



Stephanie Allman
Regulatory Coordinator
Regulatory Affairs

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Enbridge Gas Distribution
500 Consumers Road
North York, Ontario M2J 1P8
Canada

VIA COURIER AND RESS

December 15, 2016

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

Dear Ms. Walli:

**Re: Enbridge Gas Distribution Inc. ("Enbridge")
Application for the Renewal of the Franchise Agreement
Town of Penetanguishene**

As the Franchise Agreement between the Town of Penetanguishene and Enbridge is set to expire on March 26, 2017, Enbridge wishes to apply to the Ontario Energy Board (the "Board") for an order granting approval for the renewal of its franchise using the 2000 Model Franchise Agreement and for a certificate of public convenience and necessity

Enclosed please find two paper copies of the following:

- The aforementioned application;
- Schedule A – A map showing the location of the Town of Penetanguishene;
- Schedule B – The Certificate of Public Convenience and Necessity for the Town of Penetanguishene dated April 17, 1957;
- Schedule C – The current Town of Penetanguishene By-Law 1997-14 and Franchise Agreement dated March 26, 1997.
- Schedule D – The Ontario Gazette Publication of the Restructuring Order for the Annexation of land to the Town of Penetanguishene – January 1, 1998.
- Schedule E - The Certificate of Public Convenience and Necessity for the Town of Midland dated April 17, 1957;
- Schedule F - The Certificate of Public Convenience and Necessity for the Township of Tay dated March 7, 1957;
- Schedule G – The signed Resolution from the Town of Penetanguishene;
- Schedule H – The Draft By-Law, and Model Franchise Agreement.

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

Enbridge looks forward to receiving direction from the Board in this matter. The contact information for this matter follows below:

Town of Penetanguishene
10 Robert Street West
Penetanguishene, Ontario
L9M 2G2
Tel: (705) 549-7453
Fax: (705) 549-3743
Attn: Ted Walker
Interim CAO/Clerk

Enbridge Gas Distribution Inc. (Head Office)
500 Consumers Road
Toronto, Ontario M2J 1P8
Tel: (416) 495-5499 or 1-888-659-0685
Fax: (416) 495-6072
Email: EGDRegulatoryProceedings@Enbridge.com
Attn: Guri Pannu
Legal Counsel, Regulatory

Enbridge Gas Distribution Inc.
500 Consumers Road
Toronto, Ontario M2J 1P8
Tel: (416) 758-7958
Attn: Mark Wilson
Sr. Advisor Municipal Affairs

Sincerely,

(Original Signed)

Stephanie Allman
Regulatory Coordinator

Attachment

cc: Ted Walker – Town of Penetanguishene
Guri Pannu – EGD, Legal Counsel, Regulatory
Mark Wilson – EGD, Sr. Advisor, Municipal Affairs

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Municipal Franchises Act*, R.S.O. 1990, c. M.55; as amended;

AND IN THE MATTER OF an application by Enbridge Gas Distribution Inc. for an order extending the term of the right to construct or operate works for the distribution of gas, and the right to extend or add to the works, in the Town of Penetanguishene.

AND IN THE MATTER OF an application by Enbridge Gas Distribution Inc. for an order canceling the existing certificate of public convenience and necessity for the Town of Penetanguishene and replace this certificate with a certificate of public convenience and necessity for the Town of Penetanguishene that includes areas covered by the certificates of public and convenience for the Town of Midland and the Township of Tay.

A P P L I C A T I O N

1. Enbridge Gas Distribution Inc. (the "Applicant") is an Ontario corporation with its head office in the City of Toronto. The Corporation of the Town of Penetanguishene ("Corporation") is a municipal Ontario corporation with its head office at 10 Robert Street West, Penetanguishene, Ontario, L9M 2G2. The Corporation's Interim CAO/Clerk is Mr. Ted Walker.
2. Attached hereto and marked as Schedule "A" is a map showing the geographical location of the Town of Penetanguishene ("Municipality").
3. The Applicant possesses a Certificate of Public Convenience and Necessity ("Certificate") for the geographical area of the Town of Penetanguishene. Attached hereto and marked as Schedule "B" is the Certificate of Public Convenience and Necessity for the Town of Penetanguishene (F.B.C. 84) dated April 16, 1957.

4. Attached hereto and marked as Schedule "C" is a copy of the By-Law 1997-14 and Franchise Agreement dated March 26, 1997.
5. The Corporation's municipal boundaries were expanded by an Order made under the Municipal Act R.S.O. 1990, c. M.45, which indicates that effective January 1, 1998, the portion of the Town of Midland described in Schedule A of the Ontario Gazette excerpt (attached), as annexed to it from the Township of Tay under Ontario Regulation 548/96, is annexed to the Town of Penetanguishene; and the portion of the Town of Midland described in Schedule B of the Ontario Gazette excerpt is annexed to the Town of Penetanguishene, marked as Schedule "D". The Applicant holds certificates of public convenience and necessity for both the Town of Midland and the Township of Tay marked as Schedules "E" and "F" respectively, and will continue to require these certificates for the remaining portions of these Municipalities.
6. The Applicant wishes to renew its municipal gas franchise with the Corporation and to continue serving the Municipality in accordance with the Certificate(s). The Applicant respectfully submits that it is in the public interest to do so. Attached hereto and marked as Schedule "G" is a signed resolution.
7. Finally, attached and hereto and marked as Schedule "H" is the draft of the Corporation's by-law granting to the Applicant the franchise renewal, and a copy of the model franchise agreement between the Applicant and the Corporation ("the Agreement").
8. The proposed municipal gas franchise agreement is in the form of the Ontario Energy Board ("Board") approved 2000 Model Franchise Agreement, with no amendments and is for a term of twenty years.
9. The Applicant hereby applies to the Board for:
 - i) an Order pursuant to Section 9 of the *Municipal Franchises Act*, R.S.O. c. M.55, as amended (the "Act") renewing the Applicant's right to distribute, store, and transmit gas in and through the Municipality for such period of time and upon the terms set out in the Agreement, or as may otherwise be prescribed by the Board; and
 - ii) an Order pursuant to Section 9 of the Act, directing and declaring that the assent of the municipal electors to the terms and conditions of the franchise agreement is not necessary.
 - iii) an Order, pursuant to subsection 8(2) of the Act, canceling the existing certificate of public convenience and necessity for the Town of Penetanguishene and replacing this certificate with a certificate of public convenience and

necessity for the Town of Penetanguishene including areas covered by the certificates of public and convenience for the Town of Midland and the Township of Tay.

10. The persons affected by this application are the customers and other residents in the Municipality. Because of the number of such persons, it is impractical to set out their names and addresses herein.

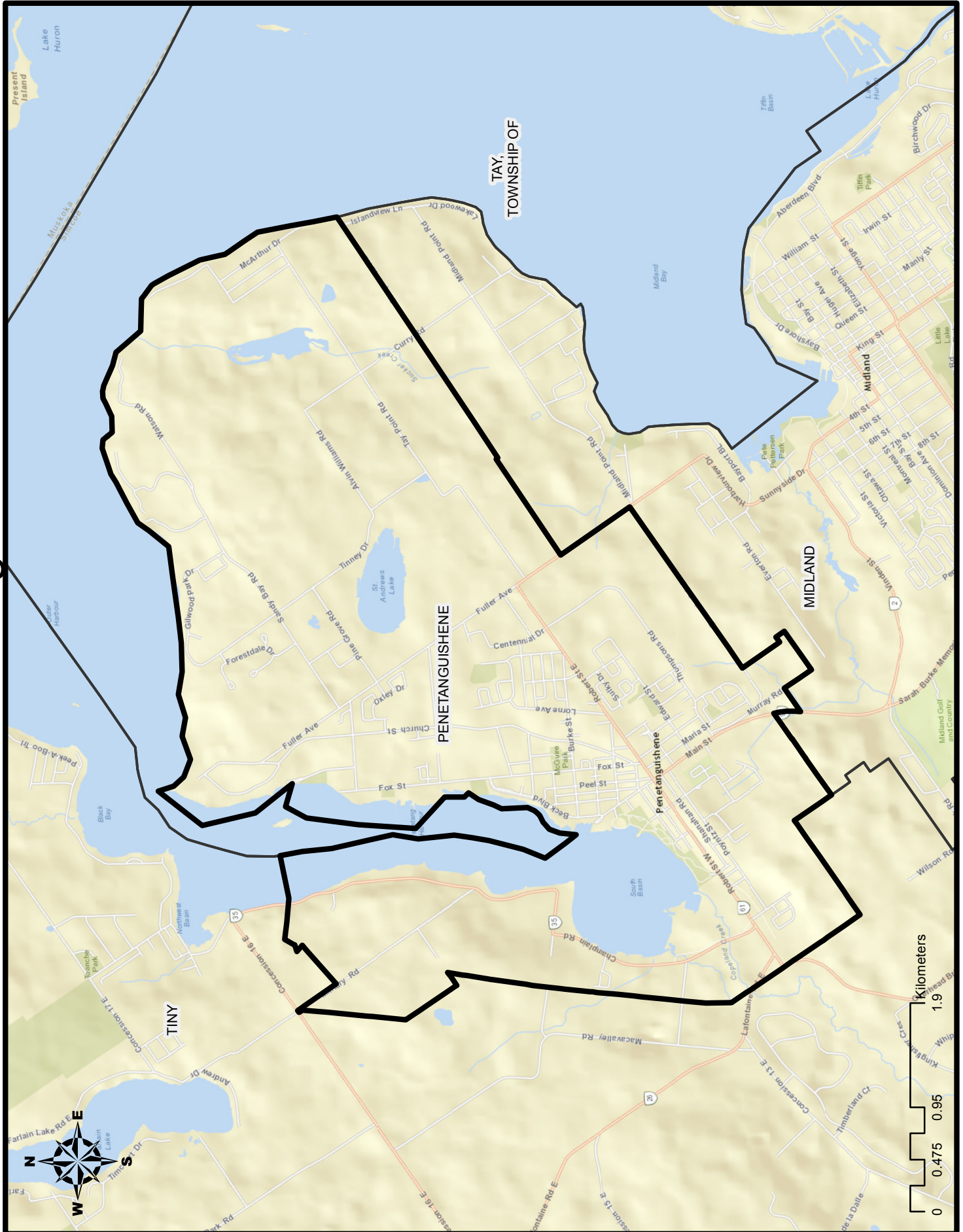
DATED at Toronto this th day of December 2016.

