

December 10, 2015

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

Dear Ms. Walli:

Re: EB-2015-0179 Community Expansion – Exhibit B.SEC.16 Attachment 1

Further to our letter of December 9, 2015 attached, please find a copy of Exhibit B.SEC.16 Attachment 1. We are also providing a CD of this Attachment.

Yours truly,

[Original signed by]

Chris Ripley, Manager, Regulatory Applications

Encl.

c.c.: EB-2015-0179 Intervenors

C. Keizer (Torys)

Filed: 2015-12-09 EB-2015-0179 Exhiibt B.SEC 16

Attachment 1



Uniongas A Spectra Energy Company







DELAWARE NATION AT MORAVIANTOWN NATURAL GAS EXPANSION REVIEW

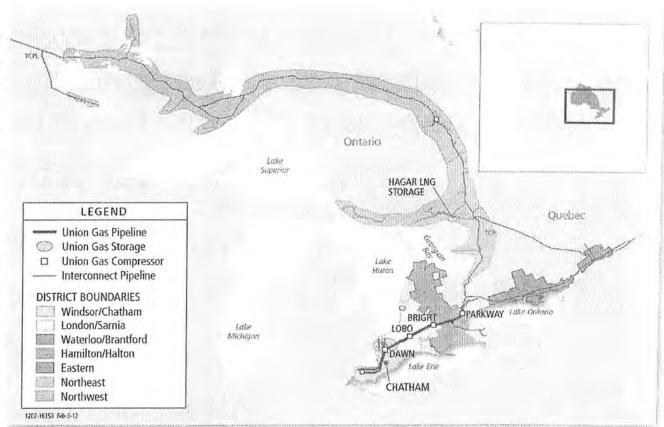
January 27, 2015

Confidential Document

Union Gas Service Area



Distribution				
Retail Customers:	1.4 million			
Annual Throughput:	491 BCF			
Distribution Pipe:	63,267 km			
Transmission				
Annual Throughput:	804 BCF			
Transmission Pipe:	4,754 km			
Markets Served:	Ontario, Quebec, US Northeast			
Dawn Storage				
Storage:	155 BCF			
Underground:	23			
Markets Served:	Ontario, Quebec, Marketers			



- ✓ Major Canadian natural gas storage, transmission and distribution company based in Ontario with over 100 years of experience and safe service to our customers
- √ Assets of \$5.8 billion in Ontario
- √ 2,200 employees One of Canada's Top 100 Employers for 2011 through 2014

Purpose and Background



- Accessing natural gas service
- Ontario Energy Board (OEB)
- Discuss expansion of the natural gas distribution system to Moraviantown First Nation Community
- Two proposed gas line options include:
 - Minimum piping to bring natural gas along School House Road to Corn Plant Road to attach majority of commercial and some residential customers in the community only
 - Required piping to bring natural gas to all residential and commercial customers within Moraviantown

Accessing Natural Gas Service



- Union Gas will investigate providing gas service to any homeowner or business when:
 - the project/expansion is economical
 - adequate distribution facilities are available
 - it's within Union Gas's franchise area
- Union Gas reserves the right, in conjunction with municipal consent and the Delaware Nation consent to determine the location of the gas mains, service lines, meters and regulators

Ontario Energy Board



What is the Ontario Energy Board (OEB)?

- An independent regulatory body which has jurisdiction on matters concerning production, distribution, transmission and storage of natural gas in Ontario
- Natural gas rates are approved on a quarterly basis by the OEB
- Within Union Gas' regulatory framework, existing customers cannot subsidize the cost of new customers
- Other utilities operate under a different regulatory framework
- Economic model is approved by the OEB
- OEB sets specific metrics Union Gas needs to achieve



Gas Expansion Investigation



Involves an economic analysis of:

 Anticipated Future Revenues (net margin dollars realized from gas flow to customers)

versus

- Capital Costs construction costs, materials, surveys, land rights etc.
- Operating & Maintenance Costs costs to operate and safely maintain any proposed expansion project over the life of the project

Economic Analysis



If the revenues exceed the costs over a projected
 Present Value cash flow, the project may proceed

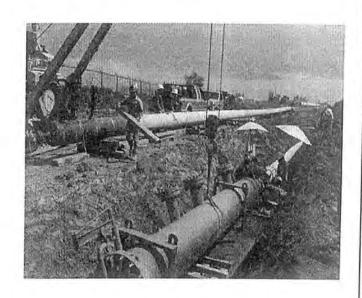
 If costs exceed revenues an alternate solution will need to be investigated to bridge the shortfall.

(i.e.. Customer contribution)

Reasons Gas Expansion Becomes Expension



- Too far from an existing gas pipeline
- Nearest gas pipeline is high pressure and requires expensive distribution regulator stations
- Existing gas line has inadequate capacity
- Extensive gas line reinforcement is required



Costing Assumptions



- All costs are a magnitude estimate and have a +50% / 25% contingency
- Attachment Rates
 - 60% residential (1.56m3/hr), 80% commercial (10m3/hr) all in Year 1 of construction
 - Need some form of commitment as this percentage and year of attachment may affect costing & aid requirements
- Favourable running lines:
 - No running line survey or pre-engineering completed
 - High level site assessment completed and all costing based on this, if changes required due to other infrastructure being installed, etc. may affect costs
- Archeological costs are based on past projects actual costs and may vary project to project
- Earliest start date for construction is 2016 and costing based on this
 - May need to consider annual increases to labour/material beyond 2016

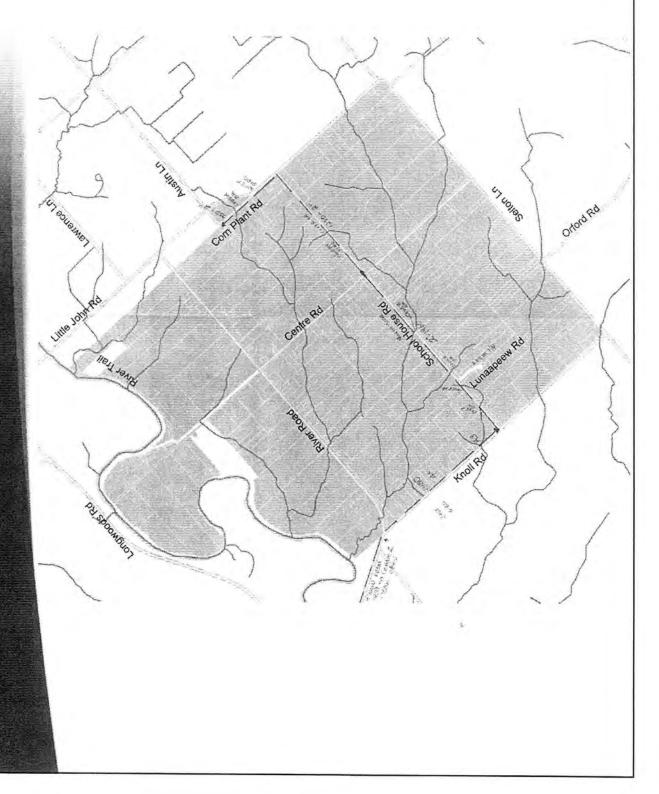
Costing of Proposal Option 1: Minimum Attachment



- Union Gas to attach to existing gas main at Longwoods Road, and run new main along Norton to the edge of the reserve, and within the reserve along Knoll Road, School House Road and Corn Plant Road
 - Accounts for minimum design to attach bulk of commercial and some residential customers along the proposed route only per the assumed attachment rate, no capacity for future growth
 - Total Project Capital Costs = \$477K
 - Customer Contribution (Aid to Construct) Required = \$406K







Costing of Proposal Option 2: Full Attachment



- Union Gas to attach to existing gas main at Longwoods Road, and run new main along Norton to the edge of the reserve, and within the reserve along Knoll Road, School House Road, Corn Plant Road, Selton Road, Center Road and River Road
 - Accounts for full design to attach all commercial and residential customers along the proposed route only, per the assumed attachment rate
 - Total Project Capital Costs = \$1,295K
 - Customer Contribution (Aid to Construct) Required = \$1,121K

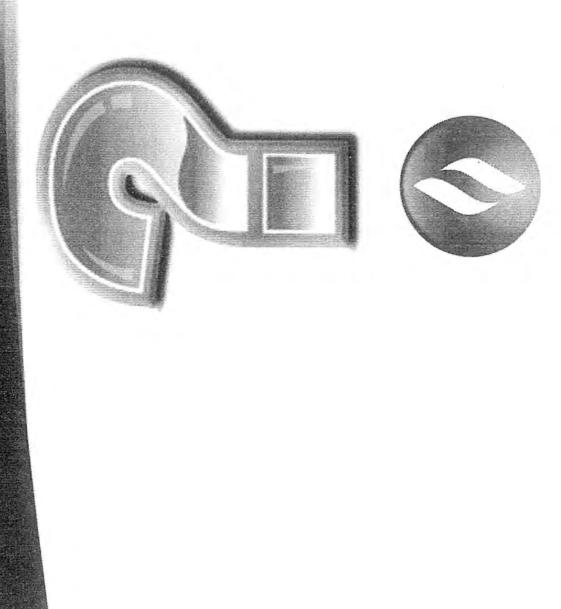


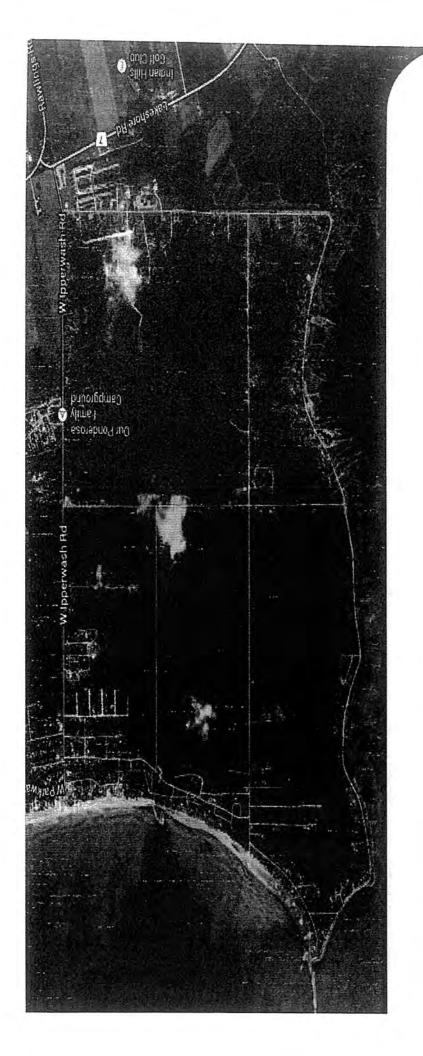












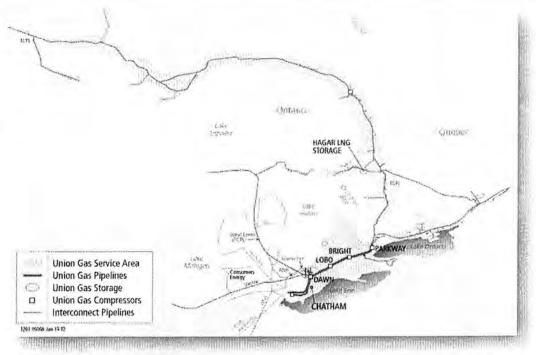
Kettle Point Natural Gas Expansion

Feb. 13, 2014 / James Whittaker



Union Gas

- Major Canadian natural gas storage, transmission and distribution company based in Ontario
- Over 100 years of experience and safe service to customers
- Dawn Storage facility largest underground storage facility in Canada
- Dawn Hub, one of the top-5 physically traded hubs in North America
- Assets of \$5.8 billion, ~1.4 million customers, ~2,200 employees
- One of Canada's Top 100 Employers for 2011-2014
- A Spectra Energy (NYSE: SE) company



1.4 million			
1.295 Bcf			
63,200 km / 39,000 mi			
155 Bcf			
4,750 km / 3,000 mi			



Objectives of Presentation

- Accessing natural gas service
- Ontario Energy Board (OEB)
- Gas expansion
- Questions

Accessing Natural Gas Service



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 - ➤ the project/expansion is economical
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Gas Expansion Investigation



Involves an economic analysis of:

 Anticipated revenue (net margin dollars realized from gas flow to customers)

versus

- Costs construction costs, materials, surveys, land rights ...
- O&M costs costs to operate and safely maintain any proposed expansion project over the life of the project

Economic Analysis

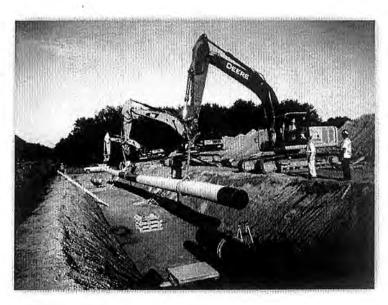


- If the revenues exceed the costs over a projected PV cash flow, the project may proceed.
- If costs exceed revenues an alternate solution will need to be investigated to bridge the shortfall.
 - (i.e.. Customer contribution)

Reasons Gas Expansion Becomes Expensive

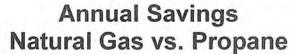


- Too far from an existing gas pipeline
- Nearest gas pipeline is High pressure and requires expensive distribution regulator stations
- Existing gas line has inadequate capacity
- Extensive gas line reinforcement is required

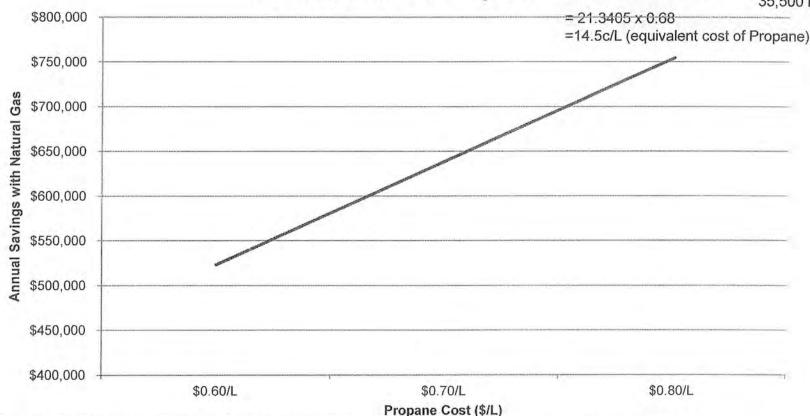




Invest for Savings



M1 Natural Gas Rate – 21.3405 c/m³
Propane Equivalency = 24,197 BTU/L Propane
35,500 BTU/m³ Natural



Propane rate assumed at \$0.60/L, \$0.70/L and \$0.80/L

As of January 1st, 2014 natural gas rates are \$0.213405/ m3 for M1 customers and \$0.217206 /m3 for M2 customers Annual savings excludes conversion costs and monthly service charge of \$21.00 (M1) and \$70.00 (M2) M1 customers use < 50,000 m³/yr natural gas (73,000 L propane)

Savings Chart



		Propane Consumption (L)	Annual Propane Costs		Equivalent Natural Gas (m3)	Annual Natural Gas Costs		Estimated Annual Savings	
		3,016	\$	2,111	2,056	\$	439	\$	1,672
Ĩ.		144,072	\$	100,850	98,200	\$	21,330	\$	79,521
5		13,404	\$	9,383	9,136	\$	1,950	\$	7,433
Ĭ.		11,551	\$	8,086	7,873	\$	1,680	\$	6,406
ò		7,884	\$	5,519	5,374	\$	1,147	\$	4,372
		7,884	\$	5,519	5,374	\$	1,147	\$	4,372
		7,884	\$	5,519	5,374	\$	1,147	\$	4,372
		9,348	\$	6,544	6,372	\$	1,360	\$	5,184
		6,612	\$	4,628	4,507	\$	962	\$	3,667
		12,168	\$	8,518	8,294	\$	1,770	\$	6,748
		9,180	\$	6,426	6,257	\$	1,335	\$	5,093
		8,556	\$	5,989	5,832	\$	1,245	\$	4,74
		7,284	\$	5,099	4,965	\$	1,060	\$	4,039
		3,016	\$	2,111	2,056	\$	439	\$	1,672
		3,016	\$	2,111	2,056	\$	439	\$	1,672
		11,551	\$	8,086	7,873	\$	1,680	\$	6,400
		8,424	\$	5,897	5,742	\$	1,225	\$	4,67
		7,284	\$	5,099	4,965	\$	1,060	\$	4,039
		7,284	\$	5,099	4,965	\$	1,060	\$	4,039
		7,284	\$	5,099	4,965	\$	1,060	\$	4,039
		2,086	\$	1,460	1,422	\$	303	\$	1,157
		2,086	\$	1,460	1,422	\$	303	\$	1,157
	- 1	11,844	\$	8,291	8,073	\$	1,723	\$	6,568
		442,240	\$	309,568	301,433	\$	65,473	\$	244,095
		176,832	\$	123,782	120,530	\$	26,180	\$	97,603
		224,999	\$	157,499	153,361	\$	33,311	\$	124,188
TOTAL		1,156,789	\$	809,752	788,474	\$	170,824	\$	638,928

Natural gas rates as of Jan. 1, 14 Propane at \$0.70/L Savings exclude conversion costs Savings exclude monthly meter charges



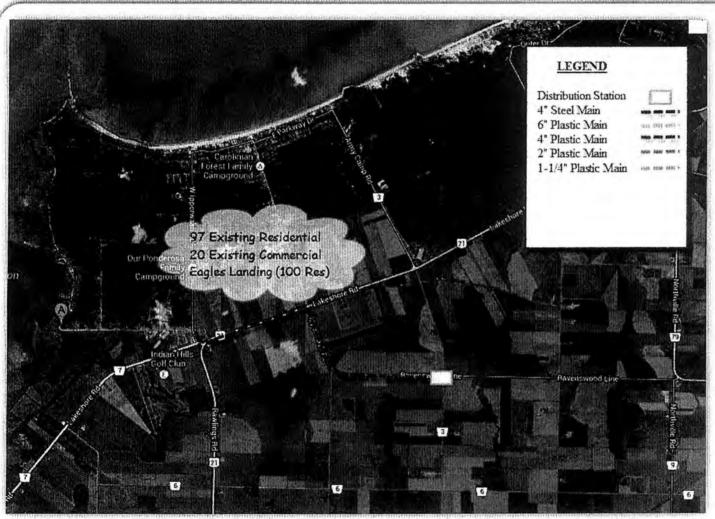
Project Options

Scenar io	Capit al Cost	PI	Aid to 1.0	Existing Res Count	New Res Count	Com Cou nt	Simple Aid*	Scope	
1	\$950k	0.6	\$425k	97	100	20	\$2,000	5.7 km 4" HP Plastic, 3.1 km 2" HP Plastic, 1.5 km 1.25" HP Plastic, New Distribution Station	
2	\$2.3M	0.2 7	\$1.9 M	274	100	20	\$4,850	1.8 km 6" Stl HP, 3.3 km 6" HP Plastic, 5.6 km 4" HP Plastic, 2.9 km 2" HP Plastic, 8.7 km 1.25" HP Plastic, New Distribution Station	
3	\$2.4M	0.2	\$2.1 M	319	100	20	\$4,800	1.8 km 6" Stl HP, 3.3 km 6" HP Plastic, 5.6 km 4" HP Plastic, 7.6 km 2" HP Plastic, 4.1 km 1.25" HP Plastic, New Distribution Station	
4	\$2.8M	0.3	\$2.1 M	97	180	64	\$6,200	3.5 km 6" Stl HP, 5.4 km 6" HP Plastic, 3.0 km 4" HP Plastic, 3.8 km 2" HP Plastic, 10.7 km 1.25" HP Plastic, New Distribution Station	
5	\$4.2M	0.2 5	\$3.6 M	482	200	64	\$4,850	3.5 km 6" Stl HP, 5.4 km 6" HP Plastic, 3.0 km 4" HP Plastic, 3.8 km 2" HP Plastic, 10.7 km 1.25" HP Plastic, New Distribution Station	

^{*} Per Customer Basis

Scenario 1 – Existing Administration + Eagles Landing





Facilities Required

- 5.7 km 4" HP Plastic
- 3.1 km 2" HP Plastic
- 1.5 km 1.25" HP Plastic
- New Distribution Station

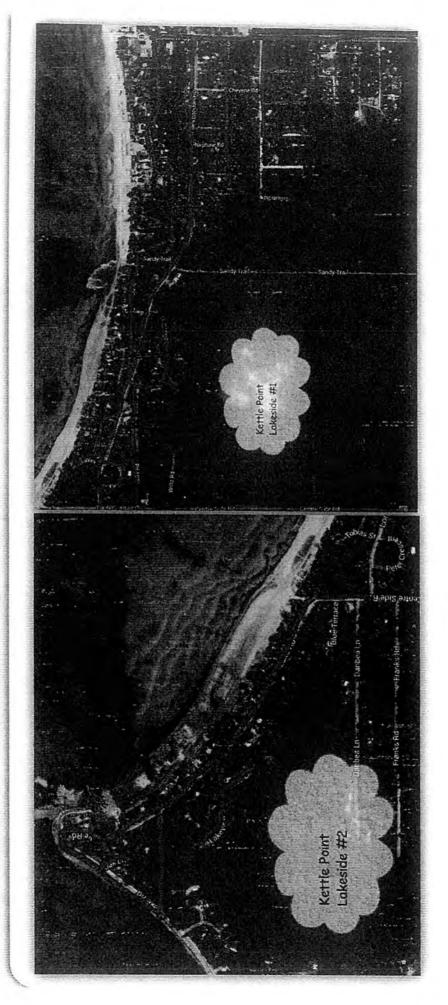
Economics

- Capital Cost \$950k
- -PI 0.62
- Aid Required \$425k
 - \$2000 per customer

- Existing Res 97
- Existing Com 20
- New Res 100

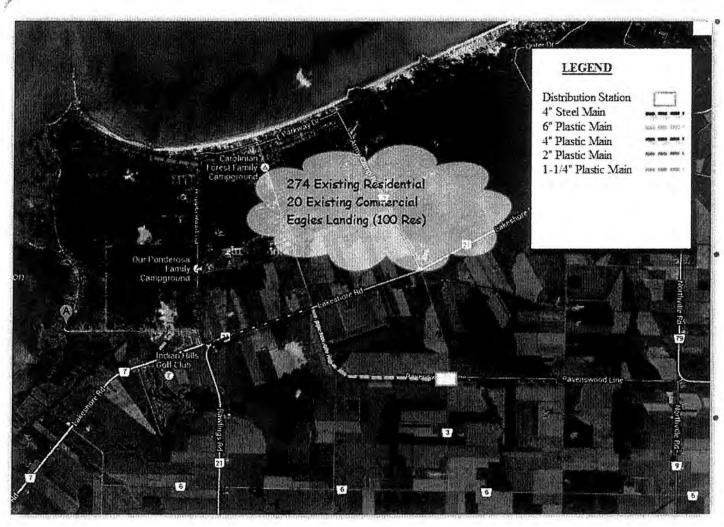


Lakeside 1 & Lakeside 2



Scenario 2 – Existing Administration + Eagles Landing + Lakeside 1





Facilities Required

- 1.8 km 4" Stl HP
- 3.3 km 6" HP Plastic
- 5.6 km 4" HP Plastic
- 2.9 km 2" HP Plastic
- 8.7 km 1.25" HP Plastic
- New Distribution Station

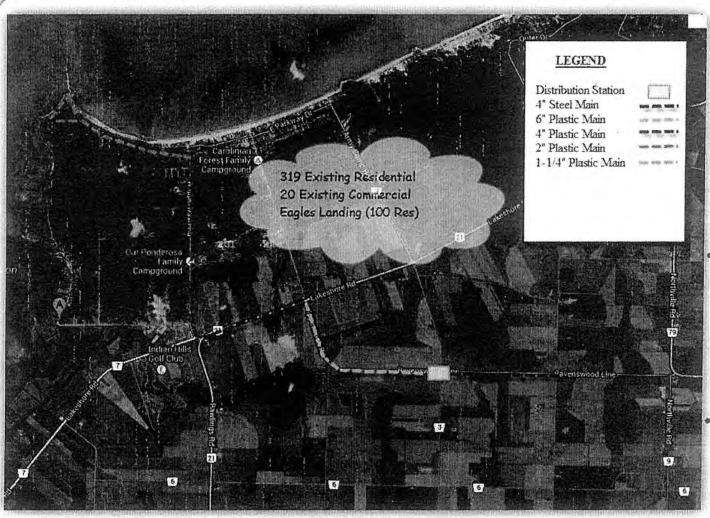
Economics

- Capital Cost \$2.3M
- -PI 0.27
- Aid Required \$1.9M
 - \$4850 per customer

- Existing Res 274
- Existing Com 20
- New Res 100

Scenario 3 – Existing Administration + Eagles Landing + Lakeside 1&2





Facilities Required

- 1.8km 4" Stl HP
- 3.3 km 6" HP Plastic
- 5.6 km 4" HP Plastic
- 3.8 km 2" HP Plastic
- 10.7 km 1.25" HP Plastic
- New Distribution Station

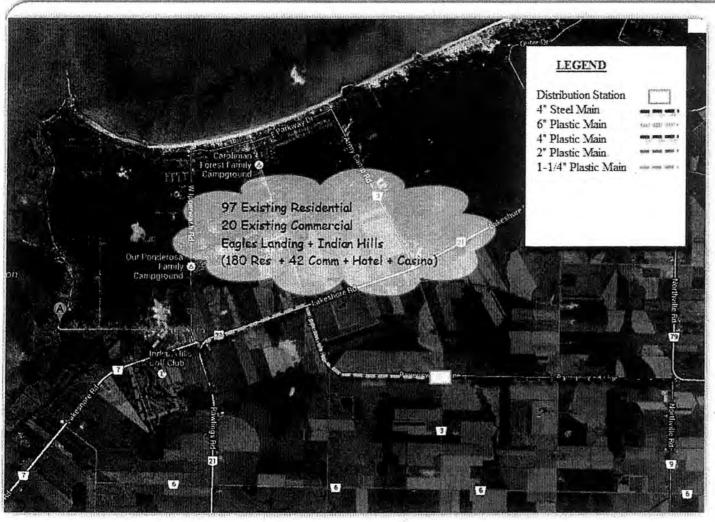
Economics

- Capital Cost \$2.4M
- -PI 0.24
- Aid Required \$2.1M
 - \$4800 per customer

- Existing Res 319
- Existing Com 20
- New Res 100

Scenario 4 – Existing Administration + Eagles Landing + Indian Hills





Facilities Required

- 3.5 km 4" Stl HP
- 5.4 km 6" HP Plastic
- 3.0 km 4" HP Plastic
- 7.6 km 2" HP Plastic
- 4.1 km 1.25" HP Plastic
- New Distribution Station

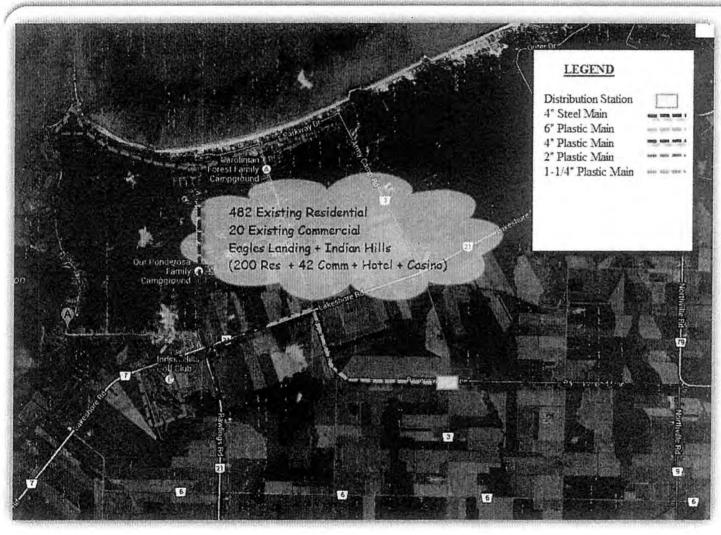
Economics

- Capital Cost \$2.8M
- -PI 0.34
- Aid Required \$2.1M
 - * \$6200 per customer

- Existing Res 97
- Existing Com 20
- New Res 180
- New Com 44

Scenario 5 – Existing Administration + Eagles Landing + Indian Hills + Lakeside 1&2 + **Lambton Shores**





Facilities Required

- 3.5 km 4" Stl HP
- 4.4 km 6" HP Plastic
- 7.7 km 4" HP Plastic
- 13.6 km 2" HP Plastic
- 21.4 km 1.25" HP Plastic
- New Distribution Station

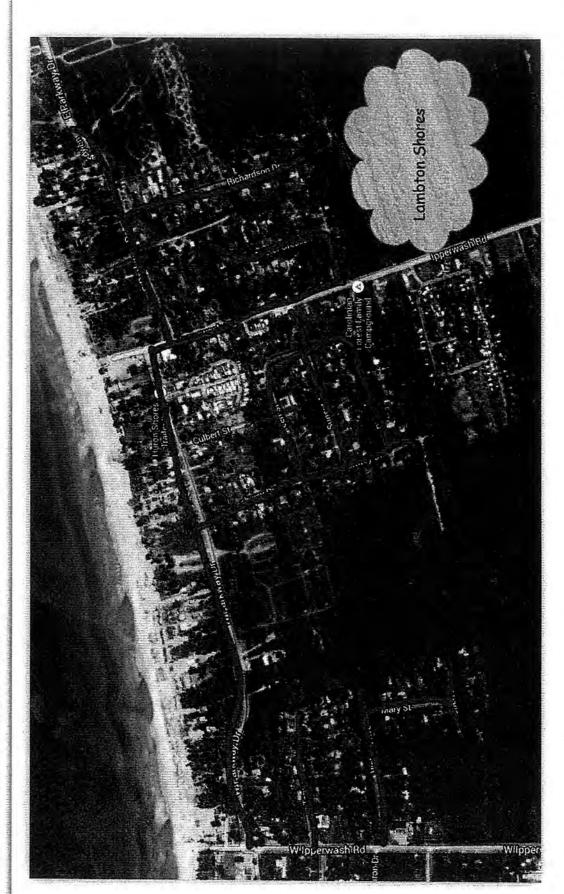
Economics

- Capital Cost \$4.2M
- -PI 0.25
- Aid Required \$3.6M
 - \$4850 per customer

- Existing Res 482
- Existing Com 20
- New Res 200
- New Com 42
- Hotel + Casino



Lambton Shores





Costing Assumptions

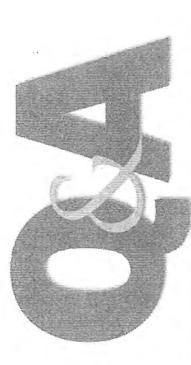
- Residential Attachments
 - New Varies by scenario
 - Existing 100%
- Commercial Attachments
 - New 30%
 - Includes Casino & Hotel
- Favourable running lines from Lambton Shores and Kettle Point
- OEB application & archeological costs
- Steel prices do fluctuate
- Annual increases to labour contract
- No running line survey or pre-engineering completed



Recommendation

Scenario 1

- Annual savings estimated at \$500,000 to \$750,000
 - Depends upon propane costs
 - Natural gas rates as of January 1, 2014
 - Excludes monthly meter charge (M1-\$21, M2-\$70)
 - Excludes conversion costs
- Expandable for future growth
- Least aid per customer
- No OEB approval required expedited execution
- Upsize first section to 6" HP Plastic for future \$100,000



LICINOPAS A Spectra Energy Company

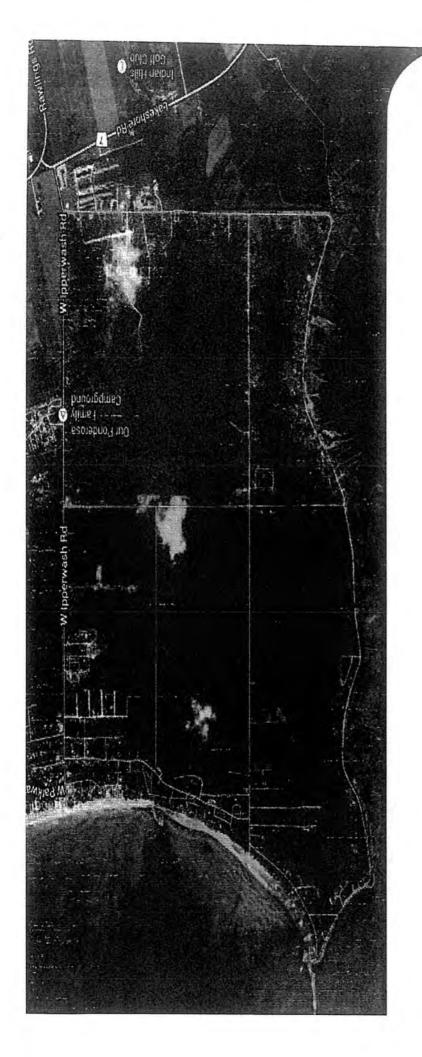




Uniongas 100 YEARS EST. 1911







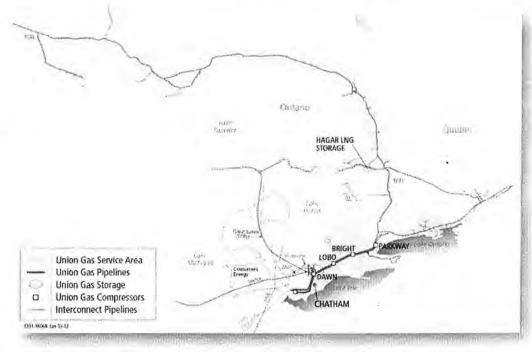
Kettle Point Natural Gas Expansion

May 5, 2014 / James Whittaker



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Retail Customers	1.4 million
2012 Pipeline Throughput	1.295 Bcf
Distribution Pipe	63,200 km / 39,000 mi
Storage Capacity	155 Bcf
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Reasons Gas Expansion Becomes Expensive



- Too far from an existing gas pipeline
- Nearest gas pipeline is High pressure and requires expensive distribution regulator stations
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Invest for Savings

Annual Savings Natural Gas vs Propane

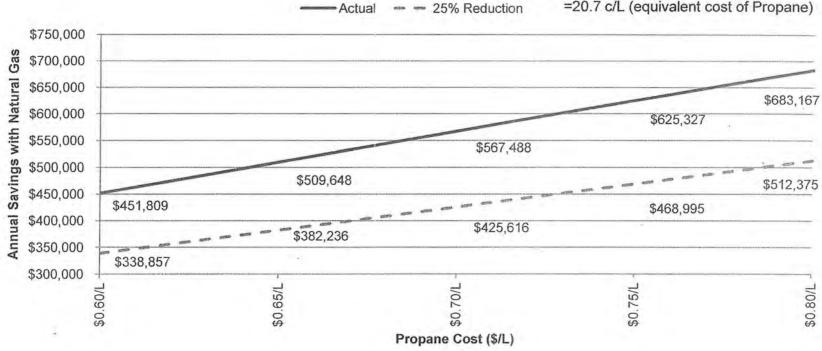
M1 Natural Gas Rate - 30,4003 c/m3

Propane Equivalency =

24,197 BTU/L Propane 35,500 BTU/m3 Natural

 $= 30.4003 \times 0.68$

=20.7 c/L (equivalent cost of Propane)



Propane rates shown as a range.

