



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

March 6, 2019

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

Dear Ms. Walli:

**Re: Enbridge Gas Inc.
Application for Renewal of Franchise Agreement
Municipality of Clarington**

Attached is an Application by Enbridge Gas Inc. for Orders of the Ontario Energy Board with respect to a Franchise Agreement with the Municipality of Clarington. An agreement has been reached between Enbridge Gas Inc. and the Municipality of Clarington with regards to the terms and conditions of the proposed Franchise Agreement.

Should you have any questions on this application, please do not hesitate to contact me. I look forward to the receipt of your instructions.

Yours truly,

[Original Signed By]

Patrick McMahon
Specialist, Regulatory Research and Records
pmcmahon@uniongas.com
(519) 436-5325

Encl.

ONTARIO ENERGY BOARD

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

AND IN THE MATTER OF an Application by Enbridge Gas Inc. for an Order approving the terms and conditions upon which, and the period for which, the Corporation of the Municipality of Clarington is, by by-law, to grant to Enbridge Gas Inc. the right to construct and operate works for the distribution, transmission and storage of natural gas and the right to extend and add to the works in the Municipality of Clarington;

AND IN THE MATTER OF an Application by Enbridge Gas Inc. for an Order directing and declaring that the assent of the municipal electors of the Municipality of Clarington to the by-law is not necessary;

AND IN THE MATTER OF an Application by Enbridge Gas Inc. for an Order cancelling and superseding the existing Certificate of Public Convenience and Necessity held by the Consumers Gas Company for the former Town of Newcastle and replacing it with a Certificate of Public Convenience and Necessity for the Corporation of the Municipality of Clarington.

APPLICATION

1. Enbridge Gas Inc. ("Enbridge Gas"), a regulated public utility, is a corporation incorporated under the laws of the Province of Ontario, with its offices in the City of Toronto and the Municipality of Chatham-Kent.
2. The Corporation of the Municipality of Clarington ("Municipality") is a municipal corporation incorporated under the laws of the Province of Ontario. Attached hereto and marked as Schedule "A" is a map showing the geographical location of the Municipality and a customer density representation of Enbridge Gas' service area. Enbridge Gas currently serves approximately 7,059 customers in the Municipality.
3. The Municipality of Clarington is a lower-tier municipality in the Regional Municipality of Durham which was incorporated in 1974 as the Town of Newcastle with the merging of the former Village of Newcastle with the former Town of Bowmanville, the former Township of Clarke and the former Township of Darlington. On July 1, 1993, the Town of Newcastle was renamed the Municipality of Clarington.
4. Enbridge Gas has a Franchise Agreement with the Municipality of Clarington (approved by Order EBA 849) which expires May 31, 2019 (per the date of the municipal bylaw) and a Certificate of Public Convenience and Necessity for the former Town of Newcastle (EBC 103 dated December 23, 1977) which are attached and marked as Schedule "B".

5. Enbridge Gas applied to the Council of the Municipality for a renewal of the franchise agreement permitting Enbridge Gas to construct and operate works for the distribution, transmission and storage of natural gas and the right to extend and add to the works in the Municipality of Clarington.
6. On February 25, 2019, the Council of the Municipality gave approval to the form of a Franchise Agreement in favour of Enbridge Gas and authorized Enbridge Gas to apply to the Ontario Energy Board for approval of the terms and conditions upon which and the period for which the Franchise Agreement is proposed to be granted.
7. Attached hereto as Schedule "C" is a copy of the Resolution of the Council of the Municipality approving the form of the draft by-law and Franchise Agreement, authorizing this submission to the Ontario Energy Board, and requesting an Order declaring and directing that the assent of the municipal electors to the by-law and Franchise Agreement is not necessary.
8. Attached hereto as Schedule "D" is a copy of the proposed Franchise Agreement that reflects the Enbridge Gas name and signing authorities.
9. Enbridge Gas has Franchise Agreements with and Certificates of Public Convenience and Necessity for the Township of Cavan-Monaghan, the City of Kawartha Lakes, the Municipality of Port Hope, the City of Oshawa and the Township of Scugog which are immediately adjacent to the Municipality. There is no other natural gas distributor nearby.
10. The proposed Franchise Agreement covers the same territory as that covered by the existing Franchise Agreement, is in the form of the 2000 Model Franchise Agreement with no amendments, and is for a term of twenty (20) years.
11. The address of the Municipality is as follows:

