEREAS the Company desires to distribute and sell gas (which term shall mean and include natural gas, manufactured gas, synthetic gas, or liquified petroleum gas, and includes any mixture of natural gas, manufactured gas, synthetic gas, or liquified petroleum gas* that is distributed by means other than a pipe line) in the Municipality upon the terms and conditions hereinafter set forth.

* but does not include a liquified petroleum gas

AND WHEREAS by By-law passed by the Council of the Municipality with the requisite assent thereto of the Ontario Energy Board, the Mayor and Clerk of the Municipality have been authorized and directed to execute, seal and deliver this Agreement on behalf of the Municipality.

NOW THEREFORE THIS AGREEMENT WITNESSETH that for valuable consideration, (the receipt and sufficiency of which is hereby acknowledged)

1. The consent, permission and authority of the Municipality are hereby given and granted to the Company, to supply gas to the Municipality and to the inhabitants thereof and to enter upon all highways now or at any time hereafter within the jurisdiction of the Municipality and to lay, maintain, operate and repair such mains and pipes as the Company may require therein and thereon for the transmission and supply of gas in and through the Municipality together with the right to construct, maintain and repair all necessary regulators, valves, curb boxes, safety appliances and other appurtenances that may be necessary in connection with the transmission and supply of gas in the Municipality.
2. The Company shall well and sufficiently restore forthwith to as good condition as they were in before the commencement of the Company's operation to the satisfaction of the Municipal Engineer (which term means from time to time such employee of the Municipality as the Municipality shall have designated as such for the purposes of this Agreement, or failing such designation, the senior employee of the Municipality for the time being charged with the administration of public works and highways in the Municipality) all highways, squares and public places which it may excavate or interfere with in the course of laying, constructing, or repairing or removing of its mains, pipes, regulators, valves, curb boxes, safety appliances and other appurtenances and shall make good any settling or subsidence thereafter caused by such excavation, and further, in the event of the Company failing at any time to do any work required by this Section the Municipality may forthwith have such work done and charged to and collect from the Company the cost thereof and the Company shall on demand pay any reasonable account therefor certified by the Municipal Engineer.
3. The Company shall at all times wholly indemnify the Municipality from and against all loss, damage and injury and expense to which the Municipality may be put by reason of any damage or injury to persons or property resulting from the imprudence, neglect or want of skill of the employees or agents of the Company in connection with the construction, repair, maintenance or operation by the Company of any of its works in the Municipality.

4. Except in the event of emergency no excavation, opening or work which shall disturb or interfere with the surface of any highway shall be made or done unless a permit therefor has first been obtained from the said Municipal Engineer and all such works shall be done under his supervision and to his satisfaction.

5. The location of all pipes and works on said highways shall be subject to the direction and approval of the Municipal Engineer and all such pipes and works, whenever it may be reasonable and practicable, shall be laid in and along the sides of said highways.

6. The Company before beginning any new work in the said Municipality under this Agreement, save and except lateral service pipes, shall file with the Municipal Engineer a plan drawn to scale showing the highways in which it proposes to lay mains, and pipes, and the particular parts thereof it proposes to occupy for any of such purposes together with definite written specifications of the mains, pipes and works proposed to be laid or constructed by it, specifying the materials and dimensions thereof, and the depth at which the same are to be laid, and similar plans and specifications shall be filed with the said Municipality of all extensions of, or additions to such mains, pipes, or works before any such extensions or addition shall be begun. Provided further that the Company shall provide the Municipal Engineer with a revised plan of the location of any main should there be any alteration in the plan originally filed with the Municipal Engineer.

7. The Company shall use at all times proper and practicable means to prevent the escape or leakage of gas from its mains and pipes and the causing of any damage or injury therefrom to any person or property.

8. The rates to be charged and collected and the terms of service to be provided by the Company for gas supplied by it under this franchise shall be the rates and the terms of service approved or fixed by the Ontario Energy Board or by any other person or body having jurisdiction to approve or fix such rates or terms of service. Any application to approve or fix rates to be charged and collected or terms of services to be provided by the Company for gas supplied by it shall be made in accordance with The Ontario Energy Board Act, R.S.O. 1970, Chapter 312, as amended from time to time or any other statute regulating such application.

