

December 10, 2012

BY EMAIL AND RESS

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319, 27th Floor
2300 Yonge Street
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Integrated Grain Processors Co-operative Inc.
Natural Resource Gas Limited Franchise Renewal Application
EB-2012-0072**

We are counsel to Integrated Grain Processors Co-operative Inc. ("IGPC") in this proceeding.

It is our understanding that there remains some uncertainty about the status and expiry date of certain Franchise Agreements between various municipalities and Natural Resource Gas Limited ("NRG"). It is noted that one of the options open to the Ontario Energy Board ("OEB"), as suggested by certain parties to this proceeding, is that the Franchise Agreement between the Corporation of the Town of Aylmer and NRG continue on an interim basis and that the Board deal with all of the NRG Franchise Agreements in one consolidated hearing in the future.

With some effort, IGPC has been able to determine the status of most of the Franchise Agreements with NRG. We have prepared the attached Table. In short, the status of the various Franchise Agreements can be summarized as follows:

1. There are four (4) Franchise Agreements that are the subject of an Interim Order extending the Franchise Agreements until the Board makes a final determination in respect of the respective franchise renewal applications. These are:
 - (a) The Corporation of the Municipality of Thames Centre (EB-2012-0444);
 - (b) The City of London (i.e. the former Township of Westminster) (EB-2012-0445);
 - (c) The Corporation of the Municipality of Central Elgin (EB-2012-0446); and
 - (d) The Corporation of the Township of Bayham (EB-2012-0447).

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In addition, the Franchise Agreement with the Corporation of the Town of Aylmer, which is the subject of the within proceeding, is also the subject of a similar Interim Order.

This leaves the Corporation of the Township of Malahide, with a Franchise Agreement expiry of September 21, 2015 (assuming the latest expiry date applies), and the Franchise Agreement with the Corporation of the Township of South-west Oxford, the expiry date of which is unknown but assumed to be in the near future as the Franchise Agreement was to run for thirty years from the passing of the relevant By-law, which is believed to have occurred around 1982.

One area of question is the Franchise Agreement with the Corporation of Norfolk County, which includes the former Township of Norfolk. It is understood that NRG serves some of this County, but the expiry date of any Franchise Agreement is not readily apparent.

IGPC offers the above information in the hope that it is of assistance to the Board and Board Staff in their attempt to determine the status of relevant Franchise Agreements for the purposes of considering the proposal to consolidate all of the Franchise Agreement hearings into one hearing, contemporaneous with the date of the expiry of the latest agreement, likely the Corporation of the Township of Malahide.

Yours truly,

AIRD & BERLIS LLP

A handwritten signature in blue ink, appearing to be "Dennis M. O'Leary / Scott Stoll". The signature is stylized with a large, looped "D" and "S".

Dennis M. O'Leary / Scott Stoll
DMO:ct

Enclosure

cc Natural Resource Gas Limited
cc Intervenors in EB-2012-0072

13621615.1

| Municipality | | OEB Docket | OEB Order ¹ (See Footnote Below) | Date of Franchise Agreement | Term and Renewal Option | By-law Approval | Date Franchise Agreement Expires |
|---|-----------------------------|------------|---|--------------------------------------|---|---|--|
| The Corporation of the Township of Malahide (County of Elgin) | | | | December 15, 1994 | 20 years from final passing of by-law Renewal term for no more than 15 years, unless both parties agree to extend term to 20 years At any time within 2 years prior to the expiration...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. (Section II (3)) | By-law 94-49 enacted and passed September 21, 1995 | September 21, 2015 |
| Amalgamated in 1998 with | Village of Springfield | E.B.A. 367 | Order dated October 15, 1981, issued May 5, 1982 | October 2, 1984 | 30 years from final passing of by-law Renewal term not exceeding 30 years | By-law 779 enacted and passed October 2, 1984 | October 2, 2014 |
| | Village of South Dorchester | E.B.A. 362 | Order dated October 15, 1981, issued May 5, 1982 | | 30 years from final passing of by-law Renewal term not exceeding 30 years | Not known | Not known, but possibly sometime in 2012 (assuming approving by-law enacted in 1982) |
| The Corporation of the Municipality of Thames Centre (Formed by amalgamation of Townships of North Dorchester and West Nissouri, in 2001) (County of Middlesex) | | E.B.A. 361 | Re North Dorchester Order dated October 15, 1981, issued May 5, 1982, attaching By-law enacted December 18, 1979 and Franchise Agreement dated December 18, 1979 | November 22, 1982 (North Dorchester) | 30 years from and after passing of by-law Renewal term not exceeding 30 years (Section 11) | By-law 60-82 – Enacted and passed November 16, 1982 | November 16, 2012 Extended by Interim Order dated November 22, 2012 until final disposition of Application (EB-2012-0444) |

