

February 4, 2019

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

Dear Ms. Walli:

**Re: EB-2018-0329 –Gas Distribution to the Town of Marathon, the Township of Manitouwadge, the Township of Schreiber, the Township of Terrace Bay and the Municipality of Wawa (“the North Shore Communities) – Enbridge Gas Inc. (“Enbridge Gas”) correspondence**

Enbridge Gas (formerly Union Gas Ltd (“Union”) and Enbridge Gas Distribution (“EGD”)) is writing in response to the letter submitted by The Corporation of the Town of Marathon (“Marathon”) to the Ontario Energy Board (the “Board”) on January 23, 2019 in which Marathon responded to a January 16, 2019 letter filed by Enbridge Gas with the Board in relation to the Board’s December 20, 2018 request for intention to provide distribution service.

In its January 16, 2019 letter, Enbridge Gas indicated to the Board that the request for intentions to serve the North Shore Communities was premature. In particular, Enbridge Gas stated that *“The economic viability of any project, by Enbridge Gas or by the Town of Marathon, cannot be determined until Bill 32 regulations are issued and implemented.”* This statement assumed that funding support is required for the project to progress. It was Enbridge Gas’ understanding that the project’s economic viability may be dependent on funding or cross subsidization as contemplated in Bill 32, now the *Access to Natural Gas Act* (“ANG Act”).

However, in its letter of January 23, 2019, Marathon stated at Section 3.1 that Enbridge Gas’ statement is incorrect and that *“The Municipalities established the economic feasibility of the North Shore Project in 2016, more than two years before Bill 32 was contemplated in 2018.”*

Further, Enbridge Gas understands that the North Shore Communities are receiving funding directly from the government and that feasibility of the project is not dependent

on the ANG Act funding. Accordingly, Enbridge Gas, not wanting to cause delay in the project, will not compete to serve the North Shore Communities.

Should you have any questions on the above, please contact me at 519-436-5473.

Yours truly,

[original signed by]

Karen Hockin P. Eng.  
Specialist, Regulatory Initiatives  
Enbridge Gas Inc.

cc. Charles Keizer, Torys  
Mark Kitchen, Enbridge Gas Inc.  
Daryl Skworchinski, Town of Marathon