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OSLER

Toronto
Montréal
Calgary
Ottawa
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New York

December 18, 2018

Patrick G. Welsh
Direct Dial: 416.862.5951
PWelsh@osler.com
Our Matter Number: 1187043

SENT BY OVERNIGHT COURIER

Ontario Energy Board
27th Floor
2300 Yonge Street
Toronto, ON M4P 1E4

Attention: Ms Kirsten Walli
Board Secretary

Dear Ms Walli:

EB-2017-0232 - EPCOR Natural Gas Limited Partnership (EPCOR)

Enclosed please find the original Affidavit of Service proving completion of the matters in paragraph 1 of the Ontario Energy Board's Letter of Direction dated December 13, 2018. This affidavit has also been filed on RESS.

Please do not hesitate to contact me if you have any questions.

Yours truly,



Patrick Welsh

PW:vs
Enclosure

ONTARIO ENERGY BOARD

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

AND IN THE MATTER OF an Application by Natural Resource Gas Limited (now EPCOR Natural Gas Limited Partnership (“EPCOR”)) for an Order under section 9(3) of the Act approving the terms and conditions upon which, and the period for which, the County of Oxford is to grant to EPCOR the right to construct and operate works for the distribution, transmission and storage of natural gas and the right to extend and add to the works in the County of Oxford;


AFFIDAVIT OF SERVICE

1. I, Vanessa Scelsa, of the City of Markham, in the Regional Municipality of York,
MAKE OATH AND SAY:

2. I am a Legal Secretarial Assistant with the law firm of Osler, Hoskin & Harcourt LLP and, as such, have knowledge of the following matters.

3. Pursuant to the Ontario Energy Board’s (the “Board”) Letter of Direction dated December 13, 2018, I sent a package to Chloe Senior, Clerk at County of Oxford by overnight courier, containing a copy of the Decision and Order, all in accordance with paragraph 1 of the Direction. A copy of the cover letter and Decision and Order for this package is attached as Exhibit A. The FedEx proof of delivery is attached as Exhibit B.

SWORN BEFORE ME at the City of
Toronto, in the Province of Ontario on
December 18, 2018.



Commissioner for Taking Affidavits
Patrick Welsh



Vanessa Scelsa

This is **Exhibit "A"** referred to in the Affidavit of Service of Vanessa Scelsa, sworn December 18, 2018.

A handwritten signature in dark ink, appearing to read 'Patrick Welsh', is positioned above a horizontal line.

Commissioner for Taking Affidavits
Patrick Welsh

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OSLER

Toronto

December 17, 2018

Montréal

Patrick G. Welsh
Direct Dial: 416.862.5951
PWelsh@osler.com
Our Matter Number: 1187043

Calgary

Sent By Overnight Courier

Ottawa

Chloe Senior, Clerk
County of Oxford
21 Reeve Street
Woodstock, ON N4S 7Y3
csenior@oxfordcounty.ca

Vancouver

New York

Dear Ms. Senior:

OEB File No. EB-2017-0232
Franchise Agreement between EPCOR and Oxford County

Please find enclosed a copy of the Ontario Energy Board's (the "OEB") Decision and Order regarding the renewal of a municipal franchise agreement between the County of Oxford and EPCOR Natural Gas Limited Partnership ("EPCOR").

You may be aware that EPCOR's predecessor, Natural Resource Gas Limited ("NRG"), applied for OEB approval to renew a previously expired franchise agreement between NRG and the County of Oxford, and that EPCOR assumed this application upon purchasing NRG's gas distribution assets. The attached Decision and Order concludes this process.

Please do not hesitate to contact me if you have any questions.

Yours very truly,



Patrick G. Welsh

PGW:VS

Enclosure

c (e-mail only):

Susannah Robinson, EPCOR
Britt Tan, EPCOR
Richard King, Osler



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

DECISION AND ORDER

EB-2017-0232

**EPCOR NATURAL GAS LIMITED
PARTNERSHIP**

Application for a Municipal Franchise Agreement with the County of Oxford

By Delegation, before: Pascale Duguay

December 13, 2018

INTRODUCTION AND SUMMARY

This Decision and Order approves the renewal of a municipal franchise agreement between EPCOR Natural Gas Limited Partnership (EPCOR) and the County of Oxford, in the form of the 2000 Model Franchise Agreement (2000 MFA), with no amendments, for a twenty-year term.

