



uniongas

A Spectra Energy Company

February 5, 2008

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

Dear Ms. Walli:

Re: Franchise Renewal – Corporation of the Town of Halton Hills

Union Gas Limited is working with the Corporation of the Town of Halton Hills, with regards to the associated terms and conditions for renewal of the Franchise Agreement under the 2000 Model Franchise Agreement. Union intends to file a Section 9 Application with the Board upon receipt of the By-law and form of the Franchise Agreement from the Municipality.

The Franchise Agreement for the Town of Halton Hills expires on February 6, 2008.

With this letter, we are requesting an Interim Order under Section 10(4) of the *Municipal Franchises Act*, for an extension to the existing Franchise Agreement for the Town of Halton Hills until a renewal of the franchise agreement is granted under the *Municipal Franchises Act*.

A copy of a report from the Town of Halton Hills dated January 28, 2008 is attached, consenting to an extension of the existing agreement until Council and the Ontario Energy Board have approved the new Agreement.

Yours truly,

[Original signed by]

Patrick McMahon
Manager, Regulatory Research and Records

PM/la



REPORT

REPORT TO: Mayor Rick Bonnette and Members of Council

REPORT FROM: Chris G. Mills, P. Eng., Director of Engineering, Public Works & Building Services

DATE: January 28, 2008

REPORT NO.: ENG-2008-0008

RE: Extension of the Union Gas Franchise Agreement

RECOMMENDATION:

THAT Report No. ENG-2008-0008, dated January 28, 2008, regarding Extension of the Union Gas Franchise Agreement, be received;

AND FURTHER THAT Council consents to extending the existing Franchise Agreement with Union Gas until the proposed new agreement can be considered by Council and the Ontario Energy Board;

AND FURTHER THAT staff report back on the Union Gas proposed new Franchise Agreement (2000 Model).

BACKGROUND:

Provincial legislation requires that the Town of Halton Hills enter into a Franchise Agreement with a gas company that grants rights to distribute gas within the municipality and utilize the rights-of-way. The Town of Halton Hills signed the last Franchise Agreement in February 1978 for a term of 30 years. This agreement will expire on February 8, 2008.

COMMENTS:

Union Gas is utilizing a Standard Ontario-Wide Agreement that was developed by the gas companies and the Association of Municipalities of Ontario, and approved by the Ontario Energy Board in 2000. Since then, the "2000 Model" has been approved by over 120 municipalities.

Staff from the Town is currently working with Union Gas staff to work out the details of a proposed new agreement and a report for Council approval in the near future.

To allow time to conclude these discussions, Union Gas has requested that the Town of Halton Hills consent to the continued use of the existing Franchise Agreement beyond the February 8, 2008 expiry (Attachment 'A'), until discussions on the new agreement are concluded and approved by Council and the Ontario Energy Board.

Staff has no concerns relating to the extension of the existing Franchise Agreement, as it maintains the status quo.

FINANCIAL IMPACT:

There is no financial impact associated with the approval of this report, as we are maintaining the status quo until the new agreement is brought forward.

COMMUNICATIONS IMPACT:

Union Gas will be notified following disposition of this report.

ENVIRONMENTAL IMPACT:

There are no additional environmental impacts associated with the approval of this report.

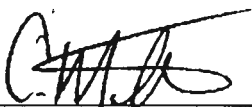
CONSULTATION:

The CAO and Director of Finance were consulted during the preparation of this report.

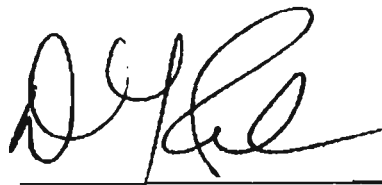
CONCLUSION:

As the existing Franchise Agreement with Union Gas will expire on February 8, 2008, it is necessary to extend the existing agreement until Council and the Ontario Energy Board have approved a new Agreement. Staff is currently working with Union Gas on a proposed new agreement and will bring a report forward in the near future.

Respectfully submitted,



Chris G. Mills, P. Eng.
Director of Engineering, Public Works
& Building Services



Dennis Y. Perlman
Chief Administrative Officer