ENBRIDGE GAS DISTRIBUTION INC.
500 Consumers Road
Toronto, ON M2J 1P8
by its Solicitor

(Original Signed)

Guri Pannu
Legal Counsel

Town of Penetanguishene



IN THE MATTER OF The Municipal
Franchises Act, Chapter 249
R. S. O. 1950 Section 8 as
amended, and

IN THE MATTER OF an Application
by The Consumers' Gas Company of
Toronto for a certificate of public
convenience and necessity to con-
struct works and to supply natural
gas to the inhabitants of the Town of
PENETANGUISHENE

B E F O R E:

A. R. Crozier, Chairman	} Tuesday, the 16th day of April, 1957.
W. R. Howard, Commissioner	
L. R. McTavish, Q.C. Commissioner	

**CERTIFICATE OF PUBLIC CONVENIENCE
AND NECESSITY**

UPON THE APPLICATION of The Consumers' Gas Company
of Toronto (hereinafter referred to as the "Applicant") for a
certificate pursuant to the provisions of The Municipal Franchises
Act, R. S. O. 1950, Chapter 249, and amendments thereto and
upon the hearing of such application by the Board in the City
of Toronto on the 16th day of April, 1957, after due notice
of such hearing had been given as directed by the Board, in the
presence of Counsel for the Applicant, no one else appearing,
upon consideration of the evidence and exhibits produced at the
hearing and upon hearing what was alleged by Counsel aforesaid,

1. THIS BOARD DOETH ORDER THAT a Certificate of Public
Convenience and Necessity be and the same is hereby granted to
The Consumers' Gas Company of Toronto for the supply of natural
gas to the inhabitants of the Town of Penetanguishene and for the
construction of the works necessary therefor.

2. The Board fixes the costs of this Application at
\$25.00 payable forthwith by the Applicant.

DATED at Toronto this 17th day of April, 1957.

ONTARIO FUEL BOARD

.....*A. R. Crozier*.....
Chairman

.....*L. R. McTavish*.....
Commissioner

.....*W. R. Howard*.....
Commissioner

**IN THE MATTER OF The Municipal
Franchises Act, Chapter 249
R. S. O. 1950 Section 8 as
amended, and**

**IN THE MATTER OF an Application
by The Consumers' Gas Company of
Toronto for a certificate of public
convenience and necessity to con-
struct works and to supply natural
gas to the inhabitants of the Town
of Penetanguishene**

**CERTIFICATE OF PUBLIC CONVENIENCE
AND NECESSITY**

**THE CORPORATION OF THE TOWN
OF PENETANGUISHENE
BY-LAW NO. 1997-14**



Being a by-law to authorize a
Franchise Agreement between
the Town of Penetanguishene and
The Consumers' Gas Company Ltd.

WHEREAS the Council of the Town of Penetanguishene deems it expedient to enter into the attached franchise agreement with The Consumers' Gas Company Ltd.;

AND WHEREAS the Ontario Energy Board by its Order issued pursuant to The Municipal Franchise Act on the 5th day of February, 1997 has approved the terms and conditions upon which and the period for which the franchise provided for in the attached agreement is proposed to be granted, and has declared and directed that the assent of the municipal electors in respect of this By-law is not necessary;

AND WHEREAS The Consumers' Gas Company Ltd. has provided the Town with a consent to the repeal of the By-law hereinafter referred to:

NOW THEREFORE BE IT ENACTED:

1. That the attached franchise agreement between the Town and The Consumers' Gas Company Ltd. is hereby authorized and the franchise provided for therein is hereby granted;
2. That the Mayor and the Town Clerk are hereby authorized and instructed on behalf of the Corporation to enter into and execute under its corporate seal and deliver the aforesaid agreement, which agreement is hereby incorporated into and shall form part of this By-law;
3. That By-law No. 1977-9 is hereby repealed insofar as it applies to any area within the present geographic limits of the Corporation;

ENACTED AND PASSED this 26th day of March, 1997.


MAYOR


CLERK

THE CONSUMERS' GAS COMPANY LTD.**FRANCHISE AGREEMENT**

THIS AGREEMENT made this 26th day of March, 19 97
BETWEEN:

**THE CORPORATION OF THE
TOWN OF PENETANGUISHENE**

hereinafter called the "Corporation"

- and -

THE CONSUMERS' GAS COMPANY LTD.

hereinafter called the "Gas Company"

WHEREAS the Gas Company desires to distribute and sell gas in the Municipality upon the terms and conditions of this Agreement;

AND WHEREAS by by-law passed by the Council of the Corporation (the "By-law"), the Mayor and the Chief Administrative Officer/Town Clerk have been authorized and directed to execute this Agreement on behalf of the Corporation;

THEREFORE the Corporation and the Gas Company agree as follows:

I Definitions

1. In this Agreement:

- (a) "gas" means natural gas, manufactured gas, synthetic natural gas, liquefied petroleum gas or propane-air gas, or a mixture of any of them, but does not include a liquefied petroleum gas that is distributed by means other than a pipeline;
- (b) "gas system" means such mains, plants, pipes, conduits, services, valves, regulators, curb boxes, stations, drips or such other equipment as the Gas Company may require or deem desirable for the supply, transmission and distribution of gas in or through the Municipality;
- (c) "highway" means all common and public highways and shall include any bridge, viaduct or structure forming part of a highway, and any public square, road allowance or walkway and shall include not only the travelled portion of such highway, but also ditches, driveways, sidewalks, and sodded areas forming part of the road allowance now or at any time during the term hereof under the jurisdiction of the Corporation;
- (d) "Municipality" means the territorial limits of the Corporation on the date when this Agreement takes effect, and any territory which may thereafter be brought within the jurisdiction of the Corporation;
- (e) "Engineer/Road Superintendent" means the most senior individual employed by the Corporation with responsibilities for highways within the Municipality or the person designated by such senior employee or such other person as may from time to time be designated by the Council of the Corporation.

II Rights Granted

1. To provide gas service.

The consent of the Corporation is hereby given and granted to the Gas Company to supply gas in the Municipality to the Corporation and to the inhabitants of the Municipality.

2. To use road allowances.

The consent of the Corporation is hereby given and granted to the Gas Company to enter upon all highways now or at any time hereafter under the jurisdiction of the Corporation and to lay, construct, maintain, replace, remove, operate and repair a gas system for the supply, distribution and transmission of gas in and through the Municipality.

3. Duration of Agreement and Renewal Procedures.

The rights hereby given and granted shall be for a term of twenty (20) years* from the date of final passing of the By-law.

At any time within two years prior to the expiration of this Agreement, either party may give notice to the other that it desires to enter into negotiations for a renewed franchise upon such terms and conditions as may be agreed upon. Until such renewal has been settled, the terms and conditions of this Agreement shall continue, notwithstanding the expiration of this Agreement. Nothing herein stated shall preclude either party from applying to the Ontario Energy Board for a renewal of the Agreement pursuant to section 10 of the **Municipal Franchises Act**.

III Conditions

1. Approval of Construction.

Before beginning construction of or any extension or change to the gas system (except service laterals which do not interfere with municipal works in the highway), the Gas Company shall file with the Engineer/Road Superintendent a plan, satisfactory to the Engineer/Road Superintendent, drawn to scale and of sufficient detail considering the complexity of the specific location, showing the highways in which it proposes to lay its gas system and the particular parts thereof it proposes to occupy. Geodetic information will not be required except in complex urban intersections in order to facilitate known projects, being projects which are reasonably anticipated by the Engineer/Road Superintendent. The Engineer/Road Superintendent may require sections of the gas system to be laid at a greater depth than required by CAN/CSA- Z184-M92 to facilitate known projects. The location of the work as shown on the said plan must be approved by the Engineer/Road Superintendent before the commencement of the work and the timing, terms and conditions relating to the installation of such works shall be to his satisfaction.

Notwithstanding the provisions of the above noted paragraph, in the event it is proposed to affix a part of the gas system to a bridge, viaduct or structure, the Engineer/Road Superintendent may, if the Engineer/Road Superintendent approves of such location, require special conditions or a separate agreement.

No excavation, opening or work which shall disturb or interfere with the surface of the travelled portion of any highway shall be made or done unless a permit therefor has first been obtained from the Engineer/Road Superintendent and all works shall be done to his satisfaction.

*The rights given and granted for a first agreement shall be for a term of 20 years. The rights given and granted for any subsequent agreement shall be for a term of not more than 15 years, unless both parties agree to extend the term to a term of 20 years maximum.

The Engineer/Road Superintendent's approval, where required throughout this section, shall not be withheld unreasonably.

2. As Built Drawings.

The Gas Company shall not deviate from the approved location for any part of the gas system unless the prior approval of the Engineer/Road Superintendent to do so is received. After completion of the construction, where plans were initially filed, an "as built" plan of equal quality to the pre-construction plan or certification that the pre-construction plan is "as built" will be filed with the Engineer/Road Superintendent.

3. Emergencies.

In the event of an emergency involving the gas system, the Gas Company will proceed with the work and in any instance where prior approval of the Engineer/Road Superintendent is normally required, shall use its best efforts to immediately notify the Engineer/Road Superintendent of the location and nature of the emergency and the work being done and, if it deems appropriate, notify the police force having jurisdiction.

4. Restoration.

The Gas Company shall well and sufficiently restore, to the reasonable satisfaction of the Engineer/Road Superintendent, all highways, municipal works or improvements which it may excavate or interfere with in the course of laying, constructing, repairing or removing its gas system, and shall make good any settling or subsidence thereafter caused by such excavation or interference. If the Gas Company fails at any time to do any work required by this paragraph within a reasonable period of time, the Corporation may do or cause such work to be done and the Gas Company shall, on demand, pay any reasonable account therefor as certified by the Engineer/Road Superintendent.

5. Indemnification.

The Gas Company shall, at all times, indemnify and save harmless the Corporation from and against all claims, including costs related thereto, for all damages or injuries including death to any person or persons and for damage to any property, arising out of the Gas Company operating, constructing, and maintaining its gas system in the Municipality, or utilizing its gas system for the carriage of gas owned by others. Provided that the Gas Company shall not be required to indemnify or save harmless the Corporation from and against claims, including costs related thereto, which it may incur by reason of damages or injuries including death to any person or persons and for damage to any property, resulting from the negligence or wrongful act of the Corporation, its servants, agents or employees.