Municipality of Clarington
40 Temperance Street, 2nd Floor
Bowmanville, ON L1C 3A6
Attention: Anne Greentree, Municipal Clerk
Telephone: (905) 623-3379 ext 2109
Email: agreentree@clarington.net

The address for Enbridge Gas' regional operations office is:

Enbridge Gas Inc.
101 Honda Boulevard
Markham, ON L6C 0M6
Attention: Steve McGivery, Director, GTA East Operations
Telephone: (905) 927-3184
Email: steve.mcgivery@enbridge.com

12. The English language newspaper having the highest circulation in the Municipality of Clarington is the Clarington This Week. This is the newspaper used by the Municipality for its notices.
13. Enbridge Gas now applies to the Ontario Energy Board for:
 - (a) an Order under s.9(3) approving the terms and conditions upon which, and the period for which, the Municipality of Clarington is, by by-law, to grant Enbridge Gas the right to construct and operate works for the distribution, transmission and storage of natural gas and the right to extend and add to the works;
 - (b) an Order pursuant to s.9(4) directing and declaring that the assent of the municipal electors of the Municipality of Clarington is not necessary for the proposed franchise agreement by-law under the circumstances; and
 - (c) an Order pursuant to s.8 cancelling and superseding the existing Certificate of Public Convenience and Necessity held by the Consumers Gas Company for the former Town of Newcastle (E.B.C. 103) and replacing it with a Certificate of Public Convenience and Necessity for the Corporation of the Municipality of Clarington.

DATED at the Municipality of Chatham-Kent, in the Province of Ontario this 6th day of March, 2019.

ENBRIDGE GAS INC.

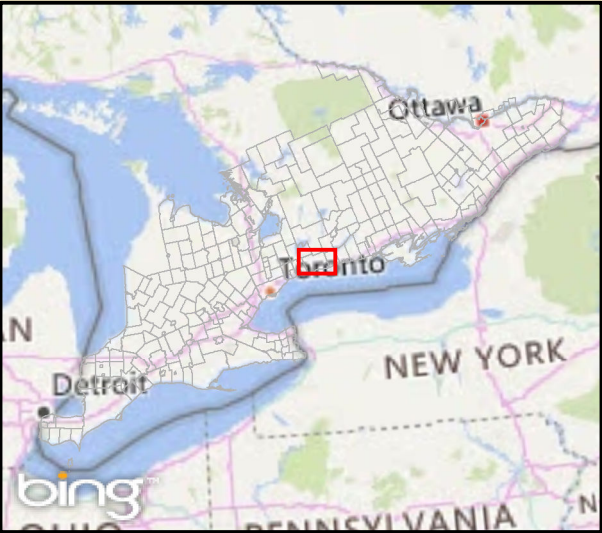
[Original Signed By]

Patrick McMahon
Specialist, Regulatory Research and Records

Comments respecting this Application should be directed to:

