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August 26, 2011

VIA RESS AND COURIER

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, Suite 2700
Toronto, ON M4P 1E4

Dear Ms Walli:

**Re: Enbridge Gas Distribution Inc. ("Enbridge")
Exemption from Leave to Construct – Regional Municipality of York Pipeline
Replacement Project ("Project")
EB-2011-0270 – Application and Evidence**

Enbridge is submitting to the Ontario Energy Board (the "Board"), an application for an exemption from the need to obtain leave to construct. This exemption application is for the construction of a replacement pipeline.

The Regional Municipality of York ("Region") is upgrading Ninth Line from two to four lanes and has requested Enbridge to complete re-location of our pipe prior to the commencement of the Region's construction of the new road in May 2012.

This submission has been filed through the Board's RESS, with two copies being delivered to the Board by courier. Enbridge's York Municipality Project Application will be available on the Enbridge website at www.enbridgegas.com.

Sincerely,

Edith Chin

A handwritten signature in blue ink, appearing to be 'Edith Chin', written over a faint circular stamp.

cc: Scott Stoll, Aird & Berlis
OPCC Members (via email)

EXHIBIT LIST

A – GENERAL

<u>Exhibit</u>	<u>Tab</u>	<u>Schedule</u>	<u>Description</u>
<u>A</u>	1	1	Exhibit List
	2	1	Application
		2	List of Interested Parties
	3	1	Project Description

B – ROUTING AND ENVIRONMENTAL

<u>Exhibit</u>	<u>Tab</u>	<u>Schedule</u>	<u>Description</u>
<u>B</u>	1	1	Route Description
	2	1	Environmental Implementation Plan
		2	Environmental Screening Report

C – FACILITIES

<u>Exhibit</u>	<u>Tab</u>	<u>Schedule</u>	<u>Contents</u>
<u>C</u>	1	1	Design Specifications
		2	Hydrostatic Test Procedures
	2	1	Proposed Construction Schedule

D – LAND ISSUES

<u>Exhibit</u>	<u>Tab</u>	<u>Schedule</u>	<u>Contents</u>
<u>D</u>	1	1	Land Requirements
		2	Permits Required
		3	Affidavit of Search of Title

E – PROJECT COSTS

<u>E</u>	1	1	Project Costs
		2	Franchise Agreement

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15 (Schedule B);

AND IN THE MATTER OF an Application under section 95 of the Act for an order exempting Enbridge Gas Distribution Inc. from the requirement to obtain leave to construct for a natural gas distribution pipeline and related facilities in the Regional Municipality of York.

APPLICATION FOR EXEMPTION

1. The Applicant, Enbridge Gas Distribution Inc. ("**EGD**" or "**Enbridge**"), is an Ontario corporation with its head office in the City of Toronto. It carries on the business of selling, distributing, transmitting and storing natural gas within Ontario.
2. Enbridge is applying for an exemption from the need to obtain leave to construct from the Board. This exemption application is for the construction of a replacement pipeline project (the "**Project**") described below. Further, Enbridge would request the Board grant this exemption without the need for a hearing based upon the information provided herein as permitted by sub-section 21(4) of the Ontario Energy Board Act, 1998, S.O. 1998, c. 15 Schedule B (the "**OEB Act**").

The Project

3. The Regional Municipality of York (the "**Region**") is upgrading Ninth Line from two lanes to four lanes. The Region plans to begin construction of the new road in May 2012 and has requested that all utilities complete re-location of their plant prior to the Region's work commencing.
4. The Project consists of:

- (i) the installation and tie-in of approximately 1200 metres of NPS 12 extra high pressure pipeline ("XHP") along the west side of Ninth Line;
 - (ii) the abandonment of approximately 1200 metres of NPS 4 XHP existing pipeline along the west side of Ninth Line; and
 - (iii) the abandonment of approximately 1200 m of NPS 8 XHP on the east side of Ninth Line.
5. A map showing the location of the Project may be found at Exhibit A, Tab 3, Schedule 1.
6. As the Project is NPS 12, operates at 2758 kPa, the Project technically meets the requirements for leave to construct established by section 90 of the OEB Act.

Request for Exemption

7. Section 95 of the OEB Act permits the Board to exempt any person from the need to obtain leave to construct. The Board must be of the opinion special circumstances exist. Further, the Board may proceed in the absence of a hearing.

95. The Board may, if in its opinion special circumstances of a particular case so require, exempt any person from the requirements of section 90 or 92 without a hearing.

8. Enbridge would submit the following constitute special circumstances.
- (i) The pipeline will be installed within the future municipal right-of-way of the Region and Enbridge does not require new permanent land rights. Enbridge is the franchisee in the Region.
 - (ii) There are no private landowners impacted by the construction of the pipeline.
 - (iii) The Project is a replacement without the need for additional land rights but the Project does not fall within the "like for like" replacement exemption from the requirements for leave to construct provided in sub-section 90(2) of the OEB Act.