6. Alternative Easement.

The Corporation agrees, in the event of the proposed sale or closing of any highway or any part of a highway where there is a gas line in existence, to give the Gas Company reasonable notice of such proposed sale or closing and to provide, if it is feasible, the Gas Company with easements over that part of the highway proposed to be sold or closed sufficient to allow the Gas Company to preserve any part of the gas system in its then existing location. In the event that such easements cannot be provided, the Corporation will share, as provided in clause III, 7 of this Agreement, in the cost of relocating or altering the gas system to facilitate continuity of gas service.

7. Pipeline Relocation.

If in the course of constructing, reconstructing, changing, altering or improving any highway or any municipal works, the Corporation deems that it is necessary to take up, remove or change the location of any part of the gas system, the Gas Company shall, upon notice to do so, remove and/or relocate within a reasonable period of time such part of the gas system to a location approved by the Engineer/Road Superintendent.

Where any part of the gas system relocated in accordance with this section is located on a bridge, viaduct or structure, the Gas Company shall alter or relocate, at its sole expense, such part of the gas system.

Where any part of the gas system relocated in accordance with this section is located other than on a bridge, viaduct or structure, the costs of relocation shall be shared between the Corporation and the Gas Company on the basis of the total relocation costs, excluding the value of any upgrading of the gas system, and deducting any contribution paid to the Gas Company by others in respect to such relocation; and for these purposes, the total relocation costs shall be the aggregate of the following:

- (a) the amount paid to Gas Company employees up to and including field supervisors for the hours worked on the project plus the current cost of fringe benefits for these employees,
- (b) the amount paid for rental equipment while in use on the project and an amount, charged at the unit rate, for Gas Company equipment while in use on the project,
- (c) the amount paid by the Gas Company to contractors for work related to the project,
- (d) the cost to the Gas Company for materials used in connection with the project, and
- (e) a reasonable amount for project engineering and project administrative costs which shall be 22.5% of the aggregate of the amounts determined in items (a), (b), (c) and (d) above.

The total relocation costs as calculated above shall be paid 35% by the Corporation and 65% by the Gas Company.

8. Notice to Drainage Superintendent.

In a case where the gas system may affect a municipal drain, the Gas Company shall file with the Drainage Superintendent, for purposes of the **Drainage Act**, or other person responsible for the drain, a copy of the plan required to be filed with the Engineer/Road Superintendent.

IV Procedural And Other Matters

1. Municipal By-laws of General Application.

This Agreement and the respective rights and obligations hereunto of the parties hereto are hereby declared to be subject to the provisions of all regulating statutes and all municipal by-laws of general application and to all orders and regulations made thereunder from time to time remaining in effect save and except by-laws which impose permit fees and by-laws which have the effect of amending this Agreement.

2. Giving Notice.

Notices may be given by delivery or by mail, and if mailed, by prepaid registered post, to the Gas Company at its head office or to the Clerk of the Corporation at its municipal offices, as the case may be.

3. Disposition of Gas System.

During the term of this Agreement, if the Gas Company abandons a part of its gas system affixed to a bridge, viaduct or structure, the Gas Company shall, at its sole expense, remove that part of its gas system affixed to the bridge, viaduct or structure.

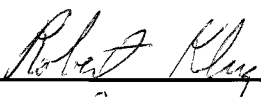
If at any time the Gas Company abandons any other part of its gas system, it shall deactivate that part of its gas system in the Municipality. Thereafter, the Gas Company shall have the right, but nothing herein contained shall require it, to remove its gas system. If the Gas Company fails to remove its gas system and the Corporation requires the removal of all or any of the gas system for the purpose of altering or improving a highway or in order to facilitate the construction of utility or other works in any highway, the Corporation may remove and dispose of so much of the deactivated gas system as the Corporation may require for such purposes and neither party shall have recourse against the other for any loss, cost, expense or damage occasioned thereby.

4. Agreement Binding Parties.

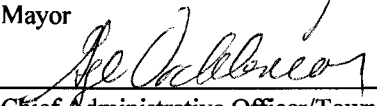
This Agreement shall extend to, benefit and bind the parties thereto, their successors and assigns, respectively.

IN WITNESS WHEREOF the parties hereto have duly executed these presents with effect from the date first above written.

**THE CORPORATION OF THE
TOWN OF PENETANGUISHENE**




Mayor




Chief Administrative Officer/Town Clerk

THE CONSUMERS' GAS COMPANY LTD.
R.G. RIEDL
SENIOR VICE PRESIDENT
ENERGY AND RETAIL SERVICES



J.S. Williamson
Senior Legal Counsel and
Assistant Corporate Secretary



1

APPROVED AS TO FORM	
LEGAL	

DATED

March 26th

19 97

**THE CORPORATION OF THE
TOWN OF PENETANGUISHENE**

- and -

THE CONSUMERS' GAS COMPANY LTD.

FRANCHISE AGREEMENT

THE CONSUMERS' GAS COMPANY LTD.

Atria III, Suite 1100
2225 Sheppard Avenue East
North York, Ontario
M2J 5C2

Attention: Legal Department

to Pulham Road to Old River Road; west along Old River Road to Thames River; west along Thames River to include Lot 1 in former Township of Lobo and then north to Amiens Road; north along Amiens Road to Gold Creek Drive.

(Comprises Polls #2 and #6 in former Township of Lobo.)

e) WARD FIVE

Ward five shall be composed of the entire former Township of Delaware.

**ORDER MADE UNDER THE
MUNICIPAL ACT c. M.45**

**TOWN OF MIDLAND, TOWN OF PENETANGUSHENE
TOWNSHIP OF TAY**

1. In this Order,

"Town of Midland" means The Corporation of the Town of Midland as it exists on January 1, 1998, as amended by Ontario Regulation 548/96, prior to the annexations under subsections 2(1) and 3(1);

"Town of Penetanguishene" means The Corporation of the Town of Penetanguishene as it exists on January 1, 1998, as amended by Ontario Regulation 548/96, prior to the annexations under subsections 2(1) and 3(1);

"Township of Tay" means The Corporation of the Township of Tay as it exists on January 1, 1998, as amended by Ontario Regulation 548/96, prior to the annexation under subsection 2(1); and

"Township of Tiny" means The Corporation of the Township of Tiny.

2. (1) On January 1, 1998, the portion of the Town of Midland described in Schedule A, as annexed to it from the Township of Tay under Ontario Regulation 548/96, is annexed to the Town of Penetanguishene.

(2) All real property including liabilities related to the real property in subsection (1) located within the annexed area in Schedule A vests in the Town of Penetanguishene on January 1, 1998.

3. (1) On January 1, 1998, the portion of the Town of Midland described in Schedule B is annexed to the Town of Penetanguishene.

(2) All real property including liabilities related to the real property in subsection (1) located within the annexed area in Schedule B vests in the Town of Penetanguishene on January 1, 1998.

4. (1) The terms of office of the members of the council of the Town of Penetanguishene are extended until December 31, 1997.

(2) The terms of office of the members of the local boards of the Town of Penetanguishene are extended until December 31, 1997.

5. (1) The terms of office of the members of the council of the Town of Midland are extended until December 31, 1997.

(2) The terms of office of the members of the local boards of the Town of Midland are extended until December 31, 1997.

6. (1) The council of the Town of Midland shall, effective January 1, 1998, be composed of a head of council and a deputy head of council who shall be elected by general vote and the number of councillors as set out in this section.

(2) The Town of Midland shall be divided into three wards as described in Schedule C and shall elect three members from Ward one, three members from Ward two and one member from Ward three.

7. (1) The Town of Penetanguishene shall, effective January 1, 1998, be composed of a head of council and a deputy head of council who

shall be elected by general vote and the number of councillors as set out in this section.

(2) The Town of Penetanguishene shall be divided into two wards as described in Schedule D and shall elect three members from Ward one and four members from Ward two.

8. (1) The 1997 regular municipal elections shall be conducted as if the annexations under subsections 2(1) and 3(1) had already occurred.

9. (1) On January 1, 1998, the by-laws of the Town of Penetanguishene extend to the annexed area in Schedule A and the by-laws of the Township of Tay cease to apply to such area except,

(a) by-laws of the Township of Tay,

(i) that were passed under section 34 or 41 of the *Planning Act* or predecessor of those sections;

(ii) that were kept in force by subsection 13(3) of the *Municipal Amendment Act, 1941*; or

(iii) that were passed under the *Highway Traffic Act* or the *Municipal Act* that regulate the use of highways by vehicles and pedestrians and that regulate the encroachment or projection of buildings or any portion thereof upon or over highways.

which shall remain in force until repealed by the council of the Town of Penetanguishene.

(b) by-laws of the Township of Tay passed under section 3 of the *Development Charges Act* which shall remain in force until the earlier of,

(i) the date they are repealed by the council of the Town of Penetanguishene; and

(ii) the date they expire under subsection 6(1) or (2) of the *Development Charges Act*.

(c) by-laws of the Township of Tay passed under section 45, 58, or 61 of the *Drainage Act* or predecessor of these sections; and

(d) by-laws conferring rights, privileges, franchises, immunities or exemptions that could not have been lawfully repealed by the council of the Town of Midland.

(2) The official plan of the Township of Tay as it applies to the annexed area in Schedule A, and approved under the *Planning Act* or a predecessor of that Act, becomes an official plan of the Town of Penetanguishene and shall remain in force until amended or repealed.

(3) If the Township of Tay has commenced procedures to enact a by-law under any Act or to adopt an official plan or amendment thereto under the *Planning Act* and that by-law, official plan or amendment applies to the annexed area in Schedule A and is not in force on January 1, 1998, the council of the Town of Penetanguishene may continue the procedures to enact the by-law or adopt the official plan or amendment to the extent that it applies to the annexed area in Schedule A.

10. (1) On January 1, 1998, the by-laws of the Town of Penetanguishene extend to the annexed area in Schedule B and the by-laws of the Town of Midland cease to apply to such area except,

(a) by-laws of the Town of Midland,

(i) that were passed under section 34 or 41 of the *Planning Act* or predecessor of those sections;

(ii) that were kept in force by subsection 13(3) of the *Municipal Amendment Act, 1941*; or

(iii) that were passed under the *Highway Traffic Act* or the *Municipal Act* that regulate the use of highways by vehicles and pedestrians and that regulate the encroachment or

projection of buildings or any portion thereof upon or over highways.

which shall remain in force until repealed by the council of the Town of Penetanguishene.

(b) by-laws of the Town of Midland passed under section 3 of the *Development Charges Act* which shall remain in force until the earlier of,

- (i) the date they are repealed by the council of the Town of Penetanguishene; and
- (ii) the date they expire under subsection 6(1) or (2) of the *Development Charges Act*.

