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February 8, 2013

VIA COURIER, EMAIL, RESS

Ms. Kirsten Walli
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 26th Floor
Toronto, ON M4P 1E4

**Re: Enbridge Gas Distribution Inc. ("Enbridge")
EB-2012-0463/ EB-2012-0486
Renewal of the Franchise Agreement - Municipality of Trent Hills
Reply Submission of Enbridge**

In accordance with the Ontario Energy Board's (the "Board") letter dated January 25, 2013, enclosed please find the reply submission of Enbridge.

The submission has been filed through the Board's Regulatory Electronic Submission System ("RESS"). The confirmation number has been included in the package.

Please contact me if you have any questions

Sincerely,

[Original Signed By]

Lorraine Chiasson
Regulatory Coordinator

cc: Tania Persad – EGD, Senior Legal Counsel, Regulatory
Steve McGivery – Operations Manager – Central Region East

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act*,
1998, S.O. 1998, c. 15, Sch. B, as amended

AND IN THE MATTER OF an application by Enbridge
Gas Distribution Inc. (“EGD”) for renewal of a
franchise agreement with the Municipality of Trent
Hills (the “Application”)

REPLY SUBMISSIONS OF ENBRIDGE GAS DISTRIBUTION INC.

1. Enbridge Gas Distribution Inc. (“EGD”) has reviewed and considered the submissions of Mr. Varty, who is the only intervenor in respect of the Application.
2. Mr. Varty made one request regarding the Application – that a preamble be added to the franchise agreement acknowledging that Trent Hills has the authority to pass certain by-laws. EGD submits that it is not appropriate to amend the Model Franchise Agreement (“MFA”), as approved by the Board in 2001, to address specific rights that a municipality may have under applicable laws. The MFA appropriately addresses the application of by-laws in a more generic manner in section 13, which states that the MFA “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.” The application of any municipal by-laws to EGD operations would be assessed in accordance with this general rule.
3. Mr. Varty also posed a series of questions about the Application, reproduced below followed by EGD’s responses.
 - Q1. The proposed Trent Hills franchise bylaw does not repeal the previous agreement bylaws. Will the terms and conditions of these previous enabling bylaws still be in force?
 - A1. The October 16, 2012 resolution passed by Trent Hills approves the Application to enter into the new MFA with EGD. The new MFA will replace any existing franchise agreements referenced in the Application.

- Q2. The existing franchise agreement with the former Township of Percy appears to have approved an agreement for 15 years. Perhaps this indicated a precedent for the term of the proposed agreement to also be 15 years. Why was the term 15 years?
- A2. The term of the new MFA is twenty years, as noted in section 4, which is the term approved by the OEB for the MFA.
- Q3. The Municipal Emergency Management Program works to prepare our community for emergencies and disasters through the development of The Municipality of Trent Hills Emergency Responses Plan, hazard identification and support plans, training programs, emergency exercises as well as public education and awareness. The aim of the plan is to protect the safety and welfare of the residents of Trent Hills from the effects of a natural, technological or human caused emergency. The supply of gas interrupted following a disaster is very important especially during cold weather. Have there been consultations with Trent Hills, so that its emergency plan is relevant?
- A3. EGD coordinates its Emergency Response Preparedness Program with municipal plans in order to prepare for contingencies such as a disruption to the supply of gas. We utilize the Incident Command System to develop our response plans allowing for a standardized emergency response in coordination with the Municipalities.
- Q4. Are there future plans for gas storage by Enbridge or others? Will there be a public consultation?
- A4. EGD has no plans for gas storage in Trent Hills.
- Q5. Does this proposed agreement allow a transmission line of higher pressure to pass through Trent Hills?
- A5. The new MFA authorizes EGD to distribute, store and transmit gas in Trent Hills. While the definition of a "transmission line" is open to interpretation, EGD would not consider its pipelines currently operating in Trent Hills (none of which exceed NPS 6) to be transmission lines. All EGD pipelines in Trent Hills are used for gas distribution purposes.
- Q6. Portions of this distribution system have been in place for more than 50 years. Do old steel pipes exist? Have sufficient tests been performed to monitor electrolysis and the condition of these pipes?

- A6. The oldest pipelines in the area were installed in 1969, consisting of a mix of both steel and plastic pipe. The pipelines within the distribution systems are tested annually to determine if there is adequate corrosion protection.
- Q7. Does Enbridge conduct additional tests in “high consequence” areas? Has Enbridge made Trent Hills aware of the “high consequence” arrears?
- A7. As no definition is provided for “high consequence” areas, we are assuming that Mr. Varty is referring to areas with a high population density, such as urban centres. Trent Hills would not be characterized as such an area. EGD’s distribution system is designed to meet or exceed the applicable pipeline classification system standards.
- Q8. The FRANCHISE AGREEMENT HANDBOOK can be described as a document that key municipal employees might find invaluable. Does Enbridge have a program to ensure that these key municipal employees are familiar with its contents?
- A8. EGD maintains an on-going relationship with municipalities, including participation in the local public utilities coordinating committees and communications with public works personnel, as required. EGD will provide a copy of the Gas Franchise Handbook, or will direct people to the OEB website, upon request or as part of these regular communications.
- Q9. The distribution of gas to Trent Hills is very important to the economy and quality of life. As an essential and important stakeholder does Enbridge keep astride and current with The Official Plan, Economic Development Initiatives, and Infrastructure goals of Trent Hills?
- A9. EGD participates in a number of initiatives to stay apprised of municipal plans. On a regular basis EGD reviews and responds to municipal circulations. For instance, EGD reviews the five year Official Plan updates, any new developments proposed and any areas identified by the municipality for economic growth or special policy areas. Additionally, EGD monitors provincial initiatives, such as the Ontario *Places to Grow Act*, to ensure alignment with EGD’s operations.

Q10. Can Enbridge transfer this Franchise without seeking approval from Trent Hills?

A10. Any new gas distributor would require approval from the OEB to acquire EGD's franchise rights in Trent Hills, and Trent Hills would be provided with an opportunity to participate in this process.

All of which is respectfully submitted February 8, 2013

Enbridge Gas Distribution Inc.

(Original Signed)

Per: _____
Tania Persad
Senior Legal Counsel