- (iv) The cost of the proposed Project is less than \$2,000,000, the amount prescribed by Ontario Regulation – General 328/03 section 3, which provides the monetary threshold to obtain leave to construct.
 - (v) Enbridge has completed an environmental review for the proposed Project. The Region has completed an environmental review for the proposed road widening as a Schedule C project under the Municipal Class Environmental Assessment pursuant to *Environmental Assessment Act* (Ontario).
 - (vi) The existing NPS 8 and NPS 4 pipelines are in physical conflict with the proposed road widening and cannot remain in the current locations. Enbridge requires the pipelines to be replaced to continue to supply gas to the Town of Whitchurch-Stouffville and Uxbridge.
 - (vii) A single NPS 12 pipeline is a more cost effective and environmentally superior replacement option than a “like-for-like” replacement.
 - (viii) The location and routing have been selected in conjunction with the Region's consultant.
 - (ix) The economics of the Project will adhere to the terms of the existing franchise agreement between Enbridge and the Region.
 - (x) The NPS 12 pipeline is preferred by the Region.
9. Enbridge has included information in respect of the Project to assist the Board in its evaluation of this request for exemption.
10. Enbridge will obtain the necessary permits to carry out the Project and, if a temporary working easement should be required for the railway crossing, such temporary easement will be obtained prior to construction of the crossing. All work will be completed in accordance with applicable regulations, codes and Enbridge's construction procedures.
11. Sub-section 21(4) permits the Board to proceed without a hearing where no person requests a hearing or the Board determines that no person other than the Applicant will

be adversely affected in a material way by the outcome of the proceeding. If either criteria is met the Board may proceed without a hearing.

21(4) Despite section 4.1 of the *Statutory Powers Procedure Act*, the Board may, in addition to its power under that section, dispose of a proceeding without a hearing if,

(a) no person requests a hearing within a reasonable time set by the Board after the Board gives notice of the right to request a hearing; or

(b) the Board determines that no person, other than the applicant, appellant or licence holder will be adversely affected in a material way by the outcome of the proceeding and the applicant, appellant or licence holder has consented to disposing of a proceeding without a hearing.

12. As the construction will occur only after the Region has acquired the necessary lands no individual landowners will be impacted. The Project is being carried out as a result of the Region's road re-alignment project and the funding of the Project is consistent with the existing franchise agreement between Enbridge and the Region. As such, Enbridge does not believe any other person will be adversely affected in a material way by the outcome of the proceeding. Enbridge will send a copy of this Application package to each of the named parties identified in Exhibit A, Tab 2, Schedule 1.
13. Enbridge requests that copies of all documents filed with the Board in connection with this proceeding be served on it and on its counsel, as follows:

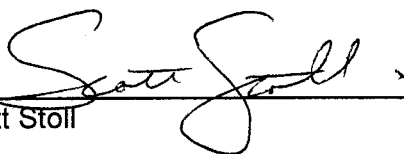
- (a) The Applicant: Regulatory Affairs
Enbridge Gas Distribution Inc.
- Address for personal service: 500 Consumers Road
Toronto, ON M2J 1P8
- Mailing Address: P. O. Box 650
Scarborough, ON M1K 5E3
- Telephone: (416) 495-5499 or 1-888-659-0685
Fax: (416) 495-6072
E-Mail: EGDRRegulatoryProceedings@enbridge.com
- (b) The Applicant's counsel: Scott Stoll
Aird & Berlis LLP
- Address for personal service
and mailing address: Suite 1800, Box 754
Brookfield Place, 181 Bay Street
Toronto, ON M5J 2T9
- Telephone: (416) 865-4703
Fax: (416) 863-1515
E-Mail: sstoll@airdberlis.com

14. Enbridge would therefore request (a) the Board issue an order to exempt Enbridge from the requirement to seek leave to construct; and (b) to issue the order without conducting a hearing.

DATED August 26, 2011 at Toronto, Ontario.

ENBRIDGE GAS DISTRIBUTION INC.
By its counsel

AIRD & BERLIS LLP



Scott Stoll

LIST OF INTERESTED PARTIES

Interested parties at the time of proposed gas main relocation:

<u>Address</u>	<u>Purpose</u>
The Regional Municipality of York Region Attention: Steve Murphy 17250 Yonge Street Newmarket, ON L3Y 6Z1	Road Permit
Town of Markham 101 Town Centre Blvd. Markham, ON L3R 9W3	Road Permit
Metrolinx 20 Bay Street, Suite 600 Toronto, Ontario M5J 2W3	Permit to Cross Railway Lands
Canadian National Railway Company 4 Welding Way PO Box 1000 Concord, ON L4K 1B9	Railway lands for fibre optics equipment
John Connolly Regional Manager, Strategy & Long-Range Planning Programs & Pickering Branch, Ontario Region Transport Canada 4900 Yonge Street (PE) Toronto, ON M2N 6A5 905-954-2260 Email: john.connolly@tc.gc.ca	Temporary Working Area to Cross Metrolinx (if required)
Toronto and Region Conservation Authority Attention: Ben Krul 5 Shoreham Drive Downsview, Ontario M3N 1S4	Application for development, interference with wetlands and alterations to shorelines and watercourses

Ministry of Natural Resources Attention: Mark Patterson 50 Bloomington Road West Aurora, Ontario L4G 3G8	Clearance letter
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The following are the current land owners from whom the Region is to acquire land.
Since Enbridge will commence construction after the Region has acquired these lands,
Enbridge will not require permanent land rights from these land owners.

<u>Address</u>	<u>Comments</u>
Her Majesty The Queen In Right of Canada Department of Justice Canada 130 King Street West Suite 3400, Box 36 Toronto, ON M5X 1K6	Including all unregistered tenants of Her Majesty the Queen in Right of Canada
1227891 Ontario Ltd. 10245 McCowan Road PO Box 1240 Stouffville, ON L4A 8A2	North Side 19 th Avenue, east of 9 th Line
Lebovic Enterprises Limited PO 1240 12045 McCowan Road Stouffville, ON L4A 8A2	North Side 19 th Avenue, west of 9 th Line
TransCanada Pipelines Limited 450 First Street SW Calgary, Alberta T2P 5H1	

