



Enbridge Gas Inc.
50 Keil Drive N.
Chatham, Ontario, Canada
N7M 5M1

January 30, 2019

BY RESS & COURIER

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

Dear Ms. Walli:

**Re: Enbridge Gas Inc. ("Enbridge Gas")
Stratford Reinforcement Project
EB-2018-0306**

Union and Enbridge Gas Distribution amalgamated effective January 1, 2019 to become Enbridge Gas Inc. ("Enbridge Gas").

Further to the interrogatories received in the above noted matter, please find attached two copies of Enbridge Gas's responses.

Yours truly,

[original signed]

Mark Murray, J.D.
Manager, Regulatory Projects and Lands Acquisition
:sb
Attach.

cc: N. Marconi
A. Manzano
Industrial Gas Users Association (IGUA)
School Energy Coalition (SEC)
A. Innes
S. Veldman
Regulatory Library

ENBRIDGE GAS INC.

Answer to Interrogatory from
Board Staff

Interrogatory #1

Reference: Application, page 1 and page 17

Preamble:

Union Gas Limited (Union) requests leave to construct approximately 10.8 kilometers nominal pipe size (NPS) 12-inch natural gas pipeline in the Counties of Oxford and Perth. Union notes that the pipeline will be constructed within road allowances following Union's Franchise Agreements.

Questions:

- a) Please provide copies of the applicable upper- and lower-tier Municipal Franchise Agreement(s).
- b) Please provide copies of the applicable upper- and lower-tier Certificate(s) of Public Convenience and Necessity.

Responses:

- a) Please see Attachment 1 for copies of the applicable upper-and lower-tier Municipal Franchise Agreements.
- b) Please see Attachment 2 for copies of the applicable upper- and lower-tier Certificate(s) of Public Convenience and Necessity.

BEING a By-law to authorize a Franchise Agreement between the County of Oxford and Union Gas Limited.

WHEREAS, the Council of the County of Oxford deems it expedient to enter into the attached franchise agreement (the "Franchise Agreement") with Union Gas Limited.

AND WHEREAS, the Ontario Energy Board by its Order issued pursuant to The Municipal Franchises Act on the 6th day of October, 2009 has approved the terms and conditions upon which and the period for which the franchise provided in the Franchise 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, the Council of the County of Oxford enacts as follows:

1. That the Franchise Agreement between the County of Oxford and Union Gas Limited attached hereto and forming part of this By-law is hereby authorized and the franchise provided for therein is hereby granted.
2. That the Warden and Chief Administrative Officer be and they are hereby authorized and instructed on behalf of the County of Oxford to enter into and execute under its corporate seal and deliver the Franchise Agreement, which is hereby incorporated into and forming part of this By-law.

3. That the following By-laws be and the same are hereby repealed:

By-law Number 1064 for The Corporation of the County of Oxford passed in Council on the 8th day of December, 1932;

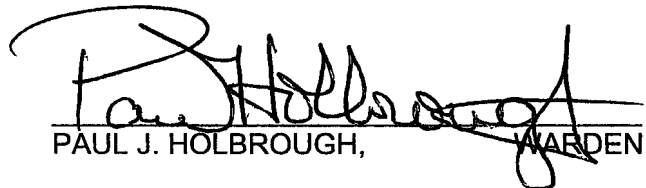
By-law Number 1558 for The Corporation of the County of Oxford passed in Council on the 2nd day of April, 1954.

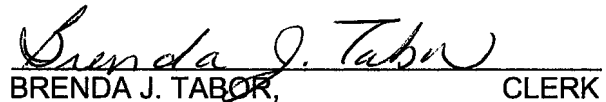
4. That this By-law shall come into force and take effect as of the final passing thereof.

READ a first time this 24th day of June, 2009.

READ a second time this 24th day of June, 2009.

READ a third time and finally passed this 14th day of October, 2009.


PAUL J. HOLBROUGH, WARDEN


BRENDA J. TABOR, CLERK

I hereby certify this to be a true copy of
County of Oxford By-Law No. 5073-2009
Oct. 14/09
Date Brenda J. Tabor, Clerk

2000 Model Franchise Agreement

THIS AGREEMENT effective this 14th day of OCTOBER, 2009

BETWEEN:

THE COUNTY OF OXFORD

hereinafter called the "Corporation"

- and -



uniongas

LIMITED

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) 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 of 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 therefore 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. Other Conditions

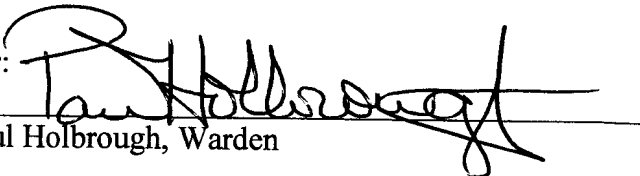
Notwithstanding the cost sharing arrangements described in Paragraph 12, if any part of the gas system altered or relocated in accordance with Paragraph 12 was constructed or installed prior to January 1, 1981, the Gas Company shall alter or relocate, at its sole expense, such part of the gas system at the point specified, to a location satisfactory to the Engineer/Road Superintendent.

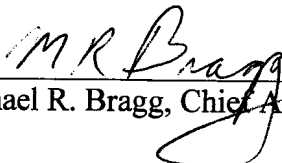
19. Agreement Binding Parties

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

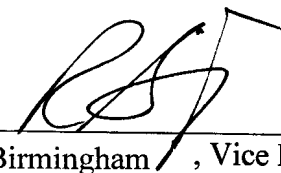
IN WITNESS WHEREOF the parties have executed this Agreement effective from the date written above.

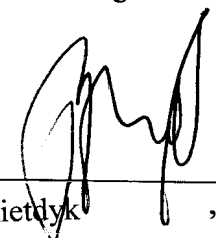
THE COUNTY OF OXFORD

Per: 
Paul Holbrough, Warden

Per: 
Michael R. Bragg, Chief Administrative Officer

UNION GAS LIMITED

Per: 
Michael R. Birmingham, Vice President

Per: 
Paul Rietdyk, Vice President

THE CORPORATION OF THE COUNTY OF PERTH

BY-LAW NUMBER 3068

**A BY-LAW TO AUTHORIZE A FRANCHISE AGREEMENT
BETWEEN THE CORPORATION OF THE COUNTY OF PERTH
and UNION GAS LIMITED**

WHEREAS the Council of the Corporation of the County of Perth deems it expedient to enter into the attached franchise agreement (the "Franchise Agreement") with Union Gas Limited;

AND WHEREAS the Ontario Energy Board by its Order issued pursuant to The Municipal Franchises Act on the ~~15TH~~ day of ~~APRIL~~, 2008 has approved the terms and conditions upon which and the period for which the franchise provided in the Franchise 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 the Council of the Corporation of the County of Perth enacts as follows:

1. **THAT** the Franchise Agreement between the Corporation of the County of Perth and Union Gas Limited, attached hereto and forming part of this by-law, is hereby authorized and the franchise provided for therein is hereby granted.

2. **THAT** the Warden and Chief Administrative Officer be and they are hereby authorized and instructed on behalf of the Corporation of the County of Perth to enter into and execute under its corporate seal and deliver the Franchise Agreement, which is hereby incorporated into and forming part of this By-Law.

3. **THAT** the following by-law be and the same is hereby repealed:

By-law #2450 for the Corporation of the County of Perth, passed in Council on the 8th day of April, 1993.

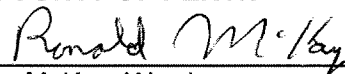
4. **THAT** this by-law shall come into force and take effect as of the final passing thereof.

Read a first time this seventh day of February, 2008.

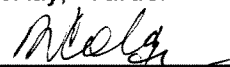
Read a second time this seventh day of February, 2008.

Read a third time and finally passed this ~~8TH~~ day of ~~MAY~~, 200~~8~~.

**THE CORPORATION OF THE
COUNTY OF PERTH**



Ron McKay, Warden



Ria Colquhoun, Chief Administrative Officer

2000 Model Franchise Agreement

THIS AGREEMENT effective this 8th day of MAY, 2008

BETWEEN:

THE CORPORATION OF THE COUNTY OF PERTH

hereinafter called the "Corporation"

- and -



uniongas

LIMITED

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) 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 of 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 therefore 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. Other Conditions

Notwithstanding the cost sharing arrangements described in Paragraph 12, if any part of the gas system altered or relocated in accordance with Paragraph 12 was constructed or installed prior to January 1, 1981, the Gas Company shall alter or relocate, at its sole expense, such part of the gas system at the point specified, to a location satisfactory to the Engineer/Road Superintendent.

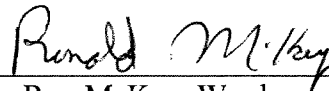
19. Agreement Binding Parties

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.

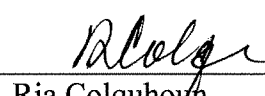
**THE CORPORATION OF THE
COUNTY OF PERTH**

Per:



Ron McKay, Warden


Per:



Ria Colquhoun,
Chief Administrative Officer


UNION GAS LIMITED

Per:



Rick Birmingham, Vice President

Per:



Curt Bernardi, Assistant Secretary

THE CORPORATION OF THE TOWNSHIP OF PERTH SOUTH

BY-LAW NUMBER 18-2003

**A BY-LAW TO AUTHORIZE A FRANCHISE AGREEMENT
BETWEEN THE CORPORATION OF THE TOWNSHIP OF PERTH SOUTH
and UNION GAS LIMITED**

WHEREAS the Council of The Corporation of the Township of Perth South deems it expedient to enter into the attached franchise agreement (the "Franchise Agreement") with Union Gas Limited;

AND WHEREAS the Ontario Energy Board by its Order issued pursuant to The Municipal Franchises Act on the 29 day of July, 2003 has approved the terms and conditions upon which and the period for which the franchise provided in the Franchise 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 The Council of the Corporation of the Township of Perth South enacts as follows:

1. **THAT** the Franchise Agreement between The Corporation of the Township of Perth South and Union Gas Limited, attached hereto and forming part of this by-law, is hereby authorized and the franchise provided for therein is hereby granted.
2. **THAT** the Reeve and Clerk-Treasurer be and they are hereby authorized and instructed on behalf of The Corporation of the Township of Perth South to enter into and execute under its corporate seal and deliver the Franchise Agreement, which is hereby incorporated into and forming part of this By-Law.
3. **THAT** the following by-laws be and the same are hereby repealed:

By-law # 36-1988 for the former Corporation of the Township of Blanshard, passed in Council on the 17th day of October, 1989;

By-law # 31-88 for the former Corporation of the Township of Downie, passed in Council on the 24th day of October, 1989;

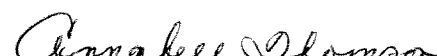
4. **THAT** this by-law shall come into force and take effect as of the final passing thereof.


Read a first time this 11 day of February, 2003.

Read a second time this 11 day of February, 2003.

Read a third time and finally passed this 2 day of September, 2003

**THE CORPORATION OF THE
TOWNSHIP OF PERTH SOUTH**


Annabell Thomson, Reeve


Muriel King, Clerk-Treasurer

2000 Model Franchise Agreement

THIS AGREEMENT effective this 2 day of September, 2003.

BETWEEN:

THE CORPORATION OF THE TOWNSHIP OF PERTH SOUTH

hereinafter called the "Corporation"

- and -



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 of 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 therefore 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.

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- (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. **Other Conditions**

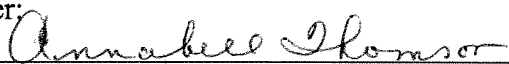
Notwithstanding the cost sharing arrangements described in Paragraph 12, if any part of the gas system altered or relocated in accordance with Paragraph 12 was constructed or installed prior to January 1, 1981, the Gas Company shall alter or relocate, at its sole expense, such part of the gas system at the point specified, to a location satisfactory to the Engineer/Road Superintendent.