THE PROCESS

EPCOR filed an application with the Ontario Energy Board (OEB) on June 12, 2017, under section 9 of the *Municipal Franchises Act*.¹ The application was for an order of the OEB permitting EPCOR's right to construct and operate works for the distribution, transmission and storage of natural gas, and the right to extend and add to the works, in the County of Oxford. During the course of the proceeding, EPCOR also filed materials requesting relief under section 10 of the *Municipal Franchises Act*.

The OEB held a written hearing. A notice of hearing was published in the local newspaper on February 7 and 14, 2018. The OEB approved Union Gas Limited (Union Gas) as an intervenor. On April 19, 2018, the OEB issued Procedural Order No. 1, which established dates for the filing of interrogatories, responses to interrogatories and written submissions.

On May 25, 2018, Union Gas filed a motion with the OEB to compel EPCOR to answer certain interrogatories posed by Union Gas. The OEB issued Procedural Order No. 2 on May 30, 2018, which gave notice of the motion and made provision for the filing of any additional material and submissions by parties. EPCOR and OEB staff filed submissions on June 15, 2018. Union Gas filed its reply submission on June 22, 2018.

On October 4, 2018, the OEB issued its Decision on Motion and Procedural Order No. 3 (Decision on Motion and P.O. 3), which directed EPCOR to provide information that accurately delineates its service boundaries, as well as the general location and density of the customers it serves, in the County of Oxford. EPCOR was also directed to provide a response to Union Gas' interrogatory 2(d) and address the information requested by the OEB regarding the proposed deviation from the 2000 MFA. The OEB

¹ The application was originally filed by Natural Resource Gas Limited on June 12, 2017, under section 9 of the *Municipal Franchises Act*. Natural Resource Gas Limited was acquired by EPCOR in November 2017. A reference to EPCOR this Decision and Order is a reference to EPCOR or its predecessor Natural Resource Gas Limited, as the context requires.

also provided parties with an opportunity to file final written submissions. Union Gas and OEB staff filed submissions on November 1, 2018. EPCOR filed its reply submission on November 15, 2018. On December 11, 2018, EPCOR filed a revised customer density map which delineates its current service area within the County of Oxford.

The County of Oxford did not intervene, or file any letters of comment, in this proceeding.

In this Decision and Order, a reference to the County of Oxford is a reference to the municipal corporation or its geographical area, as the context requires.

BACKGROUND

EPCOR is a corporation incorporated under the laws of the Province of Ontario, and is a wholly-owned subsidiary of EPCOR Utilities Inc.

The County of Oxford is a municipal corporation incorporated under the laws of the Province of Ontario.

EPCOR held a municipal franchise agreement with the County of Oxford (By-law No. 2931-89) that expired on June 14, 2009. EPCOR also holds a certificate of public convenience and necessity (certificate) for the County of Oxford (E.B.C. 111 and 119, dated May 5, 1982). EPCOR's service area within the County of Oxford is located within the geographic area of the lower-tier municipality of the Township of South-West Oxford. EPCOR also holds a municipal franchise agreement with the Township of South-West Oxford (EB-2012-0475, dated May 9, 2014), and a certificate for certain areas within the Township of South-West Oxford (E.B.C. 111 and 119, dated May 5, 1982).

In 1998, EPCOR applied to the County of Oxford for a municipal franchise agreement in the form of the 2000 MFA, with no amendments, for a term of twenty years. Despite efforts to reach an agreement from 1998 to 2016, the parties were unable to do so. Finally, in response to concerns raised by the County of Oxford regarding drainage issues², EPCOR removed the following reference to the *Drainage Act* in the municipal franchise agreement:

² Email from the County of Oxford to NRG on December 12, 2016, Schedule I, EPCOR Application, EB-2017-0232

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 the purposes of the *Drainage Act*, or such other person designated by the Corporation as responsible for the drain (*Drainage Act* clause).