9. The Municipality will not build or permit any Commission or other public utility or person to build any structure or structures encasing any mains or pipes of the Company.

10. (a) This Agreement and the respective rights and obligations hereunto of the parties hereto are hereby declared to be subject to the provisions of all regulating statutes and to all orders and regulations made thereunder and from time to time remaining in effect; and in event of any dispute or disagreement between the parties hereto as to the meaning or interpretation of anything herein contained or as to the performance or non-performance by either of such parties of any of the provisions hereof or as to the respective rights and obligations of the parties hereto hereunder, either or such parties may refer such dispute or disagreement to arbitration under the provisions of Paragraph 10 (b) hereof.

(b) Whenever The Municipal Arbitrations Act R.S.O. 1970, Chapter 287 shall extend and apply to the Municipality any references to arbitration pursuant to the provisions of Paragraph 10 (a) hereof shall be to the Official Arbitrator appointed under the Act and shall be governed by the provisions of that Act. At any other time the procedure upon an arbitration pursuant to the provisions of the said Paragraph 10 (a) shall be as follows:

Within twenty days after the written request of either of the parties hereto for arbitration each of them shall appoint one arbitrator and the two so appointed shall, within twenty days after the expiring of such twenty day period select a third. In case either of the parties hereto shall fail to name an arbitrator within twenty days after the said written request for arbitration, the arbitrator appointed shall be the only arbitrator. In case the two arbitrators so appointed are unable to agree on a third arbitrator within twenty days after the expiry of the first twenty day period above mentioned, application shall be made as soon as reasonably possible to any Judge of the Supreme Court of Ontario for the appointment of such third arbitrator. The arbitrator or arbitrators so appointed shall have all the powers accorded arbitrators by The Arbitration Act, R.S.O. 1970, Chapter 25 as from time to time amended, or any Act in substitution therefor. The decision of the said arbitrator or arbitrators (or of a majority of such arbitrators) shall be final and binding on the parties hereto.

11. In the event of the Company being prevented from carrying out its obligations under this Agreement by reason of any cause beyond its control, the Company shall be relieved from such obligations while such disability continues and in the event of dispute as to the existence of such disability such dispute shall be determined as hereinbefore provided. Provided, however, that the provisions of this Paragraph 11 shall not relieve the Company from any of its obligations as set out in Paragraph 3 hereof.

12. (a) Except as hereinafter provided the franchise hereby granted shall be for a term commencing with the final passing of the by-law and ending on the 9th day of October, 2010, provided that with respect to that part of the Municipality which was, prior to December 31, 1973, the Town of Ajax, the franchise hereby granted shall be for a term commencing with the final passing of the by-law or the expiration of by-law No. 152 which was passed by the former Town of Ajax on the 13th day of August, 1956, whichever shall last occur and ending on the 9th day of October, 2010.

12. (b) If at any time prior to the expiration of the term of this Agreement or any renewal thereof, the Company shall notify the Municipality in writing that it desires a renewal thereof for a further period, the Municipality may but shall not be obliged to renew by by-law the Agreement from time to time for further periods not exceeding thirty-five years at any time.

13. The Company shall pay the cost, charges and expenses of the Municipality and of its Solicitor of and incidental to, the preparation and passing of such By-law and this Agreement.

14. For the purpose of this Agreement and of any matters arising out of same the Municipality shall act by the Council thereof.

15. Wherever the word "highway" is used in this Agreement or in the said By-law it shall mean common and public highways and shall include any bridge forming part of a highway on or over and across which a highway passes and any public square, or road allowance and shall include not only the travelled portion of such highway but also ditches, driveways, sidewalks and sodded areas forming part of the road allowance.

