



SIoux LOOKOUT

Hub of the North

The Corporation of the
Municipality of Sioux Lookout
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Office of the Mayor

April 6, 2016

Honourable Minister Bob Chiarelli
Ministry of Energy
Office of the Minister
4th Floor, Hearst Block
900 Bay Street
Toronto, Ontario M7A 2E1

Dear Minister Chiarelli:

Sioux Lookout is one of the last large northern Ontario communities without natural gas service and is only 65km from the TransCanada Pipeline. The project would be similar in scope to the recently completed Red Lake Gas Pipeline Project.

I am writing today to share a concern and seek clarification on your government's commitment under the Long Term Energy Plan to expanding access to natural gas and subsequent steps to advance these objectives. The Long term Energy Plan states: *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*.

Your February 18th 2015 letter to the Ontario Energy Board reinforces this commitment to expanding natural gas to rural and northern communities and encourages the Board to move forward with its review of options to facilitate connecting more communities.

The Ontario Energy Board has since issued a letter and initiated a hearing (EB-2016-0004) related to proposals and regulatory approaches to expanding access to natural gas. The Municipality of Sioux Lookout is an intervenor in EB-2016-0004.

My concern is that Union Gas Community Expansion proposal, Enbridge Community Expansion Project, and overall EB-2016-004 proceeding seem to be focused on expanding access to natural gas for communities that "are not currently served" or "rural and remote communities". While "rural and remote" can include northern Ontario, we believe the focus of these regulatory proceedings is inconsistent with the government policy, which clearly identified a specific need for expanding access to natural gas in northern Ontario.

While we are encouraged by some of the regulatory changes that are being proposed, we fear they will not result in any meaningful expansion of natural gas in northern Ontario. We believe the

Ministry of Energy should clarify to the Ontario Energy Board that the government policy relates to expansion of natural gas to rural and northern Ontario and that the proceeding should consider how any proposed regulatory changes will achieve those specific objectives.

In addition, we believe that gas distributors should work in cooperation with Municipalities in planning expansion of natural gas. To date, planning by the incumbent distributors has been at the desktop level only and should not be used to assess the viability or prioritization of projects. Perhaps a regional planning framework similar to electricity planning should be considered.

Finally, the Municipality of Sioux Lookout supports the creation of a Natural Gas Access Loan Program and Natural Gas Economic Development Grant. We believe Sioux Lookout is a prime candidate for natural gas expansion and as such, would like to be involved in the design of these programs.

Sincerely,

A handwritten signature in cursive script, appearing to read "D. Lawrance".

Mayor Doug Lawrance

cc:

Ann Mitchell, CAO, Municipality of Sioux Lookout

Council of the Municipality of Sioux Lookout

Sarah Campbell, MPP

Bob Nault, MP