On May 24, 2017, the County of Oxford gave its approval to the municipal franchise agreement, subject to the *Drainage Act* clause being removed (proposed franchise agreement).

THE APPLICATION

With the application, EPCOR filed the County of Oxford's draft by-law granting the proposed franchise agreement and a copy of the proposed franchise agreement. EPCOR also filed a copy of the County of Oxford's resolution approving the form of the proposed franchise agreement and requesting the OEB to direct and declare that the assent of the municipal electors is not necessary (Resolution passed May 24, 2017).

Union Gas primarily objected to two aspects of the proposed franchise agreement. First, the proposed franchise agreement used the form of natural gas supply provision in section 2 meant for lower-tier municipalities, which would allow EPCOR to supply natural gas throughout the County of Oxford, as opposed to only within the lower-tier municipalities that EPCOR had a right to supply natural gas to. Second, the proposed franchise agreement deviated from the 2000 MFA with respect to the removal of the *Drainage Act* clause. Union Gas submitted that EPCOR had not presented any evidence that there were exceptional and unusual circumstances specific to the County of Oxford which would warrant such a deviation, even with the County of Oxford's stated concern that drain-related issues were the responsibility of the lower-tier municipality and not the County of Oxford. Union Gas reiterated that, to its knowledge, the *Drainage Act* clause had not been removed from any franchise agreements with upper-tier municipalities, even though other upper-tier municipalities may also not be responsible for drainage projects. Union Gas also noted that the County of Oxford's concern regarding the cost apportionment of municipal drain-related requests is no longer applicable, given a recent ruling of the Ontario Court of Appeal.³

³ In *Union Gas Limited v. Norwich (Township)*, 2018 ONCA 11, the Ontario Court of Appeal confirmed that costs associated with gas pipeline relocation at the municipality's request to accommodate drainage works are subject to the apportionment in section 12 of the franchise agreement, as opposed to the cost allocation provisions set out in the *Drainage Act*.

OEB staff submitted that it was not opposed to the deviation of EPCOR's franchise agreement with the County of Oxford from the 2000 MFA, provided that the rationale for it is well-grounded. However, OEB staff also submitted that EPCOR had not been able to provide a clear and satisfactory rationale as to why it is necessary to do so. OEB staff noted that the 2000 MFA was developed by the OEB, with input from municipal leaders and utility representatives, to provide consistency in the terms and conditions of the franchise agreements that municipalities and utilities sign to coordinate the construction, operation and maintenance of the natural gas system. OEB staff argued that it would be more harmful to the public interest to allow EPCOR to delete the *Drainage Act* clause from the updated franchise agreement without providing a compelling rationale, as it could be used as precedent by other municipalities to request deviations from the 2000 MFA.

OEB staff submitted that because of the lengthy period of time since the previous franchise agreement expired in 2009, this application should properly be considered a renewal under section 10 of the *Municipal Franchises Act*. Section 10 of the *Municipal Franchises Act* allows either the municipality or the utility to apply to the OEB to renew or extend the term of the right to operate works or distribute natural gas in a municipality, if the right has already expired (or will expire within a year). OEB staff further submitted that the OEB should use its power under section 10(2) to renew the previous municipal franchise under the terms of the 2000 MFA, without any changes and without any further process.

Both Union Gas and OEB staff also noted that the franchise agreement, as originally proposed by the parties, included certain formatting changes that deviated from the 2000 MFA.

In its October 18, 2018 submission, EPCOR filed an updated franchise agreement. The formatting of the updated franchise agreement was reverted back to that of the 2000 MFA. As well, the updated franchise agreement properly used the form of natural gas supply provision in section 2 meant for an upper-tier municipality (thereby authorizing EPCOR to supply natural gas only to the lower-tier municipalities within the County of Oxford that EPCOR had a right to supply gas to), and contained the *Drainage Act* clause in section 12, Paragraph 5(g).

