



EDWARDSBURGH CARDINAL

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April 20, 2016

COURIER, EMAIL AND RESS

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, Ontario
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ATTENTION: Board Secretary

Dear Ms. Walli

RE: Submission of Evidence for OEB Generic Hearing - EB-2016-0004 - Township of Edwardsburgh Cardinal

RE: Response to Staff Interrogatories

The Township of Edwardsburgh Cardinal has been acknowledged as an Intervenor in the above matter and hereby submits the attached response to the staff interrogatories arising from our initial submission.

Two hard copies to follow by Courier.

The Township of Edwardsburgh Cardinal is pleased to be part of the Hearing Process and looks forward to the upcoming hearings.

We do wish to address the OEB at the pre-hearing day on April 26, 2016 in order to highlight one or two sections of our brief and respond to any questions. Please confirm receipt of our request and provide any additional details.

Yours truly,

Patrick Sayeau, Mayor
Township of Edwardsburgh Cardinal

Cc: Khalil Varaney, Case Manager
Cc: Michael Millar, Board Counsel

**TOWNSHIP OF EDWARDSBURGH CARDINAL – R14
RESPONSE TO STAFF INTERROGATORIES**

Exhibit S14.Edwardsburgh.BStaff.1
Edwardsburgh is the responder
OEB Staff is the party asking the question.
And 1 is the question number.

Interrogatory # 1

To clarify our response to the question of what is considered “Community” in the context of this proceeding, and in answer to Interrogatory #1 we provide the following additional information:

1. On September 15, 2015 a meeting was held at the Township office which was open to all residents of the Community. Mr. H. Burkert attended this meeting as a private citizen. This was a very informal meeting. Mr. Burkert provided a copy of the survey he conducted. He advised that he received a letter from Union Gas in response to the survey he had provided to them. He provided copies of both documents to the Mayor at that time. (Both of which were attached to our submission at Appendix E and F).
2. The letter noted above was not dated. It advised Mr. Burkert that the expansion costs would require an approximate up-front contribution of \$18,000 per new residential customer.
3. My statement in Issue 1, advising “that 84 residents have expressed an interest ... without having been made aware of the up-front costs which would be imposed upon them under the current regulatory model”, was made in reference to the survey conducted by a private citizen, who, I assume had no prior knowledge of the regulations for natural gas provisions. My assumption is based on the fact that he provided the survey to Union Gas and was given a response to the survey advising of costs.
4. The survey was not, in my view, conducted to determine who would be willing to pay \$18,000 to obtain Natural Gas. It was conducted to see who would be interested in having Natural Gas available.
5. A question outstanding may be: “If Mr. Burkert subsequently advised the respondents to his survey, of the Union Gas reply to him, would they still want Natural Gas.” This I cannot address factually but my opinion is that they would not.
6. Mr. Burkert’s contact information is provided in the letter copied from Union Gas. It is suggested that he would be the best person to provide this information.
7. On the whole, there are many areas in our Community (Township) which are without Natural Gas and which would benefit from having that utility present.
8. It is suspected that if the reply to Mr. Burkert was used as a guideline for upfront costs for all residents seeking Natural Gas in our Community, being that of \$18,000 per resident, this amount would most likely be a deterrent for residents obtaining the utility and many folks have expressed this opinion to me.
9. A better solution for affordability of this utility has to be found.

To further clarify paragraph 4 on page 2 of our submission:

1. We endorse the concept of a Community being based on a 50 potential customer count. We have no detailed understanding of the complete formulae for costings. We do believe that

Union Gas, in its proposal (based on conversations held with representatives) is aiming to establish a costing mechanism based on a 50 potential customer minimum which would result in a lower upfront cost for new residents being added by way of line expansion. The costing, we hope, would be more affordable than the amount set out in paragraphs 4 and 8 above.

2. Further understanding of formulae under the position put forward by Union Gas is beyond our expertise.
3. Our Community is comprised of 312 square km giving home to just over 6,500 residents. Natural Gas is a utility which residents have expressed a desire for. Affordability is an issue.

Exhibit S14.Edwardsburgh.BStaff.2

Edwardsburgh is the responder

OEB Staff is the party asking the question.

And 2 is the question number.

Interrogatory #2

In continuation of the spirit of “Brainstorming” approaches, the following information is provided:

- a) Municipalities are creatures of the Province. We can only do what the Province allows us to do as we were created by the Province under the Ontario Municipal Act. We have powers to pass By-Laws requiring mandatory connection to the utilities we own and operate such as water/sewer. These powers are limited. If the Province were to legislate it as a power for Municipalities to pass by-laws requiring mandatory connection to Natural Gas in an effort to reduce the effects of greenhouse gas emissions or for whatever other reason the Province may have, then Municipalities would have the option to either pass such a By-Law or be required to pass such a By-Law under certain circumstances as established by the Province. Such circumstances could be related to the area population, the availability of other services, the availability of provincial grants, or any other considerations as might be thought of by those more involved with the process than this Intervenor.
- b) Mandatory Fixed Frontage Charges (MFFC) are conceptually the same as an Upfront Capital Contribution (UCC) in so far as the end user is required to pay the costs associated with the utility arriving at their door. However, the difference is that a MFFC could be collected over a deferred time frame and collected in the same manner “as like taxes” if the property owner refuses to make the payments necessary. Again, if the Province deems this to be allowed. In effect, the payment due attaches to the property. Certainly more deliberation on this point is required.
- c) A Municipality has mechanisms for collection of a variety of charges directly associated with a specific property. For example, demolition charges after a fire, charges for securing a property from public access, clean up of yards if not completed by a property owner. All of these charges can be added to a property tax bill. The Municipality has the power to sell private properties which are in arrears over a certain period of time and under a specific due process. Again, the Province would have to grant such power to the Municipalities. (If it does not already exist.)

Respectfully Submitted

P.J. Sayeau, Mayor

Township of Edwardsburgh Cardinal