19. **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 TOWNSHIP
OF PERTH SOUTH**

Per: 
Annabell Thomson, Reeve

Per: 
Muriel King, Clerk-Treasurer

UNION GAS LIMITED

Per: 
~~Paul Rietdyk, Director~~

Christine Jackson
Assistant Secretary

**CORPORATION OF THE
TOWNSHIP OF ZORRA**

BY-LAW NO. 43-01

**A BY-LAW TO AUTHORIZE A FRANCHISE AGREEMENT
BETWEEN THE CORPORATION OF THE TOWNSHIP OF ZORRA
AND UNION GAS LIMITED**

WHEREAS the Council of The Corporation of the Township of Zorra deems it expedient to enter into the attached franchise agreement (the "Franchise Agreement") with Union Gas Limited;

AND WHEREAS the Ontario Energy Board by its Order issued pursuant to The Municipal Franchises Act on the 11th day of June, 2002 has approved the terms and conditions upon which and the period for which the franchise provided in the Franchise 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 THE COUNCIL OF THE CORPORATION OF THE TOWNSHIP OF ZORRA ENACTS AS FOLLOWS:

1. **THAT** the Franchise Agreement between The Corporation of the Township of Zorra and Union Gas Limited, attached hereto and forming part of this by-law, is hereby authorized and the franchise provided for therein is hereby granted.

2. **THAT** the Mayor and Clerk be and they are hereby authorized and instructed on behalf of The Corporation of the Township of Zorra to enter into and execute under its corporate seal and deliver the Franchise Agreement, which is hereby incorporated into and forming part of this By-Law.

3. **THAT** the following by-laws be and the same are hereby repealed:

By-law #22-92 of the Corporation of the Township of Zorra, passed in Council on the 6th day of April, 1993, as it applied to the former Township of North Oxford;

By-law # 47-1981 of the Corporation of the Township of Zorra passed in Council on the 15th day of December, 1982, as it applied to the former Township of East Nissouri;


By-law # 3 of the former Corporation of the Township of West Zorra, passed in Council on the 7th day of April, 1969;

By-law # 604 of the former Village of Embro passed in Council on the 5th day of May, 1969

4. **THAT** this by-law shall come into force and take effect as of the final passing thereof.

READ A FIRST AND SECOND TIME THIS 6TH day of SEPTEMBER, 2001.

READ A THIRD TIME AND FINALLY PASSED TIME THIS 18th day of June, 2002.


MAYOR
WILLIAM SEMENIUK, JR.


CLERK ADMINISTRATOR
DONALD W. MACLEOD

2000 Model Franchise Agreement

THIS AGREEMENT effective this 14 day of June, 2002.

BETWEEN:

THE CORPORATION OF THE TOWNSHIP OF ZORRA

hereinafter called the "Corporation"

- and -



uniongas

LIMITED

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 of 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 therefore 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. **Other Conditions**

Notwithstanding the cost sharing arrangements described in Paragraph 12, if any part of the gas system altered or relocated in accordance with Paragraph 12 was constructed or installed prior to January 1, 1981, the Gas Company shall alter or relocate, at its sole expense, such part of the gas system at the point specified, to a location satisfactory to the Engineer/Road Superintendent.

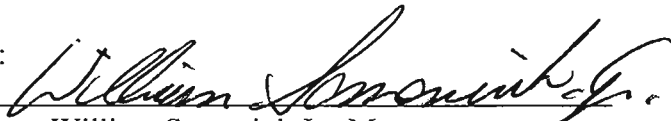
19. **Agreement Binding Parties**

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
TOWNSHIP OF ZORRA**

Per:

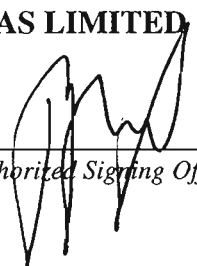

William Semeniuk Jr., Mayor

Per:


Donald W. MacLeod, Clerk/Administrator

UNION GAS LIMITED

Per:


(Authorized Signing Officer)

ONTARIO FUEL BOARD

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

AND IN THE MATTER OF an Application by
Union Gas Company of Canada, Limited to
the Ontario Fuel Board for approval of
the Board to construct works to supply
and/or to supply gas in the under-mentioned
Municipalities.

B E F O R E:

A. R. Crozier, Esquire, Chairman, and	} Tuesday, the
D. M. Treadgold, Esquire, Q.C., and	
J. J. Wingfelder, Esquire, Commissioners	
	} 10th day of
	} June, A.D. 1958.

B E T W E E N:

UNION GAS COMPANY OF CANADA, LIMITED

- and -

City of Brantford,	Township of Dereham,
City of Galt,	Township of Dunn,
City of St. Thomas,	Township of Dunwich,
City of Woodstock,	Township of East Oxford,
Town of Delhi,	Township of Glanford,
Town of Dunnville,	Township of Gosfield North,
Town of Hespeler,	Township of Gosfield South,
Town of Ingersoll,	Township of Houghton,
Town of Kingsville,	Township of Mersea,
Town of Leamington,	Township of Middleton,
Town of Paris,	Township of Moulton,
Town of Port Dover,	Township of North Cayuga,
Town of Preston,	Township of North Dorchester,
Town of Simcoe,	Township of North Dumfries,
Town of Tillsonburg,	Township of North Walsingham,
Village of Caledonia,	Township of Oneida,
Village of Cayuga,	Township of Onondaga,
Village of Cottam,	Township of Orford,
Village of Dorchester,	Township of Rainham,
Village of Dutton,	Township of Seneca,
Village of Fingal,	Township of Sherbrooke,
Village of Hagersville,	Township of South Cayuga,
Village of Highgate,	Township of South Dumfries,
Village of Jarvis,	Township of South Walsingham,
Village of Lambeth,	Township of Southwold,
Village of Port Rowan,	Township of Townsend,
Village of Port Stanley,	Township of Walpole,
Village of Rodney,	Township of Westminster,
Village of Shedden,	Township of West Oxford,
Village of Waterford,	Township of Windham,
Village of West Lorne,	Township of Woodhouse,
Village of Wheatley,	Township of Yarmouth,
Township of Aldborough,	County of Brant,
Township of Ancaster,	County of Elgin,
Township of Barton,	County of Haldimand,
Township of Bayham,	County of Middlesex,
Township of Binbrook,	County of Norfolk,
Township of Brantford,	County of Oxford,
Township of Burford,	County of Waterloo,
Township of Canboro,	County of Wentworth.
Township of Charlotteville,	

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

UPON Application of Union Gas Company of Canada, Limited

- 2 -

to the Ontario Fuel Board pursuant to Section 8 of The Municipal Franchises Act, R.S.O. 1950, Chapter 249, as amended, for approval of the said Board to construct works to supply and to supply gas in each of the Municipalities above mentioned; upon the hearing of such Application by the Board at its Offices, 4 Richmond Street East, in the City of Toronto and Province of Ontario on the 10th day of June, 1958, after due Notice of such hearing had been given as directed by the Board; in the presence of Counsel for the Applicant, Counsel for Central Pipeline Company Limited and United Development Company Limited, Counsel for the City of Galt, Counsel for the Town of Kingsville and the Townships of Gosfield South and Mersea and Counsel for S. J. Putman, Esquire of Kingsville; upon hearing the evidence adduced, the exhibits filed and Counsel aforesaid;

THIS BOARD DOTH CERTIFY, pursuant to Section 8 of The Municipal Franchises Act, R.S.O. 1950, Chapter 249, as amended, that public convenience and necessity appear to require that approval of the Ontario Fuel Board shall be and the same is hereby given to Union Gas Company of Canada, Limited to construct works to supply and to supply gas in each and all of the Municipalities above named, except in those certain areas and to those certain persons more particularly set forth in Schedule "A" hereto.

AND THIS BOARD DOTH FURTHER ORDER that the costs of this Application fixed at the sum of \$250.00 be paid forthwith to the Board by the Applicant.

DATED at Toronto, Ontario, this 17th day of March, A.D. 1959.

ONTARIO FUEL BOARD

"A. R. Crozier"

Chairman

"D. M. Treadgold"

Commissioner

"J. J. Wingfelder"

Commissioner

THIS IS SCHEDULE "A" TO THE WITHIN
 CERTIFICATE OF PUBLIC CONVENIENCE
 AND NECESSITY DATED THE DAY
 OF , 1959.

A. TOWNSHIP OF WESTMINSTER

- (i) All of Lot 1 in Concession B.
- (ii) The north half of Lot 1 in Concession 1.
- (iii) Those persons in the south half of Lot 1 in Concession 1 and in the north half of Lot 1 in Concession 2 receiving natural gas from any person other than Union Gas Company of Canada, Limited on the date of this Certificate.
- (iv) The south half of Lot 1 in Concession 2.
- (v) All of Lots 1, 2 and 3 in Concessions 3, 4, 5 and 6.
- (vi) All of Lots 1, 2, 3, 4 and 5 in Concession 7.
- (vii) All of Lots 3, 4 and 5 in Concession 8.

B. TOWNSHIP OF NORTH DORCHESTER

- (i) All of Lot 24 in Concession A.
- (ii) The north half of Lot 24 in Concession B.
- (iii) Those persons in the south half of Lot 24 in Concession B and in the north half of Lot 24 in Concession 1 receiving natural gas from any other person than Union Gas Company of Canada, Limited on the date of this Certificate.
- (iv) The south halves of Lots 21, 22, 23 and 24 in Concession 1.
- (v) All of Lots 21, 22, 23 and 24 in Concessions 2, 3, 4, 5 and 6.
- (vi) Those persons in the south halves of Lots 8 and 9 in Concession B and in the north halves of Lots 8 and 9 in Concession 1 receiving natural gas from any other person than Union Gas Company of Canada, Limited on the date of this Certificate.
- (vii) The south halves of Lots 6, 7, 8, 9 and 10 in Concession 1.
- (viii) All of Lots 6, 7, 8, 9 and 10 in Concessions 2, 3, 4, 5 and 6.

C. TOWNSHIP OF YARMOUTH

- (i) All of Lots 14, 15, 16 and 17 in Concession 15.
- (ii) All of Lots 13, 14, 15, 16 and 17 in Concession 14.
- (iii) All of Lots 19, 20, 21, 22, 23 and 24 in Concession 10, in Range II North of Edgeware Road, in Range I North of Edgeware Road and in Range I South of Edgeware Road.

- 2 -

- (iv) All of Lots 67, 68, 69, 70, 71, 72 and 73 in Concession 9 (North Talbot Road) and in Concession 8 (South Talbot Road).
- (v) All of Lots 22, 23, 24, 25, 26, 27 and 28 in Concessions 7, 6 and 5.
- (vi) All of Lots 21, 22, 23, 24, 25, 26, 27 and 28 in Concessions 4, 3, 2 and 1.

D. TOWNSHIP OF DEREHAM

- (i) All of Lots 15 to 24 both inclusive in Concession 1.
- (ii) All of Lots 15 to 28 both inclusive in Concessions 2 to 12 both inclusive.

E. TOWNSHIP OF BAYHAM

- All of the Municipality except,
 - (i) All of Lots 15, 16, 17, 18, 19, 20 and 21 in Concession 11.
 - (ii) All of Lots 20, 21, 22, 23, 24 and 25 in Concession 10.
 - (iii) All of Lots 20, 21, 22, 23, 24, 25, 26, 27 and 28 in Concession 9.
 - (iv) The north half of Lot 20 in Concession 8.
 - (v) All that part of Lot 21 in Concession 8 lying north of the most southerly point of intersection of The Canadian Pacific Railway right-of-way with King's Highway No. 19.
 - (vi) All that part of Lot 21 in Concession 8 lying between the southerly limit of King's Highway No. 19 and the location on the date of this Certificate of a 4" gas main of Union Gas Company of Canada, Limited which runs in a general easterly direction from King's Highway No. 19 to the easterly limit of such Lot.
 - (vii) All those parts of Lots 22, 23, and 24 in Concession 8 lying north of the road which runs in a general easterly and westerly direction through such Lots.
 - (viii) The south halves of Lots 22, 23 and 24 and the south six-tenths of Lots 25 and 26, all in Concession 8 but reserving however to any other person supplying natural gas therein on the date of this Certificate the right to continue to supply to the consumers receiving such gas on the date of this Certificate.
 - (ix) All of Lot 28 in Concession 8.

F. TOWNSHIP OF HOUGHTON

- All of the Municipality except,
 - (i) All of Gore Lot "A".
 - (ii) The north half of Gore Lot "B".

- 3 -

G. TOWNSHIP OF MIDDLETON

- (i) The south quarters of Lots 1 and 2 in Concession 1, North Talbot Road.
- (ii) All of Lots 1 and 2 in Concessions 1 and 2, South Talbot Road.

H. TOWNSHIP OF NORTH WALSINGHAM

- (i) All of Lots 1 in Concessions 13 and 14.
- (ii) All of Lots 1 to 5 both inclusive in Concessions 7 and 8.