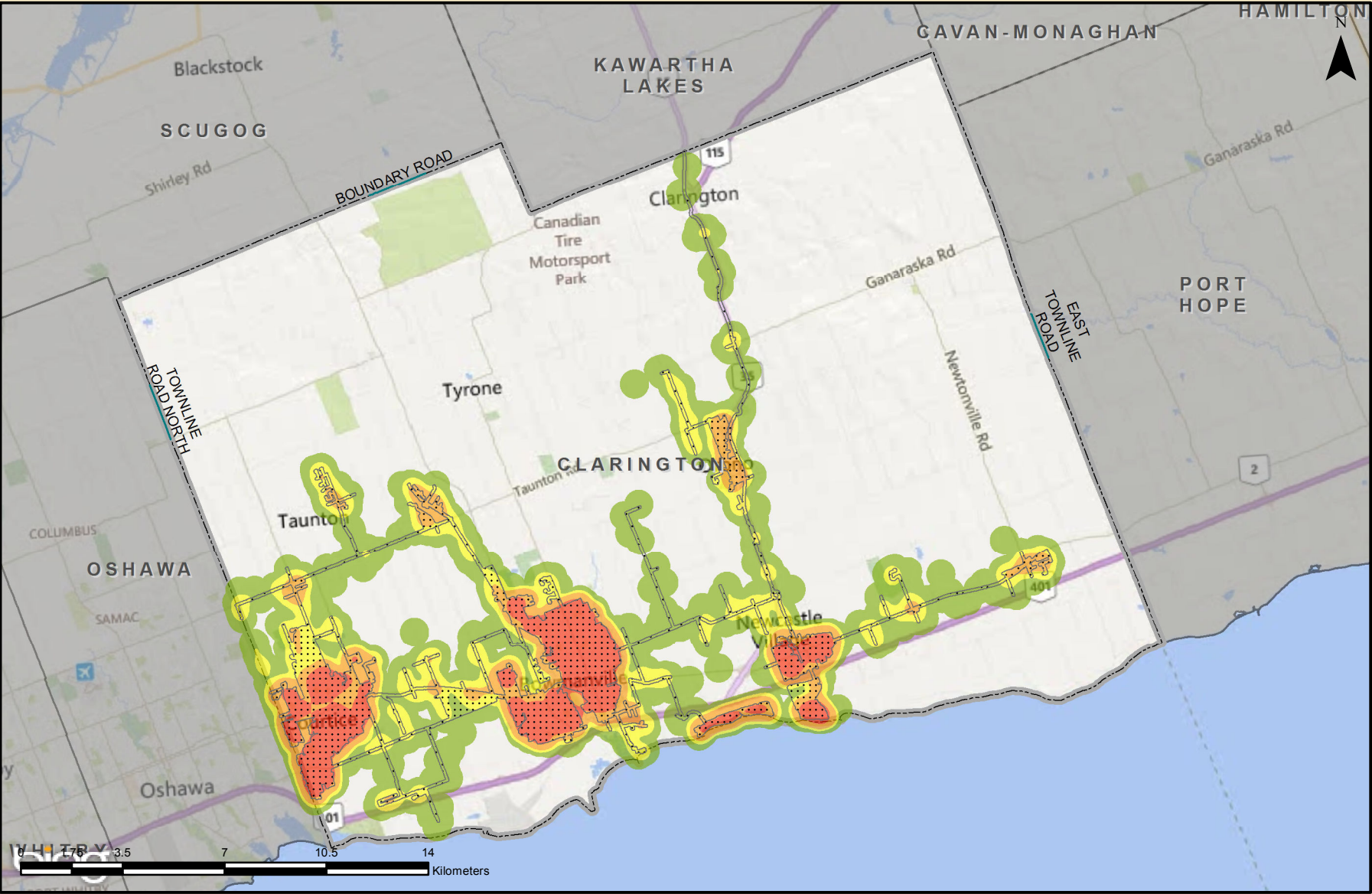
Mr. Patrick McMahon
Specialist, Regulatory Research and Records
Enbridge Gas Inc.
50 Keil Drive North
Chatham, ON N7M 5M1
pmcmahon@uniongas.com
Telephone: (519) 436-5325

Key Map



Legend

- Clarington Boundary
- Enbridge Pipeline Coverage Area
- Enbridge Customer Density
 - Low Density
 - High Density



Disclaimer:

The map is provided with no warranty express or implied and is subject to change at any time. Any person using the Density Map shall do so at its own risk and the Density Map is not intended in any way as a tool to locate underground infrastructure for the purposes of excavation.

Municipality of Clarington



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

AND IN THE MATTER OF a proposed by-law granting
the Consumers' Gas Company Ltd. ("Enbridge
Consumers Gas") the right to construct works to supply
gas and to supply gas to the inhabitants of the
Municipality of Clarington;

AND IN THE MATTER OF an Application by
Enbridge Consumers Gas for an Order declaring and
directing that the assent of the electors is not necessary.