(c) by-laws of the Town of Midland passed under section 45, 58, or 61 of the *Drainage Act* or predecessor of these sections; and

(d) by-laws conferring rights, privileges, franchises, immunities or exemptions that could not have been lawfully repealed by the council of the Town of Midland.

(2) The official plan approved by the Township of Tiny under the *Planning Act* or a predecessor of that Act and deemed to be an official plan of the Town of Midland under subsection 44(2) of the *County of Simcoe Act, 1993*, as it applies to the annexed area in Schedule B, becomes the official plan of the Town of Penetanguishene and shall remain in force until amended or repealed.

(3) If the Town of Midland has commenced procedures to enact a by-law under any Act or to adopt an official plan or amendment thereto under the *Planning Act* and that by-law, official plan or amendment applies to the annexed area in Schedule B and is not in force on January 1, 1998, the council of the Town of Penetanguishene may continue the procedures to enact the by-law or adopt the official plan or amendment to the extent that it applies to the annexed area in Schedule B.

11. After January 1, 1998, the clerk of the Town of Midland shall prepare and furnish to the clerk of the Town of Penetanguishene, in respect of the annexed lands in Schedules A and B, a special collector's roll showing all arrears of real property taxes or special rates assessed against the lands in the annexed area up to and including December 31, 1997 and the persons assessed therefor.

12. (1) All real property taxes levied under any general or special Act and uncollected in the annexed areas in Schedules A and B which are due and unpaid on December 31, 1997 shall be deemed on January 1, 1998 to be taxes due and payable to the Town of Penetanguishene and may be collected by the Town of Penetanguishene.

(2) On or before April 1, 1998, the Town of Penetanguishene shall pay to the Town of Midland an amount equal to the amount of all real property taxes that the Town of Penetanguishene is entitled to collect in the annexed areas under subsection (1), that were due but unpaid on January 1, 1998.

13. All business taxes levied and uncollected in the annexed area in Schedule A that are due and unpaid on December 31, 1997 shall be taxes due and payable to the Township of Tay and may be collected by the Township of Tay.

14. All business taxes levied and uncollected in the annexed area in Schedule B that are due and unpaid on December 31, 1997 shall be taxes due and payable to the Town of Midland and may be collected by the Town of Midland.

15. (1) For the purpose of the assessment roll to be prepared for the Town of Penetanguishene in 1997 for taxation in 1998, the annexed areas in Schedules A and B shall be deemed to be part of the Town of Penetanguishene and the annexed area shall be assessed on the same basis that the assessment roll for the Town of Penetanguishene is prepared.

(2) Despite subsection (1), if, as of January 1, 1998, the Town of Penetanguishene has established under clause 2(1)(1) of the *County of Simcoe Act, 1993* has not been reassessed under section 58 or 63 of the

Assessment Act or section 371 of the *Municipal Act*, the annexed areas in Schedules A and B shall, until such a re-assessment occurs, be assessed on the same basis as the land in the Town of Penetanguishene as it existed on December 31, 1993 is assessed.

16. (1) If, as a direct result of the annexation under subsection 2(1), the 1998 rates of taxation of the Town of Penetanguishene for general purposes are more than 110 percent but less than 120 percent of the 1997 rates of taxation of the Township of Tay for general purposes, the rates of taxation of the Town of Penetanguishene for general purposes, that, but for this Order would have applied in the annexed area in Schedule A shall be decreased in 1998 by two-thirds and in 1999 by one-third of the increase in the rates of taxation in the annexed area occurring in 1998 as a direct result of the annexation.

(2) If, as a direct result of the annexation under subsection 2(1), the 1998 rates of taxation of the Town of Penetanguishene for general purposes are 120 percent or more of the 1997 rates of taxation of the Township of Tay for general purposes, the rates of taxation of the Town of Penetanguishene for general purposes, that, but for this Order would have applied in the annexed area, shall be decreased in 1998 by 80 percent, in 1999 by 60 percent, in 2000 by 40 percent and in 2001 by 20 percent of the increase in the rates of taxation in the annexed area occurring in 1998 as a direct result of the annexation.

(3) In each year, the amount of the reduction in the tax levies of the Town of Penetanguishene occurring as a result of the adjustments under subsections (1) and (2) shall be charged to the general funds of the Town of Penetanguishene and shall be recovered by increasing the rates of taxation for general purposes that, but for this Order, would have applied in the Town of Penetanguishene excluding the annexed area.

17. (1) If, as a direct result of the annexation under subsection 3(1), the 1998 rates of taxation of the Town of Penetanguishene for general purposes are more than 110 percent but less than 120 percent of the 1997 rates of taxation of the Town of Midland for general purposes, the rates of taxation of the Town of Penetanguishene for general purposes, that, but for this Order would have applied in the annexed area in Schedule B shall be decreased in 1998 by two-thirds and in 1999 by one-third of the increase in the rates of taxation in the annexed area occurring in 1998 as a direct result of the annexation.

(2) If, as a direct result of the annexation under section 2, the 1998 rates of taxation of the Town of Penetanguishene for general purposes are 120 percent or more of the 1997 rates of taxation of the Town of Midland for general purposes, the rates of taxation of the Town of Penetanguishene for general purposes, that, but for this Order would have applied in the annexed area, shall be decreased in 1998 by 80 percent, in 1999 by 60 percent, in 2000 by 40 percent and in 2001 by 20 percent of the increase in the rates of taxation in the annexed area occurring in 1998 as a direct result of the annexation.

(3) In each year, the amount of the reduction in the tax levies of the Town of Penetanguishene occurring as a result of the adjustments under subsections (1) and (2) shall be charged to the general funds of the Town of Penetanguishene and shall be recovered by increasing the rates of taxation for general purposes that, but for this Order, would have applied in the Town of Penetanguishene excluding the annexed area.

18. (1) Despite sections 16 and 17, if a change of use or character of a property in the annexed areas in Schedules A or B occurs after January 1, 1998, the phase-in of the real property taxes on the property and of business taxes with respect to a business located on the property ceases to be effective January 1 of the year following the year in which the change occurred.

(2) For the purpose of subsection (1),

"change of use or character of a property" means,

- (a) the reclassification of the property from one assessment property class to another; or
- (b) an improvement to the property that has the effect of increasing the assessed value of the property by at least 25%.

THE ONTARIO GAZETTE / LA GAZETTE DE L'ONTARIO

SCHEDULE A

**PORTION OF THE TOWN OF MIDLAND,
AS ANNEXED TO IT FROM THE
TOWNSHIP OF TAY UNDER
ONTARIO REGULATION 548/96,
NOW ANNEXED TO THE TOWN OF PENETANGUSHENE**

The portion of the lands comprising part of the Municipality of the Township of Tay described as follows:

Beginning at the north west angle of Lot 113, Concession 1, East of the Penetanguishene Road being a point in the southerly boundary of the Town of Penetanguishene;

Thence easterly along the southerly boundary of the Town of Penetanguishene being the northerly limit of Lot 113, concession 1, East of the Penetanguishene Road and the easterly prolongation thereof to the centre line of the Road Allowance between Concessions 1 and 2 also known as Fuller Avenue;

Thence southerly along the centre line of the Road Allowance between Concession 1 and 2, also known as Fuller Avenue to the easterly prolongation of the centre line of Brunelle Sideroad being the line between Lots 112 and 113, Concession 1, East of the Penetanguishene Road;

Thence south 58 degrees 10 minutes west to and along the line between Lots 112 and 113, Concession 1, East of the Penetanguishene Road also being the centre line of Brunelle sideroad to a point, distant 362.968 metres easterly from the north west angle of Lot 112, Concession 1, East of the Penetanguishene Road;

Thence south 31 degrees 40 minutes east a distance of 412.361 metres to a point in the southerly limit of Lot 112, East of the Penetanguishene Road;

Thence easterly along the line between Lots 111 and 112, East of the Penetanguishene Road 57.775 metres to the north easterly angle of Part 3 as shown on a Plan deposited in the said Registry Office for the Registry Division of Simcoe (No. 51) as Number 51R-20452;

Thence south 31 degrees 40 minutes 35 seconds east along the easterly limit of Part 3 a distance of 92.138 metres as shown on a Plan deposited in the said Registry Office as Number 51R-20452 to the south east angle of the said Part 3;

Thence south 58 degrees 04 minutes 25 seconds west along the southerly limit of Parts 3 and 1 a distance of 358.725 metres to an angle of Part 1 as shown on a Plan deposited in the said Registry Office as Number 51R-20452;

Thence south 32 degrees 13 minutes 30 seconds east along the west-erly limit of Parts 2 and 1 a distance of 22.347 metres to an angle of Part 1, as shown on a Plan deposited in the said Registry Office for the Land Titles Division of Simcoe (No. 51) as Number 51R-22820;

Thence south 58 degrees 04 minutes 25 seconds west along the north-erly limit of Part 1 as shown on a Plan deposited in the said Registry Office of the Land Titles Division of Simcoe (No. 51) as Number 51R-22820 and it westerly prolongation to the centre line of the said Road Allowance between the Townships of Tiny and Tay;

Thence northerly along the centre line of the said Road Allowance between the Townships of Tiny and Tay to the southerly boundary of the Town of Penetanguishene;

Thence easterly along the southerly boundary of the Town of Penetanguishene to the place of beginning.

Schedule B

**PORTION OF THE TOWN OF MIDLAND
ANNEXED TO THE TOWN OF PENETANGUSHENE**

The portion of the lands comprising the former Municipality of the Township of Tiny described as follows:

Beginning at the point north east angle of Lot 113, Concession 1, West of the Penetanguishene Road being a point in the southerly boundary of the Town of Penetanguishene;

Thence westerly along the southerly limit of the Town of Penetanguishene that being the northerly limit of Lot 113, Concession 1, West of the Penetanguishene Road to the dividing line between the east and west halves of Lot 113, Concession 1, West of the Penetanguishene Road;

Thence southerly along the dividing line between the east and west halves of Lot 113, Concession 1, West of the Penetanguishene Road to the southerly limit of Lot 113;

Thence easterly along the line between Lots 112 and 113, Concession 1, West of the Penetanguishene Road and its easterly prolongation to the centre line of Highway No. 93;

Thence southerly along the centre line of Highway No. 93 to the intersection of the centre line of Highway No. 93 and the line between the north and south halves of Lot 112, Concession 1, West of the Penetanguishene Road;

Thence easterly along the line between the north and south halves of Lot 112, Concession 1, West of the Penetanguishene Road and the prolongation thereof the line between the north and south halves of Lot 112, Concession 1, West of the Penetanguishene Road to the centre line of the Road Allowance between Townships of Tiny and Tay;

Thence northerly along the centre line of the said Road Allowance between the Township of Tiny and Tay to the southerly boundary of the Town of Penetanguishene;

Thence westerly along the southerly boundary of the Town of Penetanguishene to the place of beginning.