EPCOR reiterated that it had only removed the *Drainage Act* clause at the request of the County of Oxford, and that it was willing to defer to the OEB's preference in terms of

either removing or keeping the clause in EPCOR's franchise agreement with the County of Oxford. EPCOR stated that it agreed with the OEB's observation in its Decision on Motion and P.O. 3 in that the *Drainage Act* clause allows the County of Oxford to assign the responsibility for drainage to the Township of South-West Oxford. EPCOR submitted that its position with the municipality has always been that the removal of the *Drainage Act* clause is not necessary. EPCOR added that the removal of the *Drainage Act* clause has not, and would not change EPCOR's practice, as EPCOR would submit a copy of the "Plan" to the applicable person responsible for drainage if there was a risk that the natural gas system would affect a municipal drain.

In summary, EPCOR proposed two paths forward. The OEB could approve the updated franchise agreement with the *Drainage Act* clause struck out. Alternatively, the OEB could approve the updated franchise agreement with the *Drainage Act* clause intact, and give EPCOR 60 days from the date of the order to obtain the County of Oxford's consent and approval to the updated franchise agreement. If the County of Oxford did not consent to the updated franchise agreement, EPCOR would then seek an order pursuant to section 10 of the *Municipal Franchises Act* renewing the updated franchise agreement. EPCOR also agreed with OEB staff in that an order by the OEB pursuant to section 10 would be the most expeditious and efficient means to conclude this franchise renewal process.

OEB FINDINGS

I find that it is in the public interest to renew the municipal franchise agreement between EPCOR and the County of Oxford in the form of the 2000 MFA, with no amendments, and for a term of twenty years.

As the OEB previously determined in its decision with reasons regarding the franchise agreement between Natural Resources Gas and the Town of Aylmer⁴, the OEB can approve a franchise agreement over the objections of the parties, if that agreement, in the OEB's view, meets the test of public convenience and necessity. The 2000 MFA incorporates the standard terms and conditions that the OEB has found in previous cases to meet this test, and has served as the basis for many new and renewed franchise agreements since. In the same decision, the OEB stated:

⁴ EB-2012-0072

The MFA sets out the obligations of the franchise holder in regard to the technical, construction, safety, and operational aspects of the distribution system within the municipality. The Board finds that adherence to the conditions of the 2000 MFA will ensure that these functions are properly carried out.

As noted previously, the purpose of the *Drainage Act* clause contained in the 2000 MFA is for distributors to inform the proper authorities of the works that may affect a municipality's drainage system. I find that there is no compelling reason, on the record of this proceeding, for the OEB to deviate from the standard provisions of the 2000 MFA by removing the *Drainage Act* clause. EPCOR is bound to, and has in fact confirmed that it will continue to, submit a copy of the plan to the applicable person responsible for drainage if there were ever a risk that the natural gas system would affect a municipal drain.

I accept EPCOR's application for a renewal of its existing authorizations within the County of Oxford, under the *Municipal Franchises Act*. Ever since the expiry of the municipal franchise agreement between EPCOR and the County of Oxford in 2009, the parties have continued to carry on business with each other under the same terms.

Pursuant to the authority under section 10 of the *Municipal Franchises Act*, I find that public convenience and necessity require that the OEB issue an order renewing the term of EPCOR's right to construct and operate works for the distribution, transmission and storage of natural gas, and the right to extend or add to the works, in the County of Oxford. The terms and conditions of the renewal, which also may be prescribed by the OEB under section 10 of the Act, shall be those of the 2000 MFA, for a period of 20 years. Finally, this order is also deemed to be a valid by-law of the County of Oxford, assented to by the municipal electors for the purposes of the *Municipal Franchises Act* and of section 58 of the *Public Utilities Act*.

IT IS ORDERED THAT:

EPCOR Natural Gas Limited Partnership is granted the right to construct and operate works for the distribution, transmission and storage of natural gas and the right to extend and add to the works, within the County of Oxford, pursuant to the terms and conditions, and the period that is set out in the franchise agreement attached in Schedule A. A map of EPCOR's current service area in the County of Oxford is attached as Schedule B.

