

March 15, 2016

Re: File Number: OEB-2016-0004

To Whom It May Concern:

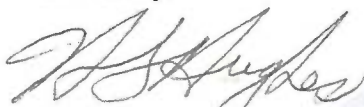
The Township of Oro-Medonte is a lower tier, rural municipality located with Simcoe County. Access to cost-affordable natural gas is impeding our efforts to stimulate economic development and is negatively impacting the competitiveness of our businesses and our agricultural sector. A recently completed research study completed by a number of Township businesses highlighted this issue for our businesses.

Specifically, we would like to provide our issues with respect to the current model for natural gas provision and pipeline expansions:

1. The current financial model for expanding natural gas services in rural municipalities presents a serious disadvantage for our businesses and residents due to our lower unit densities (significant distances can exist between properties resulting in unrealistic pricing for users). In rural situations, the usage volumes required for the supplier's (Enbridge) feasibility formula results in installation costs that are beyond that which can be absorbed by property owners, businesses or municipalities; expansion cannot occur.
2. The lack of competition within a service area results in less than favourable installation pricing and no motivation from the suppliers (Enbridge) to provide acceptable customer service and responsiveness. We have experienced this first hand and found the process to be frustrating, confusing and time-consuming. The lack of competition extends beyond just the suppliers of natural gas to include things like line installation. Local stakeholders and municipalities are well positioned to negotiate and obtain local competitive pricing.
3. The costs of natural gas expansion should be an eligible infrastructure expense for municipalities in grant applications.

Thank you for the opportunity to present our issues. We look forward to the results of your review. Should you have questions or wish clarification, please do not hesitate to contact me.

Sincerely,



Mayor Harry Hughes
Township of Oro-Medonte