As of April 1st, 2014 natural gas rates are \$0.304003/ m3 for M1 customers and \$0.307813 /m3 for M2 customers Annual savings excludes conversion costs and monthly service charge of \$21.00 (M1) and \$70.00 (M2) M1 customers use < 50,000 m³/yr natural gas (73,000 L propane)

Savings Chart



r	Propane Consumption (L)	Estimated Propane Costs	Estimated Natural Gas Costs	Estimated Annual Savings	25% Less Consumption (L)	Estimated Propane Costs w/ 25% Reduction	Estimated Natural Gas Costs w/ 25% Reduction	Estimated Annual Savings w/ 25% Reduction
Į.	3,016	\$ 2,262	\$ 625	\$ 1,637	2,262	\$ 1,697	\$ 469	\$ 1,228
V .	144,072	\$ 108,054	\$ 30,227	\$ 77,827	108,054	\$ 81,041	\$ 22,670	\$ 58,370
	13,404	\$ 10,053	\$ 2,777	\$ 7,276	10,053	\$ 7,540	\$ 2,083	\$ 5,457
	11,551	\$ 8,663	\$ 2,393	\$ 6,270	8,663	\$ 6,497	\$ 1,795	\$ 4,702
	7,884	\$ 5,913	\$ 1,634	\$ 4,279	5,913	\$ 4,435	\$ 1,225	\$ 3,210
	7,884	\$ 5,913	\$ 1,634	\$ 4,279	5,913	\$ 4,435	\$ 1,225	\$ 3,210
	7,884	\$ 5,913	\$ 1,634	\$ 4,279	5,913	\$ 4,435	\$ 1,225	\$ 3,210
	9,348	\$ 7,011	\$ 1,937	\$ 5,074	7,011	\$ 5,258	\$ 1,453	\$ 3,805
	6,612	\$ 4,959	\$ 1,370	\$ 3,589	4,959	\$ 3,719	\$ 1,028	\$ 2,692
	12,168	\$ 9,126	\$ 2,521	\$ 6,605	9,126	\$ 6,845	\$ 1,891	\$ 4,954
	9,180	\$ 6,885	\$ 1,902	\$ 4,983	6,885	\$ 5,164	\$ 1,427	\$ 3,737
	8,556	\$ 6,417	\$ 1,773	\$ 4,644	6,417	\$ 4,813	\$ 1,330	\$ 3,483
	7,284	\$ 5,463	\$ 1,509	\$ 3,954	5,463	\$ 4,097	\$ 1,132	\$ 2,965
	3,016	\$ 2,262	\$ 625	\$ 1,637	2,262	\$ 1,697	\$ 469	\$ 1,228
	3,016	\$ 2,262	\$ 625	\$ 1,637	2,262	\$ 1,697	\$ 469	\$ 1,228
	11,551	\$ 8,663	\$ 2,393	\$ 6,270	8,663	\$ 6,497	\$ 1,795	\$ 4,702
	8,424	\$ 6,318	\$ 1,746	\$ 4,572	6,318	\$ 4,739	\$ 1,309	\$ 3,429
	7,284	\$ 5,463	\$ 1,509	\$ 3,954	5,463	\$ 4,097	\$ 1,132	\$ 2,965
	7,284	\$ 5,463	\$ 1,509	\$ 3,954	5,463	\$ 4,097	\$ 1,132	\$ 2,965
	7,284	\$ 5,463	\$ 1,509	\$ 3,954	5,463	\$ 4,097	\$ 1,132	\$ 2,965
	2,086	\$ 1,565	\$ 432	\$ 1,132	1,565	\$ 1,173	\$ 324	\$ 849
	2,086	\$ 1,565	\$ 432	\$ 1,132	1,565	\$ 1,173	\$ 324	\$ 849
	11,844	\$ 8,883	\$ 2,454	\$ 6,429	8,883	\$ 6,662	\$ 1,841	\$ 4,822
	442,240	\$ 331,680	\$ 92,785	\$ 238,895	331,680	\$ 248,760	\$ 69,589	\$ 179,171
	176,832	\$ 132,624	\$ 37,101	\$ 95,523	132,624	\$ 99,468	\$ 27,825	\$ 71,643
	224,999	\$ 168,749	\$ 47,206	\$ 121,543	168,749	\$ 126,562	\$ 35,405	\$ 91,157
TOTAL	1,156,789	\$867,592	\$ 242,26	\$625,327	867,592	\$ 650,694	\$ 181,698	\$ 468,995

Natural gas rates as of Apr. 1, 2014
Propane at \$0.75/L
Savings exclude conversion costs
Savings exclude monthly meter
charges of \$21/month (M1) or
\$70/month (M2)



Project Options

Scenario	Capital Cost	PI	Aid to 1.0	PILT**	Existing Res	New Res	Com	Simple Aid*	Scope
	\$950 k	0.62	\$425k	\$3,800	97	100	20	\$2,000	5.7 km 4" HP Plastic, 3.1 km 2" HP Plastic, 1.5 km 1.25" HP Plastic, New Distribution Station
Ecces space some some some 2	\$2.3 M	0.27	\$1.9M	\$11,000	274	100	20	\$4,850	1.8 km 6" Stl HP, 3.3 km 6" HP Plastic, 5.6 km 4" HP Plastic, 2.9 km 2" HP Plastic, 8.7 km 1.25" HP Plastic, New Distribution Station
3	\$2.4 M	0.24	\$2.1M	\$12,600	319	100	20	\$4,800	1.8 km 6" Stl HP, 3.3 km 6" HP Plastic, 5.6 km 4" HP Plastic, 7.6 km 2" HP Plastic, 4.1 km 1.25" HP Plastic, New Distribution Station
4	\$2.8 M	0.34	\$2.1M	\$12,000	97	180	64	\$6,200	3.5 km 6" Stl HP, 5.4 km 6" HP Plastic, 3.0 km 4" HP Plastic, 3.8 km 2" HP Plastic, 10.7 km 1.25" HP Plastic, New Distribution Station
5	\$4.0 M	0.42	\$2.7 M	\$22,600	319	180	64	\$4,800	3.5 km 4" Stl HP, 4.4 km 6" HP Plastic, 7.7 km 4" HP Plastic, 11.3 km 2" HP Plastic, 14.8 km 1.25" HP Plastic, New Distribution Station

^{*}Per Customer Basis

^{**} Payment in Lieu of Taxes



Project Options

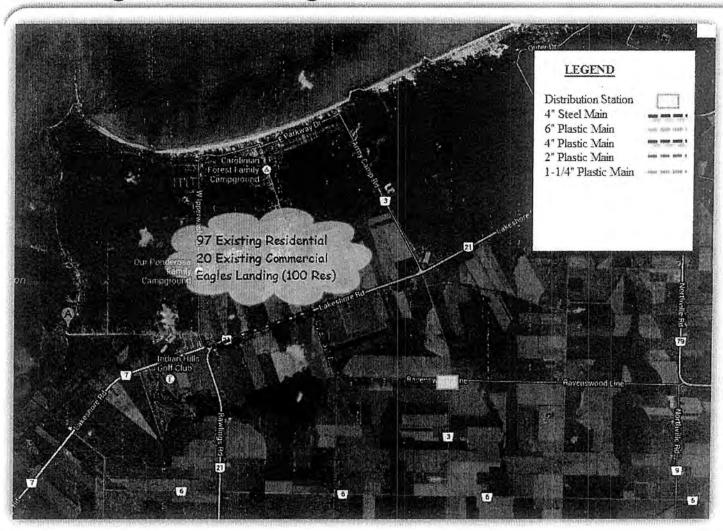
Scenario	Capital Cost	PI	Aid to 1.0	PILT**	Existing Res	New Res	Com	Simple Aid*	Scope
6	\$4.25M	0.31	\$3.4M	\$25,000	355	100	20	\$7,200	1.8 km of 4"STL, 3.3 km of 6"HP plastic, 13.3 km of 4"HP plastic, 6.9 km of 2"HP plastic, 12km of 1 .25" HP plastic, New Distribution station
7	\$5.55M	0.30	\$4.5M	\$37,000	355	180	66	\$7,500	4.1 km of 4"STL, 5.4 km of 6"HP plastic, 17.2 km of 4"HP plastic, 11.4 km of 2"HP plastic, 14.7 km of 1.25" HP plastic, New Distribution station

^{*}Per Customer Basis

^{**} Payment in Lieu of Taxes

Scenario 1 – Existing Administration + Eagles Landing





Facilities Required

- 5.7 km 4" HP Plastic
- 3.1 km 2" HP Plastic
- 1.5 km 1.25" HP Plastic
- New Distribution Station

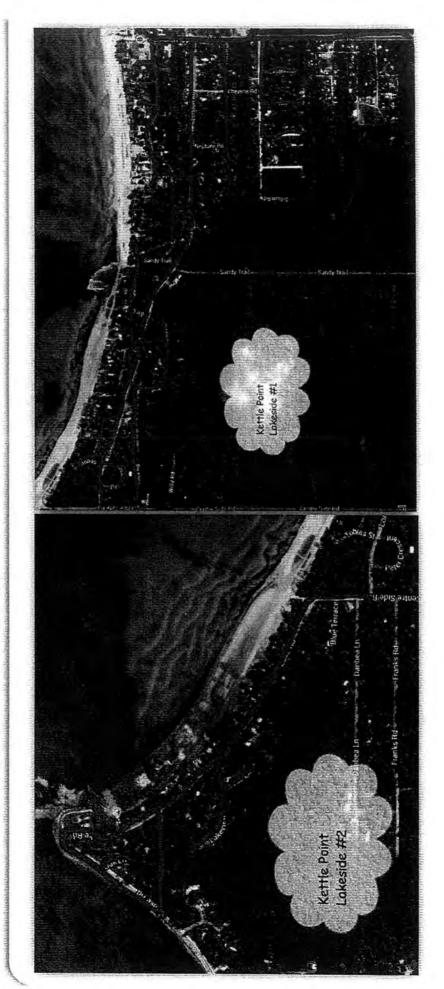
Economics

- Capital Cost \$950k
- -PI 0.62
- Aid Required \$425k
 - \$2000 per customer

- Existing Res 97
- Existing Com 20
- New Res 100

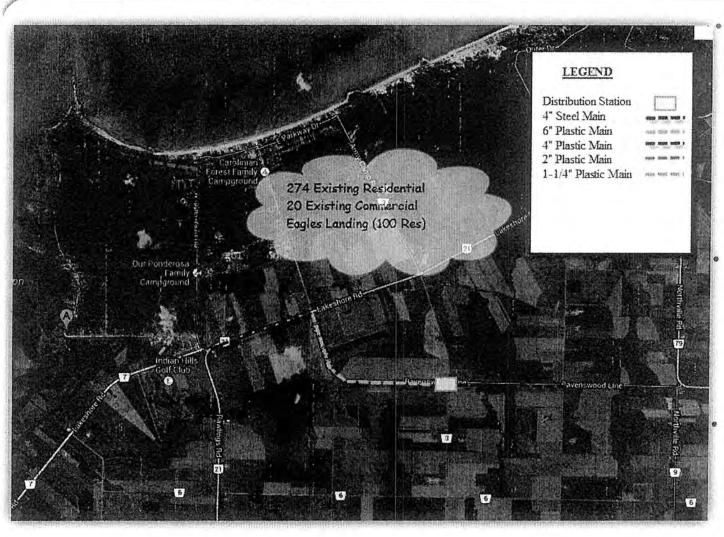


Lakeside 1 & Lakeside 2



Scenario 2 – Existing Administration + Eagles Landing + Lakeside 1





Facilities Required

- 1.8 km 4" Stl HP
- 3.3 km 6" HP Plastic
- 5.6 km 4" HP Plastic
- 2.9 km 2" HP Plastic
- 8.7 km 1.25" HP Plastic
- New Distribution Station

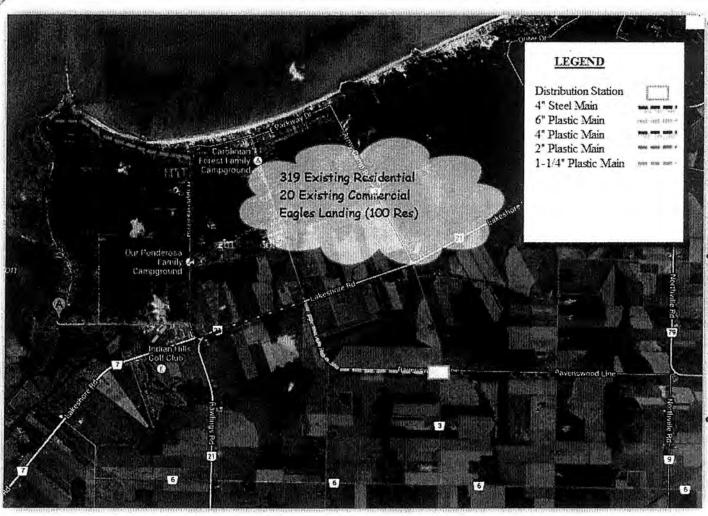
Economics

- Capital Cost \$2.3M
- -PI 0.27
- Aid Required \$1.9M
 - \$4850 per customer

- Existing Res 274
- Existing Com 20
- New Res 100

Scenario 3 – Existing Administration + Eagles Landing + Lakeside 1&2





Facilities Required

- 1.8 km 4" Stl HP
- 3.3 km 6" HP Plastic
- 5.6 km 4" HP Plastic
- 3.8 km 2" HP Plastic
- 10.7 km 1.25" HP Plastic
- New Distribution Station

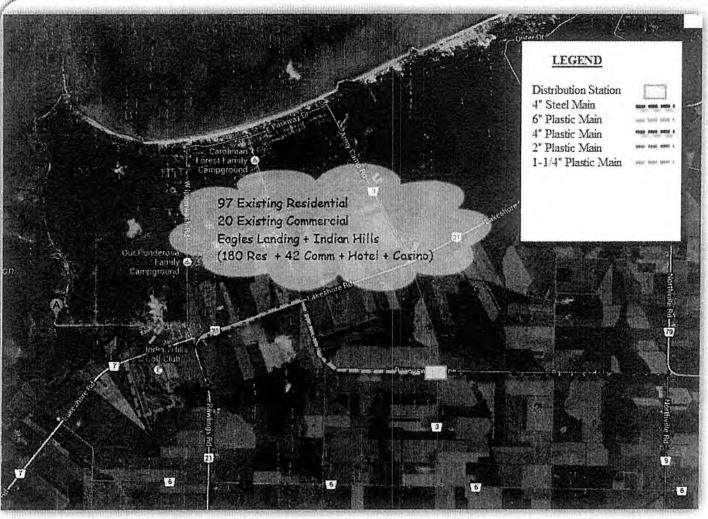
Economics

- Capital Cost \$2.4M
- -PI 0.24
- Aid Required \$2.1M
 - \$4800 per customer

- Existing Res 319
- Existing Com 20
- New Res 100

Scenario 4 – Existing Administration + Eagles Landing + Indian Hills





Facilities Required

- 3.5 km 4" Stl HP
- 5.4 km 6" HP Plastic
- 3.0 km 4" HP Plastic
- 7.6 km 2" HP Plastic
- 4.1 km 1.25" HP Plastic
- New Distribution Station

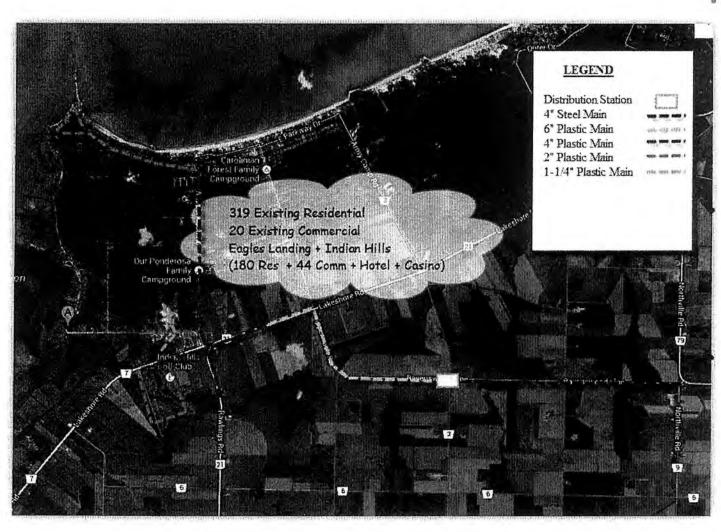
Economics

- Capital Cost \$2.8M
- -PI 0.34
- Aid Required \$2.1M
 - \$6200 per customer

- Existing Res 97
- Existing Com 20
- New Res 180
- New Com 44

Scenario 5 – Existing Administration + Eagles Landing + Indian Hills + Lakeside 1&2





Facilities Required

- 3.5 km 4" Stl HP
- 4.4 km 6" HP Plastic
- 7.7 km 4" HP Plastic
- 11.3 km 2" HP Plastic
- 14.8 km 1.25" HP Plastic
- New Distribution Station

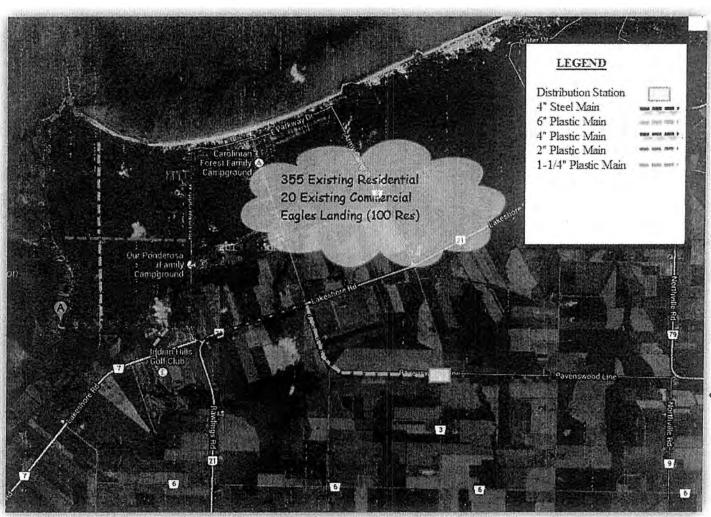
Economics

- Capital Cost \$4.0 M
- -PI 0.42
- Aid Required \$2.7 M
 - ▶ \$4,800 per customer

- Existing Res 319
- Existing Com 20
- New Res 180
- New Com 44
- Hotel + Casino

Scenario 6 – Existing Administration + Eagles Landing + Lakeside 1&2 + Internal Streets at Lake





Facilities Required

- 1.8 km 4" Stl HP
- 3.3 km 6" HP Plastic
- 13.3 km 4" HP Plastic
- 6.9 km 2" HP Plastic
- 12.0 km 1.25" HP Plastic
- New Distribution Station

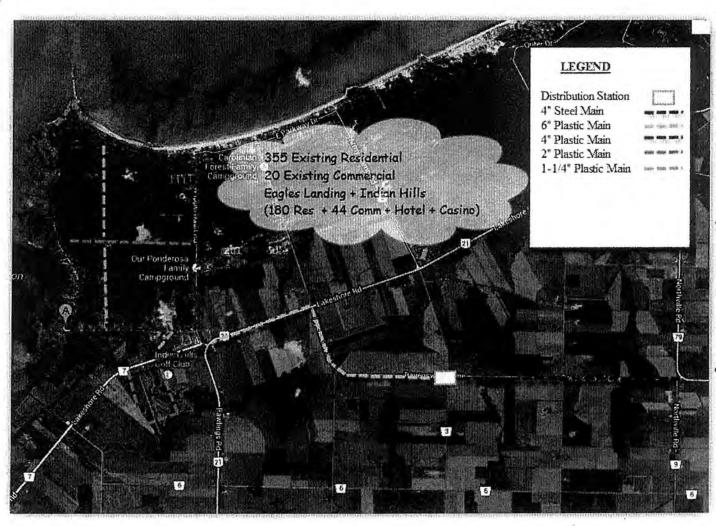
Economics

- Capital Cost \$4.25 M
- PI-0.31
- Aid Required \$3.4 M
 - \$7,200 per customer

- Existing Res 355
- Existing Com 20
- New Res 100

Scenario 7 – Existing Administration + Eagles Landing + Indian Hills + Lakeside 1&2 + Internal Streets at Lake





Facilities Required

- 4.1 km 4" Stl HP
- 5.4 km 6" HP Plastic
- 17.2 km 4" HP Plastic
- 11.4 km 2" HP Plastic
- 14.7 km 1.25" HP Plastic
- New Distribution Station

Economics

- Capital Cost \$5.55M
- -PI 0.30
- Aid Required \$4.5M
 - * \$7,500 per customer

- Existing Res 355
- Existing Com -20
- New Res 180
- New Com 44
- Hotel + Casino



Costing Assumptions

- Residential Attachments
 - New Varies by scenario
 - Existing 100%
- Commercial Attachments
 - New 30%
 - Includes Casino & Hotel
- Favourable running lines from Lambton Shores and Kettle Point
- OEB application & archeological costs
- Steel prices do fluctuate
- Annual increases to labour contract
- No running line survey or pre-engineering completed

** Selected option would require detailed costing to determine costs and required contribution**



Recommendation

Scenario 1

- Annual savings estimated at \$400,000 to \$650,000
 - Depends upon propane costs
 - Natural gas rates as of April 1, 2014
 - Excludes monthly meter charge (M1-\$21, M2-\$70)
 - Excludes conversion costs
- Expandable for future growth
- Least aid per customer
- No OEB approval required expedited execution & lower cost
- Upsize first section to 6" HP Plastic for future \$100,000



A Spectra Energy Company



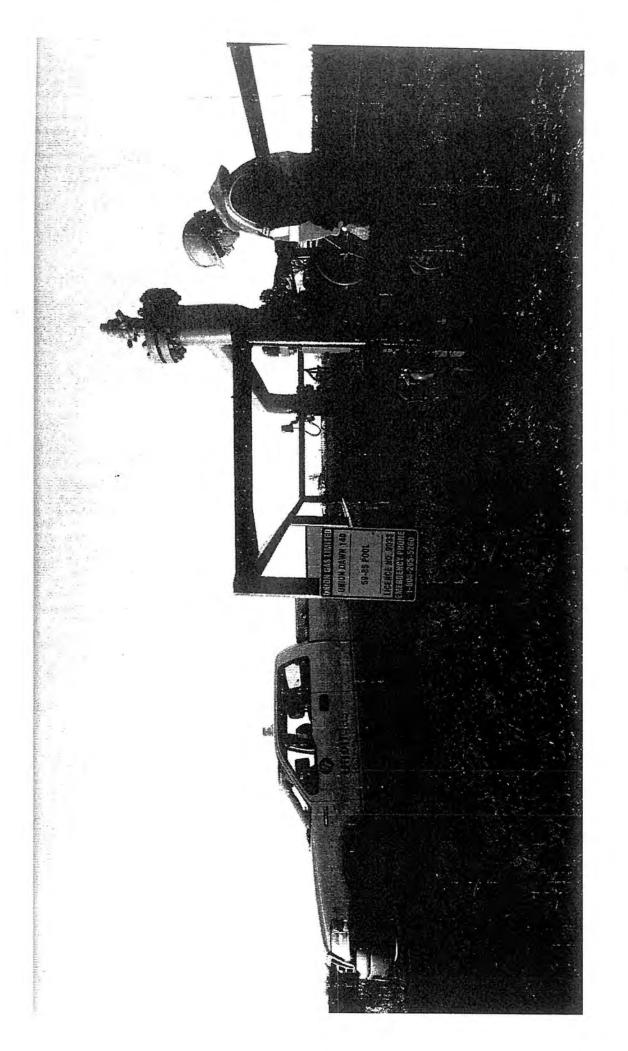








www.uniongas.com



Kettle & Stony Point First Nation



Agenda

Welcome

Union Gas - At a Glance

Community Expansion: Background

Benefits of Natural Gas

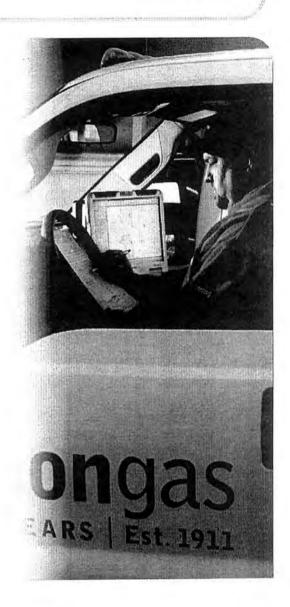
What is the OEB?

OEB Proposal

Your Community

Your Voice Can Make a Difference

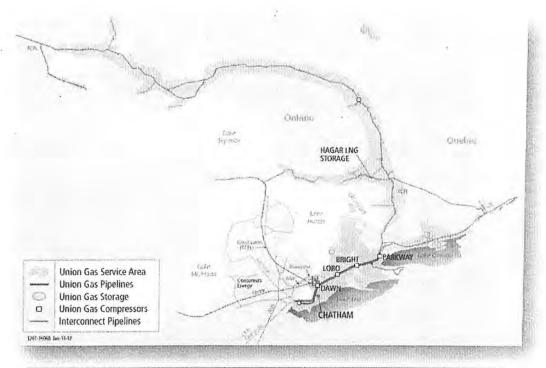
Q&As





Union Gas - At A Glance

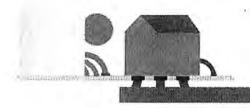
- Major Canadian natural gas storage, transmission and distribution company based in Ontario
- Over 100 years of experience and safe service to customers
- Dawn Storage facility largest underground storage facility in Canada
- Dawn Hub, one of the top-5 physically traded hubs in North America
- Assets of \$7 billion, ~1.4 million customers, ~2,200 employees
- One of Canada's Top 100 Employers 2011-2015
- A Spectra Energy (NYSE: SE) company



Retail Customers	1.4 million
2014 Pipeline Throughput	1.2 Tcf
Distribution Pipe	64,200 km / 39,870 mi
Storage Capacity	157 Bcf
Transmission Pipe	4,811 km / 2,988 mi

Benefits of Natural Gas





TOPS BENEFITS OF NATURAL GAS

1. LOWER ENERGY PRICE

Access to new, massive deposits of natural gas found in across North America, through advanced technology has translated into



S RECORD LOW GAS COSTS

Natural gas is more affordable now than it was a decade ago and experts agree that natural gas will continue to be competitively priced well into the next:

10 YEARS.

2. STRONGER ECONOMY



Affordable natural gas is helping to invigorate our economy. The natural gas industry supports millions of North American jobs and has the potential to create even more.

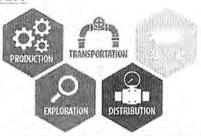






have access became the

3. SAFETY



Stringent safety standards govern the use of natural gas. The pipelines are the safest mode of transporting energy when compared to rail and road, according to independent studies.

4. CLEANER ENVIRONMENT



Cleanest burning conventional fuel that exists.



Produces 45% less carbon dioxide than coal for power generation.



25% fewer GHC emissions than diesel or gasoline for transportation.

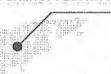


Produces almost no sulfur dioxide or particular matter.



Provides low-emission backup generation sources like solar & wind.

5. ENERGY SECURITY



New supplies of natural gas are found in abundance right here in North America, and can play a large role in easing our nation's dependence on foreign energy sources.

Enough natural gas to export and use at for the next

150 YEARS

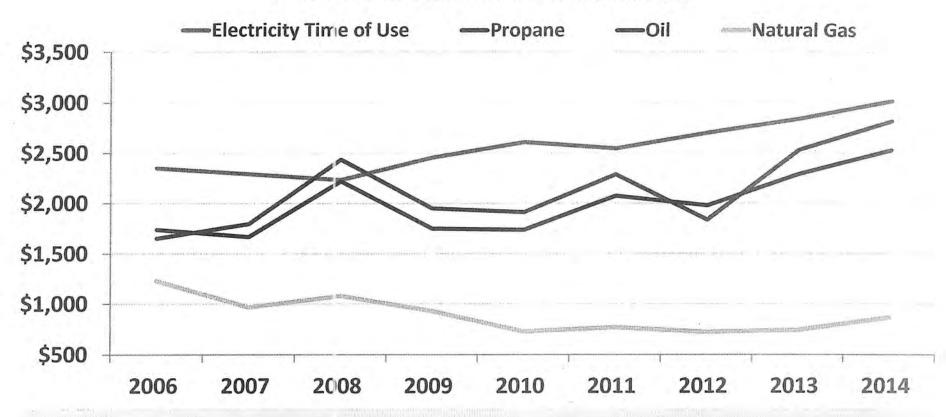


Benefits of Natural Gas



Estimated Annual Cost of Energy (\$/year)

Annual average use of 82 GJ (equal to 2,200 m3 of natural gas)

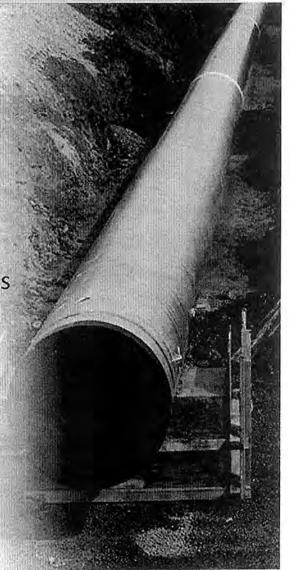


Natural gas is the most affordable form of energy for residential / business use



Community Expansion: Background

- Rise in prices for other forms of energy is creating unprecedented interest in natural gas which is less than half the cost.
- We have received interest from a number of communities about the feasibility to provide natural gas.
- The Ontario government, in their 2015 budget, committed to expanding natural gas to rural communities through a new \$200 million Natural Gas Access Loan and a \$30 million Natural Gas Economic Development Grant, currently slated for 2017.
- In Feb, 2015, the Ontario Energy Board (OEB) invited interested natural gas distributors to submit proposals, along with proposed forms of regulatory flexibility, that would allow for expansion into new communities.



What is the OEB?



- Independent regulatory body which has jurisdiction over production, distribution, transmission and storage of natural gas in Ontario
- OEB approves natural gas rates quarterly
- Within Union Gas' regulatory framework, existing customers
 can not subsidize the costs of new customers
- Other utilities operate under a different regulatory framework
- Economic model is approved by the OEB
- OEB sets specific metrics we need to achieve



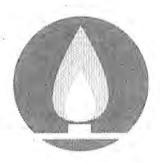
Ontario Energy Board Commission de l'énergie de l'Ontario

OEB Proposal



- Union Gas has filed an application with the OEB proposing flexibility on elements of the OEB's current guidelines for extending natural gas service to new communities.
- The proposal is guided by a set of principles:
 - Stakeholders who directly benefit should contribute financially to the project.
 - Customers, Communities, Gas Utility
 - Customer contributions should be proportionate with the savings achieved by switching to natural gas.
 - Long term rate impact to existing natural gas customers should be limited.
 - Gas distributors should not be exposed to financial risk related to the incremental capital investment.







OEB Proposal

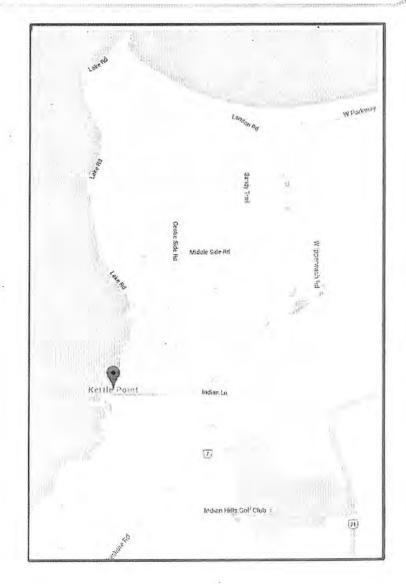


- Exemption from E.B.O 188 to allow lower minimum Profitability Index thresholds:
 - Currently the minimum threshold is 0.8 and Union Gas is requesting the threshold for community expansion projects be lowered to 0.4.
- Temporary Expansion Surcharge (TES) to collect customer contributions:
 - Allows customers to dedicate a portion of their savings to natural gas system expansion.
 - Customers converting to natural gas would pay \$0.23/m3 for no longer than 10 years.
- Incremental Tax Equivalent (ITE) mechanism to collect municipal contributions.
 - The ITE is based on the estimated value of any incremental property taxes collected as a result of the project and the term would match the TES.
 - Requires agreement prior to construction.



Kettle and Stony Point First Nation

- The acceptance of a lower economic threshold for community expansion projects could allow Union Gas to expand to 30 rural and First Nations communities.
- Kettle and Stony Point has been identified as one of the communities that is workable with the OEB's approval of our proposal.
- Kettle and Stony Point has been included in our OEB application and construction could begin as early as 2016 if approved by the OEB.
- A full economic analysis would be required upon OEB approval.



UNIONGES A Spectra Energy Computer





Your Voice Can Make a Difference

Three ways you can tell the OEB you support our proposal:



Become an Intervenor

Intervenors are interested groups who participate actively in the proceeding by submitting evidence, arguments or written questions.



Send a Letter of Support

A letter of comment will be considered by Board members reviewing our application.



Be an Observer

Sign up with the OEB to receive documents related to our proceeding.









STANDARS RATE DITTON. 2000

Employers 2015













From:

Bonin, John

Sent:

April-21-15 10:58 AM

To:

Cc: Subject: Whittaker, James: McCorkle, Ken FW: Kettle and Stony Point Expansion

Good morning

Hope you continue to feel better after your recent illness!

To follow up our phone conversation, here is a summary of what I brought forward and a few other points for your information:

- 1. Union Gas will be submitting a filing shortly to the Ontario Energy Board (OEB) to ask for permission to change some of the past OEB rulings (see points 3 to 5 below) to allow Union to reach some communities and municipalities that we may not have been able to reach before or the Aid to Construct cost was too high. Kettle and Stony Point will be included in the filing as will 2 other First Nation communities.
- 2. A telephone survey will be occurring in the Lambton Shores area to gauge their interest and include their community in our upcoming OEB filing.
- 3. A volumetric rate rider (small surcharge based on gas usage) of 23 cents per cubic metre for customers who attach will be in place, for up to 10 years, until either the attachment forecast is met or the Aid to Construct is repaid. Higher volume users contribute more but they have greater savings.
- 4. Relax the Profitability Index on an individual community expansion project from 1.0 to 0.60 which will reduce the Aid to Construct.
- 5. First Nation or Municipality makes a contribution to the project equivalent to the incremental property taxes or Payment in Lieu of Taxes associated with the pipe for the community expansion. This will be in place for the same duration as the rate rider - up to 10 years. The First Nation or Municipality has the flexibility to determine how they fund the contribution - some examples include using the incremental property taxes or using the savings associated with converting buildings owned by the First Nation or Municipality to natural gas.
- 6. The filing that Union Gas is submitting to the OEB will not require funds from the Provincial Government. By changing some of the past OEB rules (points 3 to 5) we expect no funding is required from the Province to move these projects forward.
- 7. I have included the letter that the Delaware Nation sent to the Premier trying to access the Community Expansion funds in the Provincial Budget.
- 8. Over the next few days, a Union Gas person driving around in your community to determine the most economical way to service the Commercial/Residential core area where our OEB application will focus on. There will be capacity built into this project for future expansion.



If you have any questions, please feel free to call!

John



DELAWARE NATION COUNCIL

Moravian of the Thames Band

Phone: (519) 692-3936 Fax: (519) 692-5522 R.R. #3 THAMESVILLE, ON NOP 2K0

Hon. Kathleen Ö. Wynne
Premier of Ontario, Government of Ontario
Room 281, Main Legislative Building, Queen's Park
Toronto, Ontario M7A 1A1
kwynne.mpp@liberal.pla.org

RE: Provincial Commitment - Service Extensions for Natural Gas

Koolamalsi, Hon. Wynne:

I hope this letter finds you well. The Delaware Nation Moravian of the Thames is very pleased that the Province has allocated funds specifically to address the issue of extending services to currently un-serviced rural communities and First Nations. As the province is well aware, access to natural gas is key for our community to create sustainability and growth for both residents and to attracting commercial/industrial sectors. Our goal is to bring natural gas to our community. In doing a brief cost-benefit analysis the long-term socio-economic benefit to our community will be lower program, service, and operations cost. Moreover, the main benefit will be reducing the cost of living for our members, especially those who live on fixed incomes, such as our elders and those with disabilities.

The Delaware Nation Moravian of the Thames has been working very closely with Union Gas in this regard. This primary challenge facing this undertaking relates to a variety of factors - the capital cost is one "the" most significant factors in making this project possible. Union Gas has already undertaken considerable work within the Delaware Nation in terms of route planning and design, and this project is considered to be essentially shovel-ready. The key outstanding hurdle is the economics of the project which are somewhat challenging. As of date, we have contributed to this project via a project in 2014-2015 to survey and clean our road allowances in preparation to be shovel-ready.

It is the Nation's understanding that the Province has specifically earmarked \$200 million for no interest loans as well as \$30 million for grants to assist is situations such as ours. This funding assistance could make this project a reality for Delaware Nation and will assist the province in achieving their objectives as well. We have been unable to find any specific information with respect to applications for and access to these funds. As mentioned above, our community has a shovel-ready project with significant demonstrated community support and is working on the necessary Band Council Resolutions and Permitting to have at the ready.

Thus, the Delaware Nation Moravian of the Thames formally requests information and support to provide us with the necessary contacts/application process to move forward with this project as soon as possible as it is our desire to proceed in 2015.

Anushiik,

Chief Greg Peters

cc: Hon. Bob Chiarelli, Minister of Energy, Chair Rosemarie LeClair, Ontario Energy Board, Hon. Jeff Leal, Minister of Agriculture, Food and Rural Affairs, Hon. David Zimmer, Minister of Aboriginal Affairs, and John Bonin, Union Gas.

Rk/GP

From: Sent:

February-03-14 1:20 PM

To:

Bonin, John

Cc:

Roberts, Brian

Subject:

FW: Send data from MFP-07224805 02/03/2014 08:42

Hi John/Brian: Sorry it took so long to get these rates to you. I also checked my own invoices for residential rates. The most recent (today's delivery actually!) is in the \$1.10 range.



Chippewas of Kettle & Stony Point First Nation

----Original Message----From: Stephanie Bressette Sent: February-03-14 1:18 PM

To:

Subject: RE: Send data from MFP-07224805 02/03/2014 08:42

Rates from Sarnia Propane

Nov/13

.525

Dec/13

.61

Jan9/14

.70

Jan24/14

.845

Thanks Steph

From:

Sent: February-03-14 11:05 AM

To: Stephanie Bressette

Subject: RE: Send data from MFP-07224805 02/03/2014 08:42

Thanks Steph but actually they are looking for our propane rates for comparison purposes. Can you let me know what that is.



Chippewas of Kettle & Stony Point First Nation

John

Allucison, Ly	iua
From: Sent: To: Subject:	February-04-15 9:18 AM Bonin, John; RE: AANDC Funding Request
	nn: Happy New Year first of all! We haven't heard anything from AANDC at all. The Chief has also been ect, but we haven't heard from any source. We will follow up.
Chippewas of Ket	tle & Stony Point First Nation
confidential and/or exe this e-mail message of please notify the send. The email addresses to	and any files transmitted with it are intended only for the named recipient(s) above and hisly contain information that is privileged empt from disclosure under applicable law. If you are not the intended recipient(s), any dissemination, distribution or copying of rany files transmitted with it is strictly prohibited. If you have received this message in error, or are not the named recipient(s) en immediately and delete this e-mail message used in this message are also the property of the Kettle & Stony Point First Nation and permission must be given by the First duals listed in this message to use the address for purposes other than for responding to this message.
From: Bonin, Joh Sent: February-0 To: Subject: AANDC	
Good morning!	
I was just checkin your community?	g in to see if any news had arrived from AANDC on the funding request for the natural gas expansion in
Thanks!	

Whittaker, James From: June-10-14 5:05 PM Sent: To:

Cc: Roberts, Brian; Bonin, John Subject: RE: Natural Gas Project

sorry I did not get back to you but have been in and out of the office (and behind on email). The following are estimates only but you can see the different thresholds. Essentially once Indian Hills comes on we do go to the most expensive station.

Under the Scenario 1 situation, we can likely take on the new club house load with the small class 7 station but not the Hotel/Conference Centre or the Casino.

Scenario	Station Capacity (m3/hr)	Station Cost
1	500 to 600	\$25,000
2	1,500	\$300,000
3	1,500	\$300,000
4	4,000	\$400,000
. 5	4,000	\$400,000
6	4,000	\$400,000
7	4,000	\$400,000

Thanks, lames

Sent: Thursday, May 29, 2014 9:58 AM

To: Whittaker, James

Subject: RE: Natural Gas Project

Good Morning James

Thanks for taking the time yesterday to discuss the natural gas project here at Kettle & Stony Point.

In discussions you mentioned the recommended scenario 1 had a Class 7 Distribution Station at an estimated cost of \$25K, can you share the type of distribution station for each of the 7 scenarios presented, the estimated cost and the estimated load capacity.