BEFORE: H. G. Morrison
Presiding Member

G. A. Dominy
Member and Vice-Chair

ORDER

The Consumers' Gas Company Limited ("Enbridge Consumers Gas") filed an Application dated January 28, 1998 with the Ontario Energy Board ("the Board") under sections 9 and 10 of the Municipal Franchises Act ("the Act") for an Order approving the terms and conditions upon which, and the period for which, the Corporation of the Municipality of Clarington ("the Municipality") is, by by-law (the "By-Law"), to grant to Enbridge Consumers Gas the right to construct and operate works for the distribution of gas; to extend or add to the works; and to supply gas to the inhabitants of the Municipality ("the Franchise Agreement").

Enbridge Consumers Gas also requested the Board to declare and direct, pursuant to section 9(4) of the Act, that the assent of the municipal electors to the proposed By-Law is not necessary.

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The Board issued three Interim Orders, dated: March 2, 1998, for a period of six months; July 13, 1998, for a period of four months and December 3, 1998, for a period of four months, to continue the existing Franchise Agreement until such time as the Application could be dealt with by the Board.

The Council of the Corporation of the Municipality of Clarington ("the Corporation") passed a resolution on December 4, 1998, approving a draft By-Law and the franchise agreement. On December 10, 1998 a certified copy of this resolution was submitted by Enbridge Consumers Gas to the Board.

Enbridge Consumers Gas is presently serving the Municipality and has a Certificate of Public Convenience and Necessity (F.B.C. 103) for the Municipality of Clarington.

Enbridge Consumers Gas and the Municipality agreed to rely on the model gas franchise agreement, which was negotiated by the Municipal Franchise Agreement Committee, pursuant to recommendations in the Board's E.B.O. 125 Report, to provide a standard form of franchise agreement acceptable to the municipalities and to the gas distribution companies. The Franchise Agreement is attached as Appendix 'A'.

As directed by the Board, a Notice of Application and a Notice of Written Hearing were served and published on January 29, 1999. No parties intervened or expressed concern with the proposed Franchise Agreement. Written submissions were received from Board Staff on February 16, 1999 supporting the Application. Enbridge Consumers Gas replied on February 18, 1999 concurring with Board Staff's submissions and indicating that there are no other agreements with the Municipality of Clarington other than the model franchise agreement produced in the Application.

After reviewing the evidence and the submissions of parties, the Board finds the Application to be in the public interest.

- 3 -

The Board notes that subsequent to the filing of this Application, the Municipal Franchises Act has been amended by Schedule E of The Energy Competition Act, S.O. 1998, c. 15. Under the amendment, section 9(1)(b) allowing the municipality to grant "the right to supply gas to a municipal corporation or to the inhabitants of a municipality" was repealed, as was the part of section 10 which reads "or to supply gas to a municipal corporation or to the inhabitants of a municipality." The effect of these amendments is to remove the need for the Board to approve terms and conditions of a by-law relating to the supply of natural gas. The Board, therefore, makes no order respecting the supply of gas.

THE BOARD THEREFORE ORDERS THAT:

1. The terms and conditions upon which, and the period for which, the Corporation of the Municipality of Clarington is, by By-Law, to grant to Enbridge Consumers Gas the right to construct and operate works for the distribution of gas and to extend or add to the works in the Municipality, as stated in the proposed Franchise Agreement attached as Appendix 'A', are approved.
2. The assent of the municipal electors of the Corporation of the Municipality of Clarington to the proposed By-Law is not necessary.
3. The Board's costs of and incidental to these proceedings shall be fixed at \$600.00 and shall be paid by Enbridge Consumers Gas forthwith upon the issuance of the Board's invoice.

ISSUED at Toronto, March 11, 1999.

ONTARIO ENERGY BOARD

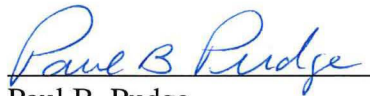


Paul B. Pudge
Board Secretary

APPENDIX 'A' TO

BOARD ORDER NO. E.B.A. 849

DATED March 11, 1999.