I. TOWNSHIP OF SOUTH WALSINGHAM

- (i) Marsh Lot in front of Gore Lot A in Range B.
 - (ii) Gore Lot A in Range B.
 - (iii) Gore Lot B in Range A.
 - (iv) Gore Lot C in Concession 1.
 - (v) Gore Lot D in Concession 2.
 - (vi) Gore Lot E in Concession 3.
 - (vii) Marsh Lots 1, 2, 3, 4 and 5 in front of Lots 1, 2, 3, 4 and 5 respectively in Range B.
 - (viii) Lots 1 to 5 both inclusive in each of Ranges A and B.
 - (ix) Lots 1 to 5 both inclusive in Concessions 1 to 6 both inclusive.
-

ONTARIO ENERGY BOARD

IN THE MATTER OF The Municipal Franchises
 Act, R.S.O. 1960, Chapter 255;

AND IN THE MATTER OF an Application by
 Union Gas Company of Canada, Limited to
 the Ontario Energy Board for approval of
 the Board to construct works to supply
 and to supply gas in the Respondent
 Municipalities.

Palmerston

B E F O R E:

A. R. Crozier, Chairman) Wednesday, the 17th day
 and)
 J. J. Wingfelder, Commissioner) of April, 1963.

B E T W E E N:

UNION GAS COMPANY OF CANADA, LIMITED,
 Applicant,
 - and -

Duplicate originals in franchise
 original files for Bruce and Perth.

County of Bruce Township of Bentinck
 County of Perth Township of Brant
 Town of Durham Township of Egremont
 Town of Hanover Township of Elma
 Town of Harriston Township of Holland
 Town of Listowel Township of Luther West
 Town of Mount Forest Township of Maryborough
 Town of Palmerston Township of Minto
 Town of Walkerton Township of Normanby
 Village of Arthur Township of Peel
 Village of Chatsworth Township of Sullivan
 Village of Drayton Township of Wallace
 Township of Arthur

Respondents.

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

UPON the Application of Union Gas Company of Canada, Limited for
 approval of the Ontario Energy Board to construct works to supply and to supply
 gas in the Respondent Municipalities pursuant to Section 8 of The Municipal
 Franchises Act, R.S.O. 1960, Chapter 255; upon the hearing of such Application
 by the Board on the 17th day of April, 1963, after due Notice of such Hearing
 had been given as directed by the Board; in the presence of Counsel for the
 Applicant, and no one else appearing; the Board having later issued its Decision
 dated the 22nd day of April, 1963, providing for the issuance of this Certificate;

THIS BOARD DOTH CERTIFY, pursuant to Section 8 of The Municipal
 Franchises Act, R.S.O. 1960, Chapter 255, that Public Convenience and Necessity
 appear to require that approval of the Ontario Energy Board shall be and the same
 is hereby given to Union Gas Company of Canada, Limited to construct works to
 supply and to supply gas in the Respondent Municipalities.

- 2 -

AND THIS BOARD DOTH further Order and Direct that the costs of this Application fixed at the sum of \$75.00 shall be paid forthwith by the Applicant to the Board.

DATED at Toronto, Ontario, this 1st day of May, 1963.

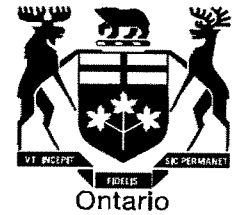
ONTARIO ENERGY BOARD

(Seal)

Sgd. "J. J. Wingfelder"
Secretary

Ontario Energy
Board

Commission de l'Énergie
de l'Ontario



RP-2003-0041
EB-2003-0051

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 Union Gas
Limited for an order cancelling and replacing the existing
Certificates of Public Convenience and Necessity for the
Township of Perth South.

Before:

Art Birchenough
Presiding Member

Ken McCann
Member

ORDER GRANTING A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

Union Gas Limited ("Union") filed a application dated February 27, 2003 (the "Certificate Application") with the Ontario Energy Board (the "Board") under the *Municipal Franchises Act*, R.S.O. 1990, c. M.55 as amended (the "Act") for an order cancelling the existing Certificates of Public Convenience and Necessity for the predecessor municipalities of the Township of Perth South (Township of Downie (F.B.C. 192); and the Township of Blanshard (F.B.C. 192 and F.B.C 230)) and replacing them with a Certificate of Public Convenience and Necessity for the new Township of Perth South. The Board has assigned File No. RP-2003-0041/EB-2003-0051 to this Certificate Application.

The Board's Notice of Application was published on March 21, 2003. There were no intervenors. On April 30, 2003 the Board issued a Notice of Written Hearing. No party satisfied the Board that there was a good reason for not holding a written hearing. The replacement Certificate does not grant Union any additional rights to those it held under the predecessor certificates, and is requested by Union in order to recognize new municipal boundaries.

The Board found that, based on the evidence, granting the Certificate Application was in the public interest.

10

THE BOARD THEREFORE ORDERS THAT:

11

1. The existing Certificates of Public Convenience and Necessity for the Township of Downie (F.B.C. 192) and the Township of Blanshard (F.B.C. 192 and F.B.C 230) are cancelled and replaced with a single Certificate of Public Convenience and Necessity for the Township of Perth South (EB-2003-0051).

12

2. A Certificate of Public Convenience and Necessity is granted to Union Gas Limited to construct works to supply gas in the Township of Perth South (EB-2003-0051).

13

DATED at Toronto, July 29, 2003
ONTARIO ENERGY BOARD

14



Peter H. O'Dell
Assistant Board Secretary

Ontario Energy Board

Commission de l'Énergie
de l'Ontario



EB-2007-0025

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 Union Gas Limited for
an order cancelling existing Certificates of Public Convenience and
Necessity for certain geographic areas that now form part of the
Township of Zorra and replacing these with a single Certificate of
Public Convenience and Necessity.

By delegation, before: Neil McKay

DECISION AND ORDER

Union Gas Limited ("Union") filed an application dated January 24, 2007 with the Ontario Energy Board (the "Board") under section 8 of the *Municipal Franchises Act*, R.S.O. 1990, c. M.55, as amended (the "Act"), for an order of the Board that cancels the existing Certificates of Public Convenience and Necessity ("Certificates") for the former municipalities that now form part of the Township of Zorra (the "Municipality") and replaces the existing Certificates with a new Certificate for the Municipality. The Board has assigned file number EB-2007-0025 to this application.

The Board's Notice of Application and Written Hearing was published on February 15, 2007. There were no intervenors.

On January 1, 1975, the former Township of West Zorra, the former Township of North Oxford, the former Township of East Nissouri and the former Village of Embro were amalgamated to form the Municipality.

Union has Certificates for the former Township of West Zorra, the former Township of North Oxford and the former Township of East Nissouri. Union does not have a Certificate for the former Village of Embro. The nearest natural gas utility other than Union is in the City of Kitchener.

The Board finds that it is in the public interest to grant the application and that public convenience and necessity requires that approval be given.

IT IS THEREFORE ORDERED THAT:

1. The portions of the Certificates of Public Convenience and Necessity associated with the former Township of West Zorra, the former Township of North Oxford and the former Township of East Nissouri are cancelled.
2. A Certificate of Public Convenience and Necessity, attached as Appendix A to this Decision and Order, is granted to Union Gas Limited to construct works to supply gas in the Township of Zorra.

DATED at Toronto, April 10, 2007

ONTARIO ENERGY BOARD

Original signed by

Neil McKay
Manager, Facilities Applications

APPENDIX A
TO BOARD DECISION AND ORDER
EB-2007-0025
DATED: April 10, 2007
Certificate of Public Convenience and Necessity
for the Township of Zorra

EB-2007-0025

Certificate of Public Convenience and Necessity

The Ontario Energy Board hereby grants

Union Gas Limited

approval under section 8 of the *Municipal Franchises Act*, R.S.O. 1990, c. M.55, as amended, to construct works to supply gas to the

Township of Zorra

This certificate replaces the portions of the certificates associated with the former townships that are now within the Township of Zorra.

DATED at Toronto, April 10, 2007

ONTARIO ENERGY BOARD

Original signed by

Neil McKay
Manager, Facilities Applications

ENBRIDGE GAS INC.

Answer to Interrogatory from
Board Staff

Interrogatory #2

Reference: Schedule 5 Application, pages 5-6

Preamble:

Union provided a table showing forecasted attachments based on 8-year historical averages and known contract increases. Union asserts that the Forest Hensall Goderich (FHG) Transmission System is forecasted to be fully utilized with no excess capacity available to accommodate forecasted general service additions as of winter 2019, and that the proposed project is required to increase the system capacity. The proposed facilities are expected to add approximately 16,400 m3/hr capacity to the FHG Transmission System based on the areas of proposed growth within Union's FHG Transmission System Facilities Business Plan (FBP).

Questions:

- a) Please provide evidence regarding the market survey undertaken and/or the requests for service which was/were used to calculate the forecasted attachments.
- b) Please explain the term "Diversified Winter Loads".
- c) Please provide a breakdown of the incremental capacity allocation by customer class.
- d) Please discuss whether each customer class or individual customer will be paying a CIAC, SES or TCS. Please explain why or why not.
- e) Please discuss whether Union has executed and/or is negotiating with customers any contracts that are reliant on the approval of the Stratford Reinforcement Project. If so, please describe each of executed contracts and/or indicate the status of any contract negotiations.
- f) Please explain why the table of attachments in Schedule 5 shows industrial customers attaching in 2020 and 2024, but the table for "Diversified Winter Loads" above shows zero for those years.

Responses:

- a) No specific market survey was completed for the forecasted attachments. To forecast attachments for this project, the FBP (Facilities Business Plan) process was used. The FBP process used actual volumetric historic growth rates for each of the specific regions on the FHG (Forest, Hensall, and Goderich) Transmission System. These growth rates are determined by assessing 10 years of historical load additions.

In addition to this, known growth from community expansions, as well as the commercial, industrial and contract market customers are captured and used to complete the load analysis. This information is captured through discussion with our local Construction & Growth Team, Industrial Sales Team and the Community Expansion Team. This is the typical process used to assist with justifying projects of this magnitude, which does not require such a survey.

- b) Diversified Loads refers to the phenomenon where all appliances in a home, on a street, in a subdivision and in a community are not being used at the same time due to the cyclical nature of their operation. It is reasonable to assume that all occupants will not take showers at the same time, that they all will not operate cooking appliances at the same time, and that all furnaces will not operate simultaneously because of the cyclical nature of their operation. The Diversified Loads results in reduced facilities to serve these customers. Diversified Winter Loads refers to the winter operating season when space heating load is on the system in addition to domestic hot water heating, laundry and cooking appliances.
- c) The breakdown of incremental capacity by customer class was generated by merging both the FBP and the Community Expansion forecasts.

M1 Rate Class

Customer Type	Total Load (m3/h)	2019	2020	2021	2022	2023	2024	2025	2026
Residential	8670.5	1180.9	1210.6	1076.4	1060.8	1059.2	1028.0	1028.0	1026.5
Small Commercial	2513.2	314.2	314.2	314.2	314.2	314.2	314.2	314.2	314.2
Small Industrial	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

M2 Rate Class

Customer Type	Total Load	2019	2020	2021	2022	2023	2024	2025	2026
Large Commercial	1724.8	528.9	108.1	171.5	187.9	282.6	186.6	164.0	243.4
Large Industrial	318.63	0.0	71.2	0.0	71.2	0.0	71.2	0.0	0.0

M4 Rate Class

Customer Type	Total Load (m3/h)	2019	2020	2021	2022	2023	2024	2025	2026
Contract	610	0.0	0.0	0.0	305.0	0.0	0.0	305.0	0.0

T1 Rate Class

Customer Type	Total Load (m3/h)	2019	2020	2021	2022	2023	2024	2025	2026
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Contract	292	73.0	0.0	73.0	0.0	73.0	0.0	73.0	0.0
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- d) No customers have been assessed a CIAC, SES or TSC charge for the construction of this project. Customers in the System Expansion areas of Milverton and Lambton Shores will be paying a System Expansion Surcharge (SES); this SES is attributed to customers within these areas as detailed in EB-2015-0179.
- e) No, Enbridge Gas has not executed or negotiated any contracts that are reliant on the approval of this project.
- f) The industrial customers outlined in Schedule 5 of Union's pre-filed evidence, are captured in the "Generic General Service Growth" column of the "Diversified Winter Loads" table. These volumes are captured through the FBP process and are based on historic trends. The reason these customers are forecasted in the "Generic General Service Growth" column is because they are not expected to meet the load requirements for contract rate. The "Commercial, Industrial & Contract Customers" column, provided by the Industrial Sales Team, was intended to capture known growth for large volume customers that was not captured as part of the FBP or community expansion forecasts for the FHG Transmission System. These are over and above what is expected to attach based on historic trends.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Board Staff

Interrogatory #3

Reference: Schedule 7, page 21, “Summary of Alternatives”
Application, pages 3 to 4 “Facilities Business Plan Approach”

Preamble:

Union provided a summary of alternatives to the proposed project that were considered in its Facilities Business Plan (FBP) for the FHG area. The FBP was last updated in 2016.