EPCOR Natural Gas Limited Partnership shall pay the OEB's costs incidental to this proceeding upon receipt of the OEB's invoice.

DATED at Toronto, December 13, 2018

ONTARIO ENERGY BOARD

Original Signed By

Pascale Duguay
Manager, Application Policy and Climate Change

SCHEDULE A

EB-2017-0232

DATED: December 13, 2018

Franchise Agreement

FRANCHISE AGREEMENT

THIS AGREEMENT effective this _____ day of _____, 2018.

BETWEEN:

THE COUNTY OF OXFORD
hereinafter called the “**Corporation**”

- and -

EPCOR NATURAL GAS LIMITED PARTNERSHIP
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 Corporation and to the inhabitants of those local or lower tier municipalities within the Municipality from which the Gas Company has a valid franchise agreement for that purpose.

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) 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.

- (b) 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 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.

[Signature Page Below]

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

THE COUNTY OF OXFORD

By: _____

By: _____

**EPCOR Natural Gas Limited
Partnership by its general partner
EPCOR Ontario Utilities Inc.**

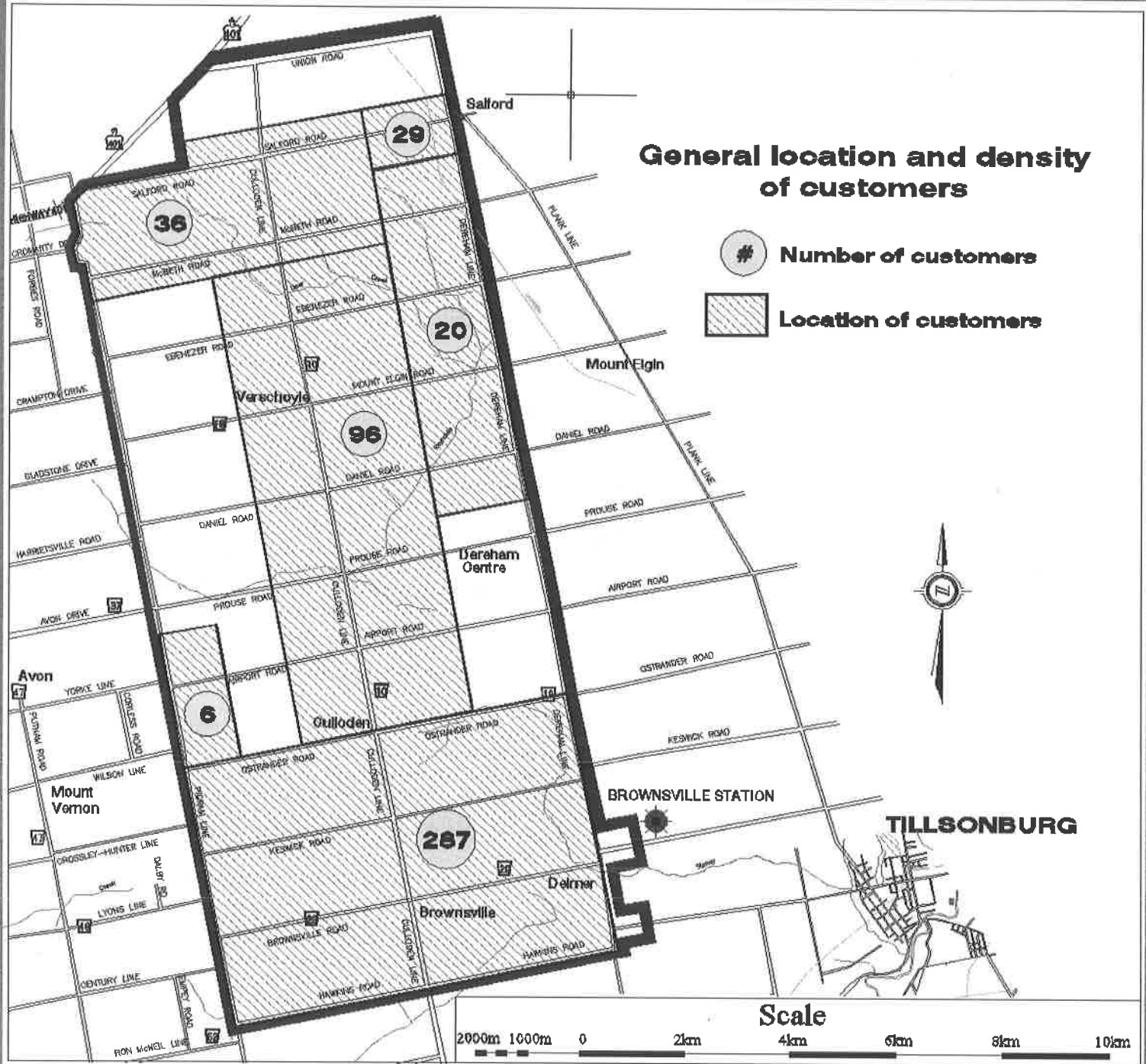