Thanks much,

From: Whittaker, James [jWhittaker@uniongas.com]

Sent: May-28-14 8:23 AM To:

Subject: RE: Natural Gas Project

Excellent. I just sent you a meeting invite with the conference number to dial in.

James

From:

Sent: Wednesday, May 28, 2014 8:15 AM

To: Whittaker, James Cc: Bonin, John

Subject: RE: Natural Gas Project

Good Morning James

2pm today Wednesday works great, you can reach me at 519-786-6753.

Kind Regards,

From: Whittaker, James [jWhittaker@uniongas.com]

Sent: May-27-14 7:07 PM

To:

Cc: Bonin, John

Subject: Re: Natural Gas Project

John and I are both available tomorrow after at 2 pm. If that works for you, then I can set up a conference call.

Thanks, James Sent from my iPhone

On May 27, 2014, at 2:58 PM,

Good Afternoon James

Do you have some time we can schedule a follow up call?

I have anytime tomorrow or availability on Friday.

Kind Regards

From: Sent: May-21-14 1:33 PM

To: John Bonin (jbonin@uniongas.com); Whittaker, James (jWhittaker@uniongas.com)

Cc:

Subject: Natural Gas Project

Hi John/James: Just giving you an update as Council had indicated we would get back to you within two weeks. It it's going to take a little longer for Council to confirm a direction as we are having Jacklyn Martin-Hill do an analysis on the project to provide some additional information that Council needs in their determination to move forward. Jacklyn is on contract with the First Nation in the capacity of Director of Corporate Affairs and I have copied her on this message as she will be contacting you for some additional information.

Thanks and talk again soon,

Chippewas of Kettle & Stony Point First Nation

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From:

Bonin, John

Sent:

June-24-15 9:33 AM

To:

Whittaker, James: Tomek, Evan

Subject:

FW: FW: Request for Information - Kettle Point Expansion Project

FYI ...

Tohn

From: Rivard, Meaghan [mailto:Meaghan.Rivard@stantec.com]

Sent: June-24-15 9:14 AM

To:

Cc: 1

Anna Batten; Verna George; Bonin, John

Subject: RE: FW: Request for Information - Kettle Point Expansion Project

Good morning

My apologies for the confusion and no worries whatsoever on the delay.

After touching base with the Union Gas team, I can confirm that there are in fact two consultants working on the same project - D. R. Poulton & Associates is completing the Stage 1 Archaeological Assessment while Stantec is completing the Built Heritage and Cultural Heritage Landscape Overview.

comments below largely address archaeological concerns which Poulton will address is the Stage 1 Report, Based on this, and the fact that you will have the opportunity to review the report to ensure inclusion of all sites of interest, it seems to makes sense to address these concerns within the Stage 1.

Generally speaking, I deal with the existing built environment (buildings, monuments, etc.). My concerns in this case are largely related to properties protected under Part IV and Part V of the Ontario Heritage Act as well as listed or registered properties (residential, commercial, institutional, etc. but not archaeological sites). This includes properties or districts that may be protected for their design, historical, or contextual value.

From what I understand below, there are no such protected sites in the vicinity of the proposed project. Is this possible to confirm?

I hope this email helps to clarify my request and explain why you have received multiple requests for information. Please feel free to contact me directly if you have any questions whatsoever or would like to discuss built heritage or cultural heritage landscapes in general.

Thank you again for your time.

Best, Meaghan

Meaghan Rivard, MA, CAHP

Heritage Specialist Stantec

49 Frederick Street Kitchener ON N2H 6M7

Phone: (519) 575-4114 Cell: (226) 268-9025 Fax: (519) 579-6733

Meaghan.Rivard@stantec.com

From:

Sent: Tuesday, June 23, 2015 5:29 PM

To: Rivard, Meaghan

Anna Batten; Verna George; John Bonin (jbonin@uniongas.com)

Subject: FW: FW: Request for Information - Kettle Point Expansion Project

Hi Meaghan: Sorry for the delay in forwarding Brandy's message below, but there has been a bit of confusion over who we should be responding to as noted in Brandy's message.

Perhaps you can clarify, and also address some of her questions below.

Thanks,



Chippewas of Kettle & Stony Point First Nation

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Sent: May-15-15 3:42 PM

To:

Cc: Anna Batten

Subject: Re: FW: Request for Information - Kettle Point Expansion Project

Good afternoon,

I received this email and one from Verna for what appears to be the same project. Verna's was in response to a Poulton email, and yours was from Stantec. Do you know if Union Gas is using both companies?

As well, I would say that the entire area has cultural concern and heritage interest, but no known sites are within the direct impact areas. That being said, the work area crosses over ancient beach ridges used by our people for thousands of years and there are archaeological sites in the vicinity. All this should be covered in the Stage 1 archaeological assessment report, which should be given to and reviewed by the FN hopefully prior to work starting.

I am assuming the pipeline would be installed in previously disturbed roadside, but without clarification on this I can only assume. Is this something that could be clarified? If it turns out that the pipeline is to be installed in undisturbed ground, then the FN will want to be more involved in any further archaeological stages.

Please let me know if you need clarification on what I have said here. Thanks,
Brandy
On Fri, May 8, 2015 at 9:52 AM,
Can you have a look at the message below and let me know how I should be responding. This is in response to our request for natural gas, but we need to ensure our sensitive sites are acknowledged and protected.
If we need to meet to discuss, let me know.
Thanks,
Chippewas of Kettle & Stony Point First Nation
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Nation and the individuals listed in this message to use the address for purposes other than for responding to this message.

From: Rivard, Meaghan [mailto: Meaghan.Rivard@stantec.com]

Sent: May-07-15 3:43 PM

To: Cc: Sebele, James

Subject: Request for Information - Kettle Point Expansion Project

Good afternoon

I hope this email finds you well.

Stantec Consulting Ltd. (Stantec) has been retained by Union Gas to complete a Cultural Heritage Overview for the proposed installation of a natural gas pipeline in the Chippewas of Kettle and Stony Point First Nation and the adjacent community of Lambton Shores, Ontario.

A 4" servicing line is proposed within Kettle Point and will be approximately 1.7 km in length. The line is proposed to run north from Lakeshore Road, further north along West Ipperwash Road and west along Indian Line.

As part of the cultural heritage component, I am interested in protected or listed heritage resources (properties, landscapes, or districts) within or adjacent to the proposed project.

Are you aware of any heritage interests within or adjacent to this corridor?

For the ease of review, mapping has been prepared depicting the proposed route (see below). This map appears in draft form and may contain confidential information not yet released to the public. We ask that you maintain confidentiality while responding to this inquiry.



Please let me know if I can provide any additional information or assist in the identification of resources in any way. Thank you in advance for the time.

Best,

Meaghan

Meaghan Rivard, MA, CAHP

Heritage Specialist Stantec 49 Frederick Street Kitchener ON N2H 6M7 Phone: (519) 575-4114

Cell: (226) 268-9025 Fax: (519) 579-6733

Meaghan.Rivard@stantec.com



From: Sent:

May-21-14 1:33 PM

To:

Bonin, John; Whittaker, James

Cc: Subject:

Natural Gas Project

Hi John/James: Just giving you an update as Council had indicated we would get back to you within two weeks. It it's going to take a little longer for Council to confirm a direction as we are having Jacklyn Martin-Hill do an analysis on the project to provide some additional information that Council needs in their determination to move forward. Jacklyn is on contract with the First Nation in the capacity of Director of Corporate Affairs and I have copied her on this message as she will be contacting you for some additional information.

Thanks and talk again soon,



Chippewas of Kettle & Stony Point First Nation

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From: Bonin, John

Sent: November-09-15 2:07 PM

To:

Subject: Residential Survey for Kettle Point

Attachments: Expansion Survey for Detached Homes_V3_November 03 2015.docx

Importance: High



Attached is the survey we would like to conduct at the Kettle and Stony Point community so we can confirm our numbers of committed customers for this project. If we could work with a staff person and we would supply a person knowledgeable in community expansion, they could complete the door to door survey over the next few weeks?

Is this a good approach or should we consider another approach? We need to firm up the numbers as we prepare for the Ontario Energy Board questions that will likely arise from our recent filing with them.

Your recommendations would be greatly appreciated!

John



November XX, 2015

Dear homeowner,

Union Gas, a trusted supplier of natural gas for over 100 years, is investigating the feasibility of bringing natural gas service to your community. The purpose of this letter and the attached survey is to gauge your interest in converting to natural gas if the pipeline is extended. The results of the survey, along with other factors, will help us determine if bringing natural gas to your area makes economic sense.

Natural gas is a less expensive source of energy than electricity, oil, or propane. The cost of changing your home heating and water heating equipment to natural gas depends on the type of equipment you currently have. The table below shows estimated conversion/replacement costs and the resulting energy savings each year for an average home.

Equipment:	Estimated Conversion/Replacement Cost	Annual Savings ²
Home Heating		
Oil forced air	\$4,000 - \$5,000	\$1,250
Electric forced air	\$4,000 - \$5,000	\$1,650
Propane forced air – for newer systems that can be converted without replacement	\$700	\$1,050
Propane forced air – for older systems that have to be fully replaced	\$4,000 - \$5,000	\$1,050
Electric baseboard	\$11,000	\$1,650
Oil boiler (hot water radiators)	\$4,000 - \$5,000	\$1,250
Propane boiler (hot water radiators)	\$4,000 - \$5,000	\$1,050
Water Heating ¹		
Electric, propane, or oil water heater (owned)	\$1,600	\$130

1 Natural gas water heaters can also be rented. Typical monthly rental rates for natural water heaters range from \$13 per month to \$24 per month.

Please complete the attached survey and return it by mail using the attached envelope by <date>. Please feel free to contact me if you have any questions.

Sincerely Name

Title

Address

Phone number / Email address

Homeowners converting to natural gas would be required to pay a surcharge towards the cost of constructing the pipeline for a 5-10 year period. The surcharge will be 23 cents per cubic meter of natural gas. The annual saving estimates are based on the annual cost of natural gas for an average home including this surcharge, compared to the annual cost of other energy types. Annual savings will increase when the surcharge period endsfor an average home, savings will increase by \$500.

Union Gas System Expansion Survey

The purpose of this survey is to gauge your interest in switching to natural gas if the pipeline is extended. The results of this survey, along with other factors, will help us determine if bringing natural gas to your area makes economic sense.

Once we have completed our assessment, we will let you know if natural gas will be made available at your property and provide you more details about how to apply for a natural gas service.

☐ Electric baseboard ☐ Electric heat pum		☐ Pro	ectric forced a opane forced		
☐ Oil forced air		☐ Wo	ood		
Oil boiler (hot wat		☐ Pro	ppane boiler ((hot water radia	itors)
☐ No heating system					
☐ Something else (p.)	lease specify)	!		-	
2. How likely are you to	switch your h	eating syste	m to natural	gas?	
☐ Extremely likely					
☐ Very likely					
Likely					
☐ Not very likely☐ Not at all likely					
I Not at all likely					
atural gas, could you exp					
f you indicated Extremely natural gas, please comp BA. Assuming natural gas nome heating to natural g	y likely / Very lete Question s service is m	s 3A and 3B.			
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f you indicated Extremely atural gas, please complete. A. Assuming natural gas some heating to natural gas within the first 12 Within 1 to 2 years Within 2 to 3 years After 3 years of the B. Please indicate your leading to the second	y likely / Very lete Question service is mas? months of the sof the available of the available availability	ade available availability bility st to switch	e to you, who	en would you as for each app Not very	likely switch you
you indicated Extremely atural gas, please comp A. Assuming natural gas ome heating to natural g Within the first 12 Within 1 to 2 years Within 2 to 3 years After 3 years of the	y likely / Very lete Question s service is m gas? months of the s of the available of the available availability level of intere Extremely interested	ade available availability bility st to switch to Very interested	to natural ga	en would you as for each app Not very interested	oliance. Not at all interested

BBQ

4.	Approximately how old is	our heating system?
	5 years or less	
	☐ 6 to 10 years old	
	11 to 15 years old	
	☐ 16 to 25 years old	
	Over 25 years old	
5.	How likely are you to repla	ce your home heating system in the next 2 years?
	☐ Extremely likely	
	☐ Very likely	
	☐ Likely	
	☐ Not very likely	
	☐ Not at all likely	
6,	What is the main fuel source	ce for heating your water?
	☐ Propane ☐ Oil	☐ Electricity
	Other (please specify):	
7.	Approximately how old is	your water heater?
	5 years or less	
	6 to 10 years old	
	☐ 11 to 15 years old	
	☐ 16 to 25 years old	
	Over 25 years old	
8.	Is your water heater owned	d or rented?
	Owned	Rented
9.	How likely are you to switch	h your water heater to natural gas?
	☐ Extremely likely	
	☐ Very likely	
	Likely	
	☐ Not very likely	
	☐ Not at all likely	

10. Is this a residence or a business?		
Residence		
Business		
☐ Both residence and a business		
11. Which of the following best describes	the style of your house	?
☐ A bungalow or a one story ranch	☐ A raised ranch	☐ A split level
☐ A two story	☐ A three story	Some other style
12. How many square feet is your home (not including any unfinis	hed basement)?
☐ Less than 1000 square feet ☐ 1	000 - 1500 square feet	
☐ 1501 – 2000 square feet ☐ C	Over 2000 square feet	☐ Don't know
13. In what year was your house built? Yo	our best estimate is fine.	
☐ 1950 or earlier ☐ 1951 - 1980		
☐ 1981 or later ☐ Don't know		
14. How many people are living in your ho	ousehold, including you	rself:
15. Do you rent or own this property?		
☐ Own ☐ Rent		
L own L near		
Please provide your contact information	n helow	
Name:	on bolow.	
Telephone Number:		
Email Address:		
Home Address	Mailii	ng Address (if different)
Address:	Address:	
City:	City:	
Postal Code:	Postal Code:	

Thank you for completing the survey.

Please return your completed survey by mail using the attached envelope. Please return it by <date>.

From:

Bonin, John

Sent: To: November-18-15 11:30 AM Whittaker, James: Eve, John

Subject:

FW: survey

FYI

John

From:

Sent: November-18-15 11:23 AM

To: Bonin, John

Cc:

Subject: RE: survey

Hi John:

is available next week to assist John with the survey, I have attached her email to this message in case you need to contact her. They can meet here at the Band Office, just let me know what time, thanks

From: Bonin, John [mailto:JBonin@uniongas.com]

Sent: November-18-15 8:24 AM

To: Subject: RE: survey

Yes we would provide \$20/hr payment for one canvasser. We will provide a knowledgeable person (John Eve) from Union Gas to go with them to explain the technical process to the person at the door being canvassed.

Would we be able to start on Monday?

John

From:

Sent: November-17-15 3:33 PM

To: Bonin, John Subject: survey Importance: High

Is Union Gas compensating wages for the canvasser to complete the survey's? can you confirm the dates and time , thank you

Chippewas of Kettle and Stony Point First Nation

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From:

Bonin, John November-25-14 11:12 AM Sent:

To: Reponses from AANDC Re: Funding for Natural Gas Expansion Subject:

I understand that Walpole Island has been in contact with AANDC regarding the funding and was wondering you have heard anything back on your application?

Thanks!

John

From: Bonin, John

Sent: September-18-14 5:18 PM

To: Subject:

FW: Follow up from our Meeting on Sept 10 2014

Here are responses to your questions:

- 1) UG would require the aid to construct before we start construction.
- 2) The earliest we would start is April 1 depending upon ground conditions. I am unsure of the duration.
- 3) I would like to stress you need to let us know what option you want so we can fine tune the pricing,
- 4) The meters would be installed at the houses. The costs of the services are included in the total project cost
- 5) If residential services are > 30 m from the property line, then the homeowner is required to pay excess footage charges of \$45 per meter (subject to change based on current policy at that time).
- 6) Depending upon when we get the green light we would plan to complete it prior to the Nov/Dec heating season.

John

From:

Sent: Thursday, September 18, 2014 09:59 AM Central Standard Time

To: Bonin, John

Cc:

Subject: RE: Follow up from our Meeting on Sept 10 2014

Hi John

Can you share how long the project would take for Scenario 1 (S1) in terms of cash flow assuming the project would start spring 2015/2016?

Also in S1 will the lines be metered at the road or up to the home?

Kind Regards,

From: Bonin, John [JBonin@uniongas.com]

Sent: September-16-14 3:46 PM

To:

Cc:

Subject: RE: Follow up from our Meeting on Sept 10 2014

Yes Option 4 would require an application to the Board...it exceeds the threshold of project costs...

Tohn

From:

Sent: September-16-14 2:28 PM

To: Bonin, John

Cc:

Subject: RE: Follow up from our Meeting on Sept 10 2014

Hi John

Can you let me know if Project Option #4 requires OEB approva?

Thanks,

From: Bonin, John [JBonin@uniongas.com]

Sent: September-11-14 8:37 AM

Tos

Subject: Follow up from our Meeting on Sept 10 2014

Here is the latest Union Gas presentation that we presented at the May 5th meeting with Chief and Council and the AANDC Funding form. I will send you some potential dates to present the Sarnia Expansion Project and Lobo C project.

John

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Natural Gas Expansion Municipality of Lambton-Shores Ipperwash Beach

> James Whittaker May 26, 2015



Agenda

Welcome

Union Gas - At a Glance

Accessing Natural Gas Service

Ontario Energy Board (OEB)

Natural Gas Expansion

Questions



Union Gas

- Major Canadian natural gas storage, transmission and distribution company based in Ontario
- Over 100 years of experience and safe service to customers
- Dawn Storage facility largest underground storage facility in Canada
- Dawn Hub, one of the top-5 physically traded hubs in North America
- Assets of \$7 billion, ~1.4 million customers, ~2,200 employees
- One of Canada's Top 100 Employers 2011-2015
- A Spectra Energy (NYSE: SE) company



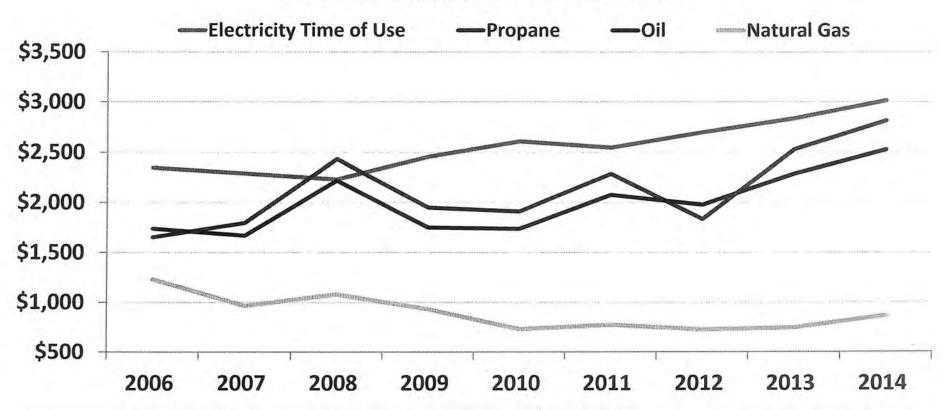
1.4 million
1.2 Tcf
64,200 km / 39,870 mi
157 Bcf
4,811 km / 2,988 mi



The Value of Natural Gas to Communities

Estimated Annual Cost of Energy (\$/year)

Annual average use of 82 GJ (equal to 2,200 m3 of natural gas)



Natural gas is the most affordable form of energy for residential / business use

The Benefits of Expanding Natural Gas



- Significant savings for homes and businesses converting from other forms of energy (\$1,600 to \$2,000/year) – money that can be spent back into the local economy
- Cleanest burning form of conventional energy
- Increased assessment value of homes with access to natural gas, plus ongoing property tax paid by Union Gas on infrastructure
- Reliable source of energy that is delivered through a pipeline directly to homes and businesses
- Abundant supplies of natural gas ensures stable and affordable rates for years to come

Ontario Energy Board (OEB)



What is the Ontario Energy Board?

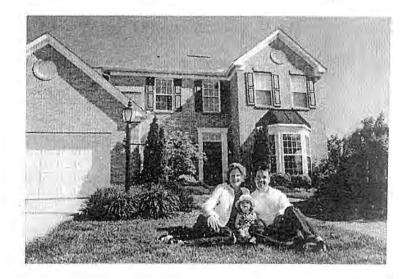
- Independent regulatory body which has jurisdiction on matters concerning production, distribution, transmission and storage of natural gas in Ontario
- Natural gas rates are approved on a quarterly basis by the OEB
- Within Union Gas' regulatory framework, existing customers can not subsidize the costs of new customers
- Other utilities operate under a different regulatory framework
- Economic model is approved by the OEB
- OEB sets specific metrics Union Gas needs to achieve



Accessing Natural Gas Service



- Union Gas will investigate providing gas service to any homeowner or business when:
 - > the project/expansion is economical
 - adequate distribution facilities are available
 - > it's within Union Gas's franchise area
- Union Gas reserves the right, in conjunction with municipal consent, to determine the location of the gas mains, service lines, meters and regulators



Gas Expansion Investigation



Involves an economic analysis of:

 Anticipated revenue (net margin dollars realized from gas flow to customers) over the life of the project

versus

- Capital costs construction costs, materials, surveys, land rights...
- Operating and maintenance costs costs to operate and safely maintain any proposed expansion over the life of the project

Union Gas pays property tax on every meter of pipe in the ground which require little or no municipal services.

Economic Analysis



- If the revenues exceed the costs over a projected Present Value cash flow, the project may proceed.
- If costs exceed revenues an alternate solution will need to be investigated to bridge the shortfall.
 - (i.e., Customer contribution, municipal contribution, etc.)

Reasons Gas Expansion Can be Costly



- Too far from an existing gas pipeline
- Nearest gas pipeline is high pressure and requires distribution regulator stations



- Existing gas line has inadequate capacity
- Extensive gas line reinforcement is required

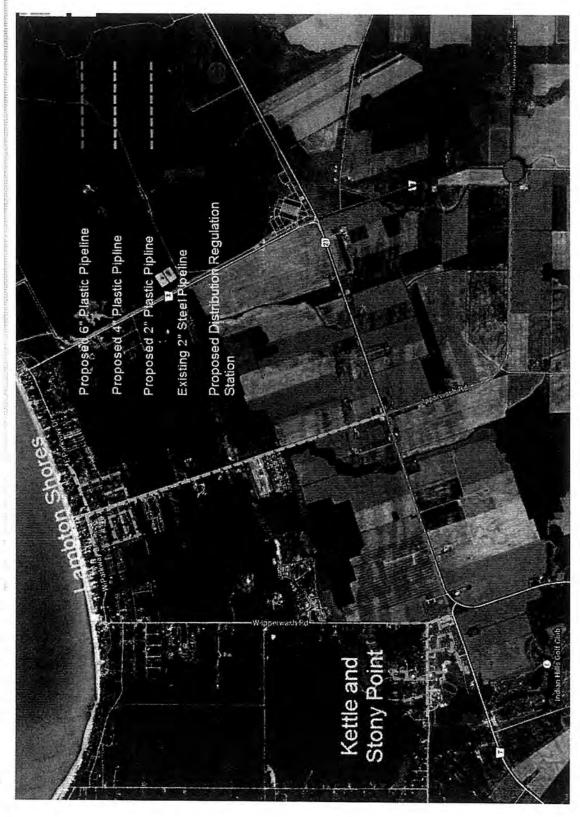
Bridging the Gap – Community Expansion Enablers



- Regulatory Flexibility
 - Timely cost recovery for the utility
 - Increase flexibility in economic feasibility thresholds
- Customer Contributions
 - Allow for a Temporary Expansion Surcharge based on natural gas usage to collect capital contributions from customers over time
- Municipal Funding Assistance
 - Contributions (Incremental Tax Equivalent) equal to the amount of annual property taxes from new natural gas infrastructure
- Provincial Government Funding to Support NG Expansion
 - The Ontario government has made commitments to provide \$200M in interest free loans and \$30M in grants



Proposed Natural Gas Infrastructure





Our Ask

Support of concept in principal from Mayor and Council for:

- 1. Temporary Expansion Surcharge, for customers attaching to the pipeline, for up to 10 years.
- Municipality pays an Incremental Tax Equivalent as a capital contribution towards the pipeline for the same duration as the Temporary Expansion Surcharge.
- Reduced economic feasibility thresholds for natural gas expansion projects to as low as 0.60 and reduced overall utility portfolio of 0.90.
 - » Subject to municipality agreeing to Incremental Tax Equivalent
- Utility to earn a regulated rate of return on capital invested, to begin the year following the investment



Summary

- Union Gas is regulated by the Ontario Energy Board and must comply with it's guidelines
- Union Gas is in the process of submitting an application to the OEB seeking regulatory flexibility for community expansion projects, and applications for specific community expansion projects across the Province
- To overcome an economic shortfall between revenue and cost, a financial contribution from Lambton Shores in the form of an Incremental Tax
 Equivalent or lump sum up front is necessary for the project to move forward.

















CONNECT WITH US





A Spectra Energy Company

From: Roberts, Brian
Sent: April-01-15 2:58 PM
To: Carol McKenzie

Subject: RE: Meeting with Lambton Shores

Hi Carol,

That will be great to meet with Mayor Bill and yourself on Tuesday at 9am.

At this point we are looking at developing a phased approach to installing gas in the Ipperwash area.

I've attached a rough outline map of the *highlighted area* we are looking at for Phase 1. We are proposing to start at the existing gas line at the corner of Army Camp Road and Ravenswood Line and extend a new gas main along Ravenswood Line to Highway 21. We would then continue north towards the lake on Ipperwash Road to the area on the attached map. If you're able to provide municipal addresses, mailing address and postal codes for this proposed area we would greatly appreciate it.

We are hoping to conduct another telephone survey to gauge interest in accessing natural gas in the next couple of weeks.

Looking forward to meeting with you on Tuesday to discuss the project. Thanks again for your assistance!

Brian

Brian Roberts
Construction & Growth
Union Gas Limited | A Spectra Energy Company
109 Commissioners Road W. | London, ON N6A 4P1
Tel: 519-667-4100 ext 5153453 Cell: 519-495-8836



From: Carol McKenzie [mailto:CMcKenzie@lambtonshores.ca]

Sent: April-01-15 12:02 PM

email: broberts@uniongas.com

To: Roberts, Brian

Subject: Meeting with Lambton Shores

Hello – Mayor Bill is available Tuesday morning at 9 in the Forest office – does that work for you?? I will ask Kevin Emery to proceed with the names etc for Ipperwash.

Thanks CP

Carol McKenzie

Clerk

7883 Amtelecom Parkway Forest, ON NON 110

(P) 519-786-2335 or 1-877-786-2335

www.lambtonshores.ca
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From: Sent: Whittaker, James April-24-15 3:59 PM

To:

Roberts, Brian

Subject:

RE: Union Gas expansion to Ipperwash

Thanks.

From: Roberts, Brian

Sent: Friday, April 24, 2015 3:52 PM

To: Whittaker, James

Subject: FW: Union Gas expansion to Ipperwash

FYI...

I will follow up with Lambton shores next week to address any questions/concerns they have with drafting a letter of approval from Council.

From: Roberts, Brian Sent: April-24-15 3:30 PM

To: Carol McKenzie

Cc: rbrandon@lambtonshores.ca

Subject: Union Gas expansion to Ipperwash

Carol,

Thanks again for meeting with me to discuss the feasibility of Union Gas extending natural gas service to the Ipperwash area as well as some regulatory changes we are proposing.

We are hoping to receive support from the Municipality regarding some changes we are seeking from the Ontario Energy Board for extending natural gas to communities that are currently uneconomical to service. I've summarized the information below regarding some of the changes we are requesting from the Ontario Energy Board. I'm hopeful that council will support these proposals at the May 5th council meeting and can also provide a letter of support (sample below) that we can include in our filing to the Ontario Energy Board.

Thanks again for your assistance and I will follow up with you next week.

Sincerely,

Brian

Brian Roberts
Construction & Growth
Union Gas Limited | A Spectra Energy Company
109 Commissioners Road W. | London, ON N6A 4P1
Tel: 519-667-4100 ext 5153453 Cell: 519-495-8836



email: broberts@uniongas.com

Sample letter:

We understand that subject to favourable economic assessments currently being conducted, Union Gas will be filing a proposal with the Ontario Energy Board in the spring seeking approval to provide service to the Ipperwash area which is located in the Municipality of Lambton Shores. Our understanding is that the Union Gas application will include proposals for specific forms of regulatory flexibility or exemptions from current Ontario Energy Board guidelines that apply to extending natural gas service to new communities.

This letter will confirm that The Municipality of Lambton Shores has reviewed key concepts that Union Gas expects to include in the filing with the Ontario energy Board, and that elected municipal representatives support those concepts, which are summarized below:

- The application of an additional temporary volumetric rate which would be applied as an
 additional line item to bills of customers who connect to the system installed as part of these
 projects for a period of up to 10 years, and which amounts to something in the range of \$500
 per year for an average residential customer.
- Agreement by the Municipality (or First nation) to provide a contribution to construction costs
 that equates to the value of any incremental property taxes or payments in lieu of taxes that the
 new system would generate over the same period as the volumetric rate noted above.
- A reduction in the economic feasibility thresholds that each project must meet before
 proceeding, to a profitability index of as low as 0.6 in certain situations, conditional on Municipal
 (or First nation) agreement to make contributions as outlined above. And related to this a
 reduction in portfolio profitability indices to 0.9 in order to create capacity for the incremental
 capital investment required by the utility.
- Ability of the utility to earn their regulated rate of return on investment for all capital invested beginning in the year following which the investment is made.

Our Municipal leaders believe that the public benefits of extending natural gas infrastructure to additional communities in Ontario should be a key consideration in addressing Union's proposals. These benefits include the annual energy savings our constituents would experience, reduced costs for our existing businesses, and remove a local economic barrier for our community.

For these reasons we fully support the concepts that Union Gas will propose in their application.

Signed by Mayor, Chief, or CAO

From: Whittaker, James
Sent: April-28-15 3:25 PM
To: Roberts, Brian
Subject: Re: gas to Ipperwash

On a call defending FHG reinforcement until 5 pm.

Sent from my iPhone

On Apr 28, 2015, at 3:01 PM, "Roberts, Brian" < brobert@uniongas.com> wrote:

FYI... Can you give me a call to discuss at 519-228-6565 extension 5021092?

From: Carol McKenzie [mailto:CMcKenzie@lambtonshores.ca]

Sent: April-28-15 9:49 AM

To: Roberts, Brian Cc: Janet Ferguson

Subject: gas to Ipperwash

Good morning Brian

I have your email of April 28 re the letter to Council. In order to proceed, it would be advantageous for you to provide an overview of the project so that Council is aware of the particulars, ie: what area to be services, route to be taken, the benchmarks that you will be required to meet etc. If this can be available in the next day or two, it can be included in the May 5th agenda. Also, it would be appreciated if you could advise the timeline for the application

Also, you are asking Council to provide a contribution in the amount of the incremental property taxes, and Treasurer Janet Ferguson is looking into this issue. As you know, taxes are composed of levies from 3 levels of government. Were you requesting contribution in the amount of the municipal component or all 3 levels. Can you provide details on other municipalities where this has been done (excluding Milverton as we have contact with this municipality.) Would it be acceptable to say that Council approves in principle to the concept, conditional on no negative financial impact to the municipality?

Thanks for the information

Carol

<image002.jpg> Carol McKenzie Clerk

7883 Amtelecom Parkway Forest, ON NON 1J0 (P) 519-786-2335 or 1-877-786-2335

www.lambtonshores.ca <image004.jpg><image006.jpg>

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From: Sent:

Whittaker, James April-28-15 5:21 PM

To: Cc: Eve, John Roberts, Brian

Subject:

FW: gas to Ipperwash

Attachments:

image001.jpg; image002.jpg; image003.jpg

Importance:

High

John,

Do you have the lengths of pipe by size? We need to get this information so they can figure out the property taxes.

Thanks. James

From: Roberts, Brian

Sent: Tuesday, April 28, 2015 3:45 PM

To: Whittaker, James

Subject: Fwd: gas to Ipperwash

More questions....

Sent from my iPhone

Begin forwarded message:

From: Janet Ferguson < iferguson@lambtonshores.ca>

Date: April 28, 2015 at 11:31:06 AM EDT

To: Carol McKenzie < CMcKenzie@lambtonshores.ca>, "Roberts, Brian" < brobert@uniongas.com>

Subject: RE: gas to Ipperwash

HI Brian

When you were in you noted that you thought it was 12,000 m of pipe. To figure out the tax impacts I will also need the diameter – are you able to provide that at this stage? There will be other impacts based on the infrastructure installed; however the pipe is probably the largest component.

Thanks

Janet Ferguson

Treasurer

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From: Carol McKenzie Sent: April-28-15 9:49 AM

To: Roberts, Brian Cc: Janet Ferguson

Subject: gas to Ipperwash

Good morning Brian

I have your email of April 28 re the letter to Council. In order to proceed, it would be advantageous for you to provide an overview of the project so that Council is aware of the particulars, ie: what area to be services, route to be taken, the benchmarks that you will be required to meet etc. If this can be available in the next day or two, it can be included in the May 5th agenda. Also, it would be appreciated if you could advise the timeline for the application

Also, you are asking Council to provide a contribution in the amount of the incremental property taxes, and Treasurer Janet Ferguson is looking into this issue. As you know, taxes are composed of levies from 3 levels of government. Were you requesting contribution in the amount of the municipal component or all 3 levels. Can you provide details on other municipalities where this has been done (excluding Milverton as we have contact with this municipality.) Would it be acceptable to say that Council approves in principle to the concept, conditional on no negative financial impact to the municipality?

Thanks for the information

Carol

Carol McKenzie

Clerk

7883 Amtelecom Parkway
Forest, ON NON 1J0
(P) 519-786-2335 or 1-877-786-2335
www.lambtonshores.ca

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From: Sent: Roberts, Brian June-03-15 5:04 PM

To:

Whittaker, James

Cc:

Burnham, Jennifer, Jackson, Matt

Subject:

FW: Ipperwash

FYL.

Should have something tomorrow

From: Carol McKenzie [mailto:cpmckenzie@lambtonshores.ca]

Sent: June-03-15 4:39 PM

To: Roberts, Brian Subject: RE: Ipperwash

Sounds perfect - will do first thing in the morning.

CP

Carol McKenzie

Clerk

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From: Roberts, Brian [mailto:brobert@uniongas.com]

Sent: June-03-15 4:37 PM To: Carol McKenzie Subject: RE: Ipperwash

Hi Carol,

I think that would suffice. Some wording supporting our Energy Board filing would be excellent

We understand that Union Gas will be filing a proposal with the Ontario Energy Board seeking approval to provide service to the Ipperwash Beach area within the Municipality of Lambton Shores. The Municipality of Lambton Shores has always been supportive of Union Gas extending natural gas service to these residents within our municipality.

If you wouldn't mind addressing the letter to James Whittaker that would be appreciated.

Union Gas Ltd
James Whittaker
Manger of Construction & Growth
London/ Sarnia District

Thanks again,

Brian

Brian Roberts

Construction & Growth

Union Gas Limited | A Spectra Energy Company 109 Commissioners Road W. | London, ON N6A 4P1

Tel: 519-667-4100 ext 5153453 Cell: 519-495-8836

email: broberts@uniongas.com



From: Carol McKenzie [mailto:cpmckenzie@lambtonshores.ca]

Sent: June-03-15 3:02 PM

To: Roberts, Brian Subject: RE: Ipperwash

Hello – I don't believe it would be possible to send the letter with the proposed wording as it is stating that Council was fully supportive of the "key concepts" which Council was never really asked to give direction on. I was thinking more like

That the Municipality of Lambton Shores has always been supportive of Union Gas extending natural gas service to the residents of Ipperwash....

Is that too simple?????

Carol McKenzie Clerk

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From: Roberts, Brian [mailto:brobert@uniongas.com]

Sent: June-03-15 2:41 PM

To: Carol McKenzie Subject: RE: Ipperwash

Carol,

Per our discussion, can you please review format below and let me know if this is something you'd be able to submit to me that we can include with our Ontario Energy Board filing?

Thanks again for your ongoing support..

We understand that Union Gas will be filing a proposal with the Ontario Energy Board seeking approval to provide service to the Ipperwash Beach area within the Municipality of Lambton Shores. Our understanding is that Union Gas' application will include proposals for specific forms of regulatory flexibility or exemptions from current Ontario Energy Board guidelines that apply to extending natural gas service to new communities.

This letter will confirm that Union Gas has reviewed the key concepts of the Ontario Energy Board filing with the Municipality, and that Municipality supports these concepts, which are summarized below:

- The application of an additional temporary expansion surcharge which would be applied as an
 additional line item to bills of customers who connect to the system for a period of up to 10
 years, and which amounts to something in the range of \$500 per year for an average
 residential customer.
- A reduction in the economic feasibility threshold that the project must meet before proceeding.
- Ability of the utility to earn their regulated rate of return on investment for all capital invested beginning in the year following which the investment is made.

Our municipal leaders believe that the public benefits of extending natural gas infrastructure to additional communities in Ontario, like Ipperwash Beach, should be a key consideration in addressing Union's proposals. These benefits include the annual energy savings our constituents would experience, reduced costs for our existing businesses, and remove a local economic barrier for our community.

For these reasons we fully support the concepts that Union will propose in their application to service Ipperwash Beach.

Signed by Mayor or CAO

From: Carol McKenzie [mailto:CMcKenzie@lambtonshores.ca]

Sent: April-08-15 9:32 AM

To: Roberts, Brian Subject: Ipperwash

As per your request.

Regards CP



Carol McKenzie

Clerk

7883 Amtelecom Parkway
Forest, ON NON 1J0
(P) 519-786-2335 or 1-877-786-2335
www.lambtonshores.ca

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From: Carol McKenzie <cpmckenzie@lambtonshores.ca>

Sent: June-10-15 9:02 AM
To: Roberts, Brian
union gas

Subject: union gas Attachments: union gas.pdf

Good morning

Attached is a pdf of the letter sent earlier. If you need the PDF on letterhead, please let me know.