Questions:

- a) Please provide cost estimates for all of the alternatives to the proposed facilities identified in the FBP.
- b) Does the proposed project displace the need for any future distribution system investment elsewhere in Union’s system? If so, please provide an estimate of the avoided cost.
- c) What timelines would have been required to deploy the geo-targeted DSM programs that Union considered? What timelines would have been required to achieve the full impact of the DSM programs?
- d) Has Union reassessed DSM as an alternative to the proposed project since 2016? Please explain why or why not.

Responses:

- a) The table below outlines the magnitude cost estimate of the cost of all alternatives identified in the System Design Criteria Report that are able to provide the necessary capacity to the FHG Transmission System to support identified growth.

	Alternative	Project Scope	Estimated Cost
3.4.1	Install a Different Diameter Pipeline	10.8km NPS 10 6160kPa	\$27,110,000
3.4.1	Install a Different Diameter Pipeline	10.8km NPS 16 6160kPa	\$42,870,000
3.4.2	Install a Longer Reinforcement Project	15km NPS 12 6160kPa	\$39,650,000
3.4.3	Install a Shorter Reinforcement Project	7.6km NPS 12 6160kPa	\$21,150,000*
-	Preferred Option	10.8km NPS 12 6160kPa	\$28,540,000

**This alternative (i.e. 7.6 km of NPS 12 6160kPa) includes the proposed 11 HDD crossings which makes this option cost more per meter when compared to the preferred option*

The remaining alternatives within Schedule 7 of Union's pre-filed evidence were rejected prior to obtaining cost estimates as these were determined not to be viable project alternatives due to their inability to support the identified growth or due to unrealistic project scopes.

- b) No.
- c) On an operational basis, the DSM planning process operates on a relatively short time-frame. The program planning schedule depends on the type of program, assuming that the program is being implemented in the current DSM framework, and that the policy issues as described Section 7 are settled and an appropriate framework is developed. The range of timing from decision on whether or not a program should be implemented to actual implementation ranges from 3 to 12 months. Hence, excluding any regulatory approval delays, the Gas Utilities could be able to implement a new geo-targeted DSM program within 12-18 months of the decision to proceed. This is recognizing that the Gas Utilities have had no experience with geo-targeted program design and these timeframes are based on broad based DSM efforts. The timing may change, as more is known about geo-targeted program design; the Gas Utilities expect to gain insight on these program enhancements during the course of the pilot studies. The length of time that the DSM program will need to be in place in order to reduce peak demand by enough to delay or avoid a specific infrastructure project will always depend on the specific customer characteristics, the DSM program and the specific infrastructure project. The current lack of information on the ability of natural gas DSM programs to impact peak demand makes it currently impossible to know with certainty when a DSM program needs to be implemented and how long the program needs to be in operation to successfully delay or avoid the infrastructure project. However, the Gas Utilities anticipate that most geo-targeted projects will require two to four years of fully effective implementation to reduce demand growth sufficient to allow the facilities investment to be reduced. For a geo-targeted DSM program to reduce an infrastructure project, the results of the geo-targeted program would need to be in place with sufficient reliability to ensure that the new facility will not be required to meet demand. Generally, this would require a successful evaluation of DSM program results prior to the time of the leave to construct filing. Given the need to evaluate the impacts of the DSM program, the DSM program would need to be completed or demonstrating measurable results, at least 2 years prior to the date at which the additional capacity

provided by the infrastructure project was initially projected to be required. Hence, a successful geo-targeted DSM program would need to be approved and put into motion about 4 - 5 years prior to the expected in-service date of the targeted facility investment. However, the need for new facilities is generally uncertain at four to five years prior to the in-service date. As a result, geo-targeted DSM programs may need to be implemented before the Gas Utilities have a high degree of certainty that the facility investment will actually be required, potentially leading to an expenditure that may not produce the full value as intended.¹

- d) Union has evaluated the effectiveness of implementing DSM programs, both system-specific and geo-targeted, to defer or offset the need for the Stratford Reinforcement Project. Please see Attachment 1 for a PowerPoint presentation from November 2017, which was presented to ICF to assist in the evaluation of a DSM IRP study.

From the 2018 ICF report “Natural Gas Integrated Resource Planning: Initial Assessment of the Potential to Employ Targeted DSM to Influence Future Natural Gas Infrastructure Investment”, it was determined that DSM is capable of offsetting system growth as high as 1.35% per year. At the time of this report, Union reported that the FHG Transmission System design day demands would grow at a rate of ~1478 m³/hr annually, which equates to a system growth rate of 1.51%. This growth rate, already beyond the DSM potential, does not include concessions for Community Expansion customers or commercial and industrial contract rate customers forecasted by the Industrial Sales Team, as forecasted in Schedule 5 of Union’s pre-filed evidence from the 2018 ICF report “Natural Gas Integrated Resource Planning: Initial Assessment of the Potential to Employ Targeted DSM to Influence Future Natural Gas Infrastructure Investment”, it was determined that DSM is capable of offsetting system growth as high as 1.35% per year. At the time of this report, Union reported that the FHG Transmission System design day demands would grow at a rate of ~1478 m³/hr annually, which equates to a system growth rate of 1.51%. This growth rate, already beyond the DSM potential, does not include concessions for Community Expansion customers or commercial and industrial contract rate customers forecasted by the Industrial Sales Team, as forecasted in Schedule 5 of Union's pre-filed evidence. Exclusion of these groups provided a best-case scenario, where growth was proven to be beyond DSM potential. As a result, it was determined that system-wide DSM would not be an effective solution to meeting the demands of the FHG Transmission System and was therefore discounted as a viable project alternative.

¹ EB-2017-0127 (<http://www.rds.oeb.ca/HPECMWebDrawer/Record/596652/File/document>) Appendix C Natural Gas Integrated Resource Planning: Initial Assessment of the Potential to Employ Targeted DSM to Influence Future Natural Gas Infrastructure Investment Executive Summary, Section 4.2 Coordinating Facilities and DSM Planning Timelines for Geo-Targeted DSM Programs, pages 19 and 20.

DSM - Project Deferral Reinforcement Projects

Reinforcement Case 1 - Timmins

Case 1:

- Reinforcement = 1.3 km of NPS 6 ST 6895 kPa pipeline in the north
- Current project estimate = \$690,000
- Approximate 3 year project deferral savings = \$160,000
- Regular rate forecasted growth (2017-2019) = 550 m³/hr
- Existing system peak load is approximately 49,000 m³/hr (32% RES, 43% COM, 25% IND)

Reinforcement Case 2 - FHG

Case 2:

- Reinforcement = 7.6 km of NPS 12 ST 6160 kPa pipeline in the south
- Current project estimate = \$14,100,000
- Approximate 3 year deferral savings = \$3,300,000
- Regular rate forecasted growth (2017-2019) = 4400 m³/hr
- The regular rate forecasted growth is equivalent to 1350 m³/hr of geotargeted customers
- Existing system peak load is approximately 98,000 m³/hr (43% RES, 42% COM, 15% IND)
- Geotargeted area peak load is approximately 22,000 m³/hr (32% RES, 43% COM, 25% IND)

Summary

- In order to defer reinforcement projects, the three year forecasted growth would need to be reduced in existing customers peak load for that system
- Case 1, reinforcement may be deferred for three years if 550 m³/hr of growth is reduced off of the existing customers peak load.
- Case 2a, reinforcement may be deferred for three years if 4400 m³/hr of blanket growth is reduced off of the existing customers peak load.
- Case 2b geotargeted DSM requires a reduction of 1350 m³/hr off the peak load of the customers at the extents of the system.

Case Study	3 Year Forecasted Growth (m3/hr)	3 Year Deferral Savings (DSM Budget)	Current Peak Hourly Load (m3/hr)
1	550	\$160,000	49,000
2a	4400 (blanket)	\$3,300,000	98,000
2b	1350 (geotargeted)	\$3,300,000	22,000 *

* Load is approximate peak load of the geotargeted location

ENBRIDGE GAS INC.

Answer to Interrogatory from
Board Staff

Interrogatory #4

Reference: Schedule 9

Preamble:

The design specifications of the NPS 12 pipeline are provided in Schedule 9.

Question:

Did Union consider using alternative design specifications in anticipation of increased development in the area that would render the area a class 2 or class 3 location? Why or why not?

Response:

The design specifications provided in Schedule 9 are the minimum requirements as set by CSA Z662-15. The final design specifications chosen meet the code requirements for a class 3 location. The final design specifications were chosen based on a number of factors including anticipation of increased development in the area and the impacts of future modifications due to an increase in class location.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Board Staff

Interrogatory #5

Reference: Application, page 12
Schedule 7, page 5

Preamble:

Union states that the Project increases the capacity of the FHG Transmission System to meet forecasted demand growth but that no specifically identified customer or customers are driving the Project. Union states that large customers may require higher minimum delivery pressures.

Question:

Do any of the three forecasted large industrial customers have minimum delivery pressure requirements that necessitated a particular Project design that otherwise would not have been required?

Response:

No.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Board Staff

Interrogatory #6

Reference: Application, page 11
EB-2018-0013, Kingsville Reinforcement Project, Decision and Order,
pages 5 and 6

Preamble:

Union states that "...in the Kingsville decision (EB-2018-0013) the OEB agreed with Union's position that projects of this nature should be considered as transmission projects and use the economic tests outlined in E.B.O. 134".

OEB staff notes that in the Kingsville decision the OEB referred to the Kingsville pipeline as a "dual function pipeline", after finding that the Kingsville project meets both distribution and transmission needs. However, in the same decision, the OEB also acknowledged that the OEB's economic tests are exclusive, applicable to either distribution (E.B.O. 188) or transmission lines (E.B.O. 134). Under the current rules, the Kingsville pipeline could only be treated as a transmission line.

Question:

Please discuss and clarify Union's statement from page 11 of the Application (that projects of this nature should be considered as transmission projects) and explain how Union concluded that this proposed line should be considered as a transmission line.

Response:

As stated on page 12, paragraph 51, of the Application, the Proposed Facilities are a transmission project that increases the capacity of the FHG Transmission System to meet forecasted demand growth that arises from a variety of sources over a large geographic area of the Enbridge Gas franchise. No specifically identified customer or customers are driving the Project. As the forecast incremental demand extends throughout the service area affected, the increased demand is available on a first come, first served basis.

Additionally, the Proposed Facilities serve to reinforce the existing Stratford Pipeline which is classified as a transmission line.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Board Staff

Interrogatory #7

Reference: Schedule 12

Preamble:

The estimated Labour and Construction Cost is approximately \$24.6 million representing approximately 88% of the project sub-total (i.e., the project cost less contingency and interest during construction). There is a 15% contingency applied to the project sub-total. On a stand-alone basis the project's Profitability Index is 0.29. The following table shows the NPV based on the three-stage assessment:

Stage	NPV
Stage 1	(\$20 million)
Stage 2	\$175 million to \$282 million
Stage 3	+\$33 million
Total	\$188 million to \$295 million

Questions:

- a) Please explain how the estimate for Labour and Construction Cost was determined.
- b) If the estimate for Labour and Construction Cost has been updated since the Application was filed, please provide the new estimate along with a variance explanation and an updated PI.
- c) Please compare the total capital cost of the project to two or more comparable projects completed by Union in the last five years. Indicate the length, diameter, location and year of construction for each of the projects.
- d) One of the tables in Schedule 16 is labeled "Stage 2 (Customer Fuel Savings for Owen Sound Reinforcement Assumptions)" [emphasis added]. Please confirm if these assumptions apply to the Stratford Reinforcement Project. Please also confirm if these savings are comparable to customer fuel savings in similar projects in this area of the province.
- e) For the table "Fuel Mix in the Event Gas is not Available", how does Union account for the possibility that consumers may use different energy sources for different purposes (e.g. heating oil used for space heating and electricity used for hot water and cooking)? To what extent could this affect the PI of the project?