PROJECT DESCRIPTION

Purpose, Need and Timing

1. The Regional Municipality of York, (the "Region"), plans to widen Ninth Line, from north of Major Mackenzie Drive to north of Main Street (Stouffville) in the Towns of Markham and Whitchurch-Stouffville. The Region's scope of work also includes the re-alignment of 19th Avenue. This Project is contingent on the Region acquiring the necessary Right of Ways. Figure 1 of this exhibit shows a map of the area.
2. Currently, Enbridge has an existing 8" nominal pipe size ("NPS 8") extra high pressure ("XHP") pipeline on the east side and an NPS 4 XHP pipeline on the west side of Ninth Line. Both of these existing pipelines were found to be in direct conflict with the Region's proposed road widening.
3. The Region has requested that the pipelines be relocated prior to the commencement of the road widening. The existing pipelines supply gas to Whitchurch-Stouffville and Uxbridge. Replacement of the NPS 4 and NPS 8 XHP lines are required in order that these areas can continue to receive natural gas. Abandonment of the existing pipelines, without replacement is not an option. To maintain capacity, Enbridge can replace the NPS 4 and NPS 8 with two pipes of the same size. Alternatively, the two pipes can be replaced with one NPS 12 pipeline.
4. The Region prefers to have Enbridge install a single NPS 12 line because of the shorter construction schedule and lower cost associated with one line. Enbridge proposes to install 1200 m length of NPS 12 on the west side of Ninth Line and abandon 1200 m of NPS 8 on the east and 1200 m of NPS 4 on the west side.

5. The new pipeline will be at the Region's standard offset of 0.9 m from the property line within the future right of way. The table below describes the affected pipeline from Markham Gate to 19th Avenue.

Location	Size	Operating Pressure	Proposed Length of Relocation	Status
Ninth Line from Markham Gate to 19 th Avenue (east side)	NPS 8 (219.1 mm)	2758 kPa (400 psi) XHP	1200 m	Proposed Abandon
Ninth Line from Markham Gate to 19 th Avenue (west side)	NPS 4 (114.3 mm)	2758 kPa (400 psi) XHP	1200 m	Proposed Abandon
Ninth Line from Markham Gate to 19 th Avenue (west side)	NPS 12 (323.9 mm)	2758 kPa (400 psi) XHP	1200 m	Proposed Install

6. In order to facilitate the construction of the road separation the Region requires Enbridge to complete the installation of the NPS12 pipeline by May 2012. However, work cannot commence on site until the Region has secured the necessary land rights. The proposed construction schedule is located at Exhibit C, Tab 2, Schedule 1.

Proposed Facilities

7. The design and pipe specifications are outlined at Exhibit C, Tab 1, Schedule 1. The design specifications are in accordance with the Ontario Regulations 210/01 under the *Technical Standards and Safety Act 2000*, Oil and Gas Pipeline Systems. This is the regulation governing the installation of pipelines in the Province of Ontario.
8. The proposed new location for the pipeline was selected with input from SNC Lavalin Consultants (managing the road construction work for the Region), Enbridge's Environmental Health and Safety Department, and Distribution Asset Management, Special Projects Planning groups.

9. No new land is required by Enbridge as the Region will be acquiring the necessary land for its road widening. Depending on the angle of drill across the railway, a temporary working easement may be required from Transport Canada as per Exhibit D, Tab 1, Schedule 1.
10. The estimated cost of the relocation of this pipeline is \$1.8 million. This includes costs related to material, construction and labour, overheads, and contingencies. The estimated costs of the project are found at Exhibit E, Tab 1, Schedule 1.

FIGURE 1: Relocation Overview



ROUTE DESCRIPTION

Preferred Route

1. As this is a replacement of approximately 1200 m of pipe along an existing roadway, the options for alternate routes are limited. The Region prefers that Enbridge install a single line of NPS 12 on the west side of the roadway.
2. This route has benefits in scheduling and cost, and at the same time, limits environmental impacts. The east side of Ninth Line has a watercourse running adjacent to it from the Enbridge Markham Gate Station to north of the Metrolinx Railway. There is also a large pond north of the Metrolinx Railway. Installing the pipe on the west side would avoid the watercourse and the pond.
3. A map showing the location of the Preferred Route is provided in Figure 1 at Exhibit A, Tab 3, Schedule 1, page 3.
4. The relocation will begin at the Enbridge Markham Gate Station located at 11087 Ninth Line in Markham, Ontario. The pipeline will be tied in to an existing Enbridge pipeline at the Enbridge Markham Gate Station, cross beneath Ninth Line to the west side and then proceed north for approximately 1200 m where it will be tied in to an existing Enbridge pipeline at the southeast corner of Ninth Line and 19th Avenue in Markham, Ontario. The pipeline will be installed using both open trench and horizontal directional drill.

5. The pipeline will follow the Preferred Route and will be installed within the future Right of Way of the Region, in coordination with the following entities:

- Toronto and Region Conservation Authority
- Town of Markham
- Regional Municipality of York
- Metrolinx
- Bell
- Hydro-One
- Rogers Cable
- Transport Canada

ENVIRONMENTAL IMPLEMENTATION PLAN

1. Construction will be conducted in accordance with the Enbridge Contract Specifications, the Enbridge Construction Manual, and the recommendations in the Environmental Screening Report entitled Proposed Relocation for Ninth Line, Markham and Whitchurch-Stouffville, Environmental Screening Report as shown in Exhibit B, Tab 2, Schedule 2. Any additional requirements resulting from final permitting will be incorporated into the Environmental Implementation Plan where necessary.
2. The Environmental Implementation Plan will incorporate recommended mitigation measures for the environmental issues associated with the proposed works and will be communicated to the construction contractor prior to the start of construction. A qualified Environmental Inspector will be available to assist the Project Manager in ensuring that environmental conditions contained in the Board's Conditions of Approval are followed and that commitments made to the public, landowner, and agencies are honoured. The Environmental Inspector and Project Manager will also ensure that in the event that any unforeseen environmental circumstances arise before or during construction are appropriately addressed.
3. Through the use of the procedures outlined above, it is expected that environmental impacts resulting from construction of the Proposed Relocation for Ninth Line, Markham and Whitchurch-Stouffville will be negligible.