Thanks



Carol McKenzie

Clerk

7883 Amtelecom Parkway
Forest, ON NON 1J0
(P) 519-786-2335 or 1-877-786-2335
www.lambtonshores.ca

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June 4, 2015

Union Gas Ltd
James Whittaker
Manger of Construction & Growth
London/ Sarnia District
109 Commissioners Road W.
London, ON N6A 4P1

Re: Possible Expansion of Natural Gas to the Ipperwash Area

Dear Sir:

Lambton Shore' Council has been advised that Union Gas will be filing a proposal with the Ontario Energy Board for approval to provide natural gas service to the Ipperwash community.

Our understanding is that Union Gas' application will include proposals for specific forms of regulatory flexibility or exemptions from current Ontario Energy Board guidelines that apply to extending natural gas service to new communities.

The Municipality of Lambton Shores has always been supportive of Union Gas extending natural gas service to residents within our municipality, and wishes them success with this application.

Yours truly

Bill Weber Mayor

Subject:

Natural gas expansion to Ipperwash area

Location:

Conference call

Start: End: Fri 08/05/2015 11:30 AM Fri 08/05/2015 12:00 PM

Recurrence:

(none)

Meeting Status:

Accepted

Organizer:

Roberts, Brian

Required Attendees:

Carol McKenzie; Kevin Williams; Janet Ferguson; Whittaker, James; Jackson, Matt

Good afternoon,

I'm hoping everyone is still good for a conference call tomorrow at 11:30 am?

Our conference phone number is 1-866-826-8611 code #234238

Thanks in advance.

Brian



Background

In December 2013, the Provincial Government published the long-term energy plan (LTEP) for the Province of Ontario. The LTEP stated that "the government will work with gas distributors and municipalities to pursue options to expand natural gas infrastructure to service more communities in rural and northern Ontario". Furthermore, the Provincial Government's election platform pledged \$200 million in interest free loans for municipalities and \$30 million in grants to extend natural gas to rural and northern Ontario communities. Finally, the Premier's "mandate" letters to various Ministers included the funding as a priority for these ministries.

The Ontario Energy Board (OEB) is the regulator for natural gas distributors in the Province of Ontario and the OEB has a set of guidelines for natural gas distributors to follow when attaching new customers. The economics of each project needs to be reviewed on an individual basis and must meet a profitability index (PI) of 1.0 or greater. If the PI is less than 1.0, then the costs exceed the revenues and the natural gas distributors require a contribution from the customer(s) prior to proceeding with the project. This is to ensure that the existing natural gas customers are not cross-subsidizing the costs of attaching new customers. In most cases the contribution levels required from individual customers exceeds their threshold to pay in order to extend natural gas to communities. As a result, funding and/or regulatory changes are required in order to move forward to extending natural gas to rural communities.

In February 2015, natural gas distributors in Ontario received a letter from the OEB looking for what regulatory changes would be required for community expansion projects. In the 2015 Provincial Budget, released in April 2015, the Government has announced funding to "develop a new program to expand the natural gas network, which would help more communities generate economic growth". No further details, including the availability of funding and how a municipality would apply, have been developed surrounding this funding.

Union Gas is looking for the following regulatory changes:

- The application of an additional temporary volumetric rate which would be applied as an
 additional line item to bills of customers who connect to the system installed as part of
 these projects for a period of up to 10 years, and which amounts to something in the
 range of \$500 per year for an average residential customer.
- Agreement by the municipality (or first nation) to provide a contribution to construction
 costs that equates to the value of any incremental property taxes or payments in lieu of
 taxes that the new system would generate over the same period as the volumetric rate
 noted above.
- A reduction in the economic feasibility thresholds that each project must meet before
 proceeding, to a profitability index of as low as 0.6 in certain situations, conditional on
 municipal (or first nation) agreement to make contributions as outlined above. And
 related to this a reduction in portfolio profitability indices to 0.9 in order to create
 capacity for the incremental capital investment required by the utility.
- Ability of the utility to earn their regulated rate of return on investment for all capital invested beginning in the year following which the investment is made.

Union Gas is currently in the process of filing an application with the OEB to receive approval on these proposed regulatory changes. Furthermore, Union Gas is conducting feasibility assessments on several communities, including Lambton Shores, to look at extending natural gas without the need for funding from the Provincial Government. Union Gas plans on filing these applications with the OEB in late-May/early-June.

Scope

Union Gas is proposing to install approximately 5,500 m of 6" plastic, 3,800 m of 4" plastic, and 4,800 m of 2" plastic main to service Lambton Shores. The pipeline diameters and lengths are subject to change as Union Gas completes their final design. Figures 1 and 2 show the proposed pipeline and distribution regulation station installations.

Natural gas utilities are the only utility to pay property taxes on infrastructure for which virtually no municipal services are required. The proposed pipeline that is to be installed will generate additional tax revenue for Lambton Shores. Union Gas is looking for a contribution from the municipality for the incremental property tax revenue that is generated; this will be in place for the same length of time as the temporary volumetric rate for property owners – up to 10 years. All communities will have to contribute an amount equivalent to the incremental property taxes, with or without Provincial funding, in order to be eligible to lower the profitability index of a project to as low as 0.60.

Survey

A telephone survey was previously undertaken in Lambton Shores by Union Gas in 2011 but this survey did not ask questions about property owner's likelihood of contributing to the project through a temporary volumetric rate. As a result, Union Gas has just undertaken an additional telephone survey to test the willingness of potential customers to attach with a temporary volumetric rate.

The uptake on this second survey has been low as Union Gas has not been able to contact property owners by telephone. It is likely that Union Gas will have to survey potential customers door-to-door in the coming weeks after the application is made to the OEB.



Figure 1: Overview of Kettle Point & Lambton Shores Expansion Project



Figure 2: Proposed Pipelines in Lambton Shores, ON



Ontario Energy Board

Commission de l'énergie de l'Ontario

P.O. Box 2319 2300 Yonge Street 27th Floor C.P. 2319 2300, rue Yonge 27° étage

Toronto ON M4P 1E4
Telephone: 416-481-1967
Facsimile: 416-440-7656
Toll free: 1-888-632-6273

27° étage Toronto ON M4P 1E4 Téléphone: 416-481-1967 Télécopieur: 416-440-7656 Numéro sans frais: 1-888-632-6273

BY : EMAIL AND WEB POSTING

February 18, 2015.

To: All Applicants and Potential Applicants for Expansion of Natural Gas

Distribution

Re: Expansion of Natural Gas Distribution

The Provincial Government has set out a goal of ensuring that Ontario consumers in communities that currently do not have access to natural gas are able to share in affordable supplies of natural gas. In an effort to facilitate enhanced access to natural gas for rural and remote communities and businesses in the province, the Ontario Energy Board (the "Board") is inviting parties with the appropriate financial and technical expertise to propose one or more plans for natural gas expansion.

In this context and depending on the nature and scope of any proposals made, the Board is aware that regulatory flexibility may be required. The Board will hear requests for regulatory flexibility or appropriate exemptions in the context of an application made for approvals pertaining to expansion portfolios and specific projects.

Background

In the Long Term Energy Plan the Ontario Government signaled that it would look at opportunities to expand natural gas service within the Province to areas that are not currently served. In support of this objective, the Government, through the Minister of Economic Development, Employment and Infrastructure, will be making available;

- \$200 million in Natural Gas Access Loans over two years to help communities partner with utilities to extend access to natural gas, and
- \$30 million in "Natural Gas Economic Development Grants" to accelerate projects with clear economic development potential.

- Proponents should develop proposals that, while ensuring safety and reliability, are cost effective and incorporate flexibility with respect to cost recovery (e.g. ROE, depreciation period, recovery of capital contribution, etc.).
- Proponents should develop proposals that include measures that foster predictability and cost certainty from a consumer perspective.
- Proponents should develop proposals that minimize impacts on existing natural gas ratepayers as a result of new expansion projects.

The Board is considering the need and manner in which to provide clarity for municipalities and potential new service providers on the processes needed to be taken to expand access to natural gas and will communicate further on this.

Invitation to Submit Application

The Board encourages parties interested in distributing natural gas to unserved rural and remote communities to submit an application seeking one or more required approvals (e.g. certificate of public convenience and necessity, franchise agreement, leave to construct) for the Board's consideration.

Subsequent to any Board approval of the above applications, a company would be required to apply to the Board for an order approving just and reasonable rates for the sale of gas and provisions of gas distribution services.

A summary of the requisite approvals is found under Appendix A of this letter.

Any questions relating to this letter should be directed to **Jason Craig** at **jason.craig@ontarioenergyboard.ca** at 416-440-8139. The Board's toll-free number is 1-888-632-6273.

Yours truly,

Peter Fraser

Vice President, Industry Operation Performance

Appendix – A Description of Approvals

Certificate of Public Convenience and Necessity

In order to provide natural gas distribution services to consumers in Ontario, a company must apply to the Board for a certificate of public convenience and necessity for the service territory that is to be served.

The certificate of public convenience and necessity grants the gas distributor the right to construct infrastructure for the purposes of supplying gas to consumers in the service territory specified.

Numerous examples of certificate of public convenience and necessity applications can be found on the Board's website.

Franchise Agreement

In order to provide natural gas distribution services to consumers in Ontario, a company must also enter into a municipal franchise agreement with a municipality. The municipal franchise agreement is signed by both the municipality that is agreeing to be served and the distribution company.

The Board has the authority to approve the municipal franchise agreement. The municipal franchise agreement sets out the right for a natural gas distributor to operate works and add to works for the distribution of gas within the boundaries of a municipality.

In 2000, a Model Franchise Agreement ("MFA") was developed for use across the province.

The MFA sets out the obligations of the gas distributor in regard to the technical, construction, safety, and operational aspects of the natural gas distribution system within the municipality. The terms of the MFA ensure coordination between the municipality and the utility with regards to construction, operation and maintenance of the system. The standard term of the MFA is 20 years.

The model franchise agreement and examples of franchise agreement applications can be found on the Board's website.

Ministry of Energy

Office of the Minister

4th Floor, Hearst Block 900 Bay Street Toronto ON M7A 2E1 Tel.: 416-327-6758 Fax: 416-327-6754 Ministère de l'Énergie

Bureau du ministre

4° étage, édifice Hearst 900, rue Bay Toronto ON M7A 2E1 Tél.: 416 327-6758 Téléc.: 416 327-6754



FEB 1 7 2015

Ms Rosemarie Leclair Chair & Chief Executive Officer Ontario Energy Board PO Box 2319 2300 Yonge Street Toronto ON M4P 1E4

Dear Ms Leclair:

As part of Ontario's Long-Term Energy Plan (LTEP), the government committed to work with gas distributors and municipalities to pursue options to expand natural gas infrastructure to service more communities in rural and northern Ontario.

In addition to our LTEP commitment, the government is working to develop a Natural Gas Access Loan and a Natural Gas Economic Development Grant. The Ministry of Economic Development, Employment and Infrastructure is the ministry responsible for establishing these programs, and is in the early stages of their design. The Ministry of Energy will provide support.

In my letter to you on June 26, 2014, with respect to the OEB's 2014-2017 Business Plan, I asked that the Board examine its oversight of the natural gas sector and to assess what options may exist to facilitate connecting more communities to natural gas.

I am writing to you today to encourage the Board to continue to move forward on a timely basis on its plans to examine opportunities to facilitate access to natural gas services to more communities, and to reiterate the government's commitment to that objective. I appreciate your continued support to ensure the rational expansion of the natural gas transmission and distribution system for all Ontarians.

Sincerely,

Bob Chiarelli Minister

From: Janet Ferguson <i ferguson@lambtonshores.ca>

 Sent:
 May-21-15 2:07 PM

 To:
 Whittaker, James

Subject: RE: Council Meeting - Union Gas Presentation

HI

Sorry about that – 7:00 pm There is another presentation so I am not sure if you are first or second but we tell everyone to be there for 7:00.

Janet Ferguson

Treasurer

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From: Whittaker, James [mailto:jWhittaker@uniongas.com]

Sent: May-21-15 2:05 PM To: Janet Ferguson

Subject: RE: Council Meeting - Union Gas Presentation

Thanks Janet - what time will we be on?

With respect to Perth East, I am not sure if they will consider collecting costs from property owners. Glenn and I have not discussed that, but it looks like council wants staff to prepare a report to review this. The municipality does have buildings in Milverton where they would save money by converting to natural gas so they may look at these savings to offset the contribution.

James

From: Janet Ferguson [mailto:iferguson@lambtonshores.ca]

Sent: Thursday, May 21, 2015 1:20 PM

To: Whittaker, James

Subject: RE: Council Meeting - Union Gas Presentation

Hi

I can make 4:00 work.

The meeting is at the Legacy Recreation Centre at 16 Allen Street in Thedford.

I was aware of the resolutions passed by their Council. Does it appear that they may consider collecting the costs from the property owners on the tax billing?

Thanks

Janet Ferguson

Treasurer

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From: Whittaker, James [mailto:jWhittaker@uniongas.com]

Sent: May-21-15 12:23 PM

To: Janet Ferguson

Subject: RE: Council Meeting - Union Gas Presentation

Hi Janet,

I set up a meeting for 4 today - hopefully that works.

Brian Roberts, Matt Jackson, and myself will be attending the Council meeting - I plan on doing the speaking. Can you please confirm time & location for us?

Please find attached minutes from the Perth East Council meeting in support of the regulatory flexibility Union Gas is requesting (http://www.pertheast.ca/uploads/6/Doc 635677145239054793.pdf) – the information is in section 8.2.1.

Thanks. James

From: Janet Ferguson [mailto:jferguson@lambtonshores.ca]

Sent: Thursday, May 21, 2015 9:24 AM

To: Whittaker, James; Kevin Williams; Carol McKenzie

Cc: Jackson, Matt; Roberts, Brian

Subject: RE: Council Meeting - Union Gas Presentation

Good Morning

I am available late this afternoon or Friday morning for a discussion; however, Kevin is out of the office so I am not sure on his availability.

Will all of you be attending the Council meeting for the presentation? If not please advise who will be in attendance.

Thank you

Janet Ferguson

Treasurer

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From: Whittaker, James [mailto:jWhittaker@uniongas.com]

Sent: May-20-15 3:46 PM

To: Janet Ferguson; Kevin Williams; Carol McKenzie

Cc: Jackson, Matt; Roberts, Brian

Subject: RE: Council Meeting - Union Gas Presentation

Hi Janet,

Sorry for not getting back to you sooner but I needed to track some information down.

- Please see the attached link from Red Lake for their agreement to install a natural gas distribution system(http://www.redlake.ca/agenda/20120502SPECIAL/3%202%20a.pdf). The total cost of the project was \$19.3 million.
 - Red Lake Contributed \$750,000 towards the project.
 - b. Union Gas "contributed" \$8.8 million towards the project.

- The revenues associated with the customers attaching to the distribution system covered \$7.6 million in capital.
- Union Gas reduced the profitability index from 1.0 to 0.90 which resulted in a further "contribution" of \$1.2 million.
- Union Gas has reviewed the incremental taxes associated with installing new pipe to Ipperwash Beach and it is approximately \$18,000 per year. We require an "Incremental Tax Equivalent (ITE)" of \$18,000 per year from Lambton-Shores in order to reduce the profitability index of the project to 0.60. I have discussed internally the request of collecting the ITE upfront in one lump sum we are able to do this for this particular project. Ball park number is \$70,000 this is based on our current forecast for customers attaching and we are in the process of completing this survey. The ITE is subject to change based on the actual attachment forecast.
- 3. We are looking for council to approve the concept of the regulatory changes we are looking for. It wouldn't be until a later date that we would confirm the financial contribution required. We would have to finalize our costs and attachment forecast before we would approach Council.

I was wondering if we could have a quick call tomorrow or Friday to review this and some other points I would like to discuss.

Please let me know if this is possible and what time works best for everyone.

Thanks, James

From: Janet Ferguson [mailto:iferguson@lambtonshores.ca]

Sent: Friday, May 15, 2015 4:28 PM

To: Whittaker, James; Kevin Williams; Carol McKenzie

Cc: Jackson, Matt; Roberts, Brian

Subject: RE: Council Meeting - Union Gas Presentation

Good afternoon

Was someone going to provide a copy of the Red Lake agreement to us?

Thanks

Janet Ferguson

Treasurer

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From: Whittaker, James [mailto:jWhittaker@uniongas.com]

Sent: May-15-15 9:46 AM

To: Kevin Williams; Carol McKenzie; Janet Ferguson

Cc: Jackson, Matt; Roberts, Brian

Subject: Council Meeting - Union Gas Presentation

Please find attached the presentation for the May 26th Council meeting. Thanks and have a safe weekend.

James Whittaker, P.Eng.

Manager, Construction and Growth - London/Sarnia District Union Gas Limited | A Spectra Energy Company 109 Commissioners Rd W | London, ON N6A 4P1

Tel: 519-667-4142 Fax: 519-667-4263



TOWNSHIP OF PERTH EAST REGULAR COUNCIL MEETING MINUTES

Date: May 5, 2015

Location: Council Chambers

25 Mill Street East

Milverton

Members Present: Mayor Bob McMillan

Deputy Mayor Rhonda Ehgoetz

Councillor Don Brunk
Councillor Jeff Cressman
Councillor Helen Dowd
Councillor Andrew MacAlpine
Councillor Jerry Smith

Staff Present: Glenn Schwendinger, CAO

Theresa Campbell, Municipal Clerk

Grant Schwartzentruber, Chief Building Officer

Rhonda Fischer, Treasurer

Becky Westman, P.E.R.C. Manager

Adam Betteridge, Planner

Wes Kuepfer, Public Works and Parks Manager

Kate Skelding, Recording Clerk

Staff Absent: Bill Hunter, Fire Chief

Donna Chaffe, Human Resource Manager

CALL TO ORDER- 7:30 P.M.

Mayor Bob McMillan called the meeting to order.

2. MOMENT OF REFLECTION

Mayor Bob McMillan requested that Council and Staff reflect on their roles and responsibilities as municipal officials.

3. CONFIRMATION OF THE AGENDA

Resolution No. 15-158 Moved by Jeff Cressman Seconded by Helen Dowd

THAT the following item(s) be added to the Meeting Agenda:

 Item No. 8.1.2 Site Plan Control Application No. S05-2015 by Edith Streicher, lands described as Part of Lot 9, Concession 9, Mornington Ward (7422 Rd 129)

THAT the agenda as prepared for the May 5, 2015 Meeting of Council of the Township of Perth East, be approved as received.

CARRIED

4. DISCLOSURE OF PECUNIARY INTEREST and the general nature thereof

There were no declarations of pecuniary interest.

PAGE 068-15

5. CONSENT AGENDA

5.1. CONSENT AGENDA ITEMS

Resolution No. 15-159 Moved by Andrew MacAlpine Seconded by Don Brunk

- 5.1.1. Draft Regular Meeting of Council Minutes- April 21, 2015
- Public Event- Special Occasion Permit Application- notification by Milverton Lions Club- Milverton Rodeo Executive 25th Annual Milverton Rodeo- June 19-21, 2015 at Milverton Agri Centre (MAC)
- Public Event- Special Occasion Permit Application- notification by Milverton Agriculture Society Milverton Family Fun Fair- May 30, 2015 at Milverton Agri Centre (MAC)
- Township of Carling dated April 22, 2015- request for support of resolution regarding Ontario Hydro One Rates
- 5.1.5. Goderich to Guelph (G2G) Rail Trail dated April 21, 2015 regarding Fundraising Campaign
- 5.1.6. Public Event- Special Occasion Permit Application- notification Sebringville Athletic Association Inc. / Optimist Club of Sebringville Annual Steak Dinner- June 5, 2015 at the Sebringville Community Centre
- 5.1.7. 2015 Ontario West Municipal Conference-November 20, 2015
- Minister Responsible for Seniors Affairs dated April 16, 2015 regarding 2015 Seniors' Month
- 5.1.9. Requests for Maintenance and Repair (Section 74) Municipal Drains
 - Knechtel Municipal Drain- Lot 13 and 14, Concession 4 North Easthope Ward
 - Scheerer Municipal Drain, Branch C- Lot 33, Concessions 1 and 2 North Easthope Ward
 - Richardson Municipal Drain- Lot 15, Concession 1 Ellice Ward
- 5.1.10. Ministry of Community Safety and Correctional Services Office of the Fire Marshal and Emergency Management (OFMEM) dated April 30, 2015 regarding the Township of Perth East Compliance OFMEM Vulnerable Occupancy Registry

THAT Items No. 5.1.1 to 5.1.10 as set out on the Consent Agenda for the May 5, 2015 Regular Meeting of Council be approved with the exception of Items No. 5.1.6 and 5.1.7 which shall be introduced separately.

CARRIED

CONSENT AGENDA

ITEM NO. 5.1.6

Public Event- Special Occasion Permit Application-

notificationSebringville Athletic Association Inc. / Optimist Club of Sebringville Annual Steak Dinner- June 5, 2015 at the Sebringville Community Centre

Resolution No. 15-160 Moved by Rhonda Ehgoetz Seconded by Don Brunk

THAT the Council of the Township of Perth East receive the correspondence Item No. 5.1.6 Public Event- Special Occasion Permit Application- notificationSebringville Athletic Association Inc. / Optimist Club of Sebringville Annual Steak Dinner- June 5, 2015 at the Sebringville Community Centre, for information.

CONSENT AGENDA

ITEM NO. 5.1.7

2015 Ontario West Municipal Conference- November 20, 2015

Resolution No. 15-161

Moved by Jerry Smith

Seconded by Helen Dowd

THAT the Council of the Township of Perth East receive the correspondence Item No. 5.1.7 regarding 2015 Ontario West Municipal Conference on November 20, 2015, for information:

AND THAT the members of Council listed on this resolution be authorized to attend the 2015 Ontario West Municipal Conference in London:

- · Jerry Smith, Milverton Ward Councillor
- Helen Dowd, Mornington Ward Councillor

CARRIED

DELEGATION

 Ian Wilcox, General Manager and Secretary Treasurer of the Upper Thames River Conservation Authority (UTRCA)-2015 UTRCA Budget

lan Wilcox, General Manager and Secretary Treasurer of the Upper Thames River Conservation Authority (UTRCA) appeared as a delegation and provided a presentation regarding the 2015 UTRCA Budget.

Recommendation of Council will appear under Item No. 15.1 New Business.

7. PUBLIC MEETINGS AND PUBLIC HEARINGS

Mayor McMillan declared this meeting of the Council of the Township of Perth East to be temporarily adjourned to permit the holding of Public Meeting for Zoning By-law Amendment Application No. Z07-2015.

7.1. PUBLIC MEETING

7.1.1. Zoning By-law Amendment Application- Z07-2015

by Brian and Emma Gerber lands described as part of Lot 31, Concession 12 North Easthope Ward (5321 Perth Rd 119)

Mayor McMillan stated that this meeting is an opportunity for the Township to advise the public of the purpose and intent of the amendment and receive their input prior to considering adoption of the implementing bylaw.

Mayor McMillan advised that if a by-law is adopted to implement the Zoning Amendment, a Notice of Passing will be forwarded by prepaid first class mail to all known property owners within 120 metres of the affected property, various agencies of interest and others who have requested notice. An appeal to the Ontario Municipal Board objecting to the adoption of the by-law may be filed with the Clerk not later than the date stated on the Notice.

Mayor McMillan stated that any person present who wishes to receive written notice of a by-law passed to implement the amendment is asked to give their name and mailing address to the Clerk at this time. He advised that no written notice, except as previously noted, will be given unless requested at this time.

Mayor McMillan advised that all persons attending this meeting will be given an opportunity to be heard or make a presentation. Planner Betteridge presented the Planning Report and recommendations.

Mayor McMillan asked if anyone present who wishes to make a presentation or speak in opposition of the application and requested that they give their name and address for the record when they are recognized. No one responded.

Mayor McMillan asked if anyone present who wishes to make a presentation or speak in support of the application other than the applicant/agent and requested that they give their name and address for the record when they are recognized. No one responded.

Mayor McMillan asked if the applicant or agent has any comments in respect to the application and the draft Zoning By-law or to the comments that have been made or any questions from the members of Council.

Brian Gerber, landowner was present and available for questions. Also present were Steven Gerber, Paul Freiburger and Deborah Freiburger.

Paul and Deborah Freiburger spoke regarding concerns with the Signage.

Mayor Bob McMillan declared the Public Meeting for consideration of the Zoning By-law Amendment Application No. Z07-2015 closed and continued with the Regular Meeting of Council.

RECOMMENDATIONS OF COUNCIL
Zoning By-law Amendment Application No. Z07-2015
by Brian and Emma Gerber
lands described as part of Lot 31, Concession 12
North Easthope Ward (5321 Perth Rd 119)

Resolution No. 15-162 Moved by Jeff Cressman Seconded by Don Brunk

THAT Council of the Township of Perth East receive the report entitled Zoning By-law Amendment Application No. 207-2015 by Brian Mathew Gerber & Emma Glick Gerber affecting lands described as Part of Lot 31, Concession 12, North Easthope Ward dated May 5, 2015 prepared by the Planner, for information;

AND THAT Zoning By-law Amendment Application No. Z07-2015 by Brian Mathew Gerber & Emma Glick Gerber affecting lands described as Part of Lot 31, Concession 12, North Easthope Ward of the Township of Perth East be approved;

AND THAT Council proceed with the adoption of the Zoning By-law Amendment.

CARRIED

7.2. PUBLIC HEARING

PUBLIC HEARING SECTION 45 OF THE PLANNING ACT COMMITTEE OF ADJUSTMENT

Mayor McMillan declared this meeting of the Council of the Township of Perth East to be temporarily adjourned to permit the holding of Public Hearing for the Committee of Adjustment pursuant to Section 45 of the Planning Act regarding Minor Variance Application A02/2015.

7.2.1. Minor Variance Application No. A02-2015

by Rolf Gutknecht

lands described as Part of Lots 5 and 6, Concession 12 Mornington Ward

Chair McMillan stated this hearing is an opportunity for the Township to advise the public of the purpose and intent of the Minor Variance and receive their input prior to making a decision.

Chair McMillan stated that any person present who wishes to receive written notice of the decision made by the Committee of Adjustment is asked to give their name and mailing address to the Secretary-Treasurer at this time. No written notice, except as previously noted, will be given unless requested at this time.

Chair McMillan advised that all persons attending this hearing will be given an opportunity to be heard or make a presentation. Planner Betteridge presented the Planning Report and recommendations. Correspondence was received by Grand River Conservation Authority stating no concerns.

Chair McMillan asked if anyone present who wishes to make a presentation or speak in opposition of the application and requested that they give their name and address for the record when they are recognized. No one responded.

Chair McMillan asked if anyone present who wishes to make a presentation or speak in support of the application other than the applicant/agent and requested that they give their name and address for the record when they are recognized. No one responded.

Chair McMillan asked if the applicant or agent have any comments in respect to the application or any questions from the Committee of Adjustment members.

Rolf Gutknecht applicant was present and available for questions.

DECISION FROM THE COMMITTEE OF ADJUSTMENT 7.2.1. Minor Variance Application No. A02-2015

by Rolf Gutknecht lands described as Part of Lots 5 and 6, Concession 12 Mornington Ward

Resolution No. 15-163 Moved by Jerry Smith

Seconded by Andrew MacAlpine

THAT the Township of Perth East Committee of Adjustment receive the report entitled Application for Minor Variance A02-2015 by Rolf Gutknecht dated May 5, 2015 prepared by the Planner for information; AND THAT the Township of Perth East Committee of Adjustment approve the application for Minor Variance No. A02-2015 by Rolf Gutknecht affecting lands described as Part of Lots 5 & 6, Conc. 12, Mornington Ward subject to the following conditions:

- That the committee's permission to reduce the side yard applies only to the equipment shed proposed in the application; and,
- 2) That no vehicular/equipment openings/doors be permitted along the west side (facing the watercourse) of the equipment shed.

Chairman McMillan declared the Committee of Adjustment Public Hearing closed and entered into Regular Meeting of Council.

8. REPORTS

8.1. PLANNING/DEVELOPMENT

8.1.1. Site Plan Amendment Application No. S03-2015

by Wayne A. and Rosina Kuepfer Part of Lot 15, Concession 7, Mornington Ward (7014 Perth Rd 121, Millbank)

Resolution No. 15-164 Moved by Helen Dowd

Seconded by Rhonda Ehgoetz

THAT Council of the Township of Perth East receive the report entitled Site Plan Control Application No. S03-2015 by Wayne A. & Rosina Kuepfer affecting lands described as PT LOT 15, CONCESSION 7 MORNINGTON, PART 1, 44R2547 PERTH EAST, dated May 5th, 2015

prepared by the Planner, for information;

AND THAT Site Plan Control Application No. S03-2015 by Wayne A. & Rosina Kuepfer affecting lands described as PT LOT 15, CONCESSION 7 MORNINGTON, PART 1, 44R2547 PERTH EAST, in the Mornington Ward of the Township of Perth East be approved;

AND THAT Council proceed with the adoption of By-law No. 24-2015 authorizing the Mayor and Clerk to sign the Site Plan Agreement.

CARRIED

8.1.2. Site Plan Amendment Application No. S05-2015

by Edith Streicher

Part of Lot 9, Concession 9, Mornington Ward (7422 Rd 129)

Resolution No. 15-165 Moved by Andrew MacAlpine

Seconded by Jeff Cressman

THAT Council of the Township of Perth East receive the report entitled Site Plan Control Application No. S05-2015 by Streicher, Edith Marie (Edith Streicher) affecting lands described as PT LOT 9, CONCESSION 9 MORNINGTON dated May 5th, 2015 prepared by the Planner, for information;

AND THAT Site Plan Control Application No. S05-2015 by Edith Marie Streicher affecting lands described as PT LOT 9, CONCESSION 9 MORNINGTON, in the Mornington Ward of the Township of Perth East be approved;

AND THAT Council proceed with the adoption of By-law 25-2015 authorizing the Mayor and Clerk to sign the Site Plan Agreement.

CARRIED

8.2. CAO

8.2.1. Support for Union Gas Ontario Energy Board (OEB) Application

Resolution No. 15-166

Moved by Jerry Smith

Seconded by Jeff Cressman

THAT the Council of the Township of Perth East receive the report entitled Support for Union Gas Ontario Energy Board (OEB) Application dated May 5, 2015 prepared by the CAO for information;

AND THAT Council directs staff to submit a letter of support based on the points outlined to Union Gas for inclusion in their OEB application.

CARRIED

Resolution No. 15-167 Moved by Andrew MacAlpine Seconded by Don Brunk

THAT the Council of the Township of Perth East direct staff to provide a detailed funding report in reference to Support for the Union Gas Ontario Energy Board (OEB) Application regarding the following:

 Agreement by the municipality to provide a contribution to construction costs that equates to the value of any incremental property taxes that the new system would generate over the same period as the volumetric rate

AND THAT this report includes options for full cost recovery from user base.

CARRIED

8.2.2. Request from Stratford Perth Museum

Resolution No. 15-168 Moved by Jerry Smith Seconded by Helen Dowd

THAT the Council of the Township of Perth East receive the report entitled Request from Stratford Perth Museum dated May 5, 2015 prepared by the CAO for information;

AND THAT Council allows the Stratford Perth Museum the use of the former Public Works Shop of the Rostock Hall for cold storage purposes only for a time frame that coincides with the lease extension of the Rostock Hall and Office providing that the conditions as outlined in the request and summarized in the staff report are complied with, until July 31, 2015:

AND THAT continued use of the former Public Works Shop by Stratford Perth Museum after July 31, 2015 be subject to agreement by the Perth County Federation of Agriculture (PCFA) and the Optimist Club of Ellice.

CARRIED

8.2.3. Bill 36 (April 21, 2015 Consent Agenda)

Resolution No. 15-169 Moved by Andrew MacAlpine Seconded by Don Brunk

THAT the Council of the Township of Perth East receive the report dated May 5, 2015 entitled Bill 36 prepared by the CAO, for information:

AND THAT the Council of the Township of Perth East supports the proposed Amendments Trespass to Property Act as outlined in Bill 36.

CARRIED

8.3. CLERK

8.3.1. Request for Repair and Improvement (Section 78)

Engineer Appointment

Hesson Municipal Drain
Part Lot 15, Concession 13, Mornington Ward

Resolution No. 15-170 Moved by Jerry Smith Seconded by Jeff Cressman

THAT the Council of the Township of Perth East appoint Dietrich Engineering Limited to prepare an Engineer's report under Section 78 of the *Drainage Act* for the Hesson Municipal Drain, Pt. Lot 15, Concession 13, Mornington Ward, Township of Perth East in the County of Perth.

CARRIED

8.3.2. Request for Repair and Improvement (Section 78) Engineer Appointment

South Branch of the Rose Municipal Drain Part Lots 29, 30 and 31, Concession 7 and 8, North Easthope Ward

Resolution No. 15-171

Moved by Andrew MacAlpine

Seconded by Rhonda Ehgoetz

THAT the Council of the Township of Perth East appoint Dietrich Engineering Limited to prepare an Engineer's report under Section 78 of the *Drainage Act* for the South Branch of the Rose Municipal Drain, Pt. Lot 29, 30 & 31, Concession 7 & 8, North Easthope Ward, Township of Perth East in the County of Perth.

CARRIED

8.4. FINANCE

8.4.1. Property Tax Adjustments

Section 357 and 358 of the Municipal Act, S.O. 2001, c 25

Resolution No. 15-172

Moved by Don Brunk

Seconded by Jeff Cressman

THAT the Council of the Township of Perth East receive the Tax Collector's report dated May 5, 2015, entitled Property Tax Adjustments regarding the cancellation, reduction or refund of taxes under Section 39.1 and 40 of The Assessment Act, Section 357and 358 of The Municipal Act, S.O. 2001, c 25, as amended;

AND THAT Council approve the tax adjustments listed in this report, totalling \$49,986.07 to be written off in accordance with Section 39.1 and 40 of The Assessment Act, Section 357 and 358 of the Municipal Act, S.O. 2001, c 25, as amended.

CARRIED

8.4.2. Municipal Act Regulation 284-09 and Public Sector Accounting Board (PSAB)

Resolution No. 15-173

Moved by Rhonda Ehgoetz

Seconded by Andrew MacAlpine

THAT the Council of the Township of Perth East receive the report prepared by the treasurer, entitled Municipal Act Regulation 284/09 and Public Sector Accounting Board (PSAB), dated May 5, 2015, for information.

CARRIED

- 8.5. PUBLIC WORKS AND PARKS- No Report
- 8.6. BUILDING/BY-LAW ENFORCEMENT- No Report
- 8.7. PERTH EAST RECREATION COMPLEX- No Report
- 8.8. FIRE- No Report

CORRESPONDENCE

9.1. Public Event- Special Occasion Permit and Parade Notification Shakespeare and Community Athletic Association (SCAA) 68th Annual Parade and Field Day and Fish Fry- June 13, 2015 Temporary Road Closure Request Resolution No. 15-174 Moved by Jerry Smith Seconded by Jeff Cressman

THAT the Council of the Township of Perth East receive the notification correspondence letter dated April 25, 2015 from Shakespeare & Community Athletic Association regarding the 68th Annual Field Day and Fish Fry Event to be held on June 13, 2015;

AND THAT the Council of the Township of Perth East approve the request from Shakespeare & Community Athletic Association regarding the 68th Annual Field Day and Fish Fry Parade route starting at Shakespeare Community Centre on Thompson Street, north on Galt Street, east on William Shakespeare Street, south on Byron Street, west on Andrew Street north on Trachsel Street, west on Fraser Street, south on Galt Street and end at the Shakespeare Optimist Hall:

AND THAT the Certificate of Insurance provided by the Shakespeare & Community Athletic Association stated that the Corporation of the Township of Perth East was added as an additional insured but only with respects to their interest in the operation of the Named Insured

CARRIED

10. COUNCIL AND COMMITTEE REPORTS

- 10.1. MAYOR'S MEETING LOG- No Report
- 10.2. COUNCIL REPORTS- No Report

11. BY-LAWS

11.1. FIRST, SECOND AND THIRD READING

Resolution No. 15-175 Moved by Jeff Cressman Seconded by Rhonda Ehgoetz

- By-Law 24-2015 being a by-law to authorize the signing of an Agreement to amend the Site Plan Agreement with Wayne A. Kuepfer and Rosa Kuepfer authorized by By-law Number 4-2006
- By-law 25-2015 being a by-law to authorize the signing of an Agreement with Streicher, Edith Marie
- By-law 207-2015 being a by-law to amend By-law 30-1999 lands described as Part of Lot 31, Concession 12, North Easthope Ward (5321 Perth Rd 119)

THAT the Council of the Township of Perth East give three readings to the By-laws listed above.

CARRIED

- CLOSED SESSION- Pursuant to Section 239 of the Municipal Act, 2001none
- 13. BUSINESS ARISING FROM CLOSED SESSION- none
- 14. NOTICE OF MOTIONS- none
- 15. NEW BUSINESS
 - 15.1 Ian Wilcox, General Manager and Secretary Treasurer of the Upper Thames River Conservation Authority (UTRCA)-2015 UTRCA Budget

Resolution No. 15-176 Moved by Don Brunk

Seconded by Rhonda Ehgoetz

THAT the Council of the Township of Perth East receive the delegation of lan Wilcox, General Manager and Secretary Treasurer of the Upper Thames River Conservation Authority (UTRCA)- 2015 UTRCA Budget, for information.

CARRIED

15.2 PLANNER Adam Betteridge- Verbal Report regarding Planning Applications

Resolution No. 15-177 Moved by Andrew MacAlpine Seconded by Don Brunk

THAT the Council of the Township of Perth East receive the verbal report from the Planner regarding Planning Applications, for information.

CARRIED

15.3 MAYOR Bob McMillan regarding Written Submissions

Resolution No. 15-178 Moved by Helen Dowd Seconded by Jeff Cressman

THAT the Council of the Township of Perth East receive the verbal report from the Mayor regarding written submissions, for information.