16. Upon the expiration of this franchise or any renewal thereof the Company shall have the right, but nothing herein contained shall require it, to remove its mains, pipes, plant and works laid in the said highway. Provided that forthwith upon the expiration of this franchise or any renewal thereof the Company shall deactivate such pipeline in the Municipality. Provided further that if the Company should leave its mains, pipes, plants and works in the highway as aforesaid and the Municipality at any time after a lapse of one year from termination require the removal of all or any of the Company's said facilities for the purpose of altering or improving the highway or in order to facilitate the construction of utility or other works in the highway the Municipality may remove and dispose of so much of the Company's said facilities as the Municipality may require for such purposes and neither party shall have recourse against the other for any loss, cost or expense occasioned thereby.

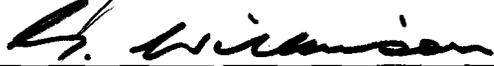
17. Any notice to be given under any of the provisions hereof may be effectually given to the Municipality by delivering the same to the Municipal Clerk or by sending the same to him by registered mail, postage prepaid, addressed to "the Clerk of the Corporation of the Town of Ajax, Ontario," and to the Company by delivering the same to its Manager or other Chief Officer in charge of its place of business in the Town of Whitby, or by sending the same by registered mail, postage prepaid, addressed to "The Consumers' Gas Company, 19 Toronto Street, Toronto, Ontario M5C 2E8." If any notice is sent by mail the same shall be deemed to have been given on the day succeeding the posting thereof.

18. This Agreement shall extend to, benefit and bind the parties thereto, their successors and assigns, respectively.

IN WITNESS WHEREOF the said Company has hereunto caused its Corporate Seal to be affixed and these presents signed by its proper officers in that behalf and the said Corporation has hereunto caused its Corporate Seal to be affixed and these presents signed by the Municipality and Clerk.

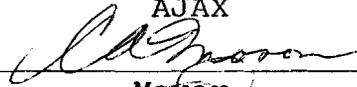
THE CONSUMERS' GAS COMPANY





THE CORPORATION OF THE TOWN OF

AJAX



Mayor



Clerk

BY LAW # 53-75

The Corporation of the Town
of Ajax

-- and --

The Consumers' Gas Company

FRANCHISE AGREEMENT

AIRD, ZIMMERMAN & BERLIS
Barristers and Solicitors
15th Floor York Centre
145 King Street West
Toronto, Ontario
M5H 2J3

Solicitors for

The Consumers' Gas Company

THESE DOCUMENTS HAVE BEEN MICROFILMED

IN THE MATTER OF The Municipal Franchises Act, Chapter 249 R. S. O. 1950, Section 8 as amended, and

IN THE MATTER OF an Application by The Consumers' Gas Company of Toronto for a certificate of public convenience and necessity to construct works and to supply natural gas to the inhabitants of the Town of Ajax.

B E F O R E:

A. R. Crozier, Chairman } Monday, the 30th day of
W. R. Howard, Commissioner) July, 1956.

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

UPON THE APPLICATION OF The Consumers' Gas Company of Toronto (hereinafter referred to as the "Applicant") for a certificate pursuant to the provisions of The Municipal Franchises Act, R. S. O. 1950, Chapter 249, and amendments thereto, and upon the hearing of such application by the Board in the City of Toronto on the 30th day of July, 1956, after due notice of such hearing had been given as directed by the Board, in the presence of Counsel for the Applicant, no one else appearing, upon consideration of the evidence and exhibits produced at the hearing and upon hearing what was alleged by Counsel aforesaid.

1. THIS BOARD DOETH ORDER THAT a Certificate of Public Convenience and Necessity be and the same is hereby granted to The Consumers' Gas Company of Toronto for the supply of natural gas to the inhabitants of the Town of Ajax, for the construction of the works necessary therefor.
2. The Board fixes the costs of this Application at \$25.00 payable forthwith by the Application.

DATED at Toronto this 20th day of August, 1956.