SCHEDULE C

**TOWN OF MIDLAND
WARD BOUNDARY DESCRIPTIONS**

WARD ONE

The part of the Town of Midland lying west of the centre line of the road allowance between Concessions One and Two, formerly in the Township of Tay and now in the Town of Midland, and partly known as King Street, save and except for those properties bounded by Bay Street on the south to Fourth Street, then Fourth Street on the west to Ottawa Street, then Ottawa Street on the south to Eighth Street, then Eighth Street on the west to Victoria Street, then Victoria Street on the south to Penetanguishene Road, then Penetanguishene Road on the West to the southern limit of the Corporate boundary of the Town of Penetanguishene, then the Town of Penetanguishene boundary to Fuller Avenue on the east, and then the southern projection of Fuller Avenue/King Street to the point of intersection of King Street and Bay Street, and including all of those lands formerly in the Township of Tiny and described as Parts of Lots 99 to 112, inclusive, in the First Concession, Old Survey, save and except the portion of lands comprising the former Municipality of the Township of Tiny (now transferred from the Town of Midland to the town of Penetanguishene) described as follows:

Beginning at a point in the southerly limit of Lot 113, Concession 1, West of the Penetanguishene Road, at the intersection of the centre line of Highway 93;

Thence southerly along the centre line of Highway 93 to the intersection of the centre line of Highway 93 and the line between the north and south halves of Lot 112, Concession 1, West of the Penetanguishene Road;

Thence easterly along the line between the north and south halves of Lot 112, Concession 1, West of the Penetanguishene Road and the prolongation thereof the line between the north and south halves of

Lot 113, Concession 1, West of the Penetanguishene Road to the centre line of the Road Allowance between Townships of Tiny and Tay;

Thence northerly along the centre line of the said Road Allowance between the Townships of Tiny and Tay to the southerly limit of Lot 113;

Thence westerly along the southerly limit of Lot 113 to the place of beginning.

WARD TWO

The part of the Town of Midland lying east of the centre line of the road allowance between Concessions One and Two, formerly in the Township of Tay and now in the town of Midland, and partly known as King Street, to the northern water lot limit in Lot 108 formerly in the Township of Tay.

WARD THREE

The part of the Town of Midland, formerly in the Township of Tay and lying south of the Corporate boundary of the Town of Penetanguishene and bounded by the Penetanguishene Road on the west to Victoria Street and then to Victoria Street on the south to Eighth Street, and then Eighth Street on the west to Ottawa Street, and then Ottawa Street on the south to Fourth Street, and then Fourth Street on the west to Bay Street, then Bay Street on the south to King Street, and then north along the projection of King Street to the southern water lot limit in Lot 109, formerly the Township of Tay, and then north west of the water lot, Corporate boundary limit to Portage Park Road, and then following the shoreline to the extension of the road allowance between Lots 54 to 63A inclusive and Lots 64 to 73 inclusive on ORDINANCE PLAN 69 (Camp Simpresca Road) and including Snake Island.

SCHEDULE D

WARD DESCRIPTIONS TOWN OF PENETANGUISHENE

WARD 1

Consist of all the Town of Penetanguishene except the lands in Ward 2.

WARD 2

Commencing at the intersection of the centre line of the Penetanguishene Road allowance and Penetang Harbour;

Thence southeasterly along the centre line of the Penetanguishene Road allowance to the intersection of the centre line of the Robert Street East road allowance;

Thence northeasterly along the centre line of the Robert Street East road allowance to the intersection of the centre line of the Fuller Avenue road allowance;

Thence southeasterly along the centre line of the Fuller Avenue road allowance to the boundary between Lots 114 and 115 Concession 11, on ORDINANCE PLAN 69;

Thence northeasterly to the intersection of the boundary between Lots 114 and 115, Concession 11, and Lots 64 and 64, Concession III, on ORDINANCE PLAN 69;

Thence northeasterly along the centre line of the road allowance between Lots 64 to 63A inclusive and Lots 64 to 73 inclusive, on ORDINANCE PLAN 69 (Camp Simpresca Road), lying north of the Corporate boundary of the Town of Midland, to the shoreline, and then following the shoreline to the point of commencement.

AL LEACH
Minister of Municipal Affairs and Housing

Dated at Toronto, this 8th day of May, 1997.

ORDER MADE UNDER THE MUNICIPAL ACT R.S.O. c.M.45 AND THE PLANNING ACT R.S.O. c.P.13

TOWNSHIP OF CHRISTIE, TOWNSHIP OF FOLEY TOWNSHIP OF HUMPHREY, VILLAGE OF ROSSEAU, GEOGRAPHIC TOWNSHIP OF MONTEITH

1. In this Order.

"former municipalities" means The Corporation of the Township of Christie, The Corporation of the Township of Foley, The Corporation of the Township of Humphrey and The Corporation of the Village of Rosseau as they existed on December 31, 1997;

"Township" means The Corporation of the Township of Seguin created as a result of the amalgamation and annexation under section 2.

2. (1) On January 1, 1998, The Corporation of the Township of Christie, The Corporation of the Township of Foley, The Corporation of the Township of Humphrey and The Corporation of the Village of Rosseau are amalgamated as a Township under the name "The Corporation of the Township of Seguin".

(2) On January 1, 1998, the geographic township of Monteith as described in Schedule A is annexed to The Corporation of the Township of Seguin.

(3) The terms of office of the members of the council of the former municipalities and their local boards are extended until December 31, 1997.

3. (1) The council of the Township of Seguin shall be composed of a head of council who shall be elected by general vote and six members who shall be elected by wards, one from each of the wards.

(2) Ward one shall be composed of land in the easterly portion of the former Township of Foley together with the south-westerly portion of the former Township of Christie as described in schedule B.

(3) Ward two shall be composed of the westerly portion of the former Township of Foley as described in Schedule C.

(4) Ward three shall be composed of the northerly portion of the former Township of Humphrey as described in Schedule D.

(5) Ward four shall be composed of the south-west portion of the former Township of Humphrey as described in schedule E.

(6) Ward five shall be composed of part of the former Township of Christie together with the portion of the geographic township of Monteith as described in Schedule F.

(7) Ward six shall be composed of the former Village of Rosseau and the south-east portion of the former Township of Humphrey as described in Schedule G.

4. (1) The 1997 regular municipal elections in the former municipalities shall be conducted as if the amalgamation and the annexation had already occurred.

(2) For the purpose of subsection (1), the clerk of the former Township of Humphrey shall be responsible for conducting the election pursuant to the *Municipal Elections Act, 1996*.

(3) For the purpose of subsection (1), the council of the former Township of Humphrey shall be deemed to be the council of the Township of Seguin pursuant to the *Municipal Elections Act, 1996*.

5. (1) All taxes, charges and rates levied under any general or special Act and uncollected in the former municipalities which are due and unpaid on December 31, 1997, shall be deemed to be taxes, charges and rates due and payable to the Township of Seguin and may be collected by the Township.

IN THE MATTER OF The Municipal
Franchises Act, Chapter 249
R. S. O. 1950, Section 8 as
amended, and

IN THE MATTER OF an Application
by The Consumers' Gas Company of
Toronto for a certificate of public
convenience and necessity to con-
struct works and to supply natural
gas to the inhabitants of the Town of
Midland

B E F O R E:

A. R. Crozier, Chairman

W. R. Howard, Commissioner

L. R. McTavish, Q.C. Commissioner

Tuesday, the
16th day of
April, 1957

**CERTIFICATE OF PUBLIC CONVENIENCE
AND NECESSITY**

UPON THE APPLICATION of The Consumers' Gas Company
of Toronto (hereinafter referred to as the "Applicant") for a
certificate pursuant to the provisions of The Municipal Franchises
Act, R. S. O. 1950, Chapter 249, and amendments thereto, and
upon the hearing of such application by the Board in the City
of Toronto on the 16th day of April, 1957, after due notice of
such hearing had been given as directed by the Board, in the
presence of Counsel for the Applicant, no one else appearing,
upon consideration of the evidence and exhibits produced at the
hearing and upon hearing what was alleged by Counsel aforesaid,

1. THIS BOARD DOETH ORDER THAT a Certificate of Public
Convenience and Necessity be and the same is hereby granted to
The Consumers' Gas Company of Toronto for the supply of natural
gas to the inhabitants of the Town of Midland and for the
construction of the works necessary therefor.

2. The Board fixes the costs of this Application at
\$25.00 payable forthwith by the Applicant.

DATED at Toronto this 17th day of April, 1957.

ONTARIO FUEL BOARD

.....
Chairman

L. R. McTavish
.....
Commissioner

.....
Commissioner

**IN THE MATTER OF The Municipal
Franchises Act, Chapter 249
R. S. O. 1950, Section 8 as amended,
and**

**IN THE MATTER OF an Application
by The Consumers' Gas Company of
Toronto for a certificate of public
convenience and necessity to con-
struct works and to supply natural
gas to the inhabitants of the Town
of Midland**

**CERTIFICATE OF PUBLIC CONVENIENCE
AND NECESSITY**

THESE DOCUMENTS HAVE BEEN MICROFILMED

IN THE MATTER OF The Municipal
Franchises Act, Chapter 249
R. S. O. 1950 Section 8 as
amended, and

IN THE MATTER OF an Application
by The Consumers' Gas Company of
Toronto for a certificate of public
convenience and necessity to construct
works and to supply natural gas to the
inhabitants of the Township of Tay
in the County of Simcoe

B E F O R E:

A. R. Crozier, Chairman } Monday, the 10th
W. R. Howard, Commissioner } day of June, 1957.

CERTIFICATE OF PUBLIC CONVENIENCE
AND NECESSITY

UPON THE APPLICATION of The Consumers' Gas Company
of Toronto (hereinafter referred to as the "Applicant") for
a certificate pursuant to the provisions of The Municipal
Franchises Act, R. S. O. 1950 Chapter 249 and amendments
thereto and upon the hearing of such application by the
Board in the City of Toronto on the 10th day of June, 1957,
after due notice of such hearing had been given as directed
by the Board, in the presence of Counsel for the Applicant,
no one else appearing, upon consideration of the evidence
and exhibits produced at the hearing and upon hearing what
was alleged by Counsel aforesaid,

1. THIS BOARD DOETH ORDER THAT a Certificate of Public
Convenience and Necessity be and the same is hereby granted to
The Consumers' Gas Company of Toronto for the supply of natural
gas to the inhabitants of the Township of Tay and for the
construction of the works necessary therefor.