CARRIED

16. ANNOUNCEMENTS- none

17. CONFIRMATORY BY-LAW

Resolution No. 15-179 Moved by Jerry Smith Seconded by Rhonda Ehgoetz

THAT By-law Number 26-2015, being a by-law to confirm the proceedings of Council of the Township of Perth East at its regular meeting held on May 5, 2015, be read a first, second and third time.

CARRIED

18. ADJOURNMENT

Resolution No. 15-180

Moved by Andrew MacAlpine
Seconded by Helen Dowd

THAT the meeting of Council be adjourned at 9:38 P.M.

CARRIED

				-
Theresa	Campbell,	Municipal	Clerk	

From: Whittaker, James

Sent: November-05-15 9:38 AM

To: Carol McKenzie

Subject: Clarification on Union Gas' Proposal to the Ontario Energy Board - Community Expansion

Project

Hi Carol, thank you for reaching out to Union Gas to discuss further details around our application to the Ontario Energy Board for our Community Expansion Project. As requested, I am following up on the questions that you had. I have also provided some additional context around both the Customer and Municipal contribution that Union Gas discussed with Council in May 2015.

1. Customer Contribution

- a. Our proposal includes a new customer contribution toward the economic feasibility of the project called a Temporary Community Expansion Surcharge (TES). A TES, of 23 cents per cubic metre of natural gas consumed would be paid by all customers who connect to the new natural gas distribution system within the community to be served. This surcharge will appear as a separate line item on the customer's monthly gas bill, and will remain in place for a minimum of 4 years and a maximum of 10 years from the time the project goes into service. Customers that connect to the distribution system following the year the project goes into service would pay the TES for a shorter period of time. For example, assuming a project requires TES of an 8-year period, a customer who connects in year 3 would only pay the TES for 5 years. Since the contribution is volumetric, customers who use more natural gas will contribute more towards the project but will also benefit from a greater savings with natural gas.
- b. The duration of the TES is specific to the community and is based on the customer attachments and capital cost to install the new pipelines.
- c. Based on an average residential customer, the TES would equate to approximately \$500 per year. It's important to note that even with the proposed surcharge; residents will save over \$1,000 a year by switching from electricity, oil or propane for heat and hot water.

2. Municipal Contribution

- a. Union Gas pays property taxes to municipalities on all underground pipelines that are installed. Our proposal includes a municipal contribution toward the economic feasibility of the project called an Incremental Tax Equivalent" (ITE), that is equivalent to the estimated new property tax revenue that would be generated by the community expansion project, for the same duration as the TES (minimum of 4 years and maximum of 10 years). The ITE is not applicable to other Union Gas pipelines already installed within a municipality or main extensions Union completes under its normal course of business. Municipalities that wish to pursue Community Expansion projects that can only be made economically feasible through the Union Gas July 2015 proposal to the OEB, if approved, would be required to agree to an ITE. If the Municipality is unable to agree to the ITE, the current (more stringent) economic feasibility threshold criteria would apply to the project.
- b. The municipality is required to manage the gap between the taxes received (a portion is remitted to upper tier municipalities and/or school boards) and the ITE during the project duration. There is a net benefit to the municipality for contributing the ITE as Union Gas will continue to pay property taxes on these pipes for their lifespan which will be 40+ years allowing the municipality to more than recover their contribution. In other words, there is a net overall benefit to all tax payers within the municipality. Municipalities will also benefit from significantly lower energy costs for their buildings.
- c. The Union Gas community expansion proposal filed with the OEB is based on Lambton Shores not agreeing to pay the ITE. If Lambton Shores had agreed to the Incremental Tax Equivalent mechanism, the project would require 4 years of ITE at approximately \$12,100 per year and 4 years of TES. The ITE is based on the incremental property taxes that Union Gas would pay to Lambton Shores each year.

- d. Because Lambton Shores did not agree to the ITE, then the project can only move forward at the current economic feasibility threshold established by the OEB, which would require 7 years of TES from customers.
- e. The term and amount of ITE and TES are estimates at this time and would require verification once Union Gas receives a decision from the OEB related to our filing.
- f. As noted at the Council meeting in May, Union Gas contributed \$155,000 in property taxes in 2014 to the Municipality of Lambton Shores which benefit all taxpayers within the municipality.

3. Reduced Economic Feasibility Thresholds

- a. Under Union Gas' current regulatory framework with the OEB, we must ensure that expected project revenue streams meet or exceed the project costs in order to install and operate pipelines to service new customers or communities. Projects that meet the minimum economic feasibility thresholds can move forward. For those that do not, Union Gas requires an economic contribution in order to install new pipelines. The current Ontario Energy Board Guidelines are designed to ensure that over the longer term the existing 1.4 million customers do not subsidize the cost of attaching new customers through the rates they pay.
- b. Union Gas' application to the Ontario Energy Board for Community Expansion Projects, proposes that the economic feasibility thresholds be lowered, which would permit some cross subsidization from existing ratepayers limited to of a maximum of \$24 per year over the multi-year expansion program.

4. Areas to Be Serviced

a. Based on capital availability and the decision from the OEB, Union Gas plans to install a natural gas main along Ipperwash Rd up to W Parkway Dr. and E Parkway Dr. – there are streets on the east and west side of Ipperwash Rd. that we would plan to service depending upon the economics. In total, it is estimated that approximately 380 customers within Ipperwash Beach could have access to natural gas under the proposal.

I trust that this information answers the questions that Mayor Weber had about our proposal and is sufficient to provide Council with an update on the status of this project. I would be happy to have a conference call to clarify any further questions that you might have.

Regards,

James Whittaker, P.Eng

Manager, Construction and Growth - London/Samia District Union Gas Limited | A Spectra Energy Company 109 Commissioners Rd W | London, ON N6A 4P1

Tel: 519-667-4142 Fax: 519-667-4263

One of Canada's Top 100 Employers

From: Whittaker, James

Sent: November-05-15 10:47 AM

To: 'Carol McKenzie'

Subject: RE: Clarification on Union Gas' Proposal to the Ontario Energy Board - Community Expansion

Project

That works. I will adjust and send back to you.

James

From: Carol McKenzie [mailto:cpmckenzie@lambtonshores.ca]

Sent: November-05-15 9:45 AM

To: Whittaker, James

Subject: RE: Clarification on Union Gas' Proposal to the Ontario Energy Board - Community Expansion Project

If I may make a couple of suggestions to clarify the response as it applies to Lambton Shores., please see the suggestions noted in yellow below.

Carol McKenzie

Clerk

Natice: This email is confidential. If you are not the intended recipient, please notify the sender by return email and delete this message from your system without disclosing, copying, distributing or printing any of its contents or attachments.

From: Whittaker, James [mailto:jWhittaker@uniongas.com]

Sent: November-05-15 9:38 AM

To: Carol McKenzie

Subject: Clarification on Union Gas' Proposal to the Ontario Energy Board - Community Expansion Project

Hi Carol, thank you for reaching out to Union Gas to discuss further details around our application to the Ontario Energy Board for our Community Expansion Project. As requested, I am following up on the questions that you had. I have also provided some additional context around both the Customer and Municipal contribution that Union Gas discussed with Council in May 2015.

1. Customer Contribution

- a. Our proposal includes a new customer contribution toward the economic feasibility of the project called a Temporary Community Expansion Surcharge (TES). A TES, of 23 cents per cubic metre of natural gas consumed would be paid by all customers who connect to the new natural gas distribution system within the community to be served. This surcharge will appear as a separate line item on the customer's monthly gas bill, and will remain in place for a minimum of 4 years and a maximum of 10 years from the time the project goes into service. Customers that connect to the distribution system following the year the project goes into service would pay the TES for a shorter period of time. For example, assuming a project requires TES of an 8-year period, a customer who connects in year 3 would only pay the TES for 5 years. Since the contribution is volumetric, customers who use more natural gas will contribute more towards the project but will also benefit from a greater savings with natural gas.
- b. The duration of the TES is specific to the community and is based on the customer attachments and capital cost to install the new pipelines.
- c. Based on an average residential customer, the TES would equate to approximately \$500 per year. It's important to note that even with the proposed surcharge; residents will save over \$1,000 a year by switching from electricity, oil or propane for heat and hot water.

2. Municipal Contribution - General Information

- d. Union Gas pays property taxes to municipalities on all underground pipelines that are installed. Our proposal includes a municipal contribution toward the economic feasibility of the project called an Incremental Tax Equivalent" (ITE), that is equivalent to the estimated new property tax revenue that would be generated by the community expansion project, for the same duration as the TES (minimum of 4 years and maximum of 10 years). The ITE is not applicable to other Union Gas pipelines already installed within a municipality or main extensions Union completes under its normal course of business. Municipalities that wish to pursue Community Expansion projects that can only be made economically feasible through the Union Gas July 2015 proposal to the OEB, if approved, would be required to agree to an ITE. If the Municipality is unable to agree to the ITE, the current (more stringent) economic feasibility threshold criteria would apply to the project.
- e. The municipality is required to manage the gap between the taxes received (a portion is remitted to upper tier municipalities and/or school boards) and the ITE during the project duration. There is a net benefit to the municipality for contributing the ITE as Union Gas will continue to pay property taxes on these pipes for their lifespan which will be 40+ years allowing the municipality to more than recover their contribution. In other words, there is a net overall benefit to all tax payers within the municipality. Municipalities will also benefit from significantly lower energy costs for their buildings.

Lambton Shores Project

- f. The Union Gas community expansion proposal filed with the OEB is based on Lambton Shores not agreeing to pay the ITE. If Lambton Shores had agreed to the Incremental Tax Equivalent mechanism, the project would require 4 years of ITE at approximately \$12,100 per year and 4 years of TES. The ITE is based on the incremental property taxes that Union Gas would pay to Lambton Shores each year.
- g. Because Lambton Shores did not agree to the ITE, then the project can only move forward at the current economic feasibility threshold established by the OEB, which would require 7 years of TES from customers.
- h. The term and amount of ITE and TES are estimates at this time and would require verification once Union Gas receives a decision from the OEB related to our filing.
- As noted at the Council meeting in May, Union Gas contributed \$155,000 in property taxes in 2014 to the Municipality of Lambton Shores which benefit all taxpayers within the municipality.

3. Reduced Economic Feasibility Thresholds

- j. Under Union Gas' current regulatory framework with the OEB, we must ensure that expected project revenue streams meet or exceed the project costs in order to install and operate pipelines to service new customers or communities. Projects that meet the minimum economic feasibility thresholds can move forward. For those that do not, Union Gas requires an economic contribution in order to install new pipelines. The current Ontario Energy Board Guidelines are designed to ensure that over the longer term the existing 1.4 million customers do not subsidize the cost of attaching new customers through the rates they pay.
- k. Union Gas' application to the Ontario Energy Board for Community Expansion Projects, proposes that the economic feasibility thresholds be lowered, which would permit some cross subsidization from existing ratepayers limited to of a maximum of \$24 per year over the multi-year expansion program.

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I. Based on capital availability and the decision from the OEB, Union Gas plans to install a natural gas main along lpperwash Rd up to W Parkway Dr. and E Parkway Dr. – there are streets on the east and west side of lpperwash Rd. that we would plan to service depending upon the economics. In total, it is estimated that approximately 380 customers within lpperwash Beach could have access to natural gas under the proposal.

I trust that this information answers the questions that Mayor Weber-Council had about our proposal and is sufficient to provide Council with an update on the status of this project. I would be happy to have a conference call to clarify any further questions that you might have.

Regards,

James Whittaker, P.Eng
Manager, Construction and Growth - London/Samla District

Union Gas Limited | A Spectra Energy Company 109 Commissioners Rd W | London, ON N6A 4P1

Tel: 519-667-4142 Fax: 519-667-4263



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From: Whittaker, James

Sent: November-05-15 10:51 AM

To: Carol McKenzie

Subject: Clarification on Union Gas' Proposal to the Ontario Energy Board - Community Expansion

Project

Hi Carol, thank you for reaching out to Union Gas to discuss further details around our application to the Ontario Energy Board for our Community Expansion Project. As requested, I am following up on the questions that you had. I have also provided some additional context around both the Customer and Municipal contribution that Union Gas discussed with Council in May 2015.

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- b. The duration of the TES is specific to the community and is based on the customer attachments and capital cost to install the new pipelines.
- c. Based on an average residential customer, the TES would equate to approximately \$500 per year. It's important to note that even with the proposed surcharge; residents will save over \$1,000 a year by switching from electricity, oil or propane for heat and hot water.

2. Municipal Contribution

General Information

- a. Union Gas pays property taxes to municipalities on all underground pipelines that are installed. Our proposal includes a municipal contribution toward the economic feasibility of the project called an Incremental Tax Equivalent" (ITE), that is equivalent to the estimated new property tax revenue that would be generated by the community expansion project, for the same duration as the TES (minimum of 4 years and maximum of 10 years). The ITE is not applicable to other Union Gas pipelines already installed within a municipality or main extensions Union completes under its normal course of business. Municipalities that wish to pursue Community Expansion projects that can only be made economically feasible through the Union Gas July 2015 proposal to the OEB, if approved, would be required to agree to an ITE. If the Municipality is unable to agree to the ITE, the current (more stringent) economic feasibility threshold criteria would apply to the project.
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Lambton Shores Project

c. The Union Gas community expansion proposal filed with the OEB is based on Lambton Shores not agreeing to pay the ITE. If Lambton Shores had agreed to the Incremental Tax Equivalent mechanism, the project would require 4 years of ITE at approximately \$12,100 per year and 4 years of TES. The ITE is based on the incremental property taxes that Union Gas would pay to Lambton Shores each year.

- d. Because Lambton Shores did not agree to the ITE, then the project can only move forward at the current economic feasibility threshold established by the OEB, which would require 7 years of TES from customers.
- e. The term and amount of ITE and TES are estimates at this time and would require verification once Union Gas receives a decision from the OEB related to our filing.
- f. As noted at the Council meeting in May, Union Gas contributed \$155,000 in property taxes in 2014 to the Municipality of Lambton Shores which benefit all taxpayers within the municipality.

3. Reduced Economic Feasibility Thresholds

- a. Under Union Gas' current regulatory framework with the OEB, we must ensure that expected project revenue streams meet or exceed the project costs in order to install and operate pipelines to service new customers or communities. Projects that meet the minimum economic feasibility thresholds can move forward. For those that do not, Union Gas requires an economic contribution in order to install new pipelines. The current Ontario Energy Board Guidelines are designed to ensure that over the longer term the existing 1.4 million customers do not subsidize the cost of attaching new customers through the rates they pay.
- b. Union Gas' application to the Ontario Energy Board for Community Expansion Projects, proposes that the economic feasibility thresholds be lowered, which would permit some cross subsidization from existing ratepayers limited to of a maximum of \$24 per year over the multi-year expansion program.

4. Areas to Be Serviced

a. Based on capital availability and the decision from the OEB, Union Gas plans to install a natural gas main along Ipperwash Rd up to W Parkway Dr. and E Parkway Dr. – there are streets on the east and west side of Ipperwash Rd. that we would plan to service depending upon the economics. In total, it is estimated that approximately 380 customers within Ipperwash Beach could have access to natural gas under the proposal.

I trust that this information answers the questions that Council had about our proposal and is sufficient to provide Council with an update on the status of this project. I would be happy to have a conference call to clarify any further questions that you might have.

Regards,

James Whittaker, P.Eng.

Manager, Construction and Growth - London/Sarnia District Union Gas Limited | A Spectra Energy Company 109 Commissioners Rd W | London, ON N6A 4P1

Tel: 519-667-4142 Fax: 519-667-4263

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From: Whittaker James

Sent: November-10-15 1:45 PM

To: 'Carol McKenzie'

Subject: RE: Clarification on Union Gas' Proposal to the Ontario Energy Board - Community Expansion

Project.

Hi Carol,

I wanted to include items 1 & 2 to review what I discussed with Council earlier this year. However if you feel Council already has a solid understanding of this from the presentation that I made then I am okay if we remove.

With respect to the map if you refer to Slide 12 of the presentation I made to Council it contains the scope of the project. The caveat is that this could change based on capital availability and the OEB decision.

James

From: Carol McKenzie [mailto:cpmckenzie@lambtonshores.ca]

Sent: November-10-15 1:30 PM

To: Whittaker, James

Subject: RE; Clarification on Union Gas' Proposal to the Ontario Energy Board - Community Expansion Project

Importance: High

Hello- chatted with Kevin Williams, and I believe that the questions raised at Council would be answered by # 3 and 4 in your email.

Would you have any objection if we just included just those 2 sections in the agenda? Also- Do you have a map that will clearly show the intended service area in Ipperwash? Thanks

Carol McKenzie

Clerk

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From: Whittaker, James [mailto:jWhittaker@uniongas.com]

Sent: November-05-15 10:51 AM

To: Carol McKenzie

Subject: Clarification on Union Gas' Proposal to the Ontario Energy Board - Community Expansion Project

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General Information

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From: Carol McKenzie <cpmckenzie@lambtonshores.ca>

Sent: November-10-15 1:30 PM

To: Whittaker, James

Subject: RE: Clarification on Union Gas' Proposal to the Ontario Energy Board - Community Expansion

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Importance: High

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From: Sent: Whittaker, James April-09-14 1:32 PM

To:

Glenn Schwendinger

Subject:

RE. Draft Resolution on Natural Gas

Thanks Glenn.

James

From: Glenn Schwendinger [mailto:gschwendinger@pertheast.ca]

Sent: Wednesday, April 09, 2014 1:29 PM

To: Whittaker, James

Subject: RE: Draft Resolution on Natural Gas

Thanks

I plan on taking this forward on April 15th.

From: Whittaker, James [mailto:jWhittaker@uniongas.com]

Sent: March-28-14 11:39 AM To: Glenn Schwendinger

Subject: Draft Resolution on Natural Gas

Hi Glenn,

As discussed please find a draft resolution that you can use for council with respect to extending natural gas to the community of Milverton; this resolution has been used by other small and rural communities. I am also attaching some information that Union Gas handed out at the ROMA/OGRA conference in February as well as a "White Paper" (Page 33 speaks directly to community expansion) that has been developed. I trust this provides you enough information to pass the resolution in Perth East.

WHEREAS Perth East residents are currently limited in their options when it comes to home heating; and

WHEREAS residential customers who have access to natural gas report a savings of 70%-80% per year over other heating alternatives; and

WHEREAS the absence of natural gas services is a barrier to future growth and economic development in Perth East and in a number of other rural communities; and,

WHEREAS small rural communities, such as Perth East are unable to access this utility service due to economic feasibility and current restraints set by the Ontario Energy Board on gas companies with regards to distribution expansion regulatory requirements.

BE IT THEREFORE RESOLVED THAT Council for the Township of Perth East urges the Government of Ontario to provide direct funding assistance to support the expansion of natural gas to northern and rural communities and also support new flexibility in distribution expansion regulatory requirements for gas utilities.

AND FURTHER THAT this resolution be circulated to AMO, ROMA, NOMA, FONOM and SEMA for support.

On another note, you will recall that we've discussed Local Improvement Charges as a mechanism for the Township of Perth East to raise money for an additional contribution to extending natural gas to Milverton. In our discussions with the Ministry of Municipal Affairs & Housing the regulation as it exists should provide Perth East with enough leeway to seek your own legal opinion on "private work". After receiving your legal opinion, Council could then write and vote on a by-law to allow for costs related to extension of natural gas service to be apportioned to residents on the property tax roll. Council would be required to fulfill the requirement of community engagement and come up with a justifiable cost recovery model; this requirement is the same for all forms of projects. I have provided an excerpt out of the Municipal Act which speaks to "private work" and the scope of Local Improvement Charges.

MUNICIPAL ACT, 2001

Made. October 23, 2012 Filled. October 25, 2012 Published on e-Laws: October 26, 2012 Printed in The Ontario Gazette. November 10, 2012.

Amending O. Reg. 586 06

(LOCAL IMPROVEMENT CHARGES - PRIORITY LIEN STATUS)

Note: Ontario Regulation 586 06 has previously been amended. For the legislative history of the Regulation, see the Table of Consolidated Regulations - Detailed Legislative History at www.e-Laws.gov.on.ca.

1. Ontario Regulation 586/06 is amended by adding the following heading before section 1:

PART I GENERAL

2. (1) Subsection 1 (1) of the Regulation is amended by adding the following definitions:

"private" means, with respect to a work or property, a work or property that is not owned by the municipality or a local board of the municipality.

"sufficient agreement" means an agreement determined to be sufficient under section 36.4,

- (2) Clause 1 (2) (b) of the Regulation is amended by striking out "or distribution of water" and substituting "distribution or conservation of water".
- (3) Subsection 1 (2) of the Regulation is amended by striking out "and" at the end of clause (o), by adding "and" at the end of clause (p) and by adding the following clause:
 - (q) constructing energy efficiency works or renewable energy works.
 - (4) Section I of the Regulation is amended by adding the following subsection:
- (3) If a municipality undertakes a work as a local improvement, a special charge imposed with respect to the work in accordance with this Regulation has priority lies status as described in section 1 of the Art.
 - 3. Section 2 of the Regulation is revoked and the following substituted:

Scope of local improvement

- (i) If a municipality has the authority to undertake a work, including a private work, under section 9, 10 or 11 of the Act or under any other provision of any Act, the municipality may undertake the work as a local improvement in accordance with this Regulation.
 - (2) The power to undertake a work as a local improvement includes, without limitation, the power to
 - (a) undertake the work as a local improvement, including undertaking the work on private property;
 - (b) acquire an existing work and where it does, this Regulation applies as if the municipality were undertaking the work so acquired;
 - (c) undertake a work as a local improvement for the benefit of a single lot; and
 - (d) raise the cost of undertaking a work as a local improvement by imposing special charges, including special charges on a single lot.
- (3) Where a municipality undertakes a private work as a local improvement, this Regulation applies to undertaking the private work as a local improvement as if the municipality were undertaking its own work.
- (4) Nothing in this Regulation authorizes a municipality to enter and undertake a work as a local improvement on private property without the permission of the owner or other person having the authority to grant such permission.

Please let me know if you have any questions. Thanks.

James Whittaker, P.Eng

Manager, Construction and Growth - London/Sarnia District Union Gas Limited | A Spectra Energy Company 109 Commissioners Rd W | London, ON N6A 4P1 Tel; 519-667-4142 Fax:519-667-4263

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From: Glenn Schwendinger <gschwendinger@pertheast.ca>

Sent: April-09-15 10:55 AM
To: Whittaker, James

Subject: RE: Draft Community expansion survey

Hi James

The survey looks good. I like that it clearly says that to make the project economically viable, the users need to contribute to the capital cost. That addresses the previous comments of union gas asking for extra fees just to get more money.

The only comment I would have would be to remove the comments dealing with seasonal or cottage properties as that it not really applicable in our area.

Please keep me posted on the timing of this.

Glenn Schwendinger
Chief Administrative Officer
Township of Perth East
25 Mill Street East
Milverton, ON
NOK 1M0
Telephone 1-519-595-2800
Fax 1-519-595-2801
qschwendinger@pertheast.ca

From: Whittaker, James [mailto:jWhittaker@uniongas.com]

Sent: April-08-15 5:10 PM **To:** Glenn Schwendinger

Subject: FW: Draft Community expansion survey

Hot off the press ... I haven't had a chance to review in detail yet.

See you in the morning.

James

From: Gardiner, Barbara

Sent: Wednesday, April 08, 2015 5:09 PM

To: Whittaker, James Cc: Ali, Zulfigar

Subject: Draft Community expansion survey

Hi James – Here is the latest draft. We are still making some changes and verifying numbers, but this should give a flavour of where we are headed. In sharing the instrument, please make them aware that each respondent will only be asked a single question about the surcharge, but the survey makes it look as if they are asked multiple times because of the skip patterns in the survey.

We will keep plugging along and will be in touch shortly.

Regards,

Barbara Gardiner

Manager, Market Research & Analysis, Distribution Marketing

Union Gas Limited | A Spectra Energy Company 50 Keil Drive North | P.O. Box 2001| Chatham, ON N7M 5M1 519 436-5296 | bmarshall@uniongas.com

One of Canada's Top 100 Employers (1 100) 4



From:

Glenn Schwendinger < gschwendinger@pertheast.ca>

Sent: To:

April-13-15 8:56 AM Whittaker, James

Subject:

Fw: union gas poster

Attachments:

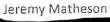
SKMBT_C35315041308520.pdf

From: Jeremy Matheson < jmatheson@zehrinsurance.com>

Sent: Monday, April 13, 2015 8:54 AM

To: Glenn Schwendinger Subject: union gas poster

Updated it with a bit more flash and better grammar.





From: zehrinsurance@gmail.com [mailto:zehrinsurance@gmail.com]

Sent: Monday, April 13, 2015 8:52 AM

To: Jeremy Matheson

Subject: from Zehr Insurance Milverton

ATTENTION MILVERTON RESIDENTS

Union Gas will be conducting a <u>telephone survey</u> regarding the application of a 'rate rider' to natural gas rates to assist in funding natural gas infrastructure to Milverton.

The purpose of the telephone survey is to get a good representation of the community and the general sense of support for the rate rider concept. Union Gas will contact many property owners but will not be able to reach everyone.

Union Gas has indicated that if they are able to demonstrate that there is community support for the rate rider, there is a much higher likelihood of the OEB granting approval.

What is a 'rate rider'?

A rate rider is a capital surcharge that is applied to each user for a period of time which is used to help pay for the infrastructure necessary to provide the service. This is the same approach used to finance upgrades and extensions to water and wastewater systems.

For more information please contact Jeremy Matheson at jeremyrmatheson@hotmail.com or 519-301-3858 or Jerry Smith at Milverton@pertheast.ca of 519-595-8084

From: Sent: Whittaker, James April-17-14 2:00 PM Glenn Schwendinger

To: Subject:

FW: Request for Funding - Servicing Rural Communities

Attachments:

Request for funding 04,15,14.pdf

Thanks for bringing this forward.

assume that you will take care of circulating to the local MPP as well as the other associations?

James

From: Theresa Campbell [mailto:tcampbell@pertheast.ca]

Sent: Thursday, April 17, 2014 11:03 AM

To: Whittaker, James Cc: Glenn Schwendinger

Subject: Request for Funding - Servicing Rural Communities

Hello James,

Re: Request for Funding - Servicing Rural Communities

At their regular meeting held on April 15th, 2014, the Council of the Township of Perth East endorsed the following resolution;

THAT the Council of the Township of Perth East received the report dated April 15, 2014 entitled Request for Funding-Servicing Rural Communities prepared by the CAO, for information;

AND WHEREAS Perth East residents are currently limited in their options when it comes to home heating;

AND WHEREAS residential customers who have access to natural gas report a savings of 70%-80% per year over other heating alternatives;

AND WHEREAS the absence of natural gas services is a barrier to future growth and economic development in Perth East and in a number of other rural communities;

AND WHEREAS small rural communities, such as Perth East are unable to access this utility service due to economic feasibility and current restraints set by the Ontario Energy Board on gas companies with regards to distribution expansion regulatory requirements;

BE IT THEREFORE RESOLVED THAT Council for the Township of Perth East urges the Government of Ontario to provide direct funding assistance to support the expansion of natural gas to northern and rural communities and also support new flexibility in distribution expansion regulatory requirements for gas utilities;

AND FURTHER THAT this resolution be circulated to Association of Municipalities of Ontario (AMO), Rural Ontario Municipal Association (ROMA), Northwestern Ontario Municipal Association (NOMA), Federation of northern Ontario Municipalities (FONOM) and SEMA, for support.

Attached please find correspondence pertaining to this.

Regards, Theresa Theresa Campbell, CMO Municipal Clerk

Township of Perth East 25 Mill Street E. Milverton, ON N0K 1M0

519-595-2800 ext. 223 519-595-2801 (fax)

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From: Whittaker, James
Sent: April-24-15 3:50 PM

To: Glenn Schwendinger (gschwendinger@pertheast.ca)

Subject: Updates

Hi Glenn,

Just wanted to provide you with a couple of updates ...

- 1. We have completed our telephone survey and have done surveys with 201 residents. We will not be making further phone calls and are in the process of compiling the results.
- We are continuing to fine tune the construction costs for the project and we are meeting with our contractor on Monday to review.
- 3. Below you will find attached the key messages that we would like to receive in the Letter of Support from the Township of Perth East. Our preference is for you to tailor the letter as you see fit with these messages; we don't want to have "cookie cutter" letters attached to the filing. If possible, we would like to receive this by mid-May so it can be included in the filing. Please call me if you have any questions about it.

We understand that subject to favourable Feasibilty assessments currently being conducted, Union Gas will be filing a proposal with the Ontario Energy Board in the spring seeking approval to provide service to <insert community/project name>, which is located in the municipality of<insert municipality or first nation name>. Our understanding is that the Union Gas application will include proposals for specific forms of regulatory flexibility or exemptions from current Ontario Energy Board guidelines that apply to extending natural gas service to new communities.

This letter will confirm that<insert municipality or first nation name>. has reviewed key concepts that Union Gas expects to include in the filing with the Ontario energy Board, and that elected municipal representatives support those concepts, which are summarized below:

- The application of an additional temporary volumetric rate which would be applied as an
 additional line item to bills of customers who connect to the system installed as part of these
 projects for a period of up to 10 years, and which amounts to something in the range of \$500
 per year for an average residential customer.
- Agreement by the municipality to provide a contribution to construction costs that equates to the value of any incremental property taxes that the new system would generate over the same period as the volumetric rate noted above.
- A reduction in the economic feasibility thresholds that each project must meet before
 proceeding, to a profitability index of as low as 0.6 in certain situations, conditional on municipal
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- Ability of the utility to earn their regulated rate of return on investment for all capital invested beginning in the year following which the investment is made.

Our municipal leaders believe that the public benefits of extending natural gas infrastructure to additional communities in Ontario should be a key consideration in addressing Union's proposals. These benefits include the annual energy savings our constituents would experience, reduced costs for our existing businesses, and remove a local economic barrier for our community.

For these reasons we fully support the concepts that Union Gas will propose in their application.

Signed by Mayor or CAO

Thanks Glenn and have a good weekend.

James Whittaker, P.Eng

Manager, Construction and Growth - London/Sarnia District Union Gas Limited | A Spectra Energy Company 109 Commissioners Rd W | London, ON N6A 4P1

Tel: 519-667-4142 Fax:519-667-4263

One of Canada's Top 100 Employers



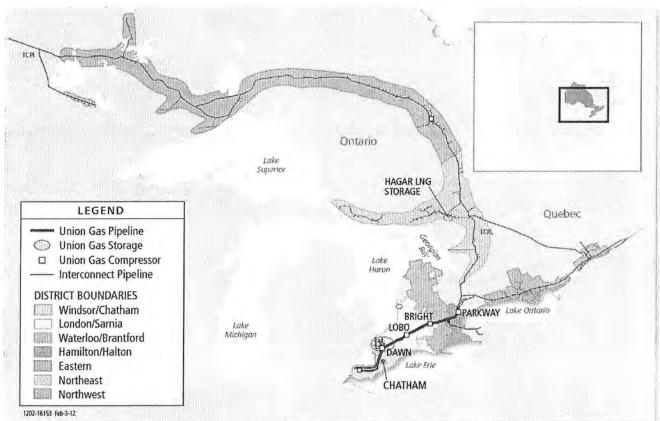
Milverton Natural Gas Expansion

James Whittaker April 2014

Union Gas at a Glance



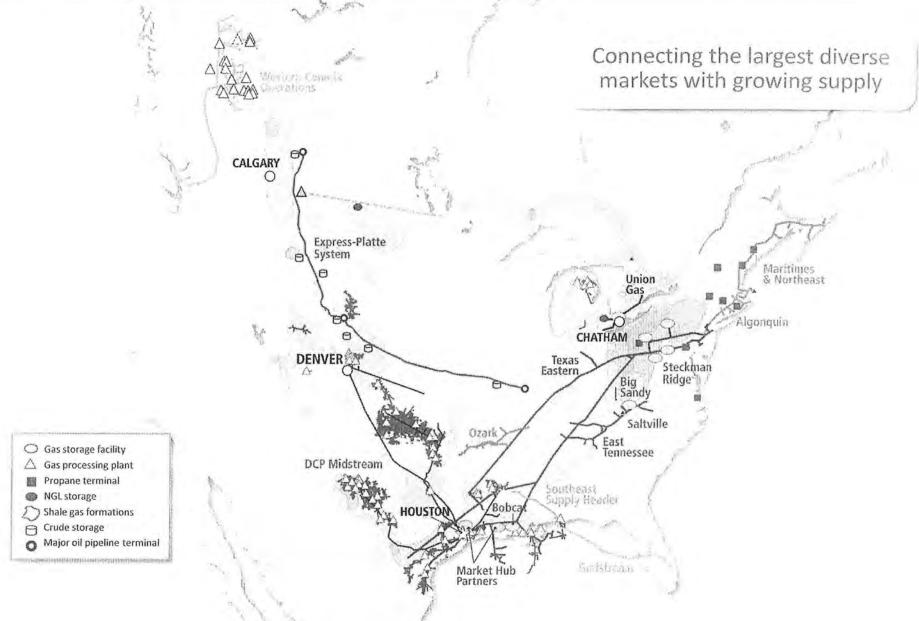
Distribution			KM COMMENT		
Retail Customers:	1.4 million		The State of the S		
Annual Throughput:	491 BCF				
Distribution Pipe:	63,267 km				
Transmission		-		Lake Superior	C
Annual Throughput:	804 BCF	-		Superior	
Transmission Pipe:	4,754 km	- 10	LEGEND	Į.	STATE OF
Markets Served:	Ontario, Quebec, US Northeast		Union Gas Pipeline Union Gas Storage		
den dan diskututututututututututututututututututut			□ Union Gas Compressor	The second	
Dawn Storage		***	—— Interconnect Pipeline DISTRICT BOUNDARIES		
Storage:	155 BCF		Windsor/Chatham		
Underground:	23	-	London/Sarnia Waterloo/Brantford	Lake Michigan	
Markets Served:	Ontario, Quebec, Marketers	A.	Hamilton/Halton Eastern		
			Northeast Northwest	Immedian .	



- Major Canadian natural gas storage, transmission and distribution company based in Ontario with over 100 years of experience and safe service to our customers
- Assets of \$5.8 billion in Ontario and annual revenue of approximately \$1.7 billion
- 2,200 employees One of Canada's Top 100 Employers for 2011, 2012 & 2013



Our Diverse Portfolio of Assets





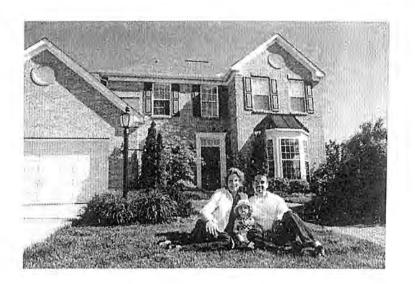
Objectives of Presentation

- Accessing natural gas service
- Ontario Energy Board (OEB)
- Gas expansion
- Milverton Project
- Demand Side Management
- Questions

Accessing Natural Gas Service



- ☐ Union Gas will investigate providing gas service to any homeowner or business when:
 - > the project/expansion is economical
 - adequate distribution facilities are available
 - > it's within Union Gas's franchise area
- Union Gas reserves the right, in conjunction with municipal consent, to determine the location of the gas mains, service lines, meters and regulators



Ontario Energy Board



What is the Ontario Energy Board?

- Independent regulatory body which has jurisdiction on matters concerning production, distribution, transmission and storage of natural gas in Ontario
- Natural gas rates are approved on a quarterly basis by the OEB
- Within Union Gas' regulatory framework, existing customers can not subsidize the costs of new customers
- Other utilities operate under a different regulatory framework
- Economic model is approved by the OEB
- OEB sets specific metrics Union Gas needs to achieve



Gas Expansion Investigation



Involves an economic analysis of:

 Anticipated revenue (net margin dollars realized from gas flow to customers)

versus

- Costs construction costs, materials, surveys, land rights ...
- O&M costs costs to operate and safely maintain any proposed expansion project over the life of the project

Economic Analysis



 If the revenues exceed the costs over a projected PV cash flow, the project may proceed.

 If costs exceed revenues an alternate solution will need to be investigated to bridge the shortfall.

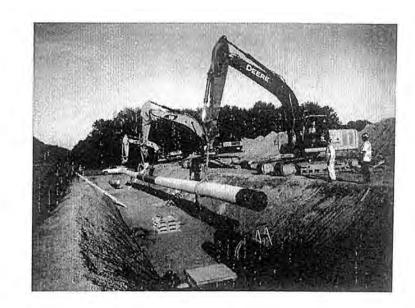
(i.e.. Customer contribution)

Reasons Gas Expansion Becomes Expensive



☐ Too far from an existing gas pipeline

☐ Nearest gas pipeline is High pressure and requires expensive distribution regulator stations.



☐ Existing gas line has inadequate capacity

☐ Extensive gas line reinforcement is required

Milverton Expansion Proposed Facilities





Economics



Total Customers – 943

42% Attachment – 456 28% Attachment – 340

- 28% Attachment
 - Simple \$7,800 to \$8,100
 - Volumetric \$4,000 to \$5,200
- 42% Attachment
 - Simple \$5,200 to \$5,400
 - Volumetric \$3,100 to \$3,800
- Lower attachment rates result in higher aid for 3* largest customers
 - Impact to pay back period
 - Not economical at 28% attachment rate; questionable at 42% attachment

Note: UG would need to get approval from the OEB to differentiate between rate classes. We have never had approval to do this.

* Perth Environmental, Knollcrest Lodge, FS Partners



Another Option ...