ONTARIO FUEL BOARD
A. R. Crozier
.....
Chairman

W. R. Howard
.....
Commissioner

**IN THE MATTER OF The Municipal
Franchises Act, Chapter 249
R. S. O. 1950, Section 8 as
amended, and**

**IN THE MATTER OF an Application
by The Consumers' Gas Company of
Toronto for a certificate of public
convenience and necessity to con-
struct works and to supply natural
gas to the inhabitants of the Town
of Ajax**

**CERTIFICATE OF PUBLIC CONVENIENCE
AND NECESSITY**

THESE DOCUMENTS HAVE BEEN MICROFILMED

IN THE MATTER OF The Municipal Franchises Act, Chapter 249 R. S. O. 1950, Section 8 as amended, and

IN THE MATTER OF an Application by The Consumers' Gas Company of Toronto for a certificate of public convenience and necessity to construct works and to supply natural gas to the inhabitants of the Village of Pickering.

B E F O R E:

**A. R. Crozier, Chairman } the 9th day of
W. R. Howard, Commissioner } December, 1955**

**CERTIFICATE OF PUBLIC CONVENIENCE
AND NECESSITY**

UPON THE APPLICATION of The Consumers' Gas Company of Toronto (hereinafter referred to as the "Applicant") for a certificate pursuant to the provisions of The Municipal Franchises Act, R. S. O. 1950, Chapter 249, and amendments thereto, and upon the hearing of such application by the Board in the City of Toronto on the 9th day of December, 1955, after due notice of such hearing had been given as directed by the Board, in the presence of Counsel for the Applicant, Counsel for the Township of Pickering, Village of Markham and Village of Pickering, no one else appearing, upon consideration of the evidence and exhibits produced at the hearing and upon hearing what was alleged by Counsel aforesaid.

1. THIS BOARD DOETH ORDER THAT a certificate of Public Convenience and Necessity be and the same is hereby granted to The Consumers' Gas Company of Toronto for the supply of natural gas to the inhabitants of the Village of Pickering, for the construction of the works necessary therefor.

2. The Board fixes the costs of this Application at \$25.00 payable forthwith by the Applicant.

DATED at Toronto, this 15th day of May 1956.

ONTARIO FUEL BOARD

Algie
.....

W. R. Howard
.....

4

**IN THE MATTER OF The Municipal
Franchises Act, Chapter 249
R. S. O. 1950, Section 8 as
amended, and**

**IN THE MATTER OF an Application
by The Consumers' Gas Company
of Toronto for a certificate of
public convenience and necessity
to construct works and to supply
natural gas to the inhabitants
of the Village of Pickering.**

**CERTIFICATE OF PUBLIC
CONVENIENCE AND NECESSITY**



Extract of the Minutes of Council March 29, 2010

The following is a recommendation from the March 25, 2010 General Government Committee meeting ratified by Council of the Town of Ajax at its regular Meeting of Council held March 29, 2010. Amendments carried by Council with respect to the recommendation contained in the staff report are noted in bold.

4.4 Franchise Agreement with Enbridge Gas Distribution

Moved by: S. Crawford

1. That Council approves the form of draft By-law (including the franchise agreement forming part thereof) attached hereto and authorizes the submission thereof to the Ontario Energy Board for approval pursuant to the provisions of Section 9 of the Municipal Franchises Act.
2. That Council requests the Ontario Energy Board to make an order dispensing with the assent of the municipal electors of the attached draft By-law (including the franchise agreement forming part thereof) pursuant to the provisions of Section 9(4) of the Municipal Franchises Act.

CARRIED

Certified to be a true copy of a resolution passed by the Council of the Corporation of the Town of Ajax on the 26th day of April, 2010.



Blair Labelle, Deputy Clerk

THE CORPORATION OF THE TOWN OF AJAX (“CORPORATION”)

BY-LAW NUMBER _____

**A BY-LAW TO AUTHORIZE A FRANCHISE AGREEMENT
BETWEEN THE CORPORATION AND
ENBRIDGE GAS DISTRIBUTION INC.**

WHEREAS the Council of the Corporation deems it expedient to enter into the attached franchise agreement with Enbridge Gas Distribution Inc.;

AND WHEREAS the Ontario Energy Board by its Order issued pursuant to The Municipal Franchises Act on the _____ day of _____, 20____ has approved the terms and conditions upon which and the period for which the franchise provided for in the attached agreement is proposed to be granted, and has declared and directed that the assent of the municipal electors in respect of this By-law is not necessary;

NOW THEREFORE BE IT ENACTED:

1. That the attached franchise agreement between the Corporation and Enbridge Gas Distribution Inc. is hereby authorized and the franchise provided for therein is hereby granted.
2. That the Mayor and the Clerk are hereby authorized and instructed on behalf of the Corporation to enter into and execute under its corporate seal and deliver the aforesaid agreement, which agreement is hereby incorporated into and shall form part of this By-law.