2. The Board fixes the costs of this Application at
\$10.00 payable forthwith by the Applicant.

DATED at Toronto this 7th day of March 1957.

ONTARIO FUEL BOARD

.....
Chairman

.....
Commissioner



**THE CORPORATION OF THE
TOWN OF PENETANGUISHENE**

MEETING DATE: 26 October 2016

AGENDA ITEM

NUMBER: ii)

MOVED BY: Councillor B. Saunders

SECONDED BY: Councillor M. Lauder

THAT the form of a By-Law (including the franchise agreement forming part thereof) attached hereto be approved and authorize the submission thereof, and any other documents required, to the Ontario Energy Board for approval pursuant to the provisions of Section 9 of the Municipal Franchises Act.

AND THAT the Ontario Energy Board make an order dispensing with the assent of the municipal electors of the attached By-Law (including the franchise agreement forming part thereof) pursuant to the provisions of Section 9(4) of the Municipal Franchises Act.

AND FINALLY THAT the Clerk be directed to bring forward the necessary Agreement and By-law for Council approval.



MAYOR / CHAIR

Section Committee:

Page:



THE CORPORATION OF THE TOWN OF PENETANGUISHENE

BY-LAW 2016-XX

Being a By-Law to Authorize a Franchise Agreement between the Town of Penetanguishene and Enbridge Gas Distribution Inc.

WHEREAS pursuant to section 9 of the Municipal Act, 2001 S.O. 2001, chapter 25 a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

AND WHEREAS pursuant to Section 8. (1) of the Municipal Act, 2001 S.O. 2001, Chapter 25 Sections 8 and 11 shall be interpreted broadly so as to confer broad authority on municipalities; (a) to enable them to govern their affairs as they consider appropriate; and (b) to enhance their ability to respond to municipal issues;

AND WHEREAS pursuant to the Municipal Franchises Act, R.S.O. 1990, c. M.55, as amended (the "Act") is the legislation that gives Enbridge the right to supply and distribute gas to the inhabitants of your Municipality.

NOW THEREFORE be it enacted and it is hereby enacted by the Council of The Corporation of the Town of Penetanguishene as follows:

1. THAT the Council of The Corporation of the Town of Penetanguishene hereby authorizes the Mayor and the Clerk to execute The Franchise Agreement Between The Town of Penetanguishene And Enbridge Gas Distribution Inc. attached hereto as Schedule "A", forming part of this By-law.
2. THAT By-law 1997-14 being that of a By-law to authorize a Franchise Agreement between the Town of Penetanguishene and The Consumers Gas Company Ltd. is hereby repealed.
3. THAT this By-law shall come into force and effect upon passing.

BY-LAW READ a first, second and third time and finally passed by Council this ____ day of _____, 2016.

MAYOR, Gerry Marshall

CLERK, Stacey Cooper



Ontario Energy Board

Ontario

Model Franchise Agreement

THIS AGREEMENT effective this 23rd day of 2016

BETWEEN: The Corporation of the Town of Penetanguishene

hereinafter called the "Corporation"

- and -

Enbridge Gas Distribution Inc.

hereinafter called the "Gas Company"

WHEREAS the Gas Company desires to distribute, store and transmit gas in the Municipality upon the terms and conditions of this Agreement;

AND WHEREAS by by-law passed by the Council of the Corporation (the "By-law"), the duly authorized officers have been authorized and directed to execute this Agreement on behalf of the Corporation;

THEREFORE the Corporation and the Gas Company agree as follows:

Part I - Definitions

1. In this Agreement:

- a. "decommissioned" and "decommissions" when used in connection with parts of the gas system, mean any parts of the gas system taken out of active use and purged in accordance with the applicable CSA standards and in no way affects the use of the term 'abandoned' pipeline for the purposes of the *Assessment Act*;
- b. "Engineer/Road Superintendent" means the most senior individual employed by the Corporation with responsibilities for highways within the Municipality or the person designated by such senior employee or such other person as may from time to time be designated by the Council of the Corporation;

- c. "gas" means natural gas, manufactured gas, synthetic natural gas, liquefied petroleum gas or propane-air gas, or a mixture of any of them, but does not include a liquefied petroleum gas that is distributed by means other than a pipeline;
- d. "gas system" means such mains, plants, pipes, conduits, services, valves, regulators, curb boxes, stations, drips or such other equipment as the Gas Company may require or deem desirable for the distribution, storage and transmission of gas in or through the Municipality;
- e. "highway" means all common and public highways and shall include any bridge, viaduct or structure forming part of a highway, and any public square, road allowance or walkway and shall include not only the travelled portion of such highway, but also ditches, driveways, sidewalks, and sodded areas forming part of the road allowance now or at any time during the term hereof under the jurisdiction of the Corporation;
- f. "Model Franchise Agreement" means the form of agreement which the Ontario Energy Board uses as a standard when considering applications under the *Municipal Franchises Act*. The Model Franchise Agreement may be changed from time to time by the Ontario Energy Board;
- g. "Municipality" means the territorial limits of the Corporation on the date when this Agreement takes effect, and any territory which may thereafter be brought within the jurisdiction of the Corporation;
- h. "Plan" means the plan described in Paragraph 5 of this Agreement required to be filed by the Gas Company with the Engineer/Road Superintendent prior to commencement of work on the gas system; and
- i. whenever the singular, masculine or feminine is used in this Agreement, it shall be considered as if the plural, feminine or masculine has been used where the context of the Agreement so requires.

Part II - Rights Granted

- 2. To provide gas service:

The consent of the Corporation is hereby given and granted to the Gas Company to distribute, store and transmit gas in and through the Municipality to the Corporation and to the inhabitants of the Municipality.

- c. The Plan filed by the Gas Company shall include geodetic information for a particular location:
 - i. where circumstances are complex, in order to facilitate known projects, including projects which are reasonably anticipated by the Engineer/Road Superintendent, or
 - ii. when requested, where the Corporation has geodetic information for its own services and all others at the same location.
 - d. The Engineer/Road Superintendent may require sections of the gas system to be laid at greater depth than required by the latest CSA standard for gas pipeline systems to facilitate known projects or to correct known highway deficiencies.
 - e. Prior to the commencement of work on the gas system, the Engineer/Road Superintendent must approve the location of the work as shown on the Plan filed by the Gas Company, the timing of the work and any terms and conditions relating to the installation of the work.
 - f. In addition to the requirements of this Agreement, if the Gas Company proposes to affix any part of the gas system to a bridge, viaduct or other structure, if the Engineer/Road Superintendent approves this proposal, he may require the Gas Company to comply with special conditions or to enter into a separate agreement as a condition of the approval of this part of the construction of the gas system.
 - g. Where the gas system may affect a municipal drain, the Gas Company shall also file a copy of the Plan with the Corporation's Drainage Superintendent for purposes of the *Drainage Act*, or such other person designated by the Corporation as responsible for the drain.
 - h. The Gas Company shall not deviate from the approved location for any part of the gas system unless the prior approval of the Engineer/Road Superintendent to do so is received.
 - i. The Engineer/Road Superintendent's approval, where required throughout this Paragraph, shall not be unreasonably withheld.
 - j. The approval of the Engineer/Road Superintendent is not a representation or warranty as to the state of repair of the highway or the suitability of the highway for the gas system.
6. As Built Drawings.

The Gas Company shall, within six months of completing the installation of any part of the gas system, provide two copies of "as built" drawings to the Engineer/Road Superintendent. These drawings must be sufficient to accurately establish the location, depth (measurement between the top of the gas system and the ground surface at the time of installation) and distance of the gas system. The "as built" drawings shall be of the same quality as the Plan and, if the approved pre-construction plan included elevations that were geodetically referenced, the "as built" drawings shall similarly include elevations that are geodetically referenced. Upon the request of the Engineer/Road

Superintendent, the Gas Company shall provide one copy of the drawings in an electronic format and one copy as a hard copy drawing.

7. Emergencies

In the event of an emergency involving the gas system, the Gas Company shall proceed with the work required to deal with the emergency, and in any instance where prior approval of the Engineer/Road Superintendent is normally required for the work, the Gas Company shall use its best efforts to immediately notify the Engineer/Road Superintendent of the location and nature of the emergency and the work being done and, if it deems appropriate, notify the police force, fire or other emergency services having jurisdiction. The Gas Company shall provide the Engineer/Road Superintendent with at least one 24 hour emergency contact for the Gas Company and shall ensure the contacts are current.

8. Restoration

The Gas Company shall well and sufficiently restore, to the reasonable satisfaction of the Engineer/Road Superintendent, all highways, municipal works or improvements which it may excavate or interfere with in the course of laying, constructing, repairing or removing its gas system, and shall make good any settling or subsidence thereafter caused by such excavation or interference. If the Gas Company fails at any time to do any work required by this Paragraph within a reasonable period of time, the Corporation may do or cause such work to be done and the Gas Company shall, on demand, pay the Corporation's reasonably incurred costs, as certified by the Engineer/Road Superintendent.

9. Indemnification

The Gas Company shall, at all times, indemnify and save harmless the Corporation from and against all claims, including costs related thereto, for all damages or injuries including death to any person or persons and for damage to any property, arising out of the Gas Company operating, constructing, and maintaining its gas system in the Municipality, or utilizing its gas system for the carriage of gas owned by others. Provided that the Gas Company shall not be required to indemnify or save harmless the Corporation from and against claims, including costs related thereto, which it may incur by reason of damages or injuries including death to any person or persons and for damage to any property, resulting from the negligence or wrongful act of the Corporation, its servants, agents or employees.

10. Insurance

- a. The Gas Company shall maintain Comprehensive General Liability Insurance in sufficient amount and description as shall protect the Gas Company and the Corporation from claims for which the Gas Company is obliged to indemnify the Corporation under Paragraph 9. The insurance policy shall identify the Corporation as an additional named insured, but only with respect to the operation of the named insured (the Gas Company). The insurance policy shall not lapse or be cancelled without sixty (60) days' prior written notice to the Corporation by the Gas Company.