ENBRIDGE GAS DISTRIBUTION INC.
Proposed Relocation for Ninth Line, Markham and Whitchurch-Stouffville
Environmental Screening Report

July 2011

Table of Contents

1.0 INTRODUCTION	Page 3
1.1 Description and Purpose of the Proposed Relocation	Page 3
1.2 Definition of Study Area	Page 3
1.3 Objective of the Environmental Screening	Page 3
1.4 Approval Process and Regulatory Requirements	Page 4
2.0 ENVIRONMENTAL SCREENING AND MITIGATION MEASURES	Page 4
2.1 Physical Features	Page 4
2.1.1 Geology	Page 4
2.1.2 Topography	Page 5
2.1.3 Soil	Page 5
2.1.4 Groundwater Hydrology	Page 5
2.2 Natural Environment Features	Page 5
2.2.1 Vegetation	Page 5
2.2.2 Trees	Page 6
2.2.3 Watercourses	Page 6
2.2.4 Wetlands	Page 7
2.3 Socio-Economic Features	Page 8
2.3.1 Transportation Corridors and Facilities	Page 8
2.3.2 Utility Corridors and Facilities	Page 8
2.3.3 Tile Drainage	Page 8
2.3.4 Fencing	Page 9
3.0 SUMMARY	Page 9
4.0 REFERENCES	Page 9

Appendices

Appendix A:

Photographs of Proposed Pipeline Relocation

1.0 INTRODUCTION

1.1 Description and Purpose of the Proposed Pipeline

Enbridge Gas Distribution Inc. (Enbridge) has been requested to relocate its' pipeline to accommodate a road widening project by the Regional Municipality of York (the "Region") on Ninth Line. The Region has completed an environmental review of its proposed road widening as a schedule C project under the Municipal Class Environmental Assessment under the Ontario *Environmental Assessment Act*. The relocation is located in the vicinity of the Enbridge Markham Gate Station and 19th Avenue (see Figure 1) in the Town of Markham and Town of Whitchurch-Stouffville. The following section of pipe is required to be relocated:

Location	Relocation
Ninth Line	Replace approximately 1200 meters (m) of NPS 8 and NPS 4 with a single NPS 12 XHP steel line

The pipeline will be installed by open trench and horizontal directional drill (HDD). The pipeline will be located entirely within an existing and proposed road allowance. It will begin at the Enbridge Markham Gate Station on the east side of Ninth Line and immediately cross beneath Ninth Line to the west side. The pipeline will then proceed north for approximately 1200 m and tie-in to an existing Enbridge pipeline at the southeast corner of 19th Avenue and Ninth Line.

The City has indicated that the relocation work for the Ninth Line road widening must be completed by May 2012.

1.2 Definition of Study Area

The study area for the relocation extends approximately 20 m from either side of the center line of the pipeline. Features adjacent to the study area, such as the Physical, Natural and Socio-Economic were identified. Photographs of the proposed relocations are shown in Appendix A.

1.3 Report Objectives

The purpose of this Environmental Screening is to:

- identify the environmental issues associated with the proposed relocation; and
- determine the mitigation and/or restorative techniques required to prevent or reduce any potential negative impacts and to enhance any positive effects on the environment caused by the proposed relocations.

The Environmental Screening for this project was prepared following generally accepted

principles of “Environmental Screening Principles for Distribution System Expansion Projects by Ontario Natural Gas Utilities, as outlined in the Ontario Energy Board’s (“OEB”) E.B.O. 188 Report.

The Environmental Screening report also refers to Enbridge’s generic planning and construction manuals, which are the Construction Manual, the Planning, Design and Records Manual, and Reference Manual for the Environmental Screening Checklist.

1.4 Approval Process and Regulatory Requirements

This pipeline is being planned in accordance with Ontario Energy Board (OEB) regulations.

The OEB requires that the level of environmental planning, documentation and reporting applied by the utilities for distribution system expansion projects be determined by the potential environmental impacts associated with each project.

2.0 ENVIRONMENTAL SCREENING AND MITIGATION MEASURES

For each physical, natural or socio-economical feature identified below, the following information is provided:

- A description of the features within the proposed relocation;
- If necessary, comments on how the pipeline relocation is proposed to be modified to mitigate potential impacts on the features described; and,
- If necessary, other measures to mitigate potential impacts on the described features.

2.1 Physical Features

2.1.1 Geology

The geology of the study area indicates that bedrock in the vicinity of the relocations is located well below grade and outcrops are nonexistent. Therefore, bedrock is not expected to be encountered during pipeline relocation.

Mitigation Measures

The maximum depth of installation will be confirmed following a geotechnical investigation. However, no impacts are anticipated from bedrock and; therefore no mitigation measures are required.

2.1.2 Topography

The proposed relocation will cross relatively flat topography. There are no steep slopes or grading.

Mitigation Measures

No impacts are anticipated due to undulating topography.

2.1.3 Soil

The majority of the proposed relocation crosses previously disturbed areas and there are no sensitive soils.

Mitigation Measures

For previously disturbed soils, no impacts are anticipated due to the soil conditions.

2.1.4 Groundwater Hydrology

Field observations in the watercourse on the east side of Ninth Line, north of the Metrolinx railway indicated evidence of artesian conditions (i.e. watercress plants). A geotechnical investigation will be conducted by Stantec Consulting Ltd. in the vicinity of the crossing of the Metrolinx railway and the watercourse to determine if there are any issues related to groundwater hydrology and the use of HDD to install the proposed pipeline..