Read the first and second time this _____ day of _____, 20____ .

Clerk

Mayor

Read the third time and ENACTED AND PASSED this _____ day of _____, 20____ .

Clerk

Mayor

Model Franchise Agreement

THIS AGREEMENT effective this day of , 20 .

BETWEEN: The Corporation of the Town of Ajax hereinafter called the
"Corporation"

- and -

Enbridge Gas Distribution Inc. hereinafter called the "Gas Company"

WHEREAS the Gas Company desires to distribute, store and transmit gas in the Municipality upon the terms and conditions of this Agreement;

AND WHEREAS by by-law passed by the Council of the Corporation (the "By-law"), the duly authorized officers have been authorized and directed to execute this Agreement on behalf of the Corporation;

THEREFORE the Corporation and the Gas Company agree as follows:

Part I - Definitions

1. In this Agreement:
 - a. "decommissioned" and "decommissions" when used in connection with parts of the gas system, mean any parts of the gas system taken out of active use and purged in accordance with the applicable CSA standards and in no way affects the use of the term 'abandoned' pipeline for the purposes of the Assessment Act;
 - b. "Engineer/Road Superintendent" means the most senior individual employed by the Corporation with responsibilities for highways within the Municipality or the person designated by such senior employee or such other person as may from time to time be designated by the Council of the Corporation;
 - c. "gas" means natural gas, manufactured gas, synthetic natural gas, liquefied petroleum gas or propane-air gas, or a mixture of any of them, but does not include a liquefied petroleum gas that is distributed by means other than a pipeline;
 - d. "gas system" means such mains, plants, pipes, conduits, services, valves, regulators, curb boxes, stations, drips or such other equipment

as the Gas Company may require or deem desirable for the distribution, storage and transmission of gas in or through the Municipality;

- e. "highway" means all common and public highways and shall include any bridge, viaduct or structure forming part of a highway, and any public square, road allowance or walkway and shall include not only the travelled portion of such highway, but also ditches, driveways, sidewalks, and sodded areas forming part of the road allowance now or at any time during the term hereof under the jurisdiction of the Corporation;
- f. "Model Franchise Agreement" means the form of agreement which the Ontario Energy Board uses as a standard when considering applications under the Municipal Franchises Act. The Model Franchise Agreement may be changed from time to time by the Ontario Energy Board;
- g. "Municipality" means the territorial limits of the Corporation on the date when this Agreement takes effect, and any territory which may thereafter be brought within the jurisdiction of the Corporation;
- h. "Plan" means the plan described in Paragraph 5 of this Agreement required to be filed by the Gas Company with the Engineer/Road Superintendent prior to commencement of work on the gas system; and
- i. whenever the singular, masculine or feminine is used in this Agreement, it shall be considered as if the plural, feminine or masculine has been used where the context of the Agreement so requires.

Part II - Rights Granted

- 2. To provide gas service:

The consent of the Corporation is hereby given and granted to the Gas Company to distribute, store and transmit gas in and through the Municipality to the Corporation and to the inhabitants of the Municipality.

3. To Use Highways.

Subject to the terms and conditions of this Agreement the consent of the Corporation is hereby given and granted to the Gas Company to enter upon all highways now or at any time hereafter under the jurisdiction of the Corporation and to lay, construct, maintain, replace, remove, operate and repair a gas system for the distribution, storage and transmission of gas in and through the Municipality.