- f) Please provide the assumptions and a step-by-step explanation of the calculations for the Stage 2 and Stage 3 analysis for this project.
-

Responses:

- a) The estimate for Labour and Construction cost consists of four components; Prime Contractor Cost, Environmental and Engineering consultants, third party construction vendors and Lands (i.e. Fee Simple and Temporary Land Use) costs.

The Prime Constructor cost is based on a courtesy estimate provided by contractor. The Environmental and Engineering consultants' costs were based upon quotes provided by the consultants. The third party construction vendors' costs were based upon costs from previous projects escalated to year 2019. Land costs were based upon recent comparable sales and standard cash crop values.

The estimated Labour and Construction cost is approximately \$21.6 million. The estimated cost of materials is approximately \$3 million, this total to \$24.6 million.

- b) There has been no cost update since the Application was filed.

c)

Case #	Project Name	Length	Diameter	Cost	Comment
EB-2016-0013	Leamington Phase II	7 Km	NPS 8 NPS 12 NPS 16	\$12.344 M	The Leamington project scope is shorter and involves several lengths of pipes. The project was built through an abandoned railway corridor, which provided a favorable construction conditions. Only one new station was required to be constructed.
EB-2017-0180	2018 Sudbury Replacement Project	20 Km	NPS 12	\$ 74 M	This project is double the length of the Stratford project and it was built in more challenging terrains (rocks and significant watercourses)
EB-2018-0306	Stratford Reinforcement Project	11 km	NPS 12	\$28.5 M	<p>The Stratford Reinforcement includes 11 HDD crossing watercourses and county highways. The project team will have to work around local and business traffic.</p> <p>The scope of the project also includes building three new greenfield valve sites and significant modifications in an existing station.</p> <p>The valve site to be built at the north end of the project will have to take into account special environmental measures while completing the construction of the valve site.</p>

d) At Schedule 16 of Union's pre-filed evidence should state "Stratford Reinforcement". This was labeled incorrectly.

Confirmed. The assumptions on Schedule 16 apply to the Stratford Reinforcement Project.

There are no projects that can be used to compare customer fuel savings. The nearest project is the Kingsville Reinforcement Project (EB-2018-0013). This project is not

comparable due to its considerably higher proportion of contract customers versus Stratford.

For reference, the Kingsville Project 20 year NPV of savings assuming 80% reduction in contract demand is \$283 million (EB-2018-0013, Exhibit A, Tab 9, Schedule 5) versus the Stratford Project 20 year NPV of savings is \$175 million.

- e) The fuel mix ratios in the table represent the fuel mix for primary space heating fuel only. Other uses such as hot water and cooking are not included in the ratios.

The PI of the project is calculated in Stage 1 and is not affected by Stage 2 benefit calculations.

- f) Stage 2 assumptions and explanation of the calculation can be found in Schedule 16 of Union's pre-filed evidence.

Stage 3 assumptions and calculation can be found in Schedule 17 of Union's pre-filed evidence.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Board Staff

Interrogatory #8

Reference: Application, page 2

Preamble:

Union expects the Project will meet the criteria for rate recovery during the deferred rebasing period through the use of the Board's Incremental Capital Module (ICM) mechanism.

Question:

Please explain why Union expects the Project will qualify for ICM treatment.

Response:

The Enbridge Gas proposal for recovery of costs through the Incremental Capital Module ("ICM") can be found in the Enbridge Gas 2019 Rates application (EB-2018-0305) at Exhibit B1, Tab 2, Schedule 1.

The evidence discusses Enbridge Gas's request for ICM funding in support of capital investment needs that are not funded through existing rates. The Board approved use of the ICM to fund incremental capital during Enbridge Gas's 2019-2023 deferred rebasing periods as part of the MAADs Decision¹.

Within Exhibit B1, Tab 2, Schedule 1 Enbridge Gas describes the materiality threshold calculation at pages 8-20, need (including the means test) at pages 20-21 and prudence at pages 22-28. Specific details regarding the Stratford project can be found at pages 27 and 28 of Exhibit B1, Tab 2, Schedule 1. The evidence demonstrates that the project is eligible for ICM treatment.

¹ EB-2017-0306/EB-2017-0307 Decision and Order, August 30, 2018, pages 32 to 34.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Board Staff

Interrogatory #9

Reference: Application, pages 2 and 17
Schedule 8
Schedule 18

Preamble:

Union states that the preferred route is within the road allowance. Union states that it has met with all directly affected landowners and has obtained the land rights required to complete the Project. Union also states that it has obtained options to purchase three new station sites in fee simple and will acquire 11 Temporary Land Use (TLU) rights (for approximately 12 acres) for this Project.

According to section 97 of the Ontario Energy Board Act, 1998 (OEB Act), “In an application under section 90, 91 or 92, leave to construct shall not be granted until the applicant satisfies the Board that it has offered or will offer to each owner of land affected by the approved route or location an agreement in a form approved by the Board.” On November 13, 2018, Union filed a letter requesting approval of the TLU Agreement it will offer to affected landowners as part of the application. Union noted that the agreement was previously approved by the OEB in Union’s Oxford Reinforcement Project (EB-2018-0003).

Union has also committed to securing all necessary permits or approvals.

Questions:

- a) What is the current status and prospect of negotiations with all the landowners of properties where TLUs are needed?
- b) Please provide a table that lists all permits and approvals that are required to complete the construction of the project, including a description of the purpose or need for each permit and the status of each permit/approval application.

Responses:

- a) All temporary land rights required for the project have been acquired.
- b) Please see Attachment 1 for a table that lists all permits and approvals that are required to complete the construction of the project, including a description of the purpose or need for each permit. All permits will be obtained prior to construction.

2019 STRATFORD REINFORCEMENT PROJECT PERMITS/APPROVALS		
#	Agency	Purpose
Agency Permits		
1	Enbridge Oil Pipelines	Permission to cross Enbridge Oil Pipelines
2	Hydro One Networks Inc.	Confirmation that there are no conflicts with hydro distribution infrastructure
Municipal Permits		
3	Township of Zorra	Consent to pipeline location within road allowance
4		Crossing Agreements
5		Entry Access Permits
8		Traffic Control Permits
12	Oxford County	Municipality's consent to construct the pipeline
13		Traffic Control Permits
15		Crossing Agreements
16	Township of Perth South	Municipality's consent to construct the pipeline
Environmental Permits		
17	Ministry of Environment and Conservation and Parks	Permit to take water
18	Ministry of Natural Resources and Forestry	Letter of Advice in relation to endangered species
19	Ministry of Tourism, Culture, and Sport	Protection of cultural heritage resources
20		
21		
23		
24	Upper Thames Conservation Authority	Permit for watercourse crossings, and working in other areas regulated by the conservation authorityincludign wetlands
25		

ENBRIDGE GAS INC.

Answer to Interrogatory from
Board Staff

Interrogatory #10

Reference: Letters of comment from Mr. Allan Innes and Mr. Steven Veldman

Preamble:

The letters from Mr. Innes and Mr. Veldman indicate that there are a number of interested potential customers along the route of the proposed pipeline.

Question:

Will Union offer natural gas service to customers along the route of the proposed facilities? If not, please explain the technical, cost or other reasons for not providing service. Please include any economic feasibility analysis conducted.

Response:

Union has offered natural gas service to customers along the route of the proposed facilities, following requests from customers along this route. Enbridge Gas has submitted the proposal for distribution service to interested customers for consideration: to extend distribution gas service along the 41st Line as well as a portion of Rd 88 and 37th Line. This distribution project would include installing approximately 14.0 km of 4 inch polyethylene piping to connect 16 potential commercial customers and 24 potential residential customers. A preliminary economic analysis, following E.B.O. 188 guidelines was conducted which resulted in an economic shortfall of \$1.5-2.0 million; if consideration is given to including either a TCS or SES there is still a shortfall of between \$850,000 and \$1.4 million on the distribution project. These shortfalls were communicated with interested customers as well as with Zorra Township. Currently the customers who originally expressed interest in this project have not expressed interest in bridging this gap with a CIAC, which would be required under E.B.O. 188 guidelines.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Board Staff

Interrogatory #11

Reference: Application, page 20
Schedule 21

Preamble:

The Ministry of Energy, Northern Development and Mines (MENDM)¹ has delegated to Union the procedural aspects of the Crown's duty to consult for this project.

Question:

Please provide an update on communications with MENDM regarding the sufficiency of Union's activities with respect to the duty to consult. When does Union expect to receive and file on the OEB's record a letter from the MENDM with statement about sufficiency of Indigenous consultation.

Response:

Enbridge Gas has discussed this project with MENDM and is expecting a positive response in the near future.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Board Staff

Interrogatory #12

Reference: Schedule 20

Preamble:

Copies of the Environmental Reports were submitted to the Ontario Pipeline Coordination Committee (OPCC) on September 7, 2018. Union provided a summary of the comments received to date regarding the ER as well as Union's responses.

Question:

Please file an update on the comments (in tabular format) that Union has received as part of the OPCC review. Include the dates of communication, the issues and concerns identified by the parties, as well as Union's responses and actions to address these issues and concerns.

Response:

Please see Attachment 1 for comments as part of the OPCC review.

Union Gas Stratford Reinforcement Project

Ontario Energy Board (OEB) Staff Interrogatories (EB-2018-0306)

Response:

The Environmental Report provided for public and OPCC review included consultation to August 22, 2018. Comments and concerns received from the public and agencies after August 22, 2018, and resulting from the public and OPCC review of the Environmental Report (ER) are detailed in the table below. Where applicable, the planned actions to mitigate and/or address each of the concerns are identified in the Response Summary column. The comments received did not affect the results of the ER.

Stakeholder	Comment Summary	Response Date / Method	Response Summary
Jenny Seo, Hydro One Networks Inc. (HONI) Email dated September 18, 2018	HONI confirmed that there are no Hydro One Transmission Facilities in the Study Area but there may be distribution facilities. HONI requested that the ER be forwarded to their Zone 3a department. Updated contact information was also provided.	Jessalyn Beaney, AECOM Canada Ltd. (AECOM) Email dated September 25, 2018	AECOM submitted an electronic copy of the ER to the Zone 3a department for review.
Stephanie Churchill, HONI Email dated September 28, 2018	HONI confirmed that they require pre-engineered locates be obtained to determine if Hydro One plant is within proximity of the Project. HONI noted that consultation with local staff would be required to identify and developed plans to mitigate impacts to their infrastructure.	Mark Van der Woerd, AECOM Email dated November 1, 2018	AECOM confirmed HONI distribution lines are located in the vicinity of the Project. Union Gas is in ongoing discussions with HONI's contacts to avoid impacts to the asset and to arrange for construction support, if required.
Laura Hamulecki, Oxford County Email dated October 5, 2018	Oxford County noted that they have no concerns regarding water or wastewater. Oxford County requested that the pipeline be placed at a depth of 4 to 5 metres below existing asphalt of roadways for a distance of 15 m from centreline. They also noted that the proponent will be required to obtain municipal consent from Oxford County prior to	Mark Van der Woerd, AECOM Email dated November 1, 2018	AECOM provided the language regarding the depth of the pipeline below County roads that was included in the ER, as well as the section of the ER where the commitment is written.