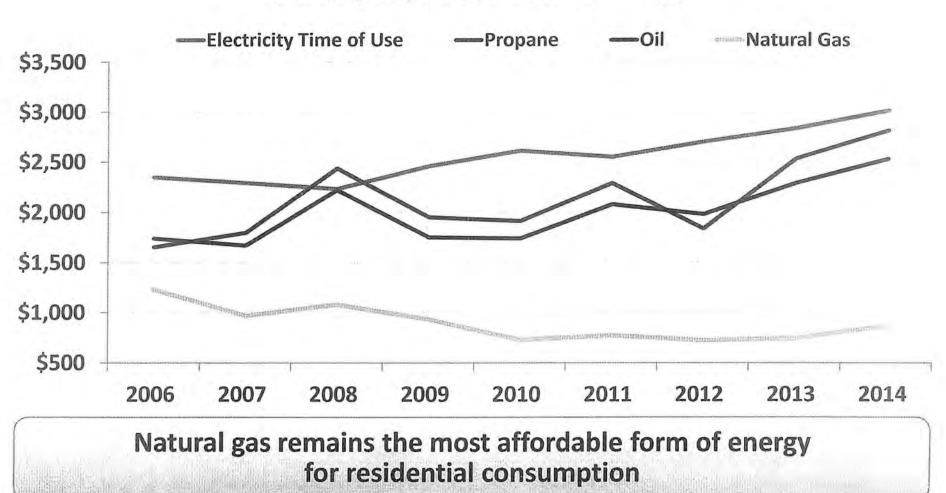
- The economics are not favourable for UG to proceed with expanding natural gas to Milverton
- Residential customers generally willing to pay up to \$1500 including conversion costs
- Commercial customers benefit more compared to residential
- Are commercial customers willing to contribute more to the project compared to residential?
 - 1. Business expense
 - Greater pay back
 - Catalyst for economic develop



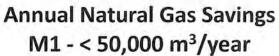
Comparing Residential Heating Costs

Estimated Annual Cost of Energy (\$/year)

Annual average use of 82 GJ (equal to 2,200 m3 of natural gas)





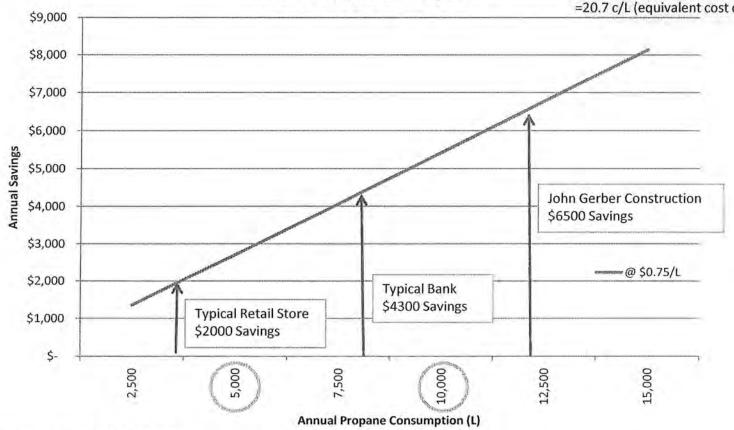


M1 Natural Gas Rate - 30.4003 c/m3

Propane Equivalency = 24,197 BTU/L Propane 35,500 BTU/m3 Natural

 $= 30.4003 \times 0.68$

=20.7 c/L (equivalent cost of Propane)



Propane rate assumed at \$0.75/L As of April 1st, 2014 natural gas rates are \$0.304003/ m3 for M1 customers Annual savings excludes conversion costs and monthly service charge of \$21.00 (M1) M1 customers use < 50,000 m³/yr natural gas (73,000 L propane)



Invest for Savings

Annual Natural Gas Savings M1 - < 50,000 m3/year

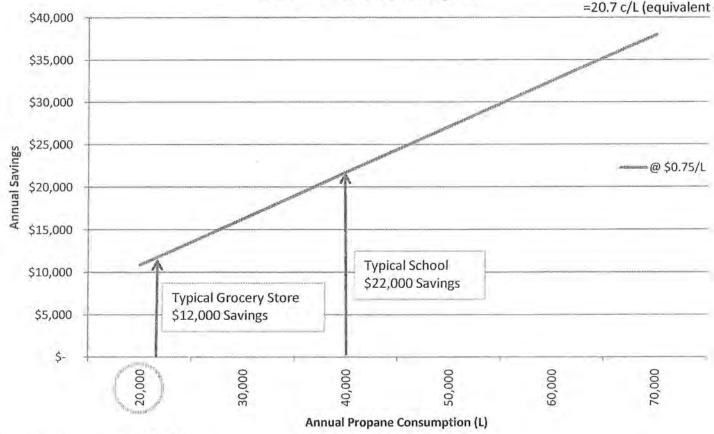
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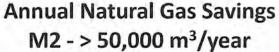
Invest for Savings

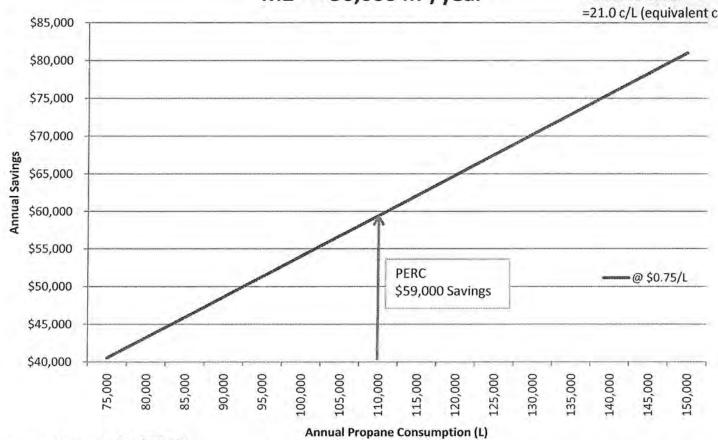
M1 Natural Gas Rate - 30.7813 c/m3 Propane Equivalency =

24,197 BTU/L Propane 35,500 BTU/m3 Natural

 $= 30.7813 \times 0.68$

=21.0 c/L (equivalent cost of Propane)





Propane rate assumed at \$0.75/L

As of January 1st, 2014 natural gas rates are \$0.307813 /m³ for M2 customers Annual savings excludes conversion costs and monthly service charge of \$70.00 (M2) M2 customers use > 50,000 m³/yr natural gas (73,000 L propane)



Estimate Your Annual Savings

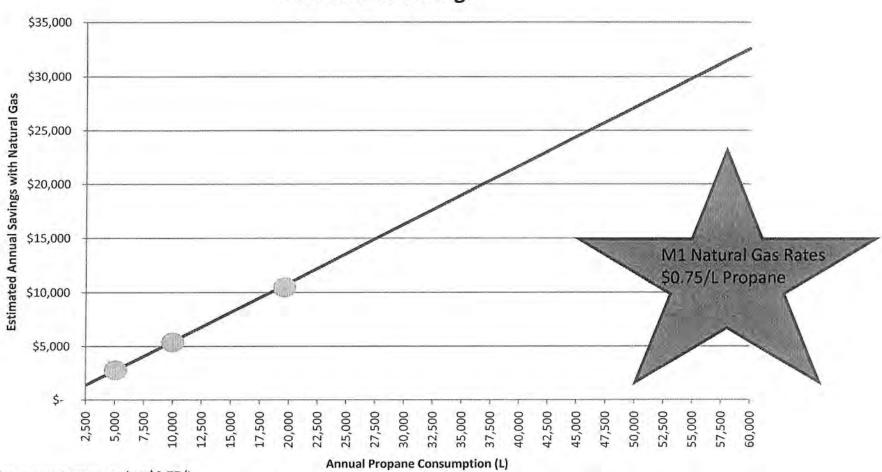
- Annual Propane Consumption = X
- Current Propane Rate = Y
- Propane Equivalency Factor = 0.682
- Natural Gas Equivalent = X * 0.682 = Z
- Q = Current Natural Gas Rate
 - Less than 73,000 L/yr propane (50,000 m3/yr NG) 30.4003* c/m3
 - Greater than 73,000 L/yr propane (50,000 m3/yr NG) 30.7813* c/m3
- Annual Savings = (X*Y) (Z*Q)

Eg. Consumption of 10,000 L of Propane at a rate of \$0.75/L

^{*}Union Gas rates as of April 1st, 2014



Natural Gas Savings



Propane rate assumed at \$0.75/L.

As of January 1st, 2014 natural gas rates are \$0.304003/ m3 for M1 customers and \$0.307813/m3 for M2 customers Annual savings excludes conversion costs and monthly service charge of $$21.00 \, (M1)$ or $$70.00 \, (M2)$ M1 customers use $< 50,000 \, \text{m}^3/\text{yr}$ natural gas $(73,000 \, \text{L}$ propane)

M2 customers use $> 50,000 \, \text{m}^3/\text{yr}$ natural gas $(73,000 \, \text{L})$ propane)

DSM Programs



- Energy efficiency programs and expertise to customers for 15+ years
- Our Account Managers can identify:
 - Energy efficiency and technical upgrades
 - Applicable incentive programs
- Energy conservation:
 - Protects from rising energy prices
 - Preserves the environment
 - Reduces the need for new infrastructure





DSM Programs – Space Heating Programs

	Eligibility	Customer Incentive	Service Provider Incentive
Condensing Boilers*	Up to 299 MBtu/hr 300-999 MBtu/hr Over 1,000 MBtu/hr - space, water or combination heating	\$600 per unit \$1,500 per unit \$4,500 per unit	\$100 per unit
Energy Recovery Ventilators*†	<2,000 cfm ≥2,000 cfm	\$600 per unit \$1,500 per unit	\$100 per unit
Heat Recovery Ventilators*†	Healthcare & Multi-unit Residential For other facilities: 500-2,000 cfm ≥2,000 cfm	\$400 per unit \$400 per unit \$700 per unit	\$100 per unit
Infrared Heaters	20-300 MBtu/hr	\$300 per unit	\$100 per unit - HVAC contractors only
Condensing Make-up Air Units*	Improved efficiency Efficiency + 2 speed Efficiency + VFD - minimum requirement of 1,000 cfm	\$500 - \$1,200 per unit \$1,000 - \$1,800 per unit \$1,400 - \$2,600 per unit	\$100 per unit
Destratification Fans*	20' or 24' diameter fans	\$1,300 per unit	\$100 per unit
Air Curtains – Shipping Doors	≥ 48ft² and < 96 ft² – Pedestrian ≥96 ft² – Pedestrian	\$250 per unit \$500 per unit	\$100 per unit
Air Curtains – \geq 64 ft ² and < 80 ft ² - Shipping and Receiving \geq 80 ft ² < 100 ft ² - Shipping and Receiving \geq 100 ft ² - Shipping and Receiving		\$1,000 per unit \$1,000 per unit \$1,500 per unit	\$100 per unit



DSM Programs – Water Heating Programs

	Eligibility	Customer Incentive	Service Provider Incentive \$100 per unit	
Ozone Laundry Equipment - Purchase and Rental	WE ≤120lbs capacity & 100k to 199k lbs/yr WE ≤120 lbs capacity & ≥200K lbs/yr WE >120 lbs capacity & ≥260K lbs/yr	\$1,000 per unit \$1,500 per unit \$6,000 per unit Special Offer - Hotels and Laundromats**		
Condensing Gas Water Heater	≥1,000 gal/day/tank ≥500 gal/day/tank ≥100 gal/day/tank	\$350 per unit	\$100 per unit	
ENERGY STAR® Dishwasher	Restaurants & Commercial Kitchens Undercounter and stationary rack Rack conveyor - Purchased and rented units eligible	\$100 per unit \$400 per unit	\$50 per unit	

DSM Programs - Cooking Programs

	Eligibility	Customer Incentive Service Provi	
Ozone Laundry Equipment - Purchase and Rental	WE ≤120lbs capacity & 100k to 199k lbs/yr WE ≤120 lbs capacity & ≥200K lbs/yr WE >120 lbs capacity & ≥260K lbs/yr	\$1,000 per unit \$1,500 per unit \$6,000 per unit Special Offer - Hotels and Laundromats**	\$100 per unit
ENERGY STAR® Dishwasher	Restaurants & Commercial Kitchens Undercounter and stationary rack Rack conveyor - Purchased and rented units eligible	\$100 per unit \$400 per unit	\$50 per unit

DSM Programs – Engineering Project Incentives



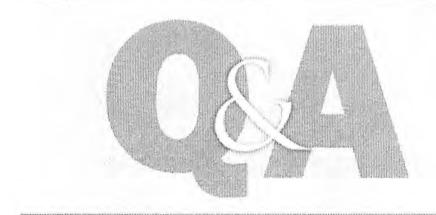
(4) 主线电影设计算是	Eligibility	Customer Incentive
Engineering Feasibility Study	Conduct a study to identify and quantify potential energy saving measures on natural gas consuming equipment, gas-related heating systems or facilities.	30% up to \$4,000 - A cap of \$10,000 applies to multi-sile customers
Steam Trap Survey	Conduct a survey that inspects a steam trap population, test traps for proper functionality and quantifies the energy losses associated with the inoperable traps.	50% up to \$6,000
New Equipment	Implement an energy saving measure or install high-efficiency equipment to save natural gas or improve energy efficiency.	\$0.10 per annual m³ saved up to \$40,000 - Incentive cannot exceed 50% of project cost
Operations & Maintenance	Implement an energy saving measure or install high-efficiency equipment to save natural gas or improve energy efficiency. Typical projects for commercial customers include boilers, steam trap repairs, insulation upgrades, boiler upgrades and HVAC improvements.	\$0.10 per annual m³ saved up to \$20,000 Incentive cannot exceed 50%of project cost
runsmart Building Optimization	Implement low-cost or no-cost energy saving measures to optimize a building's energy use.	\$0.10/m³ up to \$20,000
Demonstration of New Technologies	Adopt a new technology or a technology previously not used within a market segment to save natural gas or improve energy efficiency. Customer must be willing to promote and share experiences.	25% up to \$75,000
Customer Education	Union Gas provides training, workshops, seminars, newsletters and access to technical information that can help save natural gas and improve energy efficiency.	Contact your Account Manager





- Regulatory environment Union Gas works under
- Results of telephone survey
- Options for investment
- Demand Side Management savings









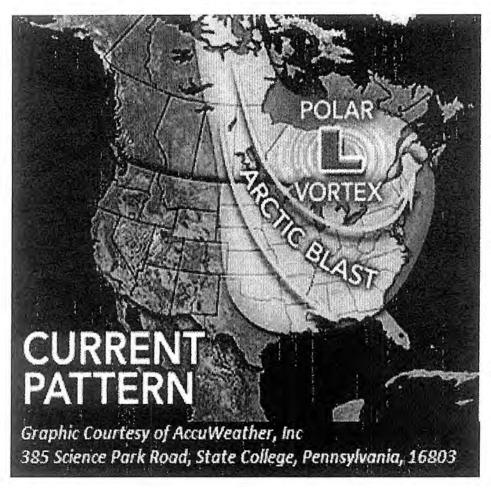
Recognized by:





An Exceptional Winter





Coldest on record:

- Moved from west to east & settled in the eastern half of North America
- Drove incremental demand

Gas supply contracted to Ontario:

 Some gas found lucrative markets upstream of Dawn (i.e. Chicago) reducing supply delivered to Ontario

3. Incremental Ontario demand served by:

- Dawn storage
- TransCanada Interruptible & Short Term Firm Services from Alberta on Mainline

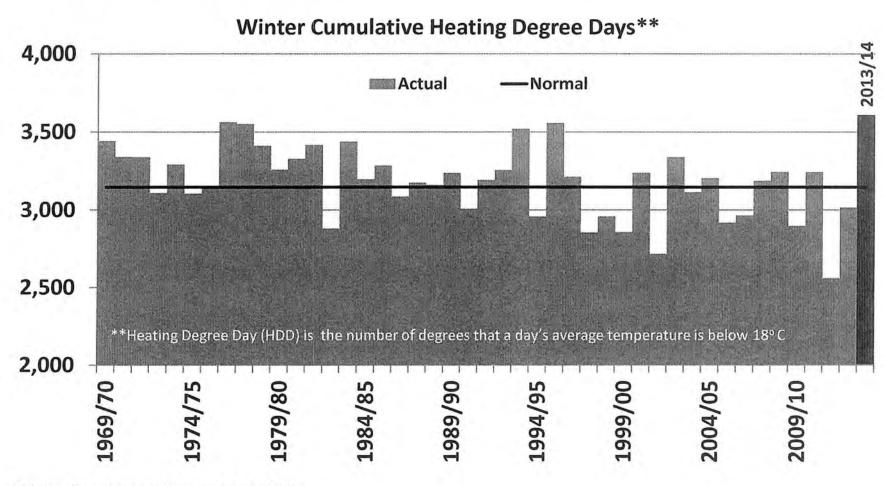
4. Prices:

- Remained relatively stable for customers buying for future month delivery
- Were subject to volatility for customers buying on a daily basis (similar to other locations)

Sustained record cold weather has impacted natural gas demand, flows & pricing across North America

Coldest Winter on Record* Union Franchise Area



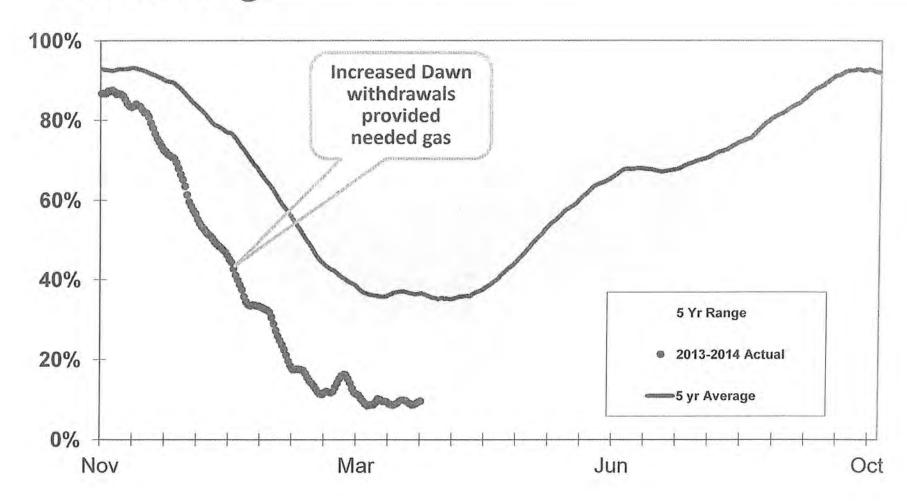


* Union Gas temperatures back to 1969

Sustained cold not experienced in at least 45 years



Dawn Storage

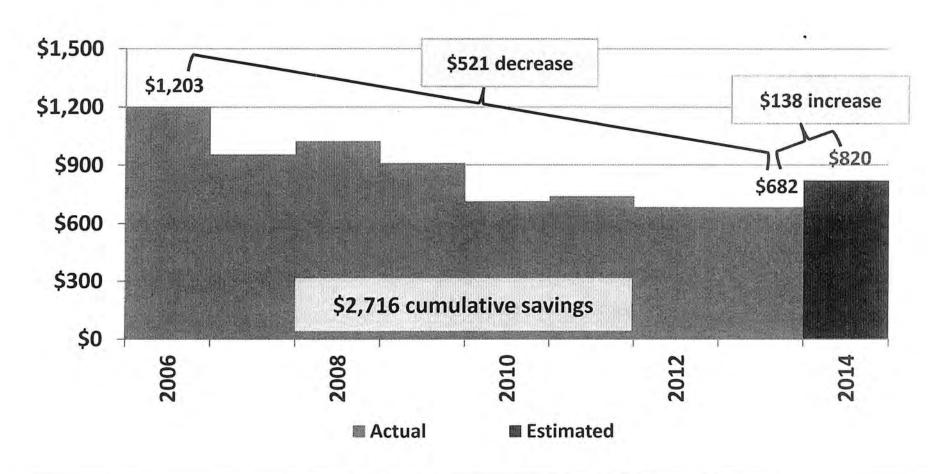


Sustained cold weather led to sustained large withdrawals

Annual Residential Gas Bill Union Gas South Area



Annual average use of 82 GJ (equal to 2,200 m3 of natural gas)



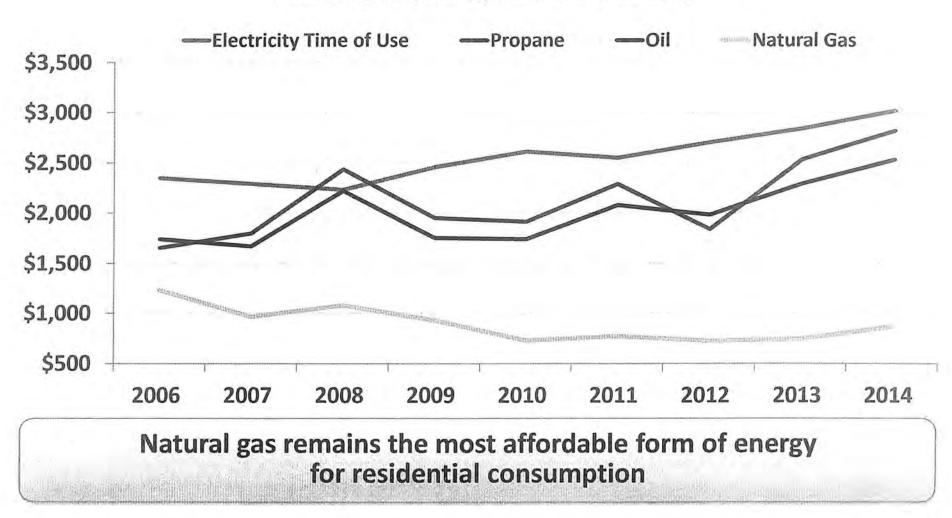
Average annual bill lower now than in 2006 by \$383



Comparing Residential Heating Costs

Estimated Annual Cost of Energy (\$/year)

Annual average use of 82 GJ (equal to 2,200 m3 of natural gas)







Assumptions

- 42% attachment rate for residential
- 100% attachment rate for small & medium commercial
- 3 large commercials attach

Savings based on Propane Consumption

Category	Individual Aid	Quantity	Total Aid	Estimated Annual Savings	
Residential	\$2,500	423	\$1,050,000	\$2,000	
Comm < 5,000 L	\$7,500	10	\$75,000	\$2,700	
Comm < 10,000 L	\$15,000	7	\$105,000	\$5,400	Individual Savings
Comm < 20,000 L	\$30,000	9	\$270,000	\$10,800	Savings
Comm > 20,000 L	\$50,000	4	\$200,000	\$27,000*	
Large Comm	-	3	\$750,000	\$165,000**	Total Savings
Total		10 10 10 10 10 10 10 10 10 10 10 10 10 1	\$2,450,000	\$1,194,000	

^{•*} Assumes 50,000 L/yr consumption

Note: Propane rate is \$0.75/L and Natural Gas rates are \$0.304003/m³

^{•**} Assumes propane rate of \$0.42/L.

Observations From Coldest Winter on Record



- 1. Customers received the gas needed this winter
- Less gas delivered to Ontario, combined with the coldest winter on record meant that Dawn storage helped filled the void
- 3. Dawn storage limited price volatility until end of January
- 4. Purchasing strategies are critical to suit individual needs. Proactive account balancing paid off
- Customers purchasing future month supply vs. daily supply experienced less price volatility
- Increased access to new supply basins (Marcellus/Utica) is critical to help reduce future price volatility in Ontario

Anderson, Lynda

From: Sent: To: Whittaker, James April-28-15 1:24 PM Glenn Schwendinger

Subject:

FW: Letter of Support

Hi Glenn,

Just wanted to keep you in the loop with the information I am providing the Milverton BA.

James

From: Whittaker, James

Sent: Tuesday, April 28, 2015 11:17 AM

To: 'Jeremy Matheson' Subject: Letter of Support

Jeremy,

As discussed, below are some key messages that we would like to be incorporated into a letter of support from the Milverton Business Association; feel free to adjust wording as we don't want a cookie cutter letter being included with the filing. We would like to include this with our application to the Ontario Energy Board in order to service Milverton with natural gas. If you can have a resolution from the Business Association to me by May 6th or 7th I would appreciate it. We are asking for May 5th but I understand we are asking you to follow our timing.

In addition, I am including a PDF of our current rates — effective April 1, 2015. We do adjust our rates (up and down) on a quarterly basis — the Ontario Energy Board approves our adjustments each time. More detailed information on rates can be found on the Union Gas website. (https://www.uniongas.com/business/account-services/unionline/contracts-rates).

I would like to point out that the \$500/yr is for an average residential customer that uses approximately 2,000 m3/yr of natural gas (1,400 L of propane). However, the additional volumetric rate will be the same for residential & commercial customers across the Province – the duration that it is in place will differ from community to community depending on the economics of each project. Yes people that connect in year 1 will contribute more to the economics of the projects however they will have a higher overall savings (in other words, a greater return on investment).

Please let me know if you have any questions and thanks for your continued support.

We understand that subject to favourable feasibility assessments currently being conducted, Union Gas will be filing a proposal with the Ontario Energy Board in the spring seeking approval to provide service to the community of Milverton, which is located in the municipality of the Township of Perth East in the County of Perth. The understanding of the Milverton Business Association is that the Union Gas application will include proposals for specific forms of regulatory flexibility or exemptions from current Ontario Energy Board guidelines that apply to extending natural gas service to new communities. We will that these exemptions will provide economic development opportunities and cost savings for the members of the Milverton Business Association.

This letter will confirm that the Milverton Business Association has reviewed key concepts that Union Gas expects to include in the filing with the Ontario Energy Board, and that elected officials and members of the Milverton Business Association support those concepts, which are summarized below:

- The application of an additional temporary volumetric rate which would be applied as an
 additional line item to the bills of customers who connect to the system installed as part of
 these projects for a period of up to 10 years, and which amounts to something in the range of
 \$500 per year for an average residential customer.
- Agreement by the municipality to provide a contribution to construction costs that equates to the value of any incremental property taxes that the new system would generate over the same period as the volumetric rate noted above.
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- Ability of the utility to earn their regulated rate of return on investment for all capital invested beginning in the year following which the investment is made.

Our association leaders believe that the public benefits of extending natural gas infrastructure to additional communities in Ontario should be a key consideration in addressing Union's proposals. These benefits include the annual energy savings our members would experience, reduced costs for our existing businesses, and remove a local economic barrier for our community.

For these reasons we fully support the concepts that Union Gas will propose in their application.

Signed by President, Milverton Business Association

James Whittaker, P.Eng

Manager, Construction and Growth - London/Sarnia District Union Gas Limited | A Spectra Energy Company 109 Commissioners Rd W | London, ON N6A 4P1

Tel: 519-667-4142 Fax:519-667-4263

One of Canada's Top 100 Employers



Anderson, Lynda

Glenn Schwendinger <gschwendinger@pertheast.ca> February-05-15 11:30 AM From:

Sent: Boyd, Lindsay; Whittaker, James

To:

Subject: regulatory issues

regulatory assitance.doc Attachments:

Here is my draft regulatory assistance letter. Any thoughts or input would be appreciated.

Glenn Schwendinger Chief Administrative Officer Township of Perth East 25 Mill Street East Milverton, ON NOK 1MO Telephone 1-519-595-2800 Fax 1-519-595-2801 gschwendinger@pertheast.ca

(519) 595-2800 (519) 595-2801

February 5, 2015

Economic Development Municipal Affairs & Housing Infrastructure Energy Agriculture Premier's Office Dear ?

Re: Regulatory Assistance - Service Extensions

The town of Milverton is located within the Township of Perth East. The key need for the sustainability and growth identified for Milverton has been determined to be access to natural gas. The Township has been working very closely with Union Gas in this regard. This primary challenge facing this undertaking relates solely to the physical distance that exists between Milverton and the closest pipeline in Sebringville with available capacity. The hurdle which must be overcome is that this distance is a little more than 20 km. Understandably, this significant distance has a direct impact on the capital cost of the undertaking. The community has been actively involved in this undertaking and demonstrated significant support (higher than typically encountered) for the installation as part of a detailed community-wide survey undertaken to gauge public support for the service. More than 500 property owners indicated a strong willingness to connect to the service as soon as possible.

Union Gas has already undertaken considerable work in terms of route planning and design, and this project is considered to be essentially shovel-ready. One of the key outstanding hurdles of the project pertains to the current regulatory environment in which it is to be considered.

Extension of services including natural gas is highly regulated and is subject to numerous policy controls implemented by the Province through the Ontario Energy Board and various other agencies. In dialogue with Union Gas, a number of ideas have been developed that would when combined make a significant contribution to improved economic feasibility and willingness to extend natural gas infrastructure to service communities like Milverton. These ideas include:

> Allowing the utilities to earn their regulated rate of return on the incremental capital investments required to extend the gas system, beginning in the year in which investments are made.

- Approval of a volumetric rate surcharge for a specific time period of up to 10 years to enable customers who will receive the benefit of the infrastructure extension to contribute to economic viability of the project from a portion of the savings available to them each year. This is the same approach the municipalities use for water/wastewater service extensions (i.e. capital surcharge)
- Relaxation of current minimum economic thresholds required to allow a project to be considered economically feasible, suggesting project minimum profitability index be reduced to 0.6 (from 0.8) and portfolio minimum be reduced to 0.9. (from 1.1)
- Willingness of expansion community municipalities to agree to contribute to the capital cost of the project funded through various means, including reallocated savings, taxation revenue, etc.

The gas utilities are currently in incentive regulation frameworks that would prevent them from earning their regulated rates of return on new community expansion projects that were not envisioned when the rate frameworks were established. In terms of impact on project viability, the ability to earn their regulated return is key to gas utility support for changes in regulatory requirements.

Of the above ideas, the volumetric rate surcharge would generate the most significant favorable impact on project economic viability. Union Gas has suggested a surcharge level that would reduce the savings available relative to other fuels by something in the range of \$500 per year for a typical residential consumer, still leaving annual savings available ranging from \$1,000 to \$2,000. This would support affording rural municipalities similar opportunities and benefits that urban municipalities have.

Although the gas utilities have initiated dialogue with the Ontario Energy Board about how barriers to rural expansion of the gas system might be addressed, a framework or process to address and gain approval for the most appropriate solutions has not been defined to this point.

The Township is not suggesting that the Province waves all rules regarding economic viability. It is important in the big picture to ensure that installations can ultimately be profitable. The Township is simply suggesting that the provincial policy be updated to afford rural municipalities similar opportunities and benefits that urban municipalities have. This could easily be achieved by the Province encouraging the Ontario Energy Board to holistically review proposals and make adjustments to the current regulatory frameworks that it feels are appropriate to further the Provincial policy of working with municipalities and gas utilities to further extend gas distribution infrastructure, as announced in the Long Term Energy Plan.

What do we specifically request?

Glenn Schwendinger Chief Administrative Officer

Anderson, Lynda

From:

Glenn Schwendinger < gschwendinger@pertheast.ca>

Sent:

February-13-15 11:39 AM Boyd, Lindsay; Whittaker, James

To: Subject:

FW: Regulatory Assistance - Service Extensions

Attachments:

Feb 13 2015 Letter to Province - Regulatory Assitance.pdf

FYL

Thanks for all you help with this. I will keep you posted on the information we receive as well as when we receive the funding cheque.

Glenn Schwendinger
Chief Administrative Officer
Township of Perth East
25 Mill Street East
Milverton, ON
NOK 1M0
Telephone 1-519-595-2800
Fax 1-519-595-2801
qschwendinger@pertheast.ca

From: Glenn Schwendinger Sent: February-13-15 11:21 AM

To: 'kwynne.mpp@liberal.ola.org'; 'bchiarelli.mpp@liberal.ola.org'; 'rosemarie.leclair@ontarioenergyboard.ca';

'gmurray.mpp@liberal.ola.org'

Subject: Regulatory Assistance - Service Extensions

Attached please find important correspondence from the Township of Perth East. We look forward to your timely response.

Glenn Schwendinger
Chief Administrative Officer
Township of Perth East
25 Mill Street East
Milverton, ON
NOK 1M0
Telephone 1-519-595-2800
Fax 1-519-595-2801
gschwendinger@pertheast.ca

Phone- (519) 595-2800 Fax- (519) 595-2801

February 13, 2015

Hon Kathleen O. Wynne
Premier of Ontario
Room 281, Main Legislative Building, Queen's Park
Toronto, Ontario M7A 1A1
kwynne.mpp@liberal.ola.org

Rosemarie LeClair, Chair, OEB 2300 Yonge Street, 27th Floor, Box 2319, Toronto, Ontario M4P 1E4 rosemarie.leclair@ontarioenergyboard.ca Hon Bob Chiarelli Minister of Energy 4th Floor, Hearst Block 900 Bay Street Toronto, Ontario M7A 2E1 bchiarelli.mpp@liberal.ola.org

Hon Glen Murray
Minister of the Environment and Climate Change
11th Floor, Ferguson Block
77 Wellesley Street West
Toronto ON M7A 2T5
gmurray.mpp@liberal.ola.org

VIA EMAIL - Original to follow by mail

Re: Regulatory Assistance- Service Extensions

The town of Milverton is located within the Township of Perth East. The key need for the sustainability and growth identified for Milverton has been determined to be access to natural gas. The Township has been working very closely with Union Gas in this regard. This primary challenge facing this undertaking relates solely to the physical distance that exists between Milverton and the closest pipeline in Sebringville with available capacity. The hurdle which must be overcome is that this distance is a little more than 20 km. Understandably, this significant distance has a direct impact on the capital cost of the undertaking. The community has been actively involved in this undertaking and demonstrated significant support (higher than typically encountered) for the installation as part of a detailed community-wide survey undertaken to gauge public support for the service. Over 650 property owners in the potential project area have indicated that they are likely to connect to the service if it can be made available.

Union Gas has already undertaken considerable work in terms of route planning and design, and this project is considered to be essentially shovel-ready. One of the key outstanding hurdles of the project pertains to the current regulatory environment in which it is to be considered.

Extension of services including natural gas is highly regulated and is subject to numerous policy controls implemented by the Province through the Ontario Energy Board and various other agencies. In dialogue with Union Gas, a number of ideas have been developed that would when combined make a significant contribution to improved economic feasibility and willingness to extend natural gas infrastructure to service communities like Milverton. These ideas include:

- Allowing the utilities to earn their regulated rate of return on the incremental capital investments required to extend the gas system, beginning in the year in which investments are made.
- Approval of a volumetric rate surcharge for a specific time period of up to 10 years to enable customers who will receive the benefit of the infrastructure extension to contribute to economic viability of the project from a portion of the savings available to them each year. This is the same approach the municipalities use for water/wastewater service extensions (i.e. capital surcharge)
- Relaxation of current minimum economic thresholds required to allow a project to be considered economically feasible, suggesting project minimum profitability index be reduced to 0.6 (from 0.8) and portfolio minimum be reduced to 0.9. (from 1.1)
- Willingness of expansion community municipalities to agree to contribute to the capital cost of the project funded through various means, including reallocated savings, taxation revenue, etc.

The gas utilities are currently in incentive regulation frameworks that would prevent them from earning their regulated rates of return on new community expansion projects that were not envisioned when the rate frameworks were established. In terms of impact on project viability, the ability to earn their regulated return is key to gas utility support for changes in regulatory requirements.

Of the above ideas, the volumetric rate surcharge would generate the most significant favorable impact on project economic viability. Union Gas has suggested a surcharge level that would reduce the savings available relative to other fuels by something in the range of \$500 per year for a typical residential consumer, still leaving annual savings available ranging from \$1,000 to \$2,000. This would support affording rural municipalities similar opportunities and benefits that urban municipalities have.

Although the gas utilities have initiated dialogue with the Ontario Energy Board about how barriers to rural expansion of the gas system might be addressed, a framework or process to address and gain approval for the most appropriate solutions has not been defined to this point.

The Township is not suggesting that the Province waves all rules regarding economic viability. It is important in the big picture to ensure that installations can ultimately be profitable. The Township is simply suggesting that the provincial policy be updated to afford rural municipalities similar opportunities and benefits that urban municipalities have. This could easily be achieved by the Province encouraging the Ontario Energy Board to holistically review proposals and make adjustments to the current regulatory frameworks that it feels are appropriate to further the Provincial policy of working with municipalities and gas utilities to further extend gas distribution infrastructure, as announced in the Long Term Energy Plan.

The Township of Perth east would like to formally request your ministry support for an expedited Ontario Energy Board process to review and approve proposals deemed appropriate to provide increased flexibility in regulatory guidelines associated with natural gas distribution expansion. We would like to urge that the Province move forward with this effort as soon as possible as it is our desire to proceed with extension of service to our constituents in 2015.

Sincerely,

Glenn Schwendinger

Chief Administrative Officer

Anderson, Lynda

From: Glenn Schwendinger <gschwendinger@pertheast.ca>

Sent: February-13-15 11:40 AM To:

Boyd, Lindsay, Whittaker, James

Subject: FW: Access to Funding Information request

Attachments: Feb 13 2015 Letter to Province - Funding Information Request.pdf

FYI

Thanks for all you help with this. I will keep you posted on the information we receive as well as when we receive the funding cheque.

Glenn Schwendinger Chief Administrative Officer Township of Perth East 25 Mill Street East Milverton, ON NOK 1MO Telephone 1-519-595-2800 Fax 1-519-595-2801 gschwendinger@pertheast.ca

From: Glenn Schwendinger Sent: February-13-15 11:26 AM

To: 'kwynne.mpp@liberal.ola.org'; 'bduguid.mpp@liberal.ola.org'; 'tmcmeekin.mpp@liberal.ola.org'; 'bchiarelli.mpp@liberal.ola.org'; 'jleal.mpp@liberal.ola.org'; 'rosemarie.leclair@ontarioenergyboard.ca'

Subject: Access to Funding Information request

Attached please find important correspondence from the Township of Perth East. We look forward to your timely response.