4. Duration of Agreement and Renewal Procedures.

- a. If the Corporation has not previously received gas distribution services, the rights hereby given and granted shall be for a term of 20 years from the date of final passing of the By-law.

or

- b. If the Corporation has previously received gas distribution services, the rights hereby given and granted shall be for a term of 20 years from the date of final passing of the By-law provided that, if during the 20-year term this Agreement, the Model Franchise Agreement is changed, then on the 7th anniversary and on the 14th anniversary of the date of the passing of the By-law, this Agreement shall be deemed to be amended to incorporate any changes in the Model Franchise Agreement in effect on such anniversary dates. Such deemed amendments shall not apply to alter the 20-year term.
- c. At any time within two years prior to the expiration of this Agreement, either party may give notice to the other that it desires to enter into negotiations for a renewed franchise upon such terms and conditions as may be agreed upon. Until such renewal has been settled, the terms and conditions of this Agreement shall continue, notwithstanding the expiration of this Agreement. This shall not preclude either party from applying to the Ontario Energy Board for a renewal of the Agreement pursuant to section 10 of the Municipal Franchises Act.

Part III - Conditions

5. Approval of Construction
 - a. The Gas Company shall not undertake any excavation, opening or work which will disturb or interfere with the surface of the travelled portion of any highway unless a permit therefor has first been obtained from the Engineer/Road Superintendent and all work done by the Gas Company shall be to his satisfaction.
 - b. Prior to the commencement of work on the gas system, or any extensions or changes to it (except service laterals which do not interfere with municipal works in the highway), the Gas Company shall file with the Engineer/Road Superintendent a Plan, satisfactory to the Engineer/Road Superintendent, drawn to scale and of sufficient detail considering the complexity of the specific locations involved, showing the highways in which it proposes to lay its gas system and the particular parts thereof it proposes to occupy.
 - c. The Plan filed by the Gas Company shall include geodetic information for a particular location:
 - i. where circumstances are complex, in order to facilitate known projects, including projects which are reasonably anticipated by the Engineer/Road Superintendent, or
 - ii. when requested, where the Corporation has geodetic information for its own services and all others at the same location.
 - d. The Engineer/Road Superintendent may require sections of the gas system to be laid at greater depth than required by the latest CSA standard for gas pipeline systems to facilitate known projects or to correct known highway deficiencies.
 - e. Prior to the commencement of work on the gas system, the Engineer/Road Superintendent must approve the location of the work as shown on the Plan filed by the Gas Company, the timing of the work and any terms and conditions relating to the installation of the work.
 - f. In addition to the requirements of this Agreement, if the Gas Company proposes to affix any part of the gas system to a bridge, viaduct or other structure, if the Engineer/Road Superintendent approves this proposal, he may require the Gas Company to comply with special

conditions or to enter into a separate agreement as a condition of the approval of this part of the construction of the gas system.

- g. Where the gas system may affect a municipal drain, the Gas Company shall also file a copy of the Plan with the Corporation's Drainage Superintendent for purposes of the Drainage Act, or such other person designated by the Corporation as responsible for the drain.
- h. The Gas Company shall not deviate from the approved location for any part of the gas system unless the prior approval of the Engineer/Road Superintendent to do so is received.
- i. The Engineer/Road Superintendent's approval, where required throughout this Paragraph, shall not be unreasonably withheld.
- j. The approval of the Engineer/Road Superintendent is not a representation or warranty as to the state of repair of the highway or the suitability of the highway for the gas system.

6. As Built Drawings

The Gas Company shall, within six months of completing the installation of any part of the gas system, provide two copies of "as built" drawings to the Engineer/Road Superintendent. These drawings must be sufficient to accurately establish the location, depth (measurement between the top of the gas system and the ground surface at the time of installation) and distance of the gas system. The "as built" drawings shall be of the same quality as the Plan and, if the approved pre-construction plan included elevations that were geodetically referenced, the "as built" drawings shall similarly include elevations that are geodetically referenced. Upon the request of the Engineer/Road Superintendent, the Gas Company shall provide one copy of the drawings in an electronic format and one copy as a hard copy drawing.

7. Emergencies

In the event of an emergency involving the gas system, the Gas Company shall proceed with the work required to deal with the emergency, and in any instance where prior approval of the Engineer/Road Superintendent is normally required for the work, the Gas Company shall use its best efforts to immediately notify the Engineer/Road Superintendent of the location and nature of the emergency and the work being done and, if it deems appropriate, notify the police force, fire or other emergency services having jurisdiction. The Gas Company shall provide the Engineer/Road Superintendent with at least one 24 hour emergency contact for the Gas Company and shall ensure the contacts are current.