Mitigation Measures

Depending on the depth, if groundwater is encountered, it will need to be removed from the excavation prior to any gas pipeline work being conducted. Deeper excavations (i.e. 8 to 10 m below ground service) may require dewatering and a Permit To Take Water (PTTW) from the Ontario Ministry of Environment. A support system (i.e. shoring) will be required in the excavation due to the elevated groundwater table and potentially unstable soils.

2.2 Natural Environment Features

2.2.1 Vegetation

Pipeline construction is not anticipated to have an impact on rare plants or other vegetation; however some clearing will be required along the open trenched areas, the set-up of the HDD equipment and the tie-in pit at 19th Avenue.

Mitigation Measures

On the west side of Ninth Line, the clearing of vegetation is not anticipated outside of the road allowance. If the set-up for the HDD equipment is within the TRCA Fill Regulated Area, permits will be required prior to construction. A restoration plan, approved by the TRCA, will also be required which may include seeding with a TRCA wetland mix and other plantings.

2.2.2 Trees

The proposed relocation is adjacent to trees and shrubs which may be impacted by pipeline construction.

Mitigation Measures

To minimize impacts on the trees and shrubs adjacent to the proposed easement, the following mitigation measures are recommended, where required:

- Excavation activities should occur outside the dripline of the trees and shrubs;
- Temporary fencing may be required outside dripline of trees and shrubs;
- Overhanging branches that may be affected by equipment should be noted and protected; and,
- Use lightweight and wide-tracked equipment to minimize compaction.

Permits may be required from the Town of Markham in accordance with the Tree Removal By-Law. Trees with a diameter of greater than 20 cm at 1.37 m above grade may require a permit for removal or damage. Further assessment of the routing will be required to determine if tree removal is necessary for the relocation.

2.2.3 Watercourses

The proposed relocation will traverse adjacent to one watercourse (see photos in Appendix A):

Watercourse Name and Location	Channel Width (CW) and Water Depth (WD)		Type and Size of Structure at Crossing	Habitat Comments	Comments
	CW	WD			
Tributary to the Rouge River; east side of Ninth Line, from north of Metrolinx, passes beneath and continues south	1.0 m	0.4 m	One(1) corrugated steel culvert beneath rail crossing	Steep slopes down to creek from roadway; no erosion	Watercress in stream evidence of artesian conditions;

Mitigation Measures

To minimize impacts on watercourse and adjacent TRCA Fill Regulated Areas standard watercourse crossing techniques must be adhered to. Horizontal directional drilling techniques should be utilized to prevent any impacts to the watercourse. In addition, the following mitigation measures are recommended, where required:

- Minimize silt input into the watercourse and contain any silt that might enter the watercourse;
- Minimize loss of stream bank vegetation and provide restoration measures;
- Avoid disturbance of the stream bed during fish migration, spawning or egg incubation periods; and
- Avoid drainage of pipeline trench (i.e. groundwater) into the stream channel.

A permit will likely be required to work within the Fill Regulated Area of the adjacent watercourse from the Toronto and Region Conservation Authority (TRCA) in accordance with *Development, Interference with Wetlands and Alterations to Shorelines and Watercourses* regulation (Ontario Regulation 97/04).

In case of an accidental or inadvertent release of bentonite to the watercourse or in its vicinity, refer to the Enbridge Contingency Plan for Horizontal Directional Drilling (HDD) In Ontario.

2.2.4 Wetlands

The proposed relocation has evidence of wet soils, low-lying areas accompanied by vegetation (i.e. cattails) and a large pond on the east side of Ninth Line, adjacent to the proposed work area. The wetlands and pond on the east side of Ninth Line are confirmed to be TRCA Fill Regulated Areas. There is also a 'wet area' on the west side of Ninth Line associated with a culvert crossing beneath a driveway just north of Metrolinx rail crossing.

Mitigation Measures

Installation of the proposed pipeline will occur on the west side of Ninth Line and at least 15 m from the TRCA Fill Regulated Area. To minimize impacts to the 'non-wetland' area on the west side of Ninth Line, sediment control measures (i.e. fencing) should be installed to minimize or prevent any silt from entering into the area. If open trenching or an excavation is to be made within the wet area, appropriate restoration techniques must be employed, including reinstatement of the existing grade, revegetation with a TRCA approved wetland seed mix and installation of sediment control measures until vegetation has been fully restored to prevent erosion.

2.3 Socio-Economic Features

2.3.1 Transportation Corridors and Facilities

The proposed relocation is adjacent to Ninth Line, a heavily utilized traffic corridor located in a mixed use (i.e. residential and agricultural) area.

Mitigation Measures

Relocation of the pipeline within road allowance must be conducted in accordance with the local municipal requirements, including the acquisition of road occupancy permits. The MTO Traffic Control Manual Book 7 should be consulted to implement appropriate traffic planning during construction if Ninth Line and other access roads will be impeded. Construction should also be timed to avoid impacting peak traffic periods.

2.3.2 Utility Corridors and Facilities

The proposed relocation will cross beneath the Metrolinx Stouffville railway tracks. Utilities may also be installed along the Metrolinx Stouffville Right-Of-Way (ROW; i.e. Bell Canada). The Ninth Line ROW may also contain some public utilities (i.e. water, sewer, hydro). Presently, Hydro One has overhead service on the west side of Ninth Line, north of the Metrolinx rail crossing where it crosses over from the east side. Enbridge also has an existing NPS 8 on the east side of Ninth Line that will be abandoned in place following installation of the NPS 12.