- b. The issuance of an insurance policy as provided in this Paragraph shall not be construed as relieving the Gas Company of liability not covered by such insurance or in excess of the policy limits of such insurance.
- c. Upon request by the Corporation, the Gas Company shall confirm that premiums for such insurance have been paid and that such insurance is in full force and effect.

11. Alternative Easement

The Corporation agrees, in the event of the proposed sale or closing of any highway or any part of a highway where there is a gas line in existence, to give the Gas Company reasonable notice of such proposed sale or closing and, if is feasible, to provide the Gas Company with easements over that part of the highway proposed to be sold or closed sufficient to allow the Gas Company to preserve any part of the gas system in its then existing location. In the event that such easements cannot be provided, the Corporation and the Gas Company shall share the cost of relocating or altering the gas system to facilitate continuity of gas service, as provided for in Paragraph 12 of this Agreement.

12. Pipeline Relocation

- a. If in the course of constructing, reconstructing, changing, altering or improving any highway or any municipal works, the Corporation deems that it is necessary to take up, remove or change the location of any part of the gas system, the Gas Company shall, upon notice to do so, remove and/or relocate within a reasonable period of time such part of the gas system to a location approved by the Engineer/Road Superintendent.
- b. Where any part of the gas system relocated in accordance with this Paragraph is located on a bridge, viaduct or structure, the Gas Company shall alter or relocate that part of the gas system at its sole expense.
- c. Where any part of the gas system relocated in accordance with this Paragraph is located other than on a bridge, viaduct or structure, the costs of relocation shall be shared between the Corporation and the Gas Company on the basis of the total relocation costs, excluding the value of any upgrading of the gas system, and deducting any contribution paid to the Gas Company by others in respect to such relocation; and for these purposes, the total relocation costs shall be the aggregate of the following:
 - i. the amount paid to Gas Company employees up to and including field supervisors for the hours worked on the project plus the current cost of fringe benefits for these employees,
 - ii. the amount paid for rental equipment while in use on the project and an amount, charged at the unit rate, for Gas Company equipment while in use on the project,
 - iii. the amount paid by the Gas Company to contractors for work related to the project,

- iv. the cost to the Gas Company for materials used in connection with the project, and
 - v. a reasonable amount for project engineering and project administrative costs which shall be 22.5% of the aggregate of the amounts determined in items (i), (ii), (iii) and (iv) above.
- d. The total relocation costs as calculated above shall be paid 35% by the Corporation and 65% by the Gas Company, except where the part of the gas system required to be moved is located in an unassumed road or in an unopened road allowance and the Corporation has not approved its location, in which case the Gas Company shall pay 100% of the relocation costs.

Part IV - Procedural And Other Matters

13. Municipal By-laws of General Application

The Agreement is subject to the provisions of all regulating statutes and all municipal by-laws of general application, except by-laws which have the effect of amending this Agreement.

14. Giving Notice

Notices may be delivered to, sent by facsimile or mailed by prepaid registered post to the Gas Company at its head office or to the authorized officers of the Corporation at its municipal offices, as the case may be.

15. Disposition of Gas System

- a. If the Gas Company decommissions part of its gas system affixed to a bridge, viaduct or structure, the Gas Company shall, at its sole expense, remove the part of its gas system affixed to the bridge, viaduct or structure.
- b. If the Gas Company decommissions any other part of its gas system, it shall have the right, but is not required, to remove that part of its gas system. It may exercise its right to remove the decommissioned parts of its gas system by giving notice of its intention to do so by filing a Plan as required by Paragraph 5 of this Agreement for approval by the Engineer/Road Superintendent. If the Gas Company does not remove the part of the gas system it has decommissioned and the Corporation requires the removal of all or any part of the decommissioned gas system for the purpose of altering or improving a highway or in order to facilitate the construction of utility or other works in any highway, the Corporation may remove and dispose of so much of the decommissioned gas system as the Corporation may require for such purposes and neither party shall have recourse against the other for any loss, cost, expense or damage occasioned thereby. If the Gas Company has not removed the part of the gas system it has decommissioned and the Corporation requires the removal of all or any part of the decommissioned gas system for the purpose of altering or improving a highway or in order to facilitate the construction of utility or other works in a highway, the Gas Company may elect to relocate the decommissioned gas system and in that event

THE CORPORATION OF THE TOWN OF PENETANGUISHENE
("CORPORATION")

BY-LAW NUMBER _____

**A BY-LAW TO AUTHORIZE A FRANCHISE AGREEMENT
BETWEEN THE CORPORATION AND
ENBRIDGE GAS DISTRIBUTION INC.**

WHEREAS the Council of the Corporation deems it expedient to enter into the attached franchise agreement with Enbridge Gas Distribution Inc.;

AND WHEREAS the Ontario Energy Board by its Order issued pursuant to The Municipal Franchises Act on the _____ day of _____, 20____ has approved the terms and conditions upon which and the period for which the franchise provided for in the attached agreement is proposed to be granted, and has declared and directed that the assent of the municipal electors in respect of this By-law is not necessary;

NOW THEREFORE BE IT ENACTED:

1. That the attached franchise agreement between the Corporation and Enbridge Gas Distribution Inc. is hereby authorized and the franchise provided for therein is hereby granted.
2. That the Mayor and the Clerk are hereby authorized and instructed on behalf of the Corporation to enter into and execute under its corporate seal and deliver the aforesaid agreement, which agreement is hereby incorporated into and shall form part of this By-law.

Read the first and second time this _____ day of _____, 20____.

Clerk

Reeve

Read the third time and ENACTED AND PASSED this _____ day of _____, 20____.

Clerk

Reeve

Model Franchise Agreement

THIS AGREEMENT effective this day of , 20 .

BETWEEN: The Corporation of The Town of Penetanguishene hereinafter called
the

"Corporation"

- and -

Enbridge Gas Distribution Inc. hereinafter called the "Gas Company"

WHEREAS the Gas Company desires to distribute, store and transmit gas in the Municipality upon the terms and conditions of this Agreement;

AND WHEREAS by by-law passed by the Council of the Corporation (the "By-law"), the duly authorized officers have been authorized and directed to execute this Agreement on behalf of the Corporation;

THEREFORE the Corporation and the Gas Company agree as follows:

Part I - Definitions

1. In this Agreement:

- a. "decommissioned" and "decommissions" when used in connection with parts of the gas system, mean any parts of the gas system taken out of active use and purged in accordance with the applicable CSA standards and in no way affects the use of the term 'abandoned' pipeline for the purposes of the Assessment Act;
- b. "Engineer/Road Superintendent" means the most senior individual employed by the Corporation with responsibilities for highways within the Municipality or the person designated by such senior employee or such other person as may from time to time be designated by the Council of the Corporation;
- c. "gas" means natural gas, manufactured gas, synthetic natural gas, liquefied petroleum gas or propane-air gas, or a mixture of any of them, but does not include a liquefied petroleum gas that is distributed by means other than a pipeline;

- d. "gas system" means such mains, plants, pipes, conduits, services, valves, regulators, curb boxes, stations, drips or such other equipment as the Gas Company may require or deem desirable for the distribution, storage and transmission of gas in or through the Municipality;
- e. "highway" means all common and public highways and shall include any bridge, viaduct or structure forming part of a highway, and any public square, road allowance or walkway and shall include not only the travelled portion of such highway, but also ditches, driveways, sidewalks, and sodded areas forming part of the road allowance now or at any time during the term hereof under the jurisdiction of the Corporation;
- f. "Model Franchise Agreement" means the form of agreement which the Ontario Energy Board uses as a standard when considering applications under the Municipal Franchises Act. The Model Franchise Agreement may be changed from time to time by the Ontario Energy Board;
- g. "Municipality" means the territorial limits of the Corporation on the date when this Agreement takes effect, and any territory which may thereafter be brought within the jurisdiction of the Corporation;
- h. "Plan" means the plan described in Paragraph 5 of this Agreement required to be filed by the Gas Company with the Engineer/Road Superintendent prior to commencement of work on the gas system; and
- i. whenever the singular, masculine or feminine is used in this Agreement, it shall be considered as if the plural, feminine or masculine has been used where the context of the Agreement so requires.

Part II - Rights Granted

- 2. To provide gas service:

The consent of the Corporation is hereby given and granted to the Gas Company to distribute, store and transmit gas in and through the Municipality to the Corporation and to the inhabitants of the Municipality.

3. To Use Highways.

Subject to the terms and conditions of this Agreement the consent of the Corporation is hereby given and granted to the Gas Company to enter upon all highways now or at any time hereafter under the jurisdiction of the Corporation and to lay, construct, maintain, replace, remove, operate and repair a gas system for the distribution, storage and transmission of gas in and through the Municipality.

4. Duration of Agreement and Renewal Procedures.

- a. If the Corporation has not previously received gas distribution services, the rights hereby given and granted shall be for a term of 20 years from the date of final passing of the By-law.

or

- b. If the Corporation has previously received gas distribution services, the rights hereby given and granted shall be for a term of 20 years from the date of final passing of the By-law provided that, if during the 20-year term this Agreement, the Model Franchise Agreement is changed, then on the 7th anniversary and on the 14th anniversary of the date of the passing of the By-law, this Agreement shall be deemed to be amended to incorporate any changes in the Model Franchise Agreement in effect on such anniversary dates. Such deemed amendments shall not apply to alter the 20-year term.
- c. At any time within two years prior to the expiration of this Agreement, either party may give notice to the other that it desires to enter into negotiations for a renewed franchise upon such terms and conditions as may be agreed upon. Until such renewal has been settled, the terms and conditions of this Agreement shall continue, notwithstanding the expiration of this Agreement. This shall not preclude either party from applying to the Ontario Energy Board for a renewal of the Agreement pursuant to section 10 of the Municipal Franchises Act.