8. Restoration

The Gas Company shall well and sufficiently restore, to the reasonable satisfaction of the Engineer/Road Superintendent, all highways, municipal works or improvements which it may excavate or interfere with in the course of laying, constructing, repairing or removing its gas system, and shall make good any settling or subsidence thereafter caused by such excavation or interference. If the Gas Company fails at any time to do any work required by this Paragraph within a reasonable period of time, the Corporation may do or cause such work to be done and the Gas Company shall, on demand, pay the Corporation's reasonably incurred costs, as certified by the Engineer/Road Superintendent.

9. Indemnification

The Gas Company shall, at all times, indemnify and save harmless the Corporation from and against all claims, including costs related thereto, for all damages or injuries including death to any person or persons and for damage to any property, arising out of the Gas Company operating, constructing, and maintaining its gas system in the Municipality, or utilizing its gas system for the carriage of gas owned by others. Provided that the Gas Company shall not be required to indemnify or save harmless the Corporation from and against claims, including costs related thereto, which it may incur by reason of damages or injuries including death to any person or persons and for damage to any property, resulting from the negligence or wrongful act of the Corporation, its servants, agents or employees.

10. Insurance

- a. The Gas Company shall maintain Comprehensive General Liability Insurance in sufficient amount and description as shall protect the Gas Company and the Corporation from claims for which the Gas Company is obliged to indemnify the Corporation under Paragraph 9. The insurance policy shall identify the Corporation as an additional named insured, but only with respect to the operation of the named insured (the Gas Company). The insurance policy shall not lapse or be cancelled without sixty (60) days' prior written notice to the Corporation by the Gas Company.
- b. The issuance of an insurance policy as provided in this Paragraph shall not be construed as relieving the Gas Company of liability not covered by such insurance or in excess of the policy limits of such insurance.

- c. Upon request by the Corporation, the Gas Company shall confirm that premiums for such insurance have been paid and that such insurance is in full force and effect.

11. Alternative Easement

The Corporation agrees, in the event of the proposed sale or closing of any highway or any part of a highway where there is a gas line in existence, to give the Gas Company reasonable notice of such proposed sale or closing and, if it is feasible, to provide the Gas Company with easements over that part of the highway proposed to be sold or closed sufficient to allow the Gas Company to preserve any part of the gas system in its then existing location. In the event that such easements cannot be provided, the Corporation and the Gas Company shall share the cost of relocating or altering the gas system to facilitate continuity of gas service, as provided for in Paragraph 12 of this Agreement.

12. Pipeline Relocation

- a. If in the course of constructing, reconstructing, changing, altering or improving any highway or any municipal works, the Corporation deems that it is necessary to take up, remove or change the location of any part of the gas system, the Gas Company shall, upon notice to do so, remove and/or relocate within a reasonable period of time such part of the gas system to a location approved by the Engineer/Road Superintendent.
- b. Where any part of the gas system relocated in accordance with this Paragraph is located on a bridge, viaduct or structure, the Gas Company shall alter or relocate that part of the gas system at its sole expense.
- c. Where any part of the gas system relocated in accordance with this Paragraph is located other than on a bridge, viaduct or structure, the costs of relocation shall be shared between the Corporation and the Gas Company on the basis of the total relocation costs, excluding the value of any upgrading of the gas system, and deducting any contribution paid to the Gas Company by others in respect to such relocation; and for these purposes, the total relocation costs shall be the aggregate of the following:
 - i. the amount paid to Gas Company employees up to and including field supervisors for the hours worked on the project plus the current cost of fringe benefits for these employees,

- ii. the amount paid for rental equipment while in use on the project and an amount, charged at the unit rate, for Gas Company equipment while in use on the project,
 - iii. the amount paid by the Gas Company to contractors for work related to the project,
 - iv. the cost to the Gas Company for materials used in connection with the project, and
 - v. a reasonable amount for project engineering and project administrative costs which shall be 22.5% of the aggregate of the amounts determined in items (i), (ii), (iii) and (iv) above.
- d. The total relocation costs as calculated above shall be paid 35% by the Corporation and 65% by the Gas Company, except where the part of the gas system required to be moved is located in an unassumed road or in an unopened road allowance and the Corporation has not approved its location, in which case the Gas Company shall pay 100% of the relocation costs.