Mitigation Measures

Relocation of the pipeline may impact utilities installed within the existing ROWs. Utilities should be identified early in the planning process if locations are likely to interfere with the Enbridge relocation. Contact Ontario One-Call to obtain stakeouts prior to construction. Refer to Section 4.3 of the Planning, Design and Records Manual for requirements for paralleling and crossing underground structures. Crossings for roads and railways are outlined in Section 19.0 of the Construction Manual. Pipes may need to be cased when crossing below railway tracks.

2.3.3 Tile Drainage

The proposed relocation will be installed adjacent to agricultural lands along the majority of the route. Tile drainage is likely installed due to poor drainage in clay soils and may discharge to ditch adjacent to Ninth Line.

Mitigation Measures

Tile drainage may be encountered during open trenching activities. Refer to section 23.0 of the Construction Manual for mitigation measures.

2.3.4 Fencing

Farm fencing is installed along the majority of the proposed pipeline route.

Mitigation Measures

Fencing should generally be avoided during pipeline construction through minor route adjustments or alterations to the working easement. Photographs of the fencing should be taken prior to construction and kept on the project file in case the fence is impacted. Any damage to the fence must be repaired prior to project completion. Refer to Section 32.0 of the Construction Manual for mitigation measures.

3.0 SUMMARY

It is Enbridge's opinion that the proposed pipeline relocation minimizes potential environmental effects through the mitigation measures proposed to ensure that construction and operation of the pipeline will result in negligible long-term effects.

4.0 REFERENCES

Enbridge Gas Distribution, March 2011. Reference Manual for the Environmental Screening Checklist, Toronto.

Enbridge Gas Distribution, January 2011. Construction Manual, Toronto.

Enbridge Gas Distribution, January 2011. Planning, Records and Design Manual., Toronto

Ontario Energy Board, 1995. Environmental Guidelines for the Location, Construction and Operation of Hydrocarbon Pipelines and Facilities in Ontario, Fourth Edition, Toronto.

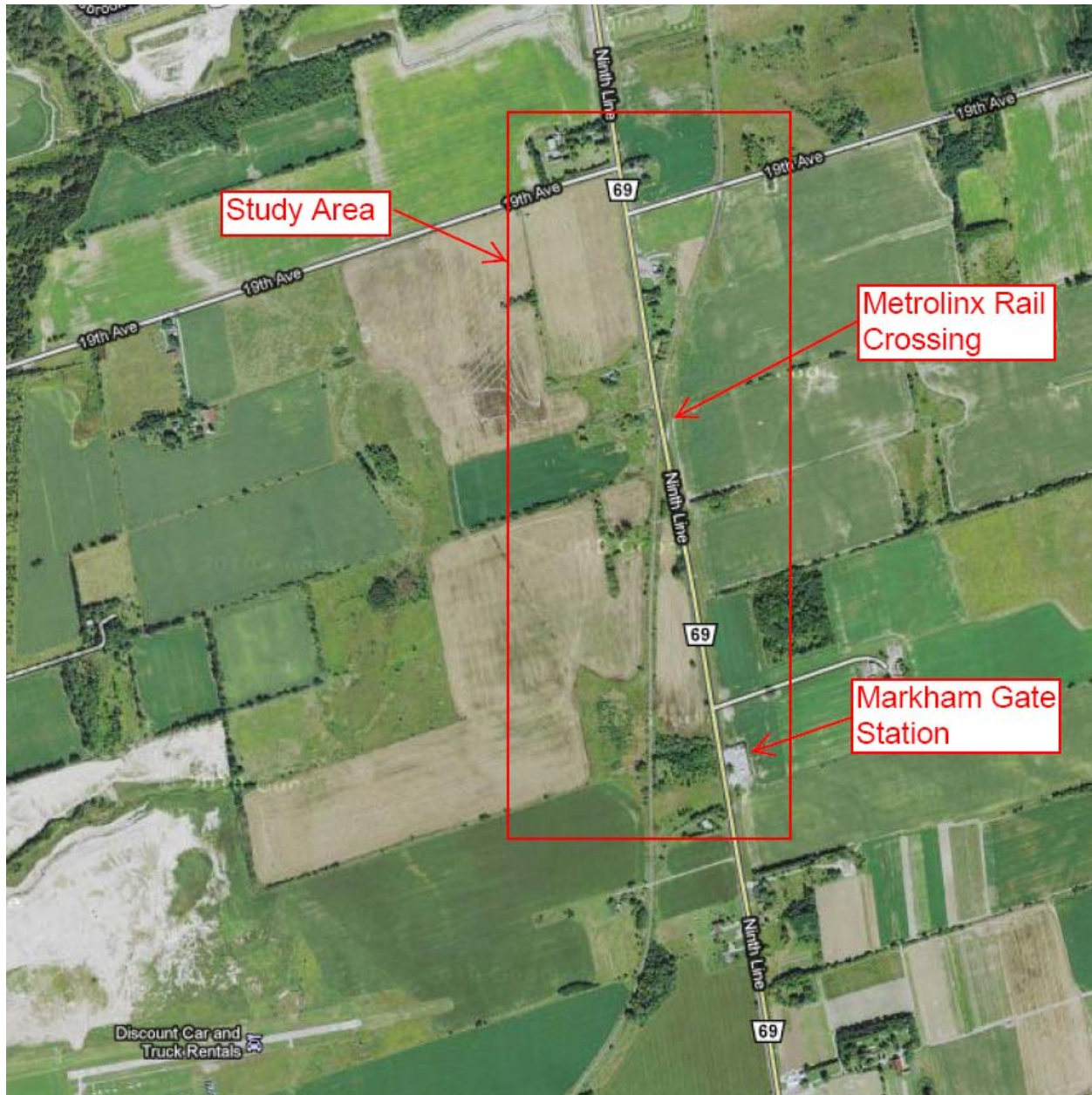


Figure 1 – Proposed Relocation along Ninth Line

Appendix A

Photographs of Proposed Pipeline Relocation



Photo 1 – Looking north along Ninth Line; Enbridge Markham Gate Station on east side