By: _____

SCHEDULE B

EB-2017-0232

DATED: December 13, 2018

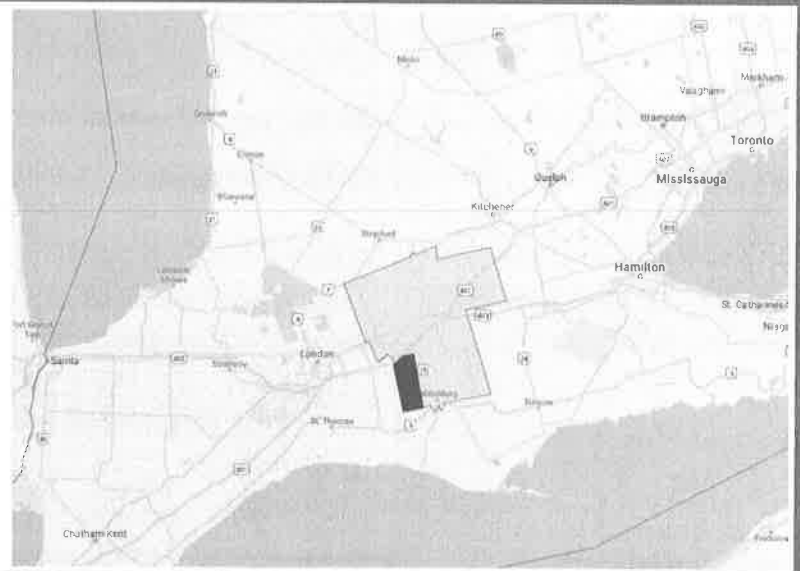
Map of the County of Oxford



**EPCOR NATURAL GAS
LIMITED PARTNERSHIP**



OXFORD COUNTY SERVICE MAP



This is **Exhibit "B"** referred to in the Affidavit of Service of Vanessa Scelsa, sworn December 18, 2018.

A handwritten signature in black ink, appearing to read 'P. Welsh', is written over a horizontal line.

Commissioner for Taking Affidavits
Patrick Welsh



December 18, 2018

Dear Customer:

The following is the proof-of-delivery for tracking number **435567403845**.

Delivery Information:

Status:	Delivered	Delivered to:	Receptionist/Front Desk
Signed for by:	C.ANDICE	Delivery location:	21 REEVE ST WOODSTOCK, ON N4S7Y3
Service type:	FedEx Priority Overnight	Delivery date:	Dec 18, 2018 09:26
Special Handling:	Deliver Weekday Direct Signature Required		

Shipping Information:

Tracking number:	435567403845	Ship date:	Dec 17, 2018
		Weight:	1.0 lbs/0.5 kg

Recipient:
CHLOE SENIOR
COUNTY OF OXFORD
21 REEVE ST
WOODSTOCK, ON N4S7Y3 CA

Reference
Department number

Shipper:
MAILROOM
OSLER HOSKIN & HARCOURT LLP
100 KING ST WEST
SUITE 6200
TORONTO, ON M5X1B8 CA
3597
1187009

Thank you for choosing FedEx.