Union Gas Stratford Reinforcement Project Ontario Energy Board (OEB) Staff Interrogatories (EB-2018-0306)			
	construction.		
Dan Minkin, Ministry of Tourism, Culture and Sport (MTCS) Email dated October 26, 2018	MTCS noted that the ER indicated that additional Stage 2 archaeological investigation would be completed during the 2018 field season, and were unsure why the results of the fieldwork were not included in the ER.	Mark Van der Woerd, AECOM Email dated November 1, 2018	AECOM confirmed that the results of the Stage 2 Archeological Assessment were considered when the ER was finalized and the fieldwork results indicated that no additional fieldwork/reporting are required.
Stephanie Churchill, HONI Email dated October 2, 2018	HONI provided a reminder to contact their planning group if the pre-engineering locates identify HONI assets in proximity to the Project.	Refer to response from Mark Van der Woerd on November 1, 2018 above.	Refer to response from Mark Van der Woerd on November 1, 2018 above.
Anneleis Eckert, Ministry of the Environmental, Conservation and Parks (MECP) Email dated November 13, 2018	The MECP requested that further investigation into the potential for landfill / waste disposal sites and contaminated sites to exist in the Project Study Area (PSA) be undertaken for the alternative routes and effects assessment.	Mark Van der Woerd, AECOM Email dated December 19, 2018	AECOM confirmed that there are five small landfill sites in Zora Township, which are not within or in close proximity to the PSA. It was noted that geotechnical investigation have been undertaken and no signs of soil contamination have been found during the investigation. The process that will be undertaken is contaminated soils are discovered during construction was also outlined.
MTCS Letters dated December 19, 2018 and January 7, 2019	The MTCS notified that the archaeological investigations undertaken for the Project have been entered into the Ontario	No response required.	n/a

Union Gas Stratford Reinforcement Project Ontario Energy Board (OEB) Staff Interrogatories (EB-2018-0306)			
	Public Register or Archaeological Reports.		
Anne Marie Laurence , Guelph District Ministry of Natural Resources and Forestry (MNRF) Consultation to December 11, 2018	AECOM submitted refined boundaries of the Lakeside Wildwood Complex (UT48).	No response required.	n/a
Karissa Reischke & Jason Webb , Aylmer District MNRF, Consultation to December 18, 2018	<p>The MNRF confirmed the in-water timing windows of the watercourses crossed by the Project.</p> <p>Meetings and emails to provide an overview of the Project and Information Gathering Form (IGF), and to obtain guidance regarding permitting requirements for the Project.</p> <p>AECOM submitted refined boundaries of the Lakeside Wildwood Complex (UT48) and Youngsville Forest (UT47).</p>	<p>Email correspondence: various</p> <p>Submission of IGF: September 28, 2019</p> <p>In-person Meeting: October 17, 2018</p> <p>Letter of Advice (LOA): AYL-L-171-18 issued October 18, 2018. An amended LOA, AYL-L- 208-18 was issued December 21, 2018</p>	<p>The MNRF identified two in-water timing windows for the Project.</p> <p>The MNRF concluded that the Project is unlikely to contravene section 9 or 10 of the <i>Endangered Species Act</i>, and issued an LOA for the Project that includes a number of recommendations to be implemented during construction.</p> <p>MNRF review of refined wetland boundary submission is pending.</p>
Karen Winfield , Upper Thames River Conservation Authority (UTRCA), Consultation to January 3, 2019	Meetings and discussions held to obtain input on studies and information required for application for permits under Section 28 of the <i>Conservation Authorities Act</i> .	<p>Email correspondence: various</p> <p>In-person Meeting: September 26, 2018</p> <p>Conference Call: October 3, 2018</p> <p>Submission of Applications: December 18 and 20, 2018</p>	<p>The UTRCA confirmed that Scoped Environmental Impact Statements are to be undertaken and included in the application.</p> <p>Applications were submitted late December 2019. Union Gas plans to meet with the UTRCA early- Winter 2019.</p>

ENBRIDGE GAS INC.

Answer to Interrogatory from
Board Staff

Interrogatory #13

Reference: Schedule 20, pages 11 and 13
Schedule 19, MTCS Acceptance of Stage 2 Archeological Assessment in
“Environmental Report”

Preamble:

The October 26, 2018 letter from the Ministry of Tourism, Culture, and Sport (MTCS) in Schedule 20, page 11 indicated that MTCS was expecting the results of additional Stage 2 archeological survey work. A reply from AECOM in Schedule 20, page 13 indicates that the Stage 2 report will be submitted to the MTCS for review/approval in November 2018.

Questions:

- a) Has Union submitted the Stage 2 report to MTCS? If not, what is the status of MTCS’ review of the Stage 2 Archaeological Assessment?
- b) Please provide copies of any correspondence Union has received from MTCS since providing the Stage 2 Archaeological Assessment for review.

Responses:

- a) Yes, Enbridge Gas has submitted the Stage 2 report to MTCS.
- b) Attachment 1 is a copy of the correspondence Union has received from MTCS since providing their review of the Stage 2 Archaeological Assessment.

Ministry of Tourism, Culture and Sport

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Dec 19, 2018

Adria Grant (P131)
AECOM
426 Ridout London ON N6C 4A1

**RE: Review and Entry into the Ontario Public Register of Archaeological Reports:
Archaeological Assessment Report Entitled, "Stage 2 Archaeological Assessment
Stratford Reinforcement Project, Additional Land Part of Lots 19-36, Concession 5
and 6, Geographic Township of Zorra West, now the Corporation of the Township
of Zorra, Oxford County, Ontario ", Dated Nov 6, 2018, Filed with MTCS Toronto
Office on Nov 22, 2018, MTCS Project Information Form Number P131-0082-2018,
MTCS File Number 0003815**

Dear Ms. Grant:

This office has reviewed the above-mentioned report, which has been submitted to this ministry as a condition of licensing in accordance with Part VI of the Ontario Heritage Act, R.S.O. 1990, c 0.18.¹ This review has been carried out in order to determine whether the licensed professional consultant archaeologist has met the terms and conditions of their licence, that the licensee assessed the property and documented archaeological resources using a process that accords with the 2011 Standards and Guidelines for Consultant Archaeologists set by the ministry, and that the archaeological fieldwork and report recommendations are consistent with the conservation, protection and preservation of the cultural heritage of Ontario.

The report documents the assessment/mitigation of the study area as depicted in Figures 5-1 to 5-11 of the above titled report and recommends the following:

The Stage 2 archaeological assessment undertaken as part of the proposed Stratford Reinforcement Pipeline Project did not identify any archaeological resources. As no further archaeological assessment is required, archaeological concerns for the station tie in sites and additional temporary work space to facilitate the construction of the in the proposed Stratford Reinforcement Pipeline Project in the Geographic Township of Zorra West, now the Corporation of the Township of Zorra, Oxford County, Ontario have been fully addressed. Based on these findings, no further archaeological assessment is recommended for the land subject to archaeological assessment in this report.

Should any additional land be required as part of the proposed Stratford Reinforcement Pipeline Project that has not yet been subject to Stage 2 field survey, additional Stage 2 archaeological assessment must be conducted. All work must be conducted by a licensed archaeologist and must follow the requirements set out in the Standards and Guidelines for Consultant Archaeologists (Government of Ontario, 2011), including:

The standard test pit survey method at 5 m intervals is to be conducted in all areas that will be impacted by the project where ploughing is not feasible (e.g. woodlots, overgrown areas, manicured lawns, small sections of agricultural land); and

Pedestrian survey at 5 m intervals where ploughing is possible (e.g. agricultural fields). This assessment will occur when agricultural fields have been recently ploughed, weathered, and exhibit at least 80% surface visibility.

Please note that this archaeological assessment report has been written to meet the requirements of the MTCS's Standards and Guidelines for Consultant Archaeologists (Ontario Government 2011); however properties that are subject to archaeological assessment are not considered cleared for ground disturbance activities until the associated report has been reviewed and accepted by the MTCS. In order to maintain compliance with the MTCS and the Ontario Heritage Act (1990), no ground disturbing activities are to occur until the proponent and approval authority receive a formal letter from the MTCS stating that the recommendations provided herein are compliant and that the report has been accepted into the MTCS' register of archaeological reports.

Based on the information contained in the report, the ministry is satisfied that the fieldwork and reporting for the archaeological assessment are consistent with the ministry's 2011 Standards and Guidelines for Consultant Archaeologists and the terms and conditions for archaeological licences. This report has been entered into the Ontario Public Register of Archaeological Reports. Please note that the ministry makes no representation or warranty as to the completeness, accuracy or quality of reports in the register.

Should you require any further information regarding this matter, please feel free to contact me.

Sincerely,

Jessica Marr
Archaeology Review Officer

cc. Archaeology Licensing Officer
Tony Vadlja, Union Gas
Zora Crnojacki, Ontario Energy Board

¹In no way will the ministry be liable for any harm, damages, costs, expenses, losses, claims or actions that may result: (a) if the Report(s) or its recommendations are discovered to be inaccurate, incomplete, misleading or fraudulent; or (b) from the issuance of this letter. Further measures may need to be taken in the event that additional artifacts or archaeological sites are identified or the Report(s) is otherwise found to be inaccurate, incomplete, misleading or fraudulent.

Ministry of Tourism, Culture and Sport

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Jan 7, 2019

Adria Grant (P131)
AECOM
426 Ridout London ON N6C 4A1

RE: Entry into the Ontario Public Register of Archaeological Reports: Archaeological Assessment Report Entitled, "Stage 1-2 Archaeological Assessment, Stratford Reinforcement Project, Receiver Site, Part of Lot 35, Concession 5, Geographic Township of Zorra West, now the Corporation of the Township of Zorra, Oxford County, Ontario ", Dated Dec 20, 2018, Filed with MTCS Toronto Office on N/A, MTCS Project Information Form Number P131-0097-2018, MTCS File Number 0003815

Dear Ms. Grant:

The above-mentioned report, which has been submitted to this ministry as a condition of licensing in accordance with Part VI of the Ontario Heritage Act, R.S.O. 1990, c 0.18, has been entered into the Ontario Public Register of Archaeological Reports without technical review.¹

Please note that the ministry makes no representation or warranty as to the completeness, accuracy or quality of reports in the register.

Should you require further information, please do not hesitate to send your inquiry to Archaeology@Ontario.ca

cc. Archaeology Licensing Officer
Tony Vadlja, Union Gas
Zora Crnojacki, Ontario Energy Board

¹In no way will the ministry be liable for any harm, damages, costs, expenses, losses, claims or actions that may result: (a) if the Report(s) or its recommendations are discovered to be inaccurate, incomplete, misleading or fraudulent; or (b) from the issuance of this letter. Further measures may need to be taken in the event that additional artifacts or archaeological sites are identified or the Report(s) is otherwise found to be inaccurate, incomplete, misleading or fraudulent.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Board Staff

Interrogatory #14

Reference: Application, page 1

Preamble:

Union applied for leave to construct facilities under section 90(1) and 97 of the OEB Act.

Questions:

- a) Effective January 1, 2019, Union and Enbridge Gas Distribution Inc. amalgamated to become Enbridge Gas. Please confirm to which entity the leave to construct should be granted and explain why.
- b) OEB staff has prepared the following draft Conditions of Approval. If Union does not agree to any of the draft conditions of approval noted below, please identify the specific conditions that Union disagrees with and explain why.

For conditions in respect of which Union would like to recommend changes, please provide the proposed changes.

**Draft
Leave to Construct Conditions of Approval
Application under Section 90 and 97 of the OEB Act
Union Gas Limited
EB-2018-0306**

- 1. Union Gas Limited (Union) shall construct the facilities and restore the land in accordance with the OEB's Decision and Order in EB-2018-0306 and these Conditions of Approval.
- 2. (a) Authorization for leave to construct shall terminate 18 months after the decision is issued, unless construction has commenced prior to that date.
 - (b) Union shall give the OEB notice in writing:
 - i. Of the commencement of construction, at least ten days prior to the date construction commences
 - ii. Of the planned in-service date, at least ten days prior to the date the facilities go into service
 - iii. Of the date on which construction was completed, no later than 10 days following the completion of construction
 - iv. of the in-service date, no later than 10 days after the facilities go into service

3. Union shall implement all the recommendations of the Environmental Report filed in the proceeding, and all the recommendations and directives identified by the Ontario Pipeline Coordinating Committee review.
4. Union shall advise the OEB of any proposed change to OEB-approved construction or restoration procedures. Except in an emergency, Union shall not make any such change without prior notice to and written approval of the OEB. In the event of an emergency, the OEB shall be informed immediately after the fact.
5. Concurrent with the final monitoring report referred to in Condition 6(b), Union shall file a Post Construction Financial Report, which shall indicate the actual capital costs of the project and shall provide an explanation for any significant variances from the cost estimates filed in this proceeding. Union shall also file a copy of the Post Construction Financial Report in the proceeding where the actual capital costs of the project are proposed to be included in rate base or any proceeding where Union proposes to start collecting revenues associated with the project, whichever is earlier.
6. Both during and after construction, Union shall monitor the impacts of construction, and shall file with the OEB one paper copy and one electronic (searchable PDF) version of each of the following reports:
 - a) a post construction report, within three months of the in-service date, which shall:
 - i. Provide a certification, by a senior executive of the company, of Union's adherence to Condition 1
 - ii. Describe any impacts and outstanding concerns identified during construction
 - iii. Describe the actions taken or planned to be taken to prevent or mitigate any identified impacts of construction
 - iv. Include a log of all complaints received by Union, including the date/time the complaint was received, a description of the complaint, any actions taken to address the complaint, the rationale for taking such actions
 - v. Provide a certification, by a senior executive of the company, that the company has obtained all other approvals, permits, licences, and certificates required to construct, operate and maintain the proposed project
 - b) a final monitoring report, no later than fifteen months after the in-service date, or, where the deadline falls between December 1 and May 31, the following June 1, which shall:

- i. Provide a certification, by a senior executive of the company, of Union's adherence to Condition 3
- ii. Describe the condition of any rehabilitated land
- iii. Describe the effectiveness of any actions taken to prevent or mitigate any identified impacts of construction
- iv. Include the results of analyses and monitoring programs and any recommendations arising therefrom
- v. Include a log of all complaints received by Union, including the date/time the complaint was received, a description of the complaint, any actions taken to address the complaint, the rationale for taking such actions

Responses:

- a) Union and Enbridge Gas Distribution amalgamated effective January 1, 2019 to become Enbridge Gas Inc ("Enbridge Gas"). Therefore, the leave to construct should be granted to Enbridge Gas Inc.
- b) Enbridge Gas can agree to the draft conditions of approval.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Industrial Gas Users Association (“IGUA”)

Interrogatory #1

Reference: Paragraph 2, 22

Preamble:

The Project is proposed to reinforce Union’s FHG Transmission System, which provides natural gas service in the Counties of Huron, Lambton, Perth, Bruce and Middlesex. The Project is stated to be required to meet increasing demands for natural gas from customers on the FHG Transmission System starting in winter 2019. [Paragraphs 2,22]

Questions:

- a) Please explain the impacts, if any, of the Project on other parts (other than the FHG Transmission System) of Union’s system.
- b) Will the Project increase the capacity of any other parts of Union’s system (other than the FHG Transmission System) to serve customers?