Photo 2 – Looking northwest from the Enbridge Markham Gate Station



Photo 3 – Looking northwest along Ninth Line; large specimen tree on west side of Ninth Line



Photo 4 – Looking northwest along Ninth Line



Photo 5 – Looking north along Ninth Line; specimen trees on west side of roadway



Photo 6 – Looking north along Ninth Line towards Metrolinx Stouffville railway crossing



Photo 7 – Looking northwest; Metrolinx Stouffville railway crossing



Photo 8 – Looking southwest; Metrolinx Stouffville railway crossing



Photo 9 – Looking northwest along Ninth Line towards 19th Avenue; agricultural area to the west



Photo 10 – Looking northwest towards intersection of Ninth Line and 19th Avenue
(Tie-In point)

DESIGN SPECIFICATIONS

Description

1. Approximately 1200 m of NPS 12 XHP is to be installed.

Design and Construction

2. The pipeline will be designed, constructed and operated in compliance with the following:
 - Enbridge Gas Distribution Inc.'s design, construction and operating standards;
 - O.Reg. 210/01 *Oil and Gas Pipeline Systems*;
 - CSA Z662-07 *Oil and Gas Pipeline Systems*, which is adopted by the regulation listed above.

Materials

3. All pipeline material will meet the requirements of the applicable CSA standards:
 - Z245.1-02, Steel Pipe
 - Z245.11-01, Steel Fittings
 - Z245.20-02, System 2B, External Fusion Bond Epoxy Coating

Corrosion Protection

4. External corrosion protection will be provided by a combination of external coating and cathodic protection.

Design Criteria

DESIGN SPECIFICATIONS – NPS 12 XHP

Pipe Size	NPS 12
External Diameter	323.9 mm
Wall Thickness	7.1 mm
Grade	359 MPa
Specification	CSA Z245.1 Category I
Coating	Double Fusion Bonded Epoxy
Coating Specification	CSA Z245.20, System 2B
Class Location	Class 4
Design Pressure	4,500 kPa (650 psi)
Hoop Stress at Design Pressure	28% SMYS
Normal Operating Pressure (NOP)	2,758 kPa (400 psi)
Hoop Stress at NOP	19% SMYS
Minimum Depth of Cover	0.9 m
Fittings	CSA Z245.11
Test Pressure	15,739 kPa (2,283 psi)
Duration of Strength Test	4 hours
Test Medium	Water
Hoop Stress at Test Pressure	100% SMYS
Leak Test Pressure	6300 kPa (915 psi)
Duration of Leak Test	4 hours

HYDROSTATIC TEST PROCEDURES

All hydrostatic testing will be completed in accordance with the Company's Construction Manual and the Company's Hydrostatic Testing Procedures. In combination these procedures meet the requirements of the CSA Z662-07 *Oil and Gas Pipeline Systems* and Ontario Regulation 210/01 *Oil and Gas Pipeline Systems*.

Testing Procedures Summary

The proposed NPS 12 XHP steel pipeline will be hydrostatically tested.

Strength Test at 100% SMYS (15,739 kPa) for four hours with water, and Leak Test at 1.4 times the Maximum Operating Pressure ("MOP") for four hours with water. The leak test pressure will be at 6300 kPa (914 psi).

Test water will be trucked to site and discharged per the municipality's permit approval conditions.

PROPOSED CONSTRUCTION SCHEDULE

1. The proposed construction schedule is as follows:

▪ Commence Construction	February 1, 2012
▪ Completion of Construction	May 1, 2012
▪ Reinstatement	May 15, 2012
▪ Final Inspection	June 1, 2012
2. Given winter conditions, the construction of the pipeline will take approximately 9 to 12 weeks. The pipeline construction is scheduled to be completed and tested by May 1, 2012.
3. Enbridge will construct the pipeline using qualified construction contractors following the Company's construction specifications.
4. This schedule is contingent on the Region acquiring land and other utilities completing their relocation. The Region is targeting to start road reconstruction in early summer 2012.

LAND REQUIREMENTS

1. The Regional Municipality of York ("**Region**") is acquiring lands for the road expansion project. The proposed pipeline is to be located within the future Right of Way of the Region. Construction is scheduled to occur after the acquisition by the Region so Enbridge will not have to acquire any permanent easements.
2. Depending on the angle of drill across the railway, a temporary working easement may be required from Transport Canada. It may be required to set up the horizontal directional drill at the crossing of Metrolinx tracks on the west side. The temporary easement would need to be 10 m wide with an approximate total length of 50 m on Transport Canada private property. The Company's Land department has made enquiries on the temporary working easement with Transport Canada.

PERMITS REQUIRED

Permits will be required from the following authorities:

The Regional Municipality of York Attention: Steve Murphy 17250 Yonge Street Newmarket, ON L3Y 6Z1	Road Permit
Metrolinx 20 Bay Street, Suite 600 Toronto, Ontario M5J 2W3	Rail Crossing Permit
Toronto and Region Conservation Authority Attention: Ben Krul 5 Shoreham Drive Downsview, Ontario M3N 1S4	Watercourse Crossing Permit
Ministry of Natural Resources Attention: Mark Patterson 50 Bloomington Road West Aurora, Ontario L4G 3G8	Watercourse Crossing Permit

AFFIDAVIT OF SEARCH OF TITLE

I, MARLENE NORRIS-ROBINSON, of the City of Toronto make oath and say as follows:

1. I am a Property agent with Land Services of Enbridge Gas Distribution Inc. and as such I have knowledge of the matters hereinafter deposed to.
2. I was informed by the Project Manager of Enbridge Gas Distribution Inc. of the properties where the proposed pipeline would be located. Accordingly, I conducted searches of title of these properties within the month of August 2011.
3. As a result of my searches of title, I determined the owners and encumbrancers with land, or registered interests in land, which would be affected by the construction of the proposed pipeline. Attached is a list of all such owners and encumbrancers.