Glenn Schwendinger Chief Administrative Officer Township of Perth East 25 Mill Street East Milverton, ON NOK 1MO Telephone 1-519-595-2800 Fax 1-519-595-2801 gschwendinger@pertheast.ca

Phone- (519) 595-2800 Fax- (519) 595-2801

February 13, 2015

Hon Kathleen O. Wynne
Premier of Ontario
Room 281, Main Legislative Building, Queen's Park
Toronto, Ontario M7A 1A1
kwynne.mpp@liberal.ola.org

Hon. Ted McMeekin
Minister of Municipal Affairs and Housing
17th Floor
777 Bay Street
Toronto, Ontario M5G 2E5
tmcmeekin.mpp@liberal.ola.org

Rosemarie LeClair, Chair, OEB 2300 Yonge Street, 27th Floor, Box 2319, Toronto, Ontario M4P 1E4 rosemarie.leclair@ontarioenergyboard.ca

VIA EMAIL - Original to follow by mail

Re: Provincial Commitment - Service Extensions

Hon, Brad Duguid

Minister of Economic Development, Employment and Infrastructure 8th Floor, Hearst Block 900 Bay Street Toronto, Ontario M7A 2E1 bduguid.mpp@liberal.ola.org

Hon Bob Chiarelli Minister of Energy 4th Floor, Hearst Block 900 Bay Street Toronto, Ontario M7A 2E1 bchiarelli.mpp@liberal.ola.org

Hon. Jeff Leal
Minister of Agriculture, Food , and Rural Affairs
11th Floor
77 Grenville Street
Toronto, Ontario M7A 1B3
ileal.mpp@liberal.ola.org

The Township of Perth East (Township) is very pleased that the Province has allocated funds specifically to address the issue of extending services to currently unserviced rural communities. As the province is well aware, access to natural gas is a key economic driver for communities in terms of sustainability and growth for both its residential as well as commercial/industrial sectors.

The town of Milverton is located within the Township of Perth East. The key need for the sustainability and growth identified for Milverton has been determined to be access to natural gas. The Township has been working very closely with Union Gas in this regard. This primary challenge facing this undertaking relates solely to the physical distance that exists between Milverton and the closest pipeline in Sebringville with

available capacity. The hurdle which must be overcome is that this distance is a little more than 20 km. Understandably, this significant distance has a direct impact on the capital cost of the undertaking. The community has been actively involved in this undertaking and demonstrated significant support (higher than typically encountered) for the installation as part of a detailed community-wide survey undertaken to gauge public support for the service. . Over 650 property owners in the potential project area have indicated that they are likely to connect to the service if it can be made available.

Union Gas has already undertaken considerable work in terms of route planning and design, and this project is considered to be essentially shovel-ready. The key outstanding hurdle is the economics of the project which are somewhat challenging due to the significant pipeline length required.

It is the Township's understanding that the Province has specifically earmarked \$200 million for no interest loans as well as \$30 million for grants to assist is situations such as this. This funding assistance could make this project a reality for this community and would assist the province in achieving their objectives as well.

To this point the Township has been unable to find any specific information with respect to how municipalities can apply for and get access to these funds. As mentioned above, Perth East has a shovel ready project with significant demonstrated community support and is a project that is very close to being able to move forward if some financial assistance can be obtained.

The Township of Perth East would like to formally request your ministry to provide us with the necessary contacts/application process to move forward with this project as soon as possible as it is our desire to proceed in 2015.

Sincerely,

Glenn Schwendinger

Chief Administrative Officer

Anderson, Lynda

From: Whittaker, James

Sent: February-19-15 12:23 PM To: Glenn Schwendinger Cc:

Boyd, Lindsay

Revised Question & Letters Subject:

Glenn,

As discussed, please find attached the updated letter for Mayor McMillan to ask during the Minister's Forum - we thank you in advance for your leadership and support. In addition, I am attaching two letters regarding the funding and the regulatory changes related to natural gas expansion. Mayor McMillan's question ties directly to the letter issued to gas distributors by the Ontario Energy Board.

I will be out tomorrow and at ROMA Mon/Tues - please feel free to contact me on my cell (519-614-4744) if you have any questions. I would be happy to meet Mayor McMillan while at the conference ... I will be at the booth from 8 to 9 on Monday and 11:30 to 12:30 on Tuesday.





James Whittaker, P.Eng

Manager, Construction and Growth - London/Sarnia District Union Gas Limited | A Spectra Energy Company 109 Commissioners Rd W | London, ON N6A 4P1

Tel: 519-667-4142 Fax:519-667-4263

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From Mayor Bob McMillan, Perth East (including community of Milverton)

My question is for the Minister of Energy. Minister, my community and many other communities that currently don't have access to natural gas were very happy to see your government's commitment to working with gas distributors and municipalities to find ways to expand the natural gas system to more rural and northern communities in your Long Term Energy Plan. And we were so pleased to see that commitment reinforced with the commitment to related grants and interest free loans in your party's election platform last summer. Thank you for your leadership on this very important issue.

Minister, as you know, access to natural gas infrastructure is a critical key to our ability to attract new investment and jobs to our communities. In our dialogue with the gas utilities, they have suggested that additional flexibility in the Ontario Energy Board guidelines related to expansion of distribution systems would allow the Province to further leverage the announced Provincial funding. Last week the OEB invited proponents to submit applications to serve rural and remote communities, and to identify within those applications any options to address necessary flexibility. My question to you is, can you provide any expected timeframe for adjudication of any proposals, and can you assure me and my community that it won't require a lengthy process to review and approve any adjustments in the guidelines?

Ministry of Energy

Office of the Minister

4th Floor, Hearst Block 900 Bay Street Toronto ON M7A 2E1 Tel.: 416-327-6758 Fax: 416-327-6754 Ministère de l'Énergie

Bureau du ministre

4° étage, édifice Hearst 900, rue Bay Toronto ON M7A 2E1 Tél.: 416 327-6758 Téléc.: 416 327-6754



FEB 1 7 2015

Ms Rosemarie Leclair Chair & Chief Executive Officer Ontario Energy Board PO Box 2319 2300 Yonge Street Toronto ON M4P 1E4

Dear Ms Leclair:

As part of Ontario's Long-Term Energy Plan (LTEP), the government committed to work with gas distributors and municipalities to pursue options to expand natural gas infrastructure to service more communities in rural and northern Ontario.

In addition to our LTEP commitment, the government is working to develop a Natural Gas Access Loan and a Natural Gas Economic Development Grant. The Ministry of Economic Development, Employment and Infrastructure is the ministry responsible for establishing these programs, and is in the early stages of their design. The Ministry of Energy will provide support.

In my letter to you on June 26, 2014, with respect to the OEB's 2014-2017 Business Plan, I asked that the Board examine its oversight of the natural gas sector and to assess what options may exist to facilitate connecting more communities to natural gas.

I am writing to you today to encourage the Board to continue to move forward on a timely basis on its plans to examine opportunities to facilitate access to natural gas services to more communities, and to reiterate the government's commitment to that objective. I appreciate your continued support to ensure the rational expansion of the natural gas transmission and distribution system for all Ontarians.

Sincerely,

Bob Chiarelli Minister



Ontario Energy

Board

Commission de l'énergie

de l'Ontario

P.O. Box 2319 2300 Yonge Street 27th Floor Toronto ON M4P 1E4

Telephone: 416-481-1967 Facsimile: 416-440-7656

C.P. 2319 2300, rue Yonge 27º étage

Toronto ON M4P 1E4 Téléphone: 416-481-1967 Télécopieur: 416-440-7656 Numéro sans frais: 1-888-632-6273

BY : EMAIL AND WEB POSTING

February 18, 2015.

Toll free: 1-888-632-6273

All Applicants and Potential Applicants for Expansion of Natural Gas To:

Distribution

Re: Expansion of Natural Gas Distribution

The Provincial Government has set out a goal of ensuring that Ontario consumers in communities that currently do not have access to natural gas are able to share in affordable supplies of natural gas. In an effort to facilitate enhanced access to natural gas for rural and remote communities and businesses in the province, the Ontario Energy Board (the "Board") is inviting parties with the appropriate financial and technical expertise to propose one or more plans for natural gas expansion.

In this context and depending on the nature and scope of any proposals made, the Board is aware that regulatory flexibility may be required. The Board will hear requests for regulatory flexibility or appropriate exemptions in the context of an application made for approvals pertaining to expansion portfolios and specific projects.

Background

In the Long Term Energy Plan the Ontario Government signaled that it would look at opportunities to expand natural gas service within the Province to areas that are not currently served. In support of this objective, the Government, through the Minister of Economic Development, Employment and Infrastructure, will be making available;

- \$200 million in Natural Gas Access Loans over two years to help communities partner with utilities to extend access to natural gas, and
- \$30 million in "Natural Gas Economic Development Grants" to accelerate projects with clear economic development potential.

- Proponents should develop proposals that, while ensuring safety and reliability, are cost effective and incorporate flexibility with respect to cost recovery (e.g. ROE, depreciation period, recovery of capital contribution, etc.).
- Proponents should develop proposals that include measures that foster predictability and cost certainty from a consumer perspective.
- Proponents should develop proposals that minimize impacts on existing natural gas ratepayers as a result of new expansion projects.

The Board is considering the need and manner in which to provide clarity for municipalities and potential new service providers on the processes needed to be taken to expand access to natural gas and will communicate further on this.

Invitation to Submit Application

The Board encourages parties interested in distributing natural gas to unserved rural and remote communities to submit an application seeking one or more required approvals (e.g. certificate of public convenience and necessity, franchise agreement, leave to construct) for the Board's consideration.

Subsequent to any Board approval of the above applications, a company would be required to apply to the Board for an order approving just and reasonable rates for the sale of gas and provisions of gas distribution services.

A summary of the requisite approvals is found under Appendix A of this letter.

Any questions relating to this letter should be directed to **Jason Craig** at <u>jason.craig@ontarioenergyboard.ca</u> at 416-440-8139. The Board's toll-free number is 1-888-632-6273.

Yours truly,

Peter Fraser

Vice President, Industry Operation Performance

Appendix – A Description of Approvals

Certificate of Public Convenience and Necessity

In order to provide natural gas distribution services to consumers in Ontario, a company must apply to the Board for a certificate of public convenience and necessity for the service territory that is to be served.

The certificate of public convenience and necessity grants the gas distributor the right to construct infrastructure for the purposes of supplying gas to consumers in the service territory specified.

Numerous examples of certificate of public convenience and necessity applications can be found on the Board's website.

Franchise Agreement

In order to provide natural gas distribution services to consumers in Ontario, a company must also enter into a municipal franchise agreement with a municipality. The municipal franchise agreement is signed by both the municipality that is agreeing to be served and the distribution company.

The Board has the authority to approve the municipal franchise agreement. The municipal franchise agreement sets out the right for a natural gas distributor to operate works and add to works for the distribution of gas within the boundaries of a municipality.

In 2000, a Model Franchise Agreement ("MFA") was developed for use across the province.

The MFA sets out the obligations of the gas distributor in regard to the technical, construction, safety, and operational aspects of the natural gas distribution system within the municipality. The terms of the MFA ensure coordination between the municipality and the utility with regards to construction, operation and maintenance of the system. The standard term of the MFA is 20 years.

The model franchise agreement and examples of franchise agreement applications can be found on the Board's website.

Anderson, Lynda

From:

Whittaker, James

Sent:

July-21-15 2:02 PM

To: Cc: Glenn Schwendinger Burnham, Jennifer; Jackson, Matt

Subject:

Infrastructure Consultations

Hi Glenn,

As discussed, the Government of Ontario is conducting consultations on their future infrastructure funding program for outside of the GTHA over the summer which includes provincial support for natural gas expansion. Given that we have worked so closely together over the past number of years to extend natural gas to Milverton, I wanted to reach out and invite you to attend. Unfortunately I will be on vacation for the next two weeks, but Jennifer Burnham and Matt Jackson from Union Gas will be attending the session in London on July 29th.

If you are able to attend, Jennifer and Matt would be happy to catch up with you to ensure that we deliver a consistent message on the importance of natural gas expansion and how partnerships between municipalities, such as the Township of Perth East, and gas utilities are key to success.

The following link will direct you to the provincial site for more information: http://news.ontario.ca/medt/en/2015/06/ontario-launches-regional-consultations-on-infrastructure-1.html. The roundtable will be from 9 am to 1 pm at the Best Western Lamplighter Inn which is located at 591 Wellington Rd. There is a link to register on the provincial site that I included above.

Please let me know if you have any questions and we look forward to hearing from you.

Thanks.

James Whittaker, P.Eng.

Manager, Construction and Growth - London/Sarnia District Union Gas Limited | A Spectra Energy Company 109 Commissioners Rd W | London, ON N6A 4P1

Tel: 519-667-4142 Fax:519-667-4263

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Anderson, Lynda

From:

Glenn Schwendinger < gschwendinger@pertheast.ca>

Sent: To: June-22-15 10:26 AM Whittaker, James

Subject:

Knollcrest letter of support

Attachments:

Knollcrest letter of support June 22, 2015.pdf

Hi James

This letter of support for this project just came through from Knollcrest. Can't hurt to pass it along to you to forward as you see fit.

Glenn Schwendinger
Chief Administrative Officer
Township of Perth East
25 Mill Street East
Milverton, ON
NOK 1M0
Telephone 1-519-595-2800
Fax 1-519-595-2801
gschwendinger@pertheast.ca



June 22, 2015

Glenn Schwendinger Chief Administrative Officer Township of Perth East 25 Mill Street East Milverton, Ontario NOK 1M0

Dear Glenn:

As you are aware, Knollcrest Lodge is a 78 Charitable Non-Profit Long Term Care home and must adhere to the many costly rules and regulations of the Long Term Care Home Act of 2010.

The recent provincial budget, 2015-16 has provided a 2% increase for direct resident care funding which nets out to approximately 0.5% after inflation and a 1.5% increase to other accommodation which includes items such as administration costs, debt servicing (mortgage payment from our recent rebuild), utility costs etc.

And the current news from our provincial association (OAHNSS) indicates that this trend will continue and perhaps get worse.

Given all of this, we drastically need Natural Gas to come to Milverton as it would save the home \$80,000.00 per year.

Please keep me updated on the progress of natural gas coming here.

Yours truly,

Susan Rae

Chief Executive Officer

Ministry of Agriculture, Food and Rural Affairs

Ministère de l'Agriculture, de l'Alimentation et des Affaires rurales

Office of the Minister

77 Grenville Street, 11th Floor Toronto, Ontario M7A 1B3 Tel: (416) 326-3074 Fax: (416) 326-3083 Bureau du ministre

77, rue Grenville, 11° étage Toronto (Ontario) M7A 1B3 Tél.: (416) 326-3074 Téléc.: (416) 326-3083



MAR 0 6 2015

Mr. Glenn Schwendinger Chief Administrative Officer Township of Perth East 25 Mill Street East PO Box 455 Milverton, Ontario NOK 1M0



Dear Mr. Schwendinger:

Thank you for your letter about the province's initiatives to support natural gas expansion. I am pleased to respond.

I agree that access to natural gas is an important issue, especially in rural and northern communities. Access to natural gas can provide many benefits to communities, which is why I appreciate your strong interest in this file.

It is our goal to provide Ontario's rural and northern communities with programs that will help them grow. This support will provide consumers with more energy choices and encourage business and industry development, including agriculture.

That is why, as you mention in your letter, the Ontario government has committed to creating programs that will help communities partner with utilities to enhance their access to natural gas.

Specifically, our government is working to create two programs: (1) a new Natural Gas Access Loan, which would provide up to \$200 million over two years to help communities partner with utilities to extend access to natural gas supplies; and, (2) a \$30-million Natural Gas Economic Development Grant to accelerate projects with clear economic development potential.





The government's lead for these initiatives is the Honourable Brad Duguid, Minister of Economic Development, Employment and Infrastructure (MEDEI). While I note the municipality's interest in applying for funding, the programs are in the early stages of development. I can assure you that our government will be looking to stakeholders for input on their design. We will also keep our community partners informed once further details are available.

Thank you, once again, for writing. We look forward to working with the Township of Perth East as we move forward with these important programs.

Sincerely,

Jeff Leal

Minister of Agriculture, Food and Rural Affairs

The Honourable Brad Duguid

From:

Whittaker, James

Sent: To: March-13-15 4:57 PM Glenn Schwendinger

Cc:

Boyd, Lindsay; Ross, Ian; Okrucky, Jeff

Subject:

Speaking Points - Milverton - Deputy Premier.docx

Attachments:

Speaking Points - Milverton - Deputy Premier.docx

Glenn,

I have put together the attached for your meeting with the Deputy Premier on Tuesday. I am in on Monday but in a series of meetings - please call my cell (519-614-4744) if you need any clarification. Have a great weekend.

Thanks again and good luck.

James

Union Gas and the Township of Perth East are both pleased with the Minister of Energy's letter to the OEB regarding expansion of natural gas utilities to rural and remote communities. The ask from us is that the Deputy Premier stay on top of this issue as Union Gas works on submitting their OEB filing.

In dialogue with Union Gas, a number of ideas have been developed that would on an aggregate basis make a significant contribution to improved economic feasibility and willingness to extend natural gas infrastructure to service Milverton. These ideas require approval of the OEB and include:

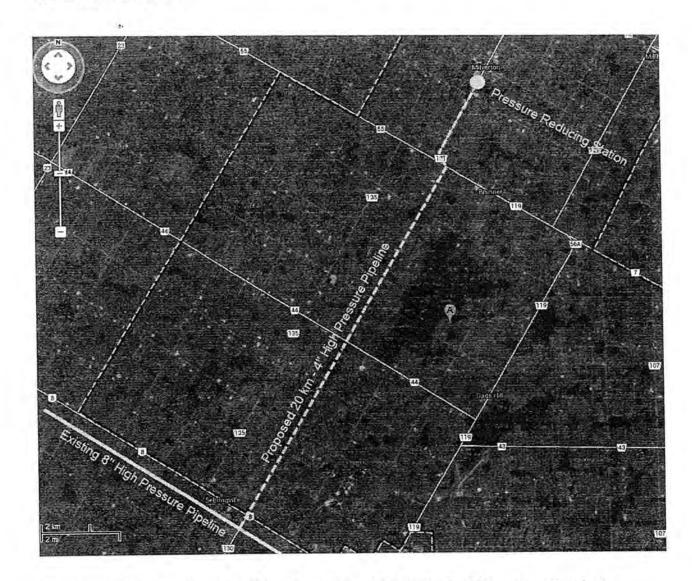
- Approval of a volumetric rate surcharge for a specific time period of up to 10
 years to enable customers who will receive the benefit of the infrastructure
 extension to contribute to economic viability of the project from a portion of the
 savings available to them each year.
- Relaxation of current minimum economic thresholds required to allow a project to be considered economically feasible, suggesting project minimum profitability index be reduced to 0.6 and portfolio minimum be reduced to 0.9.
- Willingness of expansion community municipalities to agree to rebate any incremental taxes generated from the new gas infrastructure for a time period similar to that which the customer volumetric rate surcharge would apply
- Allowing the utilities to earn their regulated rate of return on the incremental capital investments required to extend the gas system, beginning in the year in which investments are made.

If these ideas are implemented for the community of Milverton, it is felt that no further funding is required from the Province of Ontario (i.e. Milverton would not need to access the \$30 million in grants for \$200 million in interest free loans that the Province pledged during their 2014 election platform). In other words, the regulatory changes that are being proposed for Milverton will not cost the government money provided the OEB approves it.

This is a key issue for our community and there is a lot of support from property & business owners in Milverton to access natural gas. The project would provide access to 650 homes & businesses and to more the 1400 people. We appreciate anything the government can do for our community to ensure the OEB deals with the application in a timely manner.

The town of Milverton is located within the Township of Perth East. The key need for the sustainability and growth identified for Milverton has been determined to be access to natural gas. The Township has been working very closely with Union Gas in this regard.

The primary challenge facing this undertaking relates solely to the physical distance that exists between Milverton and the closest pipeline with available capacity; this pipeline is located in Sebringville and the hurdle which must be overcome is that this distance is a little more than 20 km.



The key outstanding hurdle is the economics of the project which are somewhat challenging due to the significant pipeline length required. Due to the regulatory framework that natural gas distributors have to follow it is uneconomic to service the community of Milverton.

From:

Glenn Schwendinger <gschwendinger@pertheast.ca>

Sent: To: May-05-15 5:22 PM Whittaker, James Re: Estimated Savings

Subject:

Thank you for all your work.

From: Whittaker, James

Sent: Tuesday, May 5, 2015 5:20 PM

To: Glenn Schwendinger

Subject: RE: Estimated Savings

Thanks for your support on this.

From: Glenn Schwendinger [mailto:gschwendinger@pertheast.ca]

Sent: Tuesday, May 05, 2015 4:58 PM

To: Whittaker, James

Subject: RE: Estimated Savings

Perfect

Thanks very much. very good information. I will keep you posted.

Glenn Schwendinger
Chief Administrative Officer
Township of Perth East
25 Mill Street East
Milverton, ON
NOK 1M0
Telephone 1-519-595-2800
Fax 1-519-595-2801
gschwendinger@pertheast.ca

From: Whittaker, James [mailto:jWhittaker@uniongas.com]

Sent: May-05-15 4:52 PM To: Glenn Schwendinger Subject: Estimated Savings

Glenn,

See attached, but assuming 60 cents per litre propane and our current natural gas rates the savings for the Township is \$40,000 annually (this includes the 23 cents per m3 rate rider). This excludes the monthly meter charge (\$21 for smaller accounts and \$70 for larger accounts) and any conversion costs.

I've run some quick numbers for other businesses and it appears that Knollcrest could save about \$50,000 annually (with the rater rider) and FS Partners \$30,000; this is assuming they both pay 42 cents/L for their propane. The school will likely save \$15,000 per year including the surcharge. With natural gas comes the opportunity of CNG for vehicles which would be a huge savings to the Township fleet if someone were to install a station in town.

Finally, the rate for our M1 customers (use less than 50,000 m3 per year) is 19.5248 cents/m3 and people would have to pay 13.3082 cents/litre for propane. If I include the 23 cents/m3 surcharge, people would have to pay 28.9851 cents/L for propane to match the current natural gas rates. In other words, even with the surcharge the rates are half the price of what people are likely paying for propane.

My cell is 519-614-4744 if I'm not at my desk. Good luck.

James Whittaker, P.Eng

Manager, Construction and Growth - London/Sarnia District Union Gas Limited | A Spectra Energy Company 109 Commissioners Rd W | London, ON N6A 4P1

Tel: 519-667-4142 Fax:519-667-4263

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From:

Whittaker, James

Sent: To: September-02-15 8:28 AM Glenn Schwendinger

Subject:

RE: Community Expansion Filing

Thanks Glenn, I appreciate you looking into this.

From: Glenn Schwendinger [mailto:gschwendinger@pertheast.ca]

Sent: Tuesday, September 01, 2015 7:15 PM

To: Whittaker, James

Subject: RE: Community Expansion Filing

Hi James

I discussed this with our mayor and I don't think that Perth East will be interested in participating as an intervener at this point in time.

Glenn Schwendinger
Chief Administrative Officer
Township of Perth East
25 Mill Street East
Milverton, ON
NOK 1M0
Telephone 1-519-595-2800
Fax 1-519-595-2801
aschwendinger@pertheast.ca

From: Whittaker, James [mailto:jWhittaker@uniongas.com]

Sent: July-21-15 2:28 PM To: Glenn Schwendinger

Cc: Jackson, Matt; Burnham, Jennifer Subject: Community Expansion Filing

Hi Glenn,

As discussed, Union Gas wants to make you aware of the opportunities available to participate in the Ontario Energy Board (OEB) regulatory hearings for our community expansion application. Below are the ways in which you, as a municipality, can participate in the hearings to voice your position on the application we have put forward. It is important for the Board to hear all perspectives on our application.

You can take part in the process by:

- 1. Following the Proceeding,
- 2. Send a Letter with your Comments to the OEB, or
- Become an Intervenor.

Details on the different options are in the attached document (this is just a draft right now). I understand that option 3 involves obtaining a lawyer and could potentially cost \$10 to \$15k. All options will become part of the public record at the OEB Hearing so we are not sure if you would require Council support for any of the options. After Union Gas posts

the notice of the project in newspapers, you will have 10 days to register as an intervenor ... we expect that Union Gas will post the notice 4 to 6 weeks after we apply to the OEB (which means approximately 4 to 6 weeks from now).

If you have further questions about this, then I can get you in touch with Matt Jackson who is our Manager of Municipal & Franchise Relations. I wanted to start the conversation now as we have a little time.

Please let me know if you have any questions.

Thanks again!

James Whittaker, P.Eng

Manager, Construction and Growth - London/Sarnia District Union Gas Limited | A Spectra Energy Company 109 Commissioners Rd W | London, ON N6A 4P1

Tel: 519-667-4142 Fax:519-667-4263

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From:

Jackson, Matt

Sent: To:

September-17-15 4:26 PM

Cc:

Glenn Schwendinger

Whittaker, James; Burnham, Jennifer; Boyd, Lindsay

Subject:

RE: moving Ontario forward

Hello Glenn,

Thanks again for chatting with me this afternoon. As discussed, below are a few of the points we discussed that you could include in your submission.

- Are there tangible economic benefits or opportunities that would result if your community or region had expanded access to natural gas?
 - The municipality of Perth East eagerly awaits the OEB decision on the Union Gas community expansion proposal put forward in July 2015 proposing to expand natural gas access to the Milverton. High energy costs are making it difficult for local businesses to compete and our local facilities to manage their energy costs. For example, a local nursing home in our community estimates that they could save upwards of \$80,000/year in energy costs which allows them to invest those funds directly back into patient care. The Milverton Business association fully supports the proposal and are confident that access to natural gas will lower their costs, help them grow and attract new businesses and jobs to the
- What should we consider when making decisions around the new natural gas programs?
 - Programs designed to expand access to natural gas must be flexible and developed in partnership with the local natural gas utilities. Further to that, the programs must work in conjunction with the community expansion proposal put forward by Union Gas in July 2015. Perth East fully supports the proposal put forward to by Union Gas and sees this model as having the potential for expanding access to even more communities with the support of government programing which is good for our provincial future.

Let me know if you have any questions and I hope this was helpful.

M.

Matthew Jackson Manager, Municipal Affairs & Franchise Relations Union Gas Limited | A Spectra Energy Company 603 Kumpf Drive | Waterloo, ON N2J 4A4 Tel: 519.885.7408 Cell: 226.989.2019 email: mgjackson@uniongas.com



From: Glenn Schwendinger [mailto:gschwendinger@pertheast.ca]

Sent: September-17-15 9:21 AM

To: Jackson, Matt

Cc: Whittaker, James; Burnham, Jennifer Subject: RE: moving Ontario forward

Hi Matt

Sorry we haven't been able to connect on the phone. It's been crazy here. Did you have a chance to look at those questions form the province? Is there any wording that you would like us to include to support the application before the OEB?

Glenn Schwendinger
Chief Administrative Officer
Township of Perth East
25 Mill Street East
Milverton, ON
NOK 1M0
Telephone 1-519-595-2800
Fax 1-519-595-2801
gschwendinger@pertheast.ca

From: Jackson, Matt [mailto:MGJackson@uniongas.com]

Sent: September-09-15 11:27 AM

To: Glenn Schwendinger

Cc: Whittaker, James; Burnham, Jennifer Subject: Re: moving Ontario forward

Hi Glenn,

Sorry about that, yes I can certainly provide some customized messaging to help answer the question asked online and support the application put forward. I am on the road today but will try to get it to you in the next day or two.

Do you have a document started that you would like me to insert them into for you or are bullets sufficient?

Thanks.

Matt.

Sent from my iPhone

On Sep 9, 2015, at 11:09 AM, Glenn Schwendinger <gschwendinger@pertheast.ca> wrote:

Well, that is why I was asking. Is there wording that Union Gas would suggest that help support the current application before the OEB?

Glenn Schwendinger
Chief Administrative Officer
Township of Perth East
25 Mill Street East
Milverton, ON
NOK 1M0
Telephone 1-519-595-2800
Fax 1-519-595-2801
gschwendinger@pertheast.ca

From: Jackson, Matt [mailto:MGJackson@uniongas.com]

Sent: September-09-15 9:21 AM

To: Glenn Schwendinger

Cc: Whittaker, James; Burnham, Jennifer Subject: Re: moving Ontario forward

Hi Glenn,

I think they are gathering that feedback as part of the entire consultation. Certainly if you wanted to include some messages in there about the current application it wouldn't hurt and would be helpful.

Let me know if I can be of any assistance.

Matt.

Sent from my iPhone

On Sep 8, 2015, at 5:03 PM, Glenn Schwendinger <gschwendinger@pertheast.ca> wrote:

Yes, thanks, I saw that email address and was considering using that for our submission. However, when I read the questions on the section I sent you, they seemed to be more focused on natural gas so I was wondering if it might be beneficial to use that forum to help support the current application because the OEB.

From: Jackson, Matt

Sent: Tuesday, September 8, 2015 4:50 PM **To:** Glenn Schwendinger; Whittaker, James

Cc: Burnham, Jennifer

Subject: RE: moving Ontario forward

Hello there,

I hadn't been on the government site yet to take a look at it, but after looking it appears that is the forum they are using to gather feedback on the program... I would suggest trying to complete the survey and insert the feedback from council in to the survey where possible using the comments sections. There is also the lnfrastructureconsultations@ontario.ca web address listed that you can use to submit formal attachment submissions. This might be the best way if you would like to submit it as a formal letter from your council.

Let me know if you have any other questions.

Thanks.

Matthew Jackson
Manager, Municipal Affairs &
Franchise Relations
Union Gas Limited | A Spectra Energy Company
603 Kumpf Drive | Waterloo, ON N2J 4A4
Tel: 519.885.7408 Cell: 226.989.2019
email: mgjackson@uniongas.com

<image001.jpg>

From: Glenn Schwendinger [mailto:gschwendinger@pertheast.ca]

Sent: September-08-15 4:28 PM **To:** Whittaker, James; Jackson, Matt

Cc: Burnham, Jennifer

Subject: RE: moving Ontario forward

ok.

odd that the questions are different than what they asked at the session.

Glenn Schwendinger
Chief Administrative Officer
Township of Perth East
25 Mill Street East
Milverton, ON
NOK 1M0
Telephone 1-519-595-2800
Fax 1-519-595-2801
gschwendinger@pertheast.ca

From: Whittaker, James [mailto:jWhittaker@uniongas.com]

Sent: September-08-15 4:26 PM **To:** Glenn Schwendinger; Jackson, Matt

Cc: Burnham, Jennifer

Subject: RE: moving Ontario forward

Hi Glenn, thanks for the email.

I will look to Matt to help support us on this – you would have met Matt (Manager, Municipal Affairs) at the session in London. Matt, can you help us out with this?

Thanks, James

From: Glenn Schwendinger [mailto:gschwendinger@pertheast.ca]

Sent: Friday, September 04, 2015 2:27 PM

To: Whittaker, James

Subject: RE: moving Ontario forward

Fyi, the questions that they asked in the session in London and dealt with in the paper, and the questions that our council came up with responses for are as follows:

- 1. What infrastructure challenges and opportunities does your municipality face?
- 2. If you were designing a program to select infrastructure investments across the province that best support economic development, how would you do it?
- 3. What infrastructure programs (or aspects of programs) are working well today and should be expanded?
- 4. What are the most important things that should be done differently?

Glenn Schwendinger
Chief Administrative Officer
Township of Perth East
25 Mill Street East
Milverton, ON
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Telephone 1-519-595-2800
Fax 1-519-595-2801
gschwendinger@pertheast.ca

From: Glenn Schwendinger Sent: September-04-15 2:15 PM

To: Whittaker, James

Subject: moving Ontario forward

Hi James

Further to the session in London which I attended, our council has decided to submit a response to the province to their questions. Council established 8 points that they wanted to convey and I went online to submit them. The online form I found to do this sure seems to have a bit of a different focus than what the discussions in London were and different than what their paper outlines. What I went to was at https://www.ontario.ca/form/moving-ontario-forward-share-your-feedback. It sure seems to have a slant to getting gas service as a key question. please review this and advise if you have some suggested wording. Its due September 18th.

Thanks.

Glenn Schwendinger
Chief Administrative Officer
Township of Perth East
25 Mill Street East
Milverton, ON
NOK 1M0
Telephone 1-519-595-2800
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gschwendinger@pertheast.ca

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From:

Cincurak, Mike

Sent:

November-24-15 3:28 PM

To:

Whittaker, James

Subject:

FW: Union Gas - Milverton

From: Cincurak, Mike

Sent: September-14-15 2:13 PM

To: knickle@perthcounty.ca; blee@perthcounty.ca

Subject: Union Gas - Milverton

Good afternoon,

Could you provide us accurate land base information for the Town of Milverton? We are starting to work on our design to service the town and want to update our mapping with the correct land base.

Thanks,

Mike Cincurak

Construction Project Manager Union Gas Limited (519)-667-4100 Ext. 5153006 MJCincurak@uniongas.com

From: Whittaker, James

Sent: September-11-15 11:33 AM

To: Adam Betteridge

Cc: Kristine Nickle; Brian Lee; Cincurak, Mike

Subject: RE: Union Gas - Milverton

Thanks Adam ... I will have Mike Cincurak follow up with Krissy or Brian to get the necessary information.

James

From: Adam Betteridge [mailto:abetteridge@perthcounty.ca]

Sent: Friday, September 11, 2015 11:11 AM

To: Kristine Nickle; Brian Lee

Cc: Whittaker, James

Subject: Union Gas - Milverton

Hey Brian and Krissy,

James Whittaker (from Union Gas) is requesting detailed CAD info (or whatever we have) to begin their drafting' this e-mail is simply to get him in touch with you two.

James- perhaps you can e-mail either Krissy or Brian to inquire what's available?

Adam

Adam Betteridge

Planner

Corporation of the County of Perth | 1 Huron St., Stratford, ON, N5A 5S4
T. 519-271-0531 x413 | C. 519-301-7193 | F. 519-273-5967 | Web: www.perthcounty.ca

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From:

Whittaker, James

Sent: To: June-05-14 4:56 PM Glenn Schwendinger

Cc: Subject:

Jeremy R. Matheson RE: draft council report

Hi Glenn.

Thanks for sharing this. Here are a few suggestions for edits

Page 1, Last Paragraph. Add the following sentence. If the project does move forward, then Union Gas would complete an environmental assessment with an independent party to finalize the preferred route.

Page 2, 6th Paragraph. Suggest to change it to the following ...

Any Capital costs for the undertaking which are not supported by the resulting ongoing revenue streams are essentially funded through the following sources of revenue:

Per connection up-front capital charge from customers (majority of project)

 Offsetting financial assistance from the municipality or third parties (investments or partnerships)

Potential Provincial or Federal funding programs

Page 3, 5th Paragraph. Suggest to change it to the following ...

Recent discussions with Union Gas staff indicated there are potential implications of the current provincial election on this undertaking. Union Gas officials have been engaged in dialogue with the three larger Provincial political parties about potential for a program with the reviewing the platforms of the parties, and a number of parties have suggested that they have promised funds to assist in providing natural gas energy services to currently un-serviced communities. A specific commitment has been included in the platform of one of the parties. Complete details are not available and the funds vary from loans to outright grants. Clearly any financial assistance with the undertaking from the provincial and or federal levels could go a long way in offsetting the high capital costs and the resultant cost per connection for individual homes and businesses.

I am in the office tomorrow if you want to discuss further. I do have something else to share with you that we are reviewing as well — I just wanted to let you know what that is.

Thanks, James

From: Glenn Schwendinger [mailto:qschwendinger@pertheast.ca]

Sent: Thursday, June 05, 2014 12:46 PM To: Jeremy R. Matheson; Whittaker, James

Subject: draft council report

Hi Jeremy and James

Attached is a draft copy of report that I plan on taking to Council on June 17th. It refers to information based on my understanding from both Union Gas and the Milverton Business Association. I don't want to misrepresent anything, so can you please review this and let me know if there are any edits/revisions necessary.

thanks in advance.

Glenn Schwendinger
Chief Administrative Officer
Township of Perth East
25 Mill Street East
Milverton, ON
NOK 1M0
Telephone 1-519-595-2800
Fax 1-519-595-2801
gschwendinger@pertheast.ca

From:

Whittaker, James

Sent: To: June-10-14 2:29 PM Glenn Schwendinger

Subject:

RE:

I've changed the highlighted area and believe this is what you were looking for. Thanks.

Recent discussions with Union Gas staff indicated there are potential implications of the current provincial election on this undertaking. Union Gas officials have been engaged in dialogue with the three larger Provincial political parties about potential for a program to assist in providing natural gas energy services to currently un-serviced communities. A specific commitment has been included in the platform of one of the parties Liberal's Election Platform. Complete details are not available and the funds vary from loans to outright grants. Clearly any financial assistance with the undertaking from the provincial and or federal levels could go a long way in offsetting the high capital costs and the resultant cost per connection for individual homes and businesses.

From: Glenn Schwendinger [mailto:gschwendinger@pertheast.ca]

Sent: Tuesday, June 10, 2014 1:49 PM

To: Whittaker, James

Subject: RE:

thanks

Glenn Schwendinger
Chief Administrative Officer
Township of Perth East
25 Mill Street East
Milverton, ON
NOK 1M0
Telephone 1-519-595-2800
Fax 1-519-595-2801
gschwendinger@pertheast.ca

From: Whittaker, James [mailto:jWhittaker@uniongas.com]

Sent: June-10-14 1:48 PM To: Glenn Schwendinger

Subject: RE:

I am just reviewing and will get back to you.

James

From: Glenn Schwendinger [mailto:gschwendinger@pertheast.ca]

Sent: Monday, June 09, 2014 11:33 AM

To: Whittaker, James

Subject:

Hi James

the report for council currently states:

Recent discussions with Union Gas staff indicated there are potential implications of the current provincial election on this undertaking. Union Gas officials have been engaged in dialogue with the three larger Provincial political parties about potential for a program to assist in providing natural gas energy services to currently un-serviced communities. A specific commitment has been included in the platform of one of the parties. Complete details are not available and the funds vary from loans to outright grants. Clearly any financial assistance with the undertaking from the provincial and or federal levels could go a long way in offsetting the high capital costs and the resultant cost per connection for individual homes and businesses.

do you have concerns with identifying the liberal party or is your legal saying not to? the way the report is currently worded, it will just beg the questions from council anyways.