Responses:

a) and b)

As Enbridge Gas Transportation Systems are integrated systems there will be some limited short term impacts to portions of other Transportation Systems as a result of this project. The primary purpose of this project is to increase capacity on the FHG Transmission System. Please refer to interrogatory response SEC.04.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Industrial Gas Users Association (“IGUA”)

Interrogatory #2

Reference: Paragraphs 48, 56, 60 and 69

Preamble:

Total project costs are estimated at \$28.5 million. [Paragraph 48]

The discounted cash flow forecast for the project results in a Net Present Value (NPV) for the project of negative \$20 million, and a Profitability Index (P.I.) of 0.29. [Paragraph 56]

Energy cost savings for customers to be served by the reinforcement are forecast at an NPV of approximately \$175 million over 20 years. [Paragraph 60]

Union expects that the Project will meet the criteria for recovery during the deferred rebasing period through the use of the Board’s Incremental Capital Module (ICM) mechanism. [Paragraph 69]

Questions:

- a) Please restate the second table in Schedule 5 to provide the forecast Stratford Reinforcement customer additions by year by rate class.
- b) Please provide the forecast rate impact, by rate class, for recovery of the revenue requirement arising from the Project for each of the years 2019 through 2023.

Responses:

- a) Please see Table 1 below for the forecast customer additions by rate class from the second table in Schedule 5. There are also incremental Project demands for existing Rate M4 and Rate T1 customers to account for customer growth, which is not included as a customer addition in Table 1 below.

Table 1- Forecast Project Customer Additions by Rate Class

Rate Class	Total Attachments	2019	2020	2021	2022	2023	2024	2025	2026
Rate M1	6046	818	837	751	741	740	720	720	719
Rate M2	31	4	4	4	4	4	4	4	3

- b) Please see Attachment 1 for an estimate of the ICM unit rates and bill impacts by rate class for the Project from 2020 to 2023.

The bill impacts provided at Attachment 1 are estimated and will be updated annually as part of Enbridge Gas's annual rate proceeding during the deferred rebasing period, which is subject to Board approval. As part of its 2019 Rates application (EB-2018-0305), Enbridge Gas has proposed to update the ICM unit rates annually to reflect the current year forecast in the derivation of the ICM unit rate. For the purposes of this response, Enbridge Gas has based the cost allocation and unit rate calculation on the 2019 forecast updated to include the Project demands and billing units.

Enbridge Gas has also proposed to include the first calendar year of a Project's revenue requirement in the following year if it is a credit balance to minimize rate volatility for all ICM eligible projects during the deferred rebasing term. The first year of the Project is a credit balance due to utility timing differences between utility income and taxable income. Consistent with this proposal, Enbridge Gas has included the 2019 revenue requirement of the Project in calculation of the 2020 bill impacts.

ENBRIDGE GAS INC.
Union South Rate Zone
Estimated Allocation of ICM Revenue Requirement
Stratford Reinforcement Project

Line No.	Particulars	Forecast - 2020 (2)		Forecast - 2021		Forecast - 2022		Forecast - 2023	
		Other Transmission Allocator (1) (10 ³ m ³ /d) (a)	Project Revenue Requirement (2) (\$000's) (b)	Other Transmission Allocator (1) (10 ³ m ³ /d) (c)	Project Revenue Requirement (2) (\$000's) (d)	Other Transmission Allocator (1) (10 ³ m ³ /d) (e)	Project Revenue Requirement (2) (\$000's) (f)	Other Transmission Allocator (1) (10 ³ m ³ /d) (g)	Project Revenue Requirement (2) (\$000's) (h)
	<u>Union South</u>								
1	Rate M1	32,034	549	32,062	884	32,089	895	32,117	903
2	Rate M2	10,996	188	11,001	303	11,006	307	11,011	310
3	Rate M4 (F)	5,860	100	5,860	162	5,865	164	5,865	165
4	Rate M4 (I)	-	-	-	-	-	-	-	-
5	Rate M5 (F)	87	1	87	2	87	2	87	2
6	Rate M5 (I)	-	-	-	-	-	-	-	-
7	Rate M7 (F)	2,496	43	2,496	69	2,496	70	2,496	70
8	Rate M7 (I)	-	-	-	-	-	-	-	-
9	Rate M9	546	9	546	15	546	15	546	15
10	Rate M10	4	0	4	0	4	0	4	0
11	Rate T1 (F)	2,573	44	2,574	71	2,574	72	2,575	72
12	Rate T1 (I)	-	-	-	-	-	-	-	-
13	Rate T2 (F)	23,429	401	23,429	646	23,429	654	23,429	659
14	Rate T2 (I)	-	-	-	-	-	-	-	-
15	Rate T3	2,501	43	2,501	69	2,501	70	2,501	70
16	Total Union South In-franchise	<u>80,527</u>	<u>1,380</u>	<u>80,561</u>	<u>2,221</u>	<u>80,599</u>	<u>2,249</u>	<u>80,632</u>	<u>2,267</u>
17	Total Union	<u>80,527</u>	<u>1,380</u>	<u>80,561</u>	<u>2,221</u>	<u>80,599</u>	<u>2,249</u>	<u>80,632</u>	<u>2,267</u>

Notes:

- (1) Union South other transmission demand allocation in proportion to forecast 2019 Union South in-franchise design day demands as per EB-2018-0305, Exhibit B1, Tab 2, Schedule 1, Appendix F, updated to include the design day demands associated with the forecast customer additions from the Stratford Reinforcement project.
- (2) EB-2018-0305, Exhibit B1, Tab 2, Schedule 1, Appendix E, p. 4, line 18. The 2019 revenue requirement credit of (\$0.766) million for the Stratford Reinforcement project is included with the 2020 revenue requirement of \$2.146 million, for a total revenue requirement of \$1.380 million used in the allocation to rate classes in 2020.

ENBRIDGE GAS INC.
Union South Rate Zone
Estimated Incremental Capital Module ("ICM") Rates by Rate Class
Stratford Reinforcement Project

Line No.	Particulars	Billing Units	Forecast - 2020			Forecast - 2021			Forecast - 2022			Forecast - 2023		
			ICM Revenue Requirement (1)	Forecast	ICM Rate	ICM Revenue Requirement (1)	Forecast	ICM Rate	ICM Revenue Requirement (1)	Forecast	ICM Rate	ICM Revenue Requirement (1)	Forecast	ICM Rate
			(\$000s)	Usage (2)	(cents / m ³)	(\$000s)	Usage (2)	(cents / m ³)	(\$000s)	Usage (2)	(cents / m ³)	(\$000s)	Usage (2)	(cents / m ³)
			(a)	(b)	(c) = (a / b * 100)	(d)	(e)	(f) = (d / e * 100)	(g)	(h)	(i) = (g / h * 100)	(j)	(k)	(l) = (j / k * 100)
<u>Union South</u>														
1	Rate M1 - Small Volume General Service Monthly Delivery Commodity Charge	10 ³ m ³	549	3,052,723	0.0180	884	3,054,854	0.0289	895	3,056,909	0.0293	903	3,058,879	0.0295
2	Rate M2 - Large Volume General Service Monthly Delivery Commodity Charge	10 ³ m ³	188	1,185,126	0.0159	303	1,185,716	0.0256	307	1,186,306	0.0259	310	1,186,896	0.0261
3	Rate M4 - Firm Commercial/Industrial Contract Rate Monthly Demand Charge	10 ³ m ³ /d	100	47,502	0.2114	162	47,502	0.3402	164	47,509	0.3445	165	47,547	0.3469
4	Rate M5A - Commercial/Industrial Contract Rate Monthly Demand Charge	10 ³ m ³ /d	1	792	0.1871	2	792	0.3012	2	792	0.3048	2	792	0.3071
5	Rate M7 - Special Large Volume Contract Rate Monthly Demand Charge	10 ³ m ³ /d	43	25,784	0.1659	69	25,784	0.2670	70	25,784	0.2701	70	25,784	0.2722
6	Rate M9 - Large Wholesale Service Monthly Demand Charge	10 ³ m ³ /d	9	4,700	0.1992	15	4,700	0.3206	15	4,700	0.3244	15	4,700	0.3269
7	Rate M10 - Small Wholesale Service Monthly Delivery Commodity Charge	10 ³ m ³	0	277	0.0247	0	277	0.0398	0	277	0.0403	0	277	0.0406
8	Rate T1 - Contract Carriage Service Monthly Demand Charge	10 ³ m ³ /d	44	25,835	0.1707	71	25,837	0.2748	72	25,846	0.2779	72	25,848	0.2802
9	Rate T2 - Contract Carriage Service Monthly Demand Charge	10 ³ m ³ /d	401	271,326	0.1479	646	271,326	0.2381	654	271,326	0.2409	659	271,326	0.2428
10	Rate T3 - Contract Carriage Service Monthly Demand Charge	10 ³ m ³ /d	43	28,200	0.1520	69	28,200	0.2446	70	28,200	0.2475	70	28,200	0.2494
11	Total In-franchise		<u>1,380</u>			<u>2,221</u>			<u>2,249</u>			<u>2,267</u>		

Notes:

- (1) Exhibit B.IGUA.2, Attachment 1, p. 1.
- (2) Forecast Usage based on 2019 forecast updated to include the forecast customer additions associated with the Stratford Reinforcement Project.

ENBRIDGE GAS INC.
Union South Rate Zone
Estimated Bill Impacts by Rate Class
Stratford Reinforcement Project

Line No.	Particulars	Forecast - 2020 (1)		Forecast - 2021		Forecast - 2022		Forecast - 2023	
		Total Delivery Bill Impact (2) (%)	Total Bill Impact (2) (%)	Total Delivery Bill Impact (2) (%)	Total Bill Impact (2) (%)	Total Delivery Bill Impact (2) (%)	Total Bill Impact (2) (%)	Total Delivery Bill Impact (2) (%)	Total Bill Impact (2) (%)
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
	<u>Union South</u>								
1	Rate M1	0.1%	0.1%	0.2%	0.1%	0.2%	0.1%	0.2%	0.1%
2	Rate M2	0.2% - 0.3%	0.1%	0.4%	0.1%	0.4% - 0.5%	0.1%	0.4% - 0.5%	0.1%
3	Rate M4 - Firm	0.2% - 0.3%	0.1%	0.4% - 0.5%	0.1%	0.4% - 0.5%	0.1%	0.4% - 0.6%	0.1%
4	Rate M7 - Firm	0.4% - 0.5%	0.1%	0.6% - 0.7%	0.1% - 0.2%	0.7%	0.1% - 0.2%	0.7%	0.1% - 0.2%
5	Rate M9	0.8%	0.1%	1.3%	0.2%	1.3%	0.2%	1.3%	0.2%
6	Rate M10	0.3%	0.1%	0.6%	0.2%	0.6%	0.2%	0.6%	0.2%
7	Rate T1 - Firm	0.3% - 0.5%	0% - 0.1%	0.5% - 0.8%	0.1%	0.6% - 0.8%	0.1%	0.6% - 0.8%	0.1%
8	Rate T2 - Firm	0.5% - 0.7%	0.0%	0.8% - 1.2%	0.1%	0.8% - 1.2%	0.1%	0.8% - 1.2%	0.1%
9	Rate T3	0.8%	0.1%	1.3%	0.1%	1.3%	0.2%	1.3%	0.2%

Notes:

- (1) Estimated bill impacts for 2020 include the 2019 and 2020 revenue requirement of the Stratford Reinforcement project.
(2) Bill impacts using ICM rates calculated on Attachment 1, p.2 as compared to current approved rates per January 2019 QRAM (EB-2018-0315).