SWORN BEFORE ME at the City of)

Toronto, the 23 day of August, 2011)

Charles Edmund Reaney, a Commissioner, etc.,
Province of Ontario, for Enbridge Gas Distribution Inc.
and its subsidiaries, associates and affiliates.
Expires August 23, 2013.


MARLENE NORRIS-ROBINSON


A COMMISSIONER, ETC.

ESTIMATED PROJECT COSTS

1.0	Material Costs	
1.1	Pipe	\$189,000
1.2	Other Materials	<u>\$14,000</u>
	Total Material Cost	\$203,000
2.0	Pipeline Installation Costs	
	Total Pipeline Installation Costs	\$984,000
3.0	External Costs	
3.1	Geotechnical Survey	\$25,000
3.2	Weld X-Ray Inspection	\$45,000
3.3	Other	<u>\$20,000</u>
	Total External Costs	\$90,000
4.0	Land Costs	
4.1	Temporary Easement Cost (if required)	\$17,000
4.2	Appraisal and Permit Costs	<u>\$5,000</u>
	Total Land Costs	\$22,000
5.0	Overhead Costs (22.5%)	
5.1	Engineering, Planning and Design	\$292,000
6.0	Contingency Costs	
6.1	Project contingency (15%)	\$195,000
7.0	Total Project Cost	\$1,786,000

NOTE:

- Project costs will be shared according to the terms in the franchise agreement between Enbridge Gas Distribution Inc. and the Regional Municipality of York. (See Exhibit E, Tab 1, Schedule 2.)

THE REGIONAL MUNICIPALITY OF YORK

BILL NO. 34


BY-LAW NO. AG-0036-2006-032

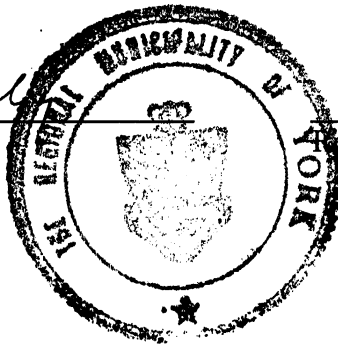
A by-law to authorize the execution of a Franchise Agreement between
The Regional Municipality of York and Enbridge Gas Distribution Inc.

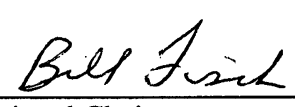
The Council of The Regional Municipality of York HEREBY ENACTS as
follows:

1. That The Regional Municipality of York enter into a Franchise Agreement with Enbridge Gas Distribution Inc. to provide for the distribution by Enbridge Gas Distribution Inc. of gas within the Regional area, substantially in the form attached as Schedule "A".
2. That Schedule "A" attached shall form part of this by-law.

ENACTED AND PASSED this 23rd day of March, 2006.


Regional Clerk

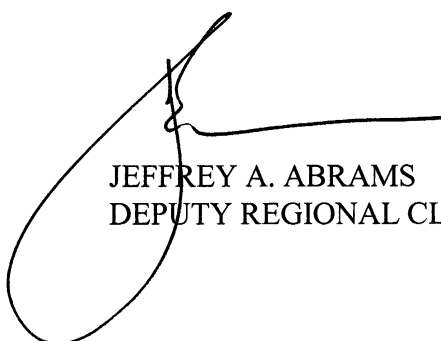



Regional Chair



I, JEFFREY A. ABRAMS, Deputy Regional Clerk of The Regional Municipality of York, do hereby certify that the 10 pages attached hereto form a true copy of By-Law No. AG-0036-2006-032 enacted by the Council of The Regional Municipality of York on the 23rd day of March, 2006.

DATED at Newmarket this 12th day of July, 2007.



JEFFREY A. ABRAMS
DEPUTY REGIONAL CLERK

Model Franchise Agreement

THIS AGREEMENT effective this 23rd day of March, 2006.

BETWEEN: ~~The Corporation of~~ The Regional Municipality of York 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 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.

Authorized by Clause 6
of Report 3 of the
Transposition & Works
Committee, adopted by Regional Council
at its meeting on March 23, 2006
and signed by AG-CCB-X06-032

Approved
by Solicitor: ELW

~~THE CORPORATION OF THE~~
REGIONAL MUNICIPALITY OF YORK

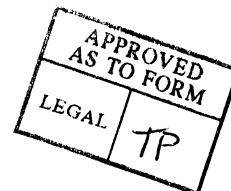
By: Bill Fisch
Bill Fisch, Regional Chair

By: Denis Kelly
Denis Kelly, Regional Clerk
Duly Authorized Officer

ENBRIDGE GAS DISTRIBUTION INC.

By: Byron Neiles
Byron Neiles
Vice President
Customer, Regulatory & Public Affairs

By: Mark R. Boyce
Mark R. Boyce
Vice President, Gas Distribution Law
& Deputy General Counsel



DATED this 23rd day of March, 2006 .

THE CORPORATION OF THE
REGIONAL MUNICIPALITY OF YORK

- and -

ENBRIDGE GAS DISTRIBUTION INC.

FRANCHISE AGREEMENT

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

Attention: Regulatory Affairs Department