Part IV - Procedural And Other Matters

13. Municipal By-laws of General Application

The Agreement is subject to the provisions of all regulating statutes and all municipal by-laws of general application, except by-laws which have the effect of amending this Agreement.

14. Giving Notice

Notices may be delivered to, sent by facsimile or mailed by prepaid registered post to the Gas Company at its head office or to the authorized officers of the Corporation at its municipal offices, as the case may be.

15. Disposition of Gas System

- a. If the Gas Company decommissions part of its gas system affixed to a bridge, viaduct or structure, the Gas Company shall, at its sole expense, remove the part of its gas system affixed to the bridge, viaduct or structure.
- b. If the Gas Company decommissions any other part of its gas system, it shall have the right, but is not required, to remove that part of its gas system. It may exercise its right to remove the decommissioned parts of its gas system by giving notice of its intention to do so by filing a Plan

as required by Paragraph 5 of this Agreement for approval by the Engineer/Road Superintendent. If the Gas Company does not remove the part of the gas system it has decommissioned and the Corporation requires the removal of all or any part of the decommissioned gas system for the purpose of altering or improving a highway or in order to facilitate the construction of utility or other works in any highway, the Corporation may remove and dispose of so much of the decommissioned gas system as the Corporation may require for such purposes and neither party shall have recourse against the other for any loss, cost, expense or damage occasioned thereby. If the Gas Company has not removed the part of the gas system it has decommissioned and the Corporation requires the removal of all or any part of the decommissioned gas system for the purpose of altering or improving a highway or in order to facilitate the construction of utility or other works in a highway, the Gas Company may elect to relocate the decommissioned gas system and in that event Paragraph 12 applies to the cost of relocation.

16. Use of Decommissioned Gas System

- a. The Gas Company shall provide promptly to the Corporation, to the extent such information is known:
 - i. the names and addresses of all third parties who use decommissioned parts of the gas system for purposes other than the transmission or distribution of gas; and
 - ii. the location of all proposed and existing decommissioned parts of the gas system used for purposes other than the transmission or distribution of gas.
- b. The Gas Company may allow a third party to use a decommissioned part of the gas system for purposes other than the transmission or distribution of gas and may charge a fee for that third party use, provided
 - i. the third party has entered into a municipal access agreement with the Corporation; and
 - ii. the Gas Company does not charge a fee for the third party's right of access to the highways.
- c. Decommissioned parts of the gas system used for purposes other than the transmission or distribution of gas are not subject to the provisions of this Agreement. For decommissioned parts of the gas system used for purposes other than the transmission and distribution of gas, issues

such as relocation costs will be governed by the relevant municipal access agreement.

17. Franchise Handbook

The Parties acknowledge that operating decisions sometimes require a greater level of detail than that which is appropriately included in this Agreement. The Parties agree to look for guidance on such matters to the Franchise Handbook prepared by the Association of Municipalities of Ontario and the gas utility companies, as may be amended from time to time.

18. Agreement Binding Parties

This Agreement shall extend to, benefit and bind the parties thereto, their successors and assigns, respectively.

IN WITNESS WHEREOF the parties have executed this Agreement effective from the date written above.

THE CORPORATION OF THE TOWN OF AJAX

By: _____

By: _____

Duly Authorized Officer

ENBRIDGE GAS DISTRIBUTION INC.

By: _____

By: _____

DATED this day of , 20 .

THE CORPORATION OF THE
TOWN OF AJAX

- and -

ENBRIDGE GAS DISTRIBUTION INC.

FRANCHISE AGREEMENT

ENBRIDGE GAS DISTRIBUTION INC.
500 Consumers Road
North York, Ontario
M2J 1P8

Attention: Regulatory Affairs Department