ENBRIDGE GAS INC.

Answer to Interrogatory from
Industrial Gas Users Association (“IGUA”)

Interrogatory #3

Reference: Forecast of Customer Additions

Preamble:

The forecast of customer additions shows 3 large industrial customers forecast to attach to Union’s system as a result of the Stratford Reinforcement; one in 2020, one in 2022 and one in 2024.

Questions:

- a) Please detail the methodology for derivation of this large industrial customer attachment forecast.
- b) Please indicate which rate class each of the 3 forecast large industrial customers is expected to take service under.

Responses:

- a) Please refer to interrogatory response B.Staff.02 a).
- b) It is expected that the rate class for these customers will be M2.

ENBRIDGE GAS INC.

Answer to Interrogatory from
SCHOOL ENERGY COALITION ("SEC")

Interrogatory #1

Question:

[General] Please provide copies of all reports, memoranda, analyses, emails or other documents of any type that have as their subject, or one of their subjects, the modification, replacement or deferral of the Stratford Reinforcement Project as a result of DSM, whether general DSM programs, targeted load reduction programs, or otherwise.

Response:

Please refer to interrogatory response B.Staff.03 c).

ENBRIDGE GAS INC.

Answer to Interrogatory from
SCHOOL ENERGY COALITION ("SEC")

Interrogatory #2

Question:

[General] Please provide a full timeline and details of all actions taken by the Applicant with respect to the Stratford Reinforcement Project to comply with the following Board direction from EB-2014-0134:

"As part of all applications for leave to construct future infrastructure projects, the gas utilities must provide evidence of how DSM has been considered as an alternative at the preliminary stage of project development.

In order for the gas utilities to fully assess future distribution and transmission system needs, and to appropriately serve their customers in the most reliable and cost-effective manner, the Board is of the view that DSM should be considered when developing both regional and local infrastructure plans. This is consistent with the direction outlined in the LTEP and the Conservation Directive, which state that the Board shall take steps it considers appropriate towards implementing the government's policy of putting conservation first in electricity distributor and gas distributor infrastructure planning processes at the regional and local levels, where cost-effective and consistent with maintaining appropriate levels of reliability. The Board expects the gas utilities to consider the role of DSM in reducing and/or deferring future infrastructure investments far enough in advance of the infrastructure replacement or upgrade so that DSM can reasonably be considered as a possible alternative. If a gas utility identifies DSM as a practical alternative to a future infrastructure investment project, it may apply to the Board for incremental funds to administer a specific DSM program in that area where a system constraint has been identified."

Response:

Please refer to interrogatory responses B.Staff.03 c) and d) regarding geo-targeted DSM effectiveness. Growth rates on the FHG Transmission System were originally evaluated in November 2017. As a result, geo-targeted DSM was eliminated as a viable project alternative as the growth rate is beyond the DSM effectiveness potential.

ENBRIDGE GAS INC.

Answer to Interrogatory from
SCHOOL ENERGY COALITION (“SEC”)

Interrogatory #3

Question:

[p. 3] Please file a copy of the FHG Transmission System FBP referred to. Please provide details of all changes to that FBP since the Board’s direction in EB-2014-0134, cited above.

Response:

The “Facilities Business Plan” (“FBP”) in Union’s pre-filed evidence is an internal planning process used by Enbridge Gas for the identification of both the short and long term facilities required to support the forecasted growth over a specific geographic area.

In addition to the facilities that would be required to service new customers and new communities forecasted, this planning process also allows for the identification of any reinforcement facilities, which may be required to support the growth identified on the system.

Portions of the FBP contain confidential information regarding future growth and construction plans across the FBP area. However the FBP process includes:

- summary of customer forecasts
- summary of the estimated capital expenditures by year for all facilities required to service the growth
- provides a list of the major reinforcement items required
- economic analysis for the entire study area
- alliance partner pricing
- provides all input assumptions (ie. marketing, engineering, design and costing)

In addition, Enbridge Gas has attached the Executive Summary for the FHG Transmission System FBP.

Executive Summary

2016-2035	
Number of New Customers – General Service Growth	13,836
Number of New Customers – Community Expansion (Out looking Purposes)	1,913
Total New Load (m3/hr)	44,982
Transmission Reinforcement 2016-2035	\$89,150,000
PI (10 Year)	Include in Overall FBP PI

The purpose of any FBP is to provide strategic insight into the future reinforcement needs of a particular business area. FBP's provide a roadmap outlining;

- Timing of when reinforcement will be required
- Estimate costs (Costing is at magnitude level three years and beyond)
- The optimum reinforcement solution

All reinforcements identified for the next three years have been reviewed and agreed upon by both Distribution Planning and District Operations. Anything beyond the first three years is to be considered preliminary and subject to change. These projects are considered subject to change for many reasons, including but not limited to;

- New or existing contract customers entering or leaving the franchise
- Growth estimates greater or less than anticipated
- Project amalgamation with other scheduled asset maintenance work
- Municipal work that dictates a change in our plan, etc.

This Facilities Business Plan (FBP) covers the transmission system known as Forest Hensall Goderich (FHG). Although not a comprehensive list, some of the Distribution systems fed by these lines are Teeswater, Goderich, Grand Bend, Forest, Hensall, Stratford, and Lucan. The Distribution systems themselves were not assessed as a part of this FBP, however, please refer to "FBP Binder London District - Ilderton to Stratford 2016.doc" for further district FBP details.

This transmission system has three major feeds off the Dawn to Parkway system. The three station feeds are Kerwood, Hensall, and Stratford. Also included in this system is a branch of a Trafalgar line, which takes off from Beachville, and feeds north into Stratford Gate station. This line runs at Trafalgar pressures (6160 kPa), and is roughly 19.8km in length.

Please note that the FHG system has a heavy fall demand; however the large transmission projects identified here within are driven and economically justified on winter model loading. Only the Winter demand and conditions were considered.

Organic system growth was applied using a regional approach, where the volumetric historical growth was determined for each specific region in the FHG system. The historical growth rate was determined by assessing 10

years of historical attachments, and their respective loads. In addition to the regional percent growth, certain community expansions and anticipated Industrial loads were also considered.

Several transmission reinforcements and station modification projects have been identified based on the projected growth underpinning this FBP. The piping and station reinforcement required to satisfy the identified growth for the next 20 years can be found within the Distribution Reinforcement and Station Reinforcement section of this report. Please refer to Figure 1 titled "FHG System" below for a system overview and breakdown of the various regional borders that were used to evaluate growth in the area.

ENBRIDGE GAS INC.

Answer to Interrogatory from
SCHOOL ENERGY COALITION (“SEC”)

Interrogatory #4

Question:

[p. 5 and Schedule 6] Please explain why, if demand already exceeds capacity on this line, the Applicant waited until now to seek Board approval for this project.

Response:

Every year, Enbridge Gas undertakes a risk-based project review of the current market conditions in order to determine the need for reinforcement projects. Enbridge Gas determined there would be surplus capacity on the Dawn-Parkway Transmission System based on the transmission forecast for the winters of 2017 to 2019. Through prudent project planning, Enbridge Gas made the decision to leverage this surplus capacity on the Dawn-Parkway Transmission System to temporarily provide increased pressures into the FHG Transmission System, thereby deferring the need for the project until 2019. Heading into the winter of 2019/2020, the Dawn-Parkway Transmission System will be operating with a capacity shortfall due to both in-franchise and ex-franchise growth. As a result the Dawn-Parkway Transmission System is no longer able to provide increased pressures into the FHG Transmission System without jeopardizing the integrity of the Dawn-Parkway Transmission System.

ENBRIDGE GAS INC.

Answer to Interrogatory from
SCHOOL ENERGY COALITION (“SEC”)

Interrogatory #5

Question:

[p. 6] Please provide details of all geo-targeted DSM projects, programs or offerings implemented or considered by the Applicant since the Board’s EB-2014-0134 direction, whether related to this project or any other. Please provide copies of all internal or external reports, memoranda, presentations, or other communications since that time dealing with geo-targeted DSM.

Response:

As outlined by The Board in EB-2014-0134,

“The Board is also of the view that the gas utilities should each conduct a study, completed as soon as possible and no later than in time to inform the mid-term review of the DSM framework. The studies should be based on a consistent methodology to determine the appropriate role that DSM may serve in future system planning efforts. As part of the multi-year DSM plan applications, the gas utilities should include a preliminary scope of the study it plans to conduct and propose a preliminary transition plan that outlines how the gas utility plans to begin to include DSM as part of its future infrastructure planning efforts.”

As directed by The Board, Union Gas filed a Transition Plan and ICF Report as part of its DSM Mid-Term evidence. Please refer to filing EB-2017-0127 Union Gas Limited - DSM Mid-Term Review - Part Two Requirement Two Submission¹, for information regarding geo-targeted DSM. Enbridge Gas expects to complete its geo-targeted DSM pilot in the town of Ingleside later this year.

¹ <http://www.rds.oeb.ca/HPECMWebDrawer/Record/596652/File/document>

ENBRIDGE GAS INC.

Answer to Interrogatory from
SCHOOL ENERGY COALITION (“SEC”)

Interrogatory #6

Question:

[p. 7] Please provide details of the forecast future DSM activity included in the Design Day requirement.

Response:

The Design Day Demand is calculated from historical customer demands which reflect the impact of existing DSM programs. The Design Day Demand is recalculated each year to ensure inclusion of DSM program trends and other energy conservation measures, such as improved building codes and replacement of natural gas-fired equipment with higher efficiency equipment. The potential to include future DSM impacts on long-term Design Day Demand forecasting is being studied as part of the Natural Gas Integrated Resource Planning study. Enbridge Gas is currently studying a pilot project in Ingleside to evaluate the impacts of geo-targeted DSM and our ability to forecast future DSM activity.

ENBRIDGE GAS INC.

Answer to Interrogatory from
SCHOOL ENERGY COALITION (“SEC”)

Interrogatory #7

Question:

[p. 7, para. 30] Please provide all studies or analyses done to support the statement “any reduction in consumption as a result of DSM programs is not sufficient to offset load growth”.

Response:

Please refer to interrogatory response B.Staff.03 c).

ENBRIDGE GAS INC.

Answer to Interrogatory from
SCHOOL ENERGY COALITION (“SEC”)

Interrogatory #8

Question:

[p. 16] Please provide the annual revenue requirement that the Applicant expects to recover in rates, allocated by rate class, under the forecast ICM for each of the years 2019 to 2027. If the full calculation has not been made, please provide an estimate, along with the supporting assumptions for that estimate.

Response:

Please see interrogatory response B.IGUA.2 b) for an estimate of the annual revenue requirement of the Project allocated to rate classes for the deferred rebasing period from 2019 to 2023. As Enbridge Gas is rebasing in 2024, the Project will be included in Enbridge Gas’s cost of service and not included as an ICM Project beyond 2023.

ENBRIDGE GAS INC.

Answer to Interrogatory from
SCHOOL ENERGY COALITION (“SEC”)

Interrogatory #9

Question:

[Schedule 13] Please confirm that, during the lifetime of the proposed pipeline, there is no crossover point in which the annual cash from the project exceeds the annual costs, including costs related to capital. Please provide a dollar estimate of the total subsidy to be provided by existing customers for the new attachments expected on this pipeline over its total life.

Response:

To respond to this interrogatory we have assumed that “annual cash” means cumulative annual cash, that “annual costs” means cumulative annual costs, and that “subsidy” means net revenue requirement.

Confirmed, there is no crossover point.

This is a project to deal with consumption grown and capacity constraints and is not in the nature of specific, customer attachments (such as when a CIAC is required) and as a result it is not appropriate to characterize this as a subsidy. The forecasted net present value of the total net revenue requirement over the investment horizon is \$28 million, using the as-filed feasibility parameters.