Glenn Schwendinger
Chief Administrative Officer
Township of Perth East
25 Mill Street East
Milverton, ON
NOK 1M0
Telephone 1-519-595-2800
Fax 1-519-595-2801
gschwendinger@pertheast.ca

From: Glenn Schwendinger <gschwendinger@pertheast.ca>

Sent: March-10-15 9:09 AM

To: Boyd, Lindsay; Whittaker, James

Subject: Response from OMAFRA

Attachments: OMAFRA response - gas funding.pdf

Importance: High

Good morning

This letter arrived here yesterday from OMAFRA regarding our recent letter. I'm actually very surprised about the quick responses that we are getting. Please review and advise. My read of it suggest that they are asking us how we would like them to set up a program to roll out the funds.

On another note, I am attending a meeting next week with the Deputy Premier. We have been asked to discuss with her what our key issues are and what the Province could do to assist matters. This is one of likely 3 issues I will be discussing with her. Any input to the discussion would be greatly appreciated. This is a good opportunity to move things forward.

Glenn Schwendinger
Chief Administrative Officer
Township of Perth East
25 Mill Street East
Milverton, ON
NOK 1M0
Telephone 1-519-595-2800
Fax 1-519-595-2801
gschwendinger@pertheast.ca

C&G Northeast Projects From: November-24-15 3:51 PM Sent: Minor, Chris To: FW: Qoute Subject: Attachments: PRINCE TOWNSHIP.ODT Attached revised and approved quote into one email. From: Ken Lamming [mailto:klamming@princetwp.ca] Sent: June-24-15 8:10 AM To: Minor, Chris Subject: Re: Qoute thanks Chris On Wed, Jun 24, 2015 at 8:08 AM, Minor, Chris < CMinor@uniongas.com > wrote: Thanks Ken. I'll let you know the Project is filed as I am sure your quote will be used on the same day. It is planned within the next two weeks. Talk to you soon.

Chris Minor, P. Eng

Manager, Construction & Growth - NE Union Gas Limited | A Spectra Energy Company 36 Charles Street East | PO Box 3040

North Bay, ON | P1B 8K7

Tel: 705.475.7945 ext 5177945

email: cminor@uniongas.com





From: Ken Lamming [mailto:klamming@princetwp.ca] Sent: June-24-15 8:05 AM To: Minor, Chris Cc: Trudel, Karen Subject: Re: Qoute Thanks Chris The improvements add to it, This is OK with me Ken On Wed, Jun 24, 2015 at 7:53 AM, Minor, Chris < CMinor@uniongas.com > wrote: Hi Ken. Our Public Affairs group tweaked it abit. Please review and let us know if we can use the attached quote from yourself. Thanks, Chris

Sent: June-23-15 12:53 PM To: Minor, Chris

From: Ken Lamming [mailto:klamming@princetwp.ca]

Subject: Re: Qoute

Thanks Chris

On Tue, Jun 23, 2015 at 12:52 PM, Minor, Chris < CMinor@uniongas.com > wrote:

Thanks Ken. I am forwarding to our Public Affairs Team and I will get back to you.

Chris

From: Ken Lamming [mailto:klamming@princetwp.ca]

Sent: June-23-15 12:48 PM

To: Minor, Chris Subject: Qoute

PRINCE TOWNSHIP

This has been a dream of my self and Prince Township for quit some time now .Gas for our Township means a lot on residents on fix income and other residents with having lower fuel bills with fuel that is always at our door with out worrying on some one to deliver it .I am so happy that we are almost there and look forward on have an environment friendly and and a reliable fuel source .

Mayor Ken Lamming

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PRINCE TOWNSHIP

Bringing natural gas to Prince Township has been a dream for me and the community for quite some time now. Natural gas means many of our residents on fixed incomes and others struggling with their energy bills will have access to a lower cost fuel that is always available without having to worrying about waiting on someone to deliver it. I am so happy that we are almost there and look forward to having an environment friendly and reliable fuel choice.

Mayor Ken Lamming Prince Township

From: Trudel, Karen

Sent: March-23-15 2:08 PM

To: Minor, Chris

Subject: FW; Residences Contact Information
Attachments: Union Gas - Expression of Interest List.xls

Hi Chris, Prince has forwarded the list of interested homeowners. This is a great result based on 255 residential homes and 261 responded.

Karen Trudel

New Business Project Coordinator, Construction and Growth

Union Gas Limited | A Spectra Energy Company

PO Box 4000 Station A

828 Falconbridge Road Sudbury ON P3A 4S3

Tel: (705) 525-4890 (5304890) |

Cell (705) 662-1610 |

Toll Free: 1-800-565-4301 ext 5304890

Email. ktrudel@uniongas.com

Get connected on-

line: www.uniongas.com/getconnected



From: Brittany Agliani [mailto:bagliani@princetwp.ca]

Sent: March-23-15 1:09 PM

To: Trudel, Karen

Subject: Re: Residences Contact Information

Hello Karen,

Please find attached the file with the phone numbers, names and addresses of those who have expressed interest in natural gas so far. Some have not given us their email addresses or phone numbers.

Regarding Base Line from Carpin Beach to residence- this area is outside of Prince Township's boundaries and we do not have any information pertaining to this area.

Let me know if you need anything further,

Brittany

Brittany-Anne Agliani Administrative Assistant 3042 Second Line West Prince Township, ON P6A 6K4 705-779-2992 ext. 3

On Mon, Mar 23, 2015 at 12:36 PM, Peggy Greco
pgreco@twp.prince.on.ca
wrote:
union gas

Peggy

Peggy Greco, CAO/Clerk-Treasurer Township of Prince 3042 Second Line W., Prince Township, ON P6A 6K4

Phone: 705-779-2992 Ext. 2

Fax: 705-779-2725

----- Forwarded message ------

From: Trudel, Karen ktrudel@uniongas.com>

Date: 23 March 2015 at 11:14

Subject: Residences Contact Information

To: "Peggy Greco (pgreco@twp.prince.on.ca)" <pgreco@twp.prince.on.ca>

Hi Peggy, we are in the next stages of preparing our data for the OEB filing, my manager, Chris Minor has requested the Names, Addresses and Telephone #'s of all the homeowners within the scope (or limit of construction) of this project. From my map this would include:

- Townline Rd (from Baseline to Second Line)
- Airport Rd (from Baseline to Second Line)

- Gagnon Rd (Baseline to Second Line)
- Walls Rd (Baseline to Second Line)
- Mountainview Rd
- Deans Rd
- Heywood Dr
- Marshall
- Ironside
- Pinder
- Harper
- Cress
- North Gros Cap
- Prince
- Baseline (Carpine Beach Rd to Don Walls residence...Airport to Don Walls was serviced in 2014)

Please advise if I've missed any streets.

Karen Trudel

New Business Project Coordinator, Construction and Growth Union Gas Limited | A Spectra Energy Company PO Box 4000 Station A



828 Falconbridge Road Sudbury ON P3A 4S3 Tel: (705) 525-4890 (5304890) |

Cell: (705) 662-1610

Tall Free: 1-800-565-4301 ext 5304890

Email: ktrudel@uniongas.com

From: Hodgins, Jeff
Sent: May-08-14 2:41 PM
To: Trudel, Karen

Cc: Minor, Chris; Hodains, Jeff

Subject: RE: Prince Twp

thanks Karen....as you know this project was on our list of potential projects as part of the expansion projects and it actually has one the best overall Pls. I am not sure if the scope you described below is the same as what was submitted for the expansion work but it might be worth considering with a couple of the ideas that our team looked at as options.

I will maybe touché base with you guys next week and we can discuss further...

thanks jeff

From: Trudel, Karen Sent: May-08-14 11:27 AM

To: Hodgins, Jeff Cc: Minor, Chris

Subject: RE: Prince Twp

Good morning Jeff,

After years of analyzing this project we finally obtained the franchise agreement in 2013. Moving forward in 2014, we are currently working on main extensions focusing on the south end of Prince Township. We lost two projects in 2013 due to the aid that is required in year one, when the homeowners realized they wouldn't need to pay in year 2+ they declined converting. This year I am currently working on yet another 2 projects and fear the same will result. This project will be a challenge as the houses are far apart and the aid is typically substantial.

Prince Township is located to the west and north of the City of Sault Ste. Marie, near the Sault Ste. Marie airport. The Township is on the shores of Lake Superior and the St. Mary's River. The proposed project will make natural gas service available to the 24 existing residences on the north side of Baseline Road, and permit expansion throughout the Township in the future as economic feasibility permits. The existing 4NPS plastic natural gas main on Baseline Road was installed in year 2000 to provide service to the residents of Sunnyside Beach Rd, the south side of Baseline Road and Shatruck Drive, all located within the limits of the City of Sault Ste. Marie.

The Township has 466 households and a population of 1031. The Township has several farms, and a significant amount of forested areas. The largest number of residents are in Gros Cap, which is located at the extreme west end of Second Line. A map of the general area is included along with some demographics.

Jeff, if there's anything else that you need please do not hesitate to contact me.

Karen Trudel

New Business Project Coordinator, Construction and Growth Union Gas Limited | A Spectra Energy Company



Get connected on-line: www.uniongas.com/getconnected

From: Minor, Chris

Sent: May-07-14 5:41 PM
To: Hodgins, Jeff; Trudel, Karen
Subject: RE: Prince Twp

Hi Jeff. Things are busy, but aren't we all.

I will ask Karen to send you some information on Prince TWP. It has been on the horizon for a number of years.

Thanks Karen.

Chris

From: Hodgins, Jeff

Sent: May 7, 2014 1:19 PM

To: Minor, Chris Cc: Hodgins, Jeff Subject: Prince Twp

Hey Chris....hope things are good back in the C&G world.

Just wondered if you had any history on Prince Twp for mein looking at our list of community expansion areas, it is the one with the best overall PI and as just curious the history on it.

I assume this is an infill area as opposed to a standalone community?

Just outside of SSM?

I assume we have looked at before / customer contributions etc??

thanks jeff

Hale, Angela From: Trudel, Karen April-29-15 10:54 AM Sent: To: Minor, Chris FW: Letter of Support - Prince Township Subject: Attachments: letter of support 2015 union gas for OEB file.pdf Letter of Support from Prince... Karen Trudel New Business Project Coordinator, Construction and Growth Union Gas Limited | A Spectra Energy Company PO Box 4000 Station A 828 Falconbridge Road Sudbury ON P3A 4S3 Tel: (705) 525-4890 (5304890) [Cell: (705) 662-1610 | Toll Free: 1-800-565-4301 ext 5304890 Email: ktrudel@uniongas.com Get connected on-line: www.uniongas.com/getconnected From: Peggy Greco [mailto:pgreco@twp.prince.on.ca] Sent: April-29-15 10:44 AM To: Trudel, Karen Subject: Re: Letter of Support - Prince Township Hello Karen. Attached is the letter of support you requested. Please let me know if there are any changes you require. Sincerely,

Peggy Greco, CAO/Clerk-Treasurer Township of Prince 3042 Second Line W., Prince Township, ON

P6A 6K4

Phone: 705-779-2992 Ext. 2

Fax: 705-779-2725

On 28 April 2015 at 13:49, Trudel, Karen < ktrudel@uniongas.com > wrote;

Hi Peggy, sorry for the delay in responding.

Please address the letter to myself utilizing the info below.

Karen Trudel

New Business Project Coordinator, Construction and Growth

Union Gas Limited | A Spectra Energy Company PO Box 4000 Station A

828 Falconbridge Road Sudbury ON P3A 4S3 Tel: (705) 525-4890 (5304890) |

Cell: (705) 662-1610 [

Toll Free: 1-800-565-4301 ext 5304890

Email: ktrudel@uniongas.com

Get connected on-

line: www.uniongas.com/getconnected



From: Peggy Greco [mailto:pgreco@twp.prince.on.ca]

Sent: April-24-15 2:15 PM

To: Trudel, Karen

Subject: Re: Letter of Support - Prince Township

Hi Karen.

To whom should this letter be address. I am putting 'to whom it may concern'but who am i sending it to? Union Gas or the OEB or someone else?

Peggy

Peggy Greco, CAO/Clerk-Treasurer

Township of Prince

3042 Second Line W.,

Prince Township, ON

P6A 8K4

Phone: 705-779-2992 Ext. 2

Fax: 705-779-2725

On 24 April 2015 at 12:28, Trudel, Karen < ktrudel@uniongas.com > wrote:

Hello Ken, please see below the 'shell' for the Letter of Support we have referred to. Union Gas is looking for your support with this letter to move forward with this project. We have used similar letters with other municipalities in the past.

Should you have any questions, please feel free to contact Chris Minor for any concerns or clarification required.

We understand that subject to favourable feasibility assessments currently being conducted, Union Gas will be filing a proposal with the Ontario Energy Board in the spring seeking approval to provide service to <insert community/project name>, which is located in the municipality of(or in the first nation of) <insert municipality >. Our understanding is that the Union Gas application will include proposals for specific forms of regulatory flexibility or exemptions from current Ontario Energy Board guidelines that apply to extending natural gas service to new communities.

This letter will confirm that<insert municipality>. has reviewed key concepts that Union Gas expects to include in the filing with the Ontario energy Board, and that elected municipal representatives support those concepts, which are summarized below:

- The application of an additional temporary volumetric rate which would be applied as an additional line item to bills of customers who connect to the system installed as part of these projects for a period of up to 10 years, and which amounts to something in the range of \$500 per year for an average residential customer.
- Agreement by the municipality to provide a contribution to construction costs
 that equates to the value of any incremental property taxes or payments in lieu of
 taxes that the new system would generate over the same period as the volumetric
 rate noted above.
- A reduction in the economic feasibility thresholds that each project must meet before proceeding, to a profitability index of as low as 0.6 in certain situations, conditional on municipal agreement to make contributions as outlined above.
 And related to this a reduction in portfolio profitability indices to 0.9 in order to create capacity for the incremental capital investment required by the utility.
- Ability of the utility to earn their regulated rate of return on investment for all
 capital invested beginning in the year following which the investment is made.

Our municipal leaders believe that the public benefits of extending natural gas infrastructure to additional communities in Ontario should be a key consideration in addressing Union's proposals. These benefits include the annual energy savings our constituents would experience, reduced costs for our existing businesses, and remove a local economic barrier for our community.

For these reasons we fully support the concepts that Union Gas will propose in their application.

Signed by Mayor or CAO

Karen Trudel

New Business Project Coordinator, Construction and Growth Union Gas Limited | A Spectra Energy Company PO Box 4000 Station A



828 Falconbridge Road Sudbury ON P3A 4S3 Tel: (705) 525-4890 (5304890) |

Cell: (705) 662-1610

Toll Free: 1-800-565-4301 ext 5304890

Email: ktrudel@uniongas.com

Get connected on-

line; www.uniongas.com/getconnected



The Corporation of the Township of Prince

Volunteer Fire Department 3042 Second Line West, Prince Township, Ontario P6A 6K4 Phone 705-779-2992 Fax 705-779-2725

Mayor: Ken Lamming

CAO/Administrator: Peggy Greco

Karen Trudel
New Business Project Coordinator, Construction and Growth
Union Gas Limited | A Spectra Energy Company
PO Box 4000 Station A
828 Falconbridge Road Sudbury ON P3A 4S3
Email: ktrudel@uniongas.com

April 29, 2015

Dear Ms. Trudel:

We understand that subject to favourable feasibility assessments currently being conducted, Union Gas will be filing a proposal with the Ontario Energy Board in the spring seeking approval to provide service to the residences and businesses, which are located in the Township of Prince. Our understanding is that the Union Gas application will include proposals for specific forms of regulatory flexibility or exemptions from current Ontario Energy Board guidelines that apply to extending natural gas service to new communities.

This letter will confirm that Prince Township Council and staff has reviewed key concepts that Union Gas expects to include in the filing with the Ontario energy Board, and that elected municipal representatives support those concepts, which are summarized below:

- The application of an additional temporary volumetric rate which would be applied as an additional line item to bills of
 customers who connect to the system installed as part of these projects for a period of up to 10 years, and which
 amounts to something in the range of \$500 per year for an average residential customer.
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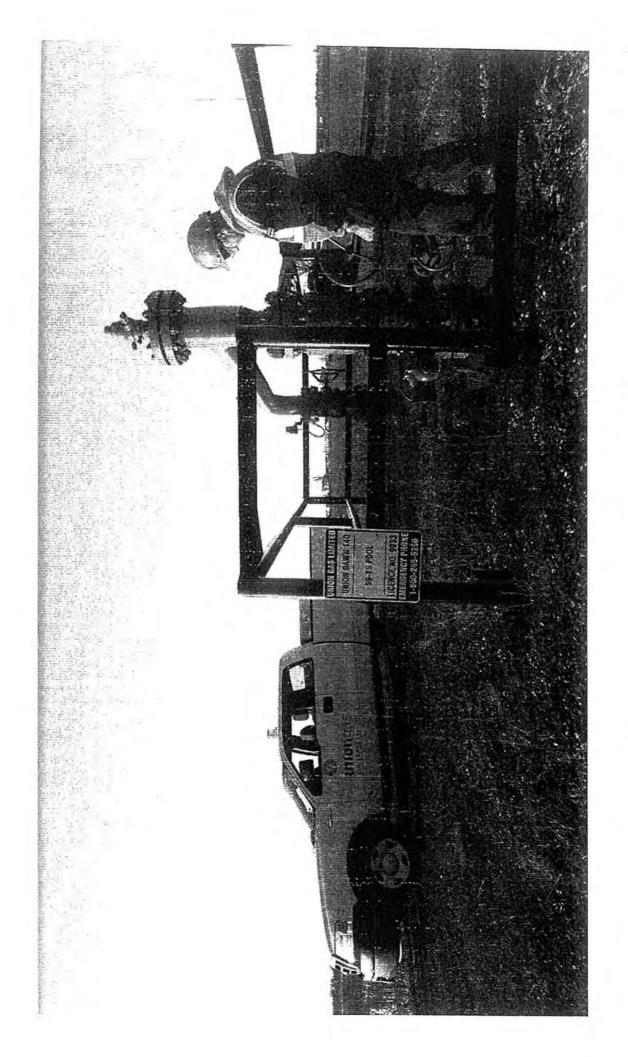
For these reasons we fully support the concepts that Union Gas will propose in their application.

Sincerely

Ken Lamming,

Mayor, Prince Township

KL/pg



Community Expansion Prince Twp.



Agenda

Welcome

Union Gas - At a Glance

Community Expansion: Background

Benefits of Natural Gas

What is the OEB?

OEB Proposal

Your Community

Your Voice Can Make a Difference

Q&As





Union Gas – At A Glance

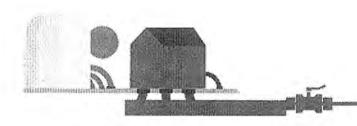
- Major Canadian natural gas storage, transmission and distribution company based in Ontario
- Over 100 years of experience and safe service to customers
- Dawn Storage facility largest underground storage facility in Canada
- Dawn Hub, one of the top-5 physically traded hubs in North America
- Assets of \$7 billion, ~1.4 million customers, ~2,200 employees
- One of Canada's Top 100 Employers 2011-2015
- A Spectra Energy (NYSE: SE) company



1.4 million
1.2 Tcf
64,200 km / 39,870 mi
157 Bcf
4,811 km / 2,988 mi

Benefits of Natural Gas





TOPS BENEFITS OF NATURAL GAS

1. LOWER ENERGY PRICE

Access to new, massive deposits of natural gas found in across North America, through advanced technology has translated into



GAS COSTS

Natural gas is more affordable now than it was a decade ago and experts agned that natural gas will continue to be competitively priced well late the next.

10 YEARS.

2. STRONGER ECONOMY



Affordable natural gas is helping to invigorate our economy. The natural gas industry supports millions of North American jobs and has the potential to create even more.







3. SAFETY



Stringent safety standards govern the use of natural gas. The pipelines are the safest mode of transporting energy when compared to rail and road, according to independent studies.

4. CLEANER ENVIRONMENT



Cleanest burning conventional fuel that exists.



Produces 45% less carbon dioxide than coal for power generation.



25% fewer GHG emissions than diesel or gasoline for transportation.

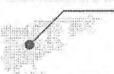


Produces almost no sulfur dioxide or particular matter.



Provides low-emission backup generation sources like solar & wind.

5. ENERGY SECURITY



New supplies of natural gas are found in abundance right here in North America, and can play a large role in easing our nation's dependence on foreign energy

Enough natural gas to export and use at for the next

150 YEARS



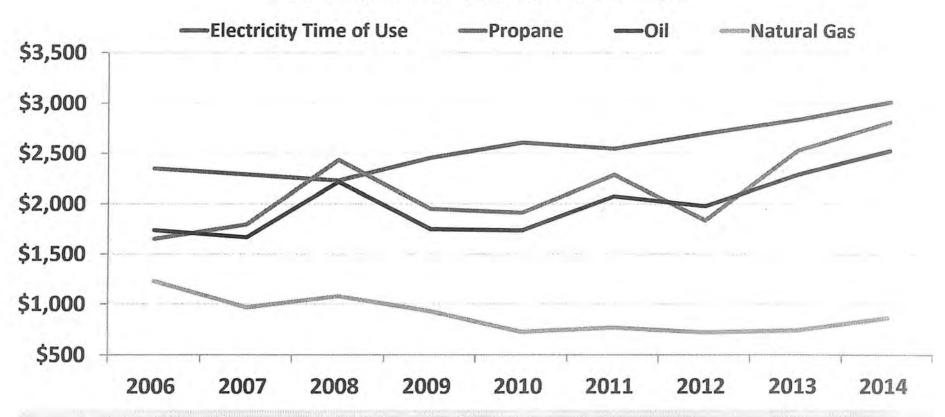






Estimated Annual Cost of Energy (\$/year)

Annual average use of 82 GJ (equal to 2,200 m3 of natural gas)

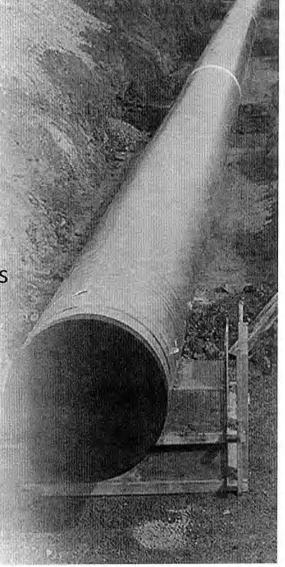


Natural gas is the most affordable form of energy for residential / business use



Community Expansion: Background

- Rise in prices for other forms of energy is creating unprecedented interest in natural gas which is less than half the cost.
- We have received interest from a number of communities about the feasibility to provide natural gas.
- The Ontario government, in their 2015 budget, committed to expanding natural gas to rural communities through a new \$200 million Natural Gas Access Loan and a \$30 million Natural Gas Economic Development Grant, currently slated for 2017.
- In Feb, 2015, the Ontario Energy Board (OEB) invited interested natural gas distributors to submit proposals, along with proposed forms of regulatory flexibility, that would allow for expansion into new communities.



What is the OEB?



- Independent regulatory body which has jurisdiction over production, distribution, transmission and storage of natural gas in Ontario
- OEB approves natural gas rates quarterly
- Within Union Gas' regulatory framework, existing customers
 can not subsidize the costs of new customers
- Other utilities operate under a different regulatory framework
- Economic model is approved by the OEB
- OEB sets specific metrics we need to achieve



Ontario Energy Board Commission de l'énergie de l'Ontario

OEB Proposal



- Union Gas has filed an application with the OEB proposing flexibility on elements of the OEB's current guidelines for extending natural gas service to new communities.
- The proposal is guided by a set of principles:
 - Stakeholders who directly benefit should contribute financially to the project.
 - Customers, Communities, Gas Utility
 - Customer contributions should be proportionate with the savings achieved by switching to natural gas.
 - Long term rate impact to existing natural gas customers should be limited.
 - Gas distributors should not be exposed to financial risk related to the incremental capital investment.







OEB Proposal



- Exemption from E.B.O 188 to allow lower minimum Profitability Index thresholds:
 - Currently the minimum threshold is 0.8 and Union Gas is requesting the threshold for community expansion projects be lowered to 0.4.
- Temporary Expansion Surcharge (TES) to collect customer contributions:
 - Allows customers to dedicate a portion of their savings to natural gas system expansion.
 - Customers converting to natural gas would pay \$0.23/m3 for no longer than 10 years.
- Incremental Tax Equivalent (ITE) mechanism to collect municipal contributions.
 - The ITE is based on the estimated value of any incremental property taxes collected as a result of the project and the term would match the TES.
 - Requires agreement prior to construction.



Your Community

- The acceptance of a lower economic threshold for community expansion projects could allow Union Gas to expand to 30 rural and First Nations communities.
- Prince Twp. has been identified as one of the communities that may be workable with the OEB's approval of our proposal.
- Initial assessments were based on preliminary economics. A full economic analysis would be required upon OEB approval.



Your Voice Can Make a Difference

Three ways you can tell the OEB you support our proposal:



Become an Intervenor

Intervenors are interested groups who participate actively in the proceeding by submitting evidence, arguments or written questions.



Send a Letter of Support

A letter of comment will be considered by Board members reviewing our application.

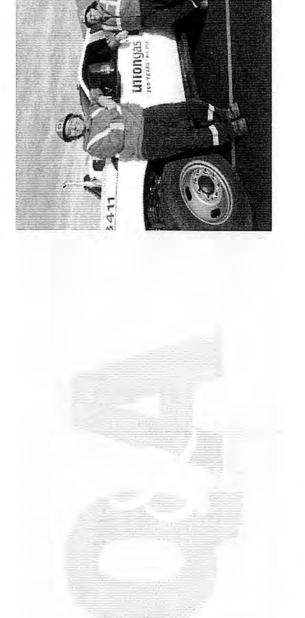


Be an Observer

Sign up with the OEB to receive documents related to our proceeding.



A Spectra Energy Company







夏鲁





ST. WHIVERSARY EDITION. - 2000

Hale, Angela

From:

Trudel, Karen

Sent:

June-15-15 3:06 PM

To:

Minor, Chris

Subject:

FW: letter of support - modified

Attachments:

letter of support as modified June 2015.pdf

Here it is Chris.

KAREN TRUDEL

NEW BUSINESS PROJECT COORDINATOR, CONSTRUCTION AND

GROWTH | UNION GAS LIMITED

o. 705.525.4890 x5304890 | c. 705.662.1610 | ktrudel@uniongas.com

828 Falconbridge Road, PO Box 4000 Stn A Sudbury, ON P3A 4S3



Use GetConnected to submit your requests

www.uniongas.com\getconnected

From: Peggy Greco [mailto:pgreco@twp.prince.on.ca]

Sent: June-15-15 3:05 PM

To: Trudel, Karen

Subject: letter of support - modified

Hi Karen,

I am attaching the modified letter of support as requested.

Let me know if you need anything else.



Peggy Greco, CAO/Clerk-Treasurer

Township of Prince 3042 Second Line W., Prince Township, ON

PGA GK4

Phone: 705-779-2992 Ext. 2

Fax: 705-779-2725



The Corporation of the Township of Prince

Volunteer Fire Department 3042 Second Line West, Prince Township, Ontario P6A 6K4 Phone 705-779-2792 Fax 705-779-2725

Mayor: Ken Lamming CAO/Administrator: Peggy Greco

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New Business Project Coordinator, Construction and Growth
Union Gas Limited | A Spectra Energy Company
PO Box 4000 Station A
828 Falconbridge Road Sudbury ON P3A 4S3
Email: ktrudel@uniongas.com

April 29, 2015

Dear Ms. Trudel:

We understand that subject to favourable feasibility assessments currently being conducted, Union Gas will be filing a proposal with the Ontario Energy Board in the spring seeking approval to provide service to the residences and businesses, which are located in the Township of Prince. Our understanding is that the Union Gas application will include proposals for specific forms of regulatory flexibility or exemptions from current Ontario Energy Board guidelines that apply to extending natural gas service to new communities.

This letter will confirm that Prince Township Council and staff has reviewed key concepts that Union Gas expects to include in the filing with the Ontario energy Board, and that elected municipal representatives support those concepts, which are summarized below:

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 additional line item to bills of customers who connect to the system installed as part of
 these projects for a period of up to 10 years, and which amounts to something in the
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- A reduction in the economic feasibility thresholds that each project must meet before
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 outlined above. And related to this allowing expansion to new communities to proceed
 without their economic feasibility results being included in portfolio profitability indices in
 order to create capacity for the incremental capital investment required by the utility.
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Our municipal leaders believe that the public benefits of extending natural gas infrastructure to additional communities in Ontario should be a key consideration in addressing Union's proposals. These benefits include the annual energy savings our constituents would experience, reduced costs for our existing businesses, and remove a local economic barrier for our community.

For these reasons we fully support the concepts that Union Gas will propose in their application.

Sincerely,

Ken Lamming,

Mayor, Prince Township

KL/pg



Natural Gas Expansion Delaware Nation at Moraviantown

Diane Pisani June 25, 2015



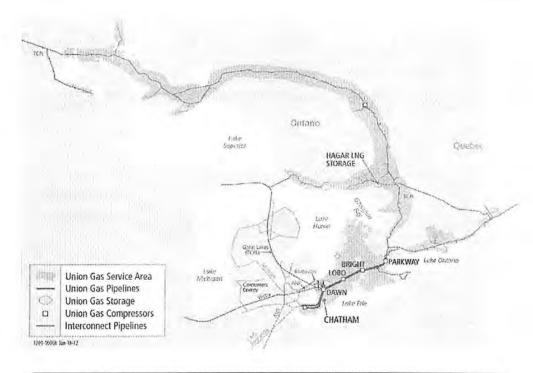
Agenda

Welcome	
Union Gas – At a Glance	
Accessing Natural Gas Service	
Ontario Energy Board (OEB)	
Natural Gas Expansion	
Questions	



Union Gas

- Major Canadian natural gas storage, transmission and distribution company based in Ontario
- Over 100 years of experience and safe service to customers
- Dawn Storage facility largest underground storage facility in Canada
- Dawn Hub, one of the top-5 physically traded hubs in North America
- Assets of \$7 billion, ~1.4 million customers, ~2,200 employees
- One of Canada's Top 100 Employers 2011-2015
- A Spectra Energy (NYSE: SE) company



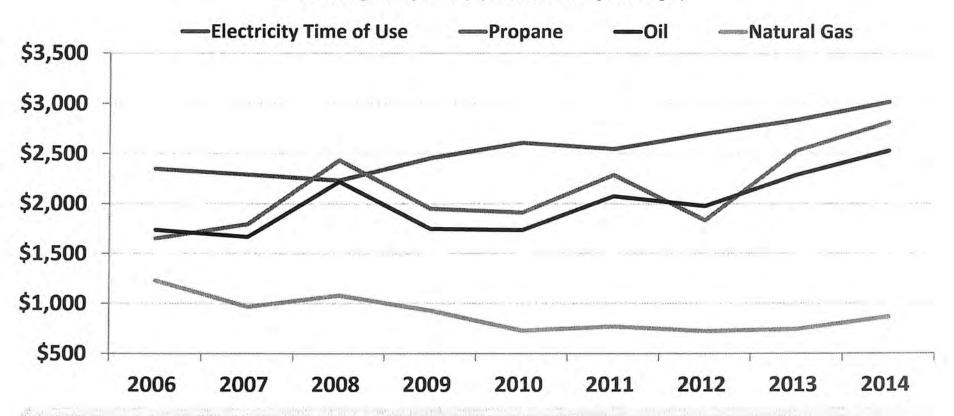
Retail Customers	1.4 million
2014 Pipeline Throughput	1.2 Tcf
Distribution Pipe	64,200 km / 39,870 mi
Storage Capacity	157 Bcf
Transmission Pipe	4,811 km / 2,988 mi



The Value of Natural Gas to Communities

Estimated Annual Cost of Energy (\$/year)

Annual average use of 82 GJ (equal to 2,200 m3 of natural gas)



Natural gas is the most affordable form of energy for residential / business use

The Benefits of Expanding Natural Gas



- Significant savings for homes and businesses converting from other forms of energy (\$1,600 to \$2,000/year) – money that can be spent back into the local economy
- Cleanest burning form of conventional energy
- Increased assessment value of homes with access to natural gas, plus ongoing property tax paid by Union Gas on infrastructure
- Reliable source of energy that is delivered through a pipeline directly to homes and businesses
- Abundant supplies of natural gas ensures stable and affordable rates for years to come

Ontario Energy Board (OEB)



What is the Ontario Energy Board?

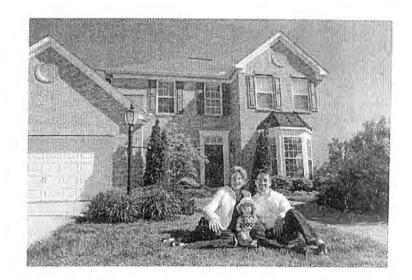
- Independent regulatory body which has jurisdiction on matters concerning production, distribution, transmission and storage of natural gas in Ontario
- Natural gas rates are approved on a quarterly basis by the OEB
- Within Union Gas' regulatory framework, existing customers can not subsidize the costs of new customers
- Other utilities operate under a different regulatory framework
- Economic model is approved by the OEB
- OEB sets specific metrics Union Gas needs to achieve



Accessing Natural Gas Service



- Union Gas will investigate providing gas service to any homeowner or business when:
 - ➤ the project/expansion is economical
 - ➤ adequate distribution facilities are available
 - > it's within Union Gas's franchise area
- Union Gas reserves the right, in conjunction with municipal consent, to determine the location of the gas mains, service lines, meters and regulators



Gas Expansion Investigation



Involves an economic analysis of:

 Anticipated revenue (net margin dollars realized from gas flow to customers) over the life of the project

versus

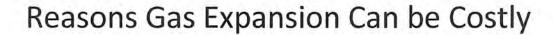
- Capital costs construction costs, materials, surveys, land rights...
- Operating and maintenance costs costs to operate and safely maintain any proposed expansion over the life of the project

Union Gas pays property tax on every meter of pipe in the ground which require little or no municipal services. With First Nations, this is done through Payment in Lieu of Taxes (PILT)

Economic Analysis



- If the revenues exceed the costs over a projected Present Value cash flow, the project may proceed.
- If costs exceed revenues an alternate solution will need to be investigated to bridge the shortfall.
 - (i.e.. Customer contribution, municipal contribution, etc.)





- Too far from an existing gas pipeline
- Nearest gas pipeline is high pressure and requires distribution regulator stations



- Existing gas line has inadequate capacity
- Extensive gas line reinforcement is required

Bridging the Gap – Community Expansion Enablers



- Regulatory Flexibility
 - Timely cost recovery for the utility
 - Increase flexibility in economic feasibility thresholds
- Customer Contributions
 - Allow for a Temporary Expansion Surcharge based on natural gas usage to collect capital contributions from customers over time
- Municipal Funding Assistance
 - Contributions (Incremental Tax Equivalent) equal to the amount of annual property taxes from new natural gas infrastructure
- Provincial Government Funding to Support NG Expansion
 - The Ontario government has made commitments to provide \$200M in interest free loans and \$30M in grants



Proposed Natural Gas Infrastructure





Our Ask

Support of concept in principal from Chief and Council for:

- Temporary Expansion Surcharge, for customers attaching to the pipeline, for up to 10 years.
- Municipality pays an Incremental Tax Equivalent as a capital contribution towards the pipeline for the same duration as the Temporary Expansion Surcharge.
- Reduced economic feasibility thresholds for natural gas expansion projects to as low as 0.40.
- Utility to earn a regulated rate of return on capital invested, to begin the year following the investment



Summary

- Union Gas is regulated by the Ontario Energy Board and must comply with it's guidelines
- Union Gas is in the process of submitting an application to the OEB seeking regulatory flexibility for community expansion projects, and applications for specific community expansion projects across the Province
- To overcome an economic shortfall between revenue and cost, a financial contribution from Lambton Shores in the form of an Incremental Tax
 Equivalent or lump sum up front is necessary for the project to move forward.















CONNECT WITH US







Anderson, Lynda

From:

Sent: January-20-15 11:54 AM

To:

Bonin, John

Subject:

Heating Sources Data

Attachments:

911 Delaware Nation HEAT tj.xlsx

FYI

From:

Date: Tuesday, December 9, 2014 at 10:57 AM

To:

Subject: Heating Sources Data

Here's the "data" on heating sources for the homes and buildings in Moraviantown.

Hope this helps and it what you needed.



NOTICE: The information contained in this electronic mail transmission is intended by Delaware Nation Council for the use of the named individual or entity to which it is directed and may contain information that is privileged or otherwise confidential. If you have received this electronic mail transmission in error, please delete it from your system without copying or forwarding it, and notify the sender of the error by reply email or by telephone 1-877 294-4435, so that the sender's address records can be corrected.

Anderson, Lynda

From: Bonin, John

Sent: June-29-15 8:45 AM

To:
Cc: Pisani, Diane
Subject: Letter of Support



On behalf of the Union Gas team, I wanted to thank you for the time with the Council on June 25th 2015. I hope that Council found the presentation informative and we were able to answer your questions fully. We will be filing the Stage 1 proposal for your community as discussed with your Council as the OEB filing is ready to be filed but we will be working to complete the entire community expansion as directed by Council. If the OEB approves our approach, we will be able to use the concepts we discussed and included in the letter below on the entire community proposal.

Here is the letter we are asking for your support on our upcoming filing.

Look forward to seeing you tonight!

Diane Pisani Manager Construction and Growth Union Gas 3840 RHODES DRIVE PO BOX 700 Windsor Ontario N9A 6N7

We understand that subject to favourable economic assessments currently being conducted, Union Gas will be filing a proposal with the Ontario Energy Board in the summer seeking approval to provide service to the Delaware Nation in Moraviantown. Our understanding is that your application will include proposals for specific forms of regulatory flexibility or exemptions from current Ontario Energy Board guidelines that apply to extending natural gas service to new communities.

This letter will confirm that you have reviewed key concepts that you expect to include in the filing with us, and that elected Delaware Nation Council representatives support those concepts, which are summarized below:

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 Ability of the utility to earn their regulated rate of return on investment for all capital invested beginning in the year following which the investment is made.

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For these reasons we fully support the concepts that Union will propose in their application.

Signed by:

Delaware Nation

John