¹ On September 9, 1981, the Ontario Energy Board issued Reasons for Decision Re E.B.A. 357 (SW Oxford); 358 (Village of Belmont [now part of Kitchener-Waterloo]); 361 (N Dorchester); 362 (S Dorchester); 365 Village of Port Burwell – now part of Bayham); 366 (Town of Aylmer); 367 (Village of Springfield – now Malahide); 368 (Twp. Of Westminster [now part of City of London, County of Middlesex]); 393 (Twp. of Norfolk [now Corporation of Norfolk County]); 394 (Village of Vienna – now Bayham); 395 (Twp. of Bayham); and re E.B.C. 111 and E.B.C. 119 . The Decision related to applications by NRG filed in 1979 and 1980 under s. 8 of the MFA for” certificates ...to construct works” re aforementioned townships and villages (11 in all). NRG also applied for approval of the terms, etc. re the [proposed] franchise agreements. Union Gas intervened. The Board approved the terms and conditions of the [proposed] agreements “outlined in Schedule A of Exhibit 16 as amended and for the six other municipalities which also form part of this application.”

| Municipality | | OEB Docket | OEB Order ¹ (See Footnote Below) | Date of Franchise Agreement | Term and Renewal Option | By-law Approval | Date Franchise Agreement Expires |
|--|-------------------------|------------|---|---|---|---|--|
| The Corporation of the Town of Aylmer (County of Elgin) | | E.B.A. 366 | Order dated October 15, 1981, issued May 5, 1982, attaching By-law No. 7-80 , passed February 5, 1980, and undated Franchise Agreement | February 27, 1984 | 25 years from final passing of by-law Renewal term not exceeding 25 years (Section 11) | February 27, 1984 | February 27, 2009 Extended by Interim Order until final determination of application (EB-2012-0072) |
| The Corporation of the Township of Bayham (County of Elgin) | | E.B.A. 395 | Order dated October 15, 1981, issued May 5, 1982 Attaches Appendix “A”, being by-law dated February 11, 1980 enacted and passed February 11, 1980 | November 22, 1982 | 30 years from final passing of by-law Renewal term not exceeding 30 years | November 18, 1982 (predates date of Franchise Agreement) | November 18, 2012 Extended by Interim Order November 22, 2012. until final disposition of application (EB-2012-0447). |
| Amalgamated in 1998 with : | Village of Port Burwell | E.B.A. 365 | Order dated October 15, 1981, issued May 5, 1982 Attaches By-law enacted January 25, 1980 and Franchise Agreement dated January 25, 1980 | May 5, 1982 (OEB approved amendments June 26, 1984) | Copy of original Franchise Agreement and Amendment not provided | By-law 85-5 approving Amended Agreement February 11, 1985 | See above. Should now be part of Application (EB-2012-0447) |
| | Village of Vienna | E.B.A. 394 | Order dated October 15, 1918, Issued May 5, 1982. Attaches Appendix “A” being undated draft By-law and Franchise Agreement dated July 10, 1980 References Reasons for Decision delivered on October 15, 1981 | May 9, 1985 | 30 years from final passing of by-law Renewal term not exceeding 30 years (Section 11) | By-law 798 enacted and passed May 9, 1985 | See above. Should now be part of Application (EB-2012-0447) |

| Municipality | OEB Docket | OEB Order ¹ (See Footnote Below) | Date of Franchise Agreement | Term and Renewal Option | By-law Approval | Date Franchise Agreement Expires |
|--|---|---|-----------------------------|---|-----------------|--|
| The Corporation of the Municipality of Central Elgin (County of Elgin) (Formed through amalgamation of Township of Yarmouth, and Villages of Belmont (E.B.A. 358) and Port Stanley in 1998.) | E.B.A. 358 refers to Village of Belmont | Order dated October 15, 1981 issued May 5, 1982, attaching By-law enacted December 11, 1979 and Franchise Agreement dated December 11, 1979 | Not Available | Per OEB Order – 30 years from final passing of by-law | Not available | Franchise Agreement extended by Interim Order dated November 22, 2012 until final disposition of Application (EB-2012-0446) |
| The Corporation of the Township of South-West Oxford (County of Oxford) The Ontario Municipal Service Directory (2012) lists both Union Gas Limited and NRG as service providers | E.B.A. 357 | Order dated October 15, 1981 Issued May 5, 1982, attaching draft By-law and Franchise Agreement dated December 4, 1979 | Not Available | Per OEB Order – 30 years from final passing of by-law | Not available | Not known, but possibly sometime in 2012 (assuming approving by-law enacted in 1982) |

NOTES:

Former Township of Norfolk (E.B.A. 393 – Application dated October 31, 1980) is now known as **The Corporation of Norfolk County**.

The Ontario Municipal Service Directory (2012) indicates that both Union Gas and NRG service the area.

Former Township of Westminster (E.B.A. 368) is now part of the **City of London** (Middlesex County).

Franchise Renewal extended by Interim Order dated November 22, 2012 until final disposition of Application **(EB-2012-0445)**