Part III - Conditions**5. Approval of Construction**

- a. The Gas Company shall not undertake any excavation, opening or work which will disturb or interfere with the surface of the travelled portion of any highway unless a permit therefor has first been obtained from the Engineer/Road Superintendent and all work done by the Gas Company shall be to his satisfaction.
- b. Prior to the commencement of work on the gas system, or any extensions or changes to it (except service laterals which do not interfere with municipal works in the highway), the Gas Company shall file with the Engineer/Road Superintendent a Plan, satisfactory to the Engineer/Road Superintendent, drawn to scale and of sufficient detail considering the complexity of the specific locations involved, showing the highways in which it proposes to lay its gas system and the particular parts thereof it proposes to occupy.
- c. The Plan filed by the Gas Company shall include geodetic information for a particular location:
 - i. where circumstances are complex, in order to facilitate known projects, including projects which are reasonably anticipated by the Engineer/Road Superintendent, or
 - ii. when requested, where the Corporation has geodetic information for its own services and all others at the same location.
- d. The Engineer/Road Superintendent may require sections of the gas system to be laid at greater depth than required by the latest CSA standard for gas pipeline systems to facilitate known projects or to correct known highway deficiencies.
- e. Prior to the commencement of work on the gas system, the Engineer/Road Superintendent must approve the location of the work as shown on the Plan filed by the Gas Company, the timing of the work and any terms and conditions relating to the installation of the work.
- f. In addition to the requirements of this Agreement, if the Gas Company proposes to affix any part of the gas system to a bridge, viaduct or other structure, if the Engineer/Road Superintendent approves this proposal, he may require the Gas Company to comply with special conditions or to enter into a separate agreement as a condition of the approval of this part of the construction of the gas system.

- g. Where the gas system may affect a municipal drain, the Gas Company shall also file a copy of the Plan with the Corporation's Drainage Superintendent for purposes of the Drainage Act, or such other person designated by the Corporation as responsible for the drain.
- h. The Gas Company shall not deviate from the approved location for any part of the gas system unless the prior approval of the Engineer/Road Superintendent to do so is received.
- i. The Engineer/Road Superintendent's approval, where required throughout this Paragraph, shall not be unreasonably withheld.
- j. The approval of the Engineer/Road Superintendent is not a representation or warranty as to the state of repair of the highway or the suitability of the highway for the gas system.

6. As Built Drawings

The Gas Company shall, within six months of completing the installation of any part of the gas system, provide two copies of "as built" drawings to the Engineer/Road Superintendent. These drawings must be sufficient to accurately establish the location, depth (measurement between the top of the gas system and the ground surface at the time of installation) and distance of the gas system. The "as built" drawings shall be of the same quality as the Plan and, if the approved pre-construction plan included elevations that were geodetically referenced, the "as built" drawings shall similarly include elevations that are geodetically referenced. Upon the request of the Engineer/Road Superintendent, the Gas Company shall provide one copy of the drawings in an electronic format and one copy as a hard copy drawing.

7. Emergencies

In the event of an emergency involving the gas system, the Gas Company shall proceed with the work required to deal with the emergency, and in any instance where prior approval of the Engineer/Road Superintendent is normally required for the work, the Gas Company shall use its best efforts to immediately notify the Engineer/Road Superintendent of the location and nature of the emergency and the work being done and, if it deems appropriate, notify the police force, fire or other emergency services having jurisdiction. The Gas Company shall provide the Engineer/Road Superintendent with at least one 24 hour emergency contact for the Gas Company and shall ensure the contacts are current.

8. Restoration

The Gas Company shall well and sufficiently restore, to the reasonable satisfaction of the Engineer/Road Superintendent, all highways, municipal works or improvements which it may excavate or interfere with in the course of laying, constructing, repairing or removing its gas system, and shall make good any settling or subsidence thereafter caused by such excavation or interference. If the Gas Company fails at any time to do any work required by this Paragraph within a reasonable period of time, the Corporation may do or cause such work to be done and the Gas Company shall, on demand, pay the Corporation's reasonably incurred costs, as certified by the Engineer/Road Superintendent.

9. Indemnification

The Gas Company shall, at all times, indemnify and save harmless the Corporation from and against all claims, including costs related thereto, for all damages or injuries including death to any person or persons and for damage to any property, arising out of the Gas Company operating, constructing, and maintaining its gas system in the Municipality, or utilizing its gas system for the carriage of gas owned by others. Provided that the Gas Company shall not be required to indemnify or save harmless the Corporation from and against claims, including costs related thereto, which it may incur by reason of damages or injuries including death to any person or persons and for damage to any property, resulting from the negligence or wrongful act of the Corporation, its servants, agents or employees.

10. Insurance

- a. The Gas Company shall maintain Comprehensive General Liability Insurance in sufficient amount and description as shall protect the Gas Company and the Corporation from claims for which the Gas Company is obliged to indemnify the Corporation under Paragraph 9. The insurance policy shall identify the Corporation as an additional named insured, but only with respect to the operation of the named insured (the Gas Company). The insurance policy shall not lapse or be cancelled without sixty (60) days' prior written notice to the Corporation by the Gas Company.
- b. The issuance of an insurance policy as provided in this Paragraph shall not be construed as relieving the Gas Company of liability not covered by such insurance or in excess of the policy limits of such insurance.

- c. Upon request by the Corporation, the Gas Company shall confirm that premiums for such insurance have been paid and that such insurance is in full force and effect.

11. Alternative Easement

The Corporation agrees, in the event of the proposed sale or closing of any highway or any part of a highway where there is a gas line in existence, to give the Gas Company reasonable notice of such proposed sale or closing and, if it is feasible, to provide the Gas Company with easements over that part of the highway proposed to be sold or closed sufficient to allow the Gas Company to preserve any part of the gas system in its then existing location. In the event that such easements cannot be provided, the Corporation and the Gas Company shall share the cost of relocating or altering the gas system to facilitate continuity of gas service, as provided for in Paragraph 12 of this Agreement.

12. Pipeline Relocation

- a. If in the course of constructing, reconstructing, changing, altering or improving any highway or any municipal works, the Corporation deems that it is necessary to take up, remove or change the location of any part of the gas system, the Gas Company shall, upon notice to do so, remove and/or relocate within a reasonable period of time such part of the gas system to a location approved by the Engineer/Road Superintendent.
- b. Where any part of the gas system relocated in accordance with this Paragraph is located on a bridge, viaduct or structure, the Gas Company shall alter or relocate that part of the gas system at its sole expense.
- c. Where any part of the gas system relocated in accordance with this Paragraph is located other than on a bridge, viaduct or structure, the costs of relocation shall be shared between the Corporation and the Gas Company on the basis of the total relocation costs, excluding the value of any upgrading of the gas system, and deducting any contribution paid to the Gas Company by others in respect to such relocation; and for these purposes, the total relocation costs shall be the aggregate of the following:
 - i. the amount paid to Gas Company employees up to and including field supervisors for the hours worked on the project plus the current cost of fringe benefits for these employees,

- ii. the amount paid for rental equipment while in use on the project and an amount, charged at the unit rate, for Gas Company equipment while in use on the project,
 - iii. the amount paid by the Gas Company to contractors for work related to the project,
 - iv. the cost to the Gas Company for materials used in connection with the project, and
 - v. a reasonable amount for project engineering and project administrative costs which shall be 22.5% of the aggregate of the amounts determined in items (i), (ii), (iii) and (iv) above.
- d. The total relocation costs as calculated above shall be paid 35% by the Corporation and 65% by the Gas Company, except where the part of the gas system required to be moved is located in an unassumed road or in an unopened road allowance and the Corporation has not approved its location, in which case the Gas Company shall pay 100% of the relocation costs.

Part IV - Procedural And Other Matters

13. Municipal By-laws of General Application

The Agreement is subject to the provisions of all regulating statutes and all municipal by-laws of general application, except by-laws which have the effect of amending this Agreement.

14. Giving Notice

Notices may be delivered to, sent by facsimile or mailed by prepaid registered post to the Gas Company at its head office or to the authorized officers of the Corporation at its municipal offices, as the case may be.

15. Disposition of Gas System

- a. If the Gas Company decommissions part of its gas system affixed to a bridge, viaduct or structure, the Gas Company shall, at its sole expense, remove the part of its gas system affixed to the bridge, viaduct or structure.
- b. If the Gas Company decommissions any other part of its gas system, it shall have the right, but is not required, to remove that part of its gas system. It may exercise its right to remove the decommissioned parts of its gas system by giving notice of its intention to do so by filing a Plan

as required by Paragraph 5 of this Agreement for approval by the Engineer/Road Superintendent. If the Gas Company does not remove the part of the gas system it has decommissioned and the Corporation requires the removal of all or any part of the decommissioned gas system for the purpose of altering or improving a highway or in order to facilitate the construction of utility or other works in any highway, the Corporation may remove and dispose of so much of the decommissioned gas system as the Corporation may require for such purposes and neither party shall have recourse against the other for any loss, cost, expense or damage occasioned thereby. If the Gas Company has not removed the part of the gas system it has decommissioned and the Corporation requires the removal of all or any part of the decommissioned gas system for the purpose of altering or improving a highway or in order to facilitate the construction of utility or other works in a highway, the Gas Company may elect to relocate the decommissioned gas system and in that event Paragraph 12 applies to the cost of relocation.

16. Use of Decommissioned Gas System

- a. The Gas Company shall provide promptly to the Corporation, to the extent such information is known:
 - i. the names and addresses of all third parties who use decommissioned parts of the gas system for purposes other than the transmission or distribution of gas; and
 - ii. the location of all proposed and existing decommissioned parts of the gas system used for purposes other than the transmission or distribution of gas.
- b. The Gas Company may allow a third party to use a decommissioned part of the gas system for purposes other than the transmission or distribution of gas and may charge a fee for that third party use, provided
 - i. the third party has entered into a municipal access agreement with the Corporation; and
 - ii. the Gas Company does not charge a fee for the third party's right of access to the highways.
- c. Decommissioned parts of the gas system used for purposes other than the transmission or distribution of gas are not subject to the provisions of this Agreement. For decommissioned parts of the gas system used for purposes other than the transmission and distribution of gas, issues

such as relocation costs will be governed by the relevant municipal access agreement.

17. Franchise Handbook

The Parties acknowledge that operating decisions sometimes require a greater level of detail than that which is appropriately included in this Agreement. The Parties agree to look for guidance on such matters to the Franchise Handbook prepared by the Association of Municipalities of Ontario and the gas utility companies, as may be amended from time to time.

18. Agreement Binding Parties

This Agreement shall extend to, benefit and bind the parties thereto, their successors and assigns, respectively.

IN WITNESS WHEREOF the parties have executed this Agreement effective from the date written above.

THE CORPORATION OF THE TOWN OF PENETANGUISHENE

By: _____

By: _____

Duly Authorized Officer

ENBRIDGE GAS DISTRIBUTION INC.

By: _____

By: _____

DATED this day of , 20 .

THE CORPORATION OF THE
TOWN OF PENETANGUISHENE

- and -

ENBRIDGE GAS DISTRIBUTION INC.

FRANCHISE AGREEMENT

ENBRIDGE GAS DISTRIBUTION INC.

500 Consumers Road
North York, Ontario
M2J 1P8

Attention: Regulatory Affairs Department