Paul B. Pudge
Board Secretary

THE CONSUMERS' GAS COMPANY LTD.

FRANCHISE AGREEMENT

THIS AGREEMENT made this
BETWEEN:

day of

, 19

THE CORPORATION OF THE
MUNICIPALITY OF CLARINGTON

hereinafter called the "Corporation"

- and -

THE CONSUMERS' GAS COMPANY LTD.

hereinafter called the "Gas Company"

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

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

THEREFORE the Corporation and the Gas Company agree as follows:

I Definitions

1. In this Agreement:

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

II Rights Granted

1. To provide gas service.

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

2. To use road allowances.

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

3. Duration of Agreement and Renewal Procedures.

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

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

III Conditions

1. Approval of Construction.

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

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

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

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

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

2. As Built Drawings.

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

3. Emergencies.

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

4. Restoration.

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

5. Indemnification.

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

6. Alternative Easement.

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

7. Pipeline Relocation.

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

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

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

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

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

8. Notice to Drainage Superintendent.

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

IV Procedural And Other Matters

1. Municipal By-laws of General Application.

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

2. Giving Notice.

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

3. Disposition of Gas System.

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

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

4. Agreement Binding Parties.

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

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

**THE CORPORATION OF THE
MUNICIPALITY OF CLARINGTON**

Mayor

Clerk

THE CONSUMERS' GAS COMPANY LTD.

DATED

19

**THE CORPORATION OF THE
MUNICIPALITY OF CLARINGTON**

- and -

THE CONSUMERS' GAS COMPANY LTD.

FRANCHISE AGREEMENT

THE CONSUMERS' GAS COMPANY LTD.
Atria III, Suite 1100
2225 Sheppard Avenue East
North York, Ontario
M2J 5C2

Attention: Legal Department

THE CORPORATION OF THE MUNICIPALITY OF CLARINGTON

BY-LAW 99-68

being a by-law to authorize a Franchise Agreement
between the Corporation of the Municipality of Clarington
and The Consumers' Gas Company Ltd. and to repeal
By-law 78-8

WHEREAS the Council of the Corporation of the Municipality of Clarington deems it expedient to enter into a Franchise Agreement with The Consumers' Gas Company Ltd.;

AND WHEREAS the Ontario Energy Board by its Order issued pursuant to The Municipal Franchises Act on the 11th day of March 1999, has approved the terms and conditions upon which and the period for which the franchise provided for in the agreement is proposed to be granted, and has declared and directed that the assent of the municipal electors in respect of this by-law is not necessary;


AND WHEREAS The Consumers' Gas Company Ltd. has provided the Corporation with a consent to the repeal of By-law 78-8;

NOW THEREFORE BE IT ENACTED:

1. THAT the Franchise Agreement between the Corporation and The Consumers' Gas Company Ltd., is hereby authorized and the franchise provided for therein is hereby granted.
2. THAT the Mayor and Municipal Clerk are hereby authorized and instructed on behalf of the Corporation to enter into and execute under its corporate seal and deliver the aforesaid agreement, which agreement is hereby incorporated into and shall form part of this By-law.
3. THAT by-law 78-8 is hereby repealed insofar as it applies to any area within the present geographic limits of the Corporation.

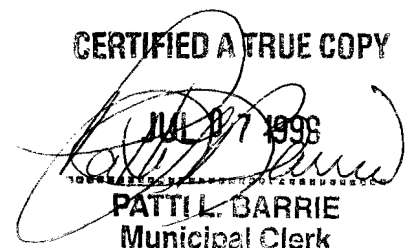
By-law read a first and second time this 31st day of May 1999

By-law read a third time and finally passed this 31st day of May 1999


MAYOR


MUNICIPAL CLERK

CERTIFIED A TRUE COPY


JUL 17 1999
PATTIL L. BARRIE
Municipal Clerk



IN THE MATTER OF The Municipal Franchises
Act, R.S.O. 1970, Chapter 289;

AND IN THE MATTER OF an application by
The Consumers' Gas Company for a certifi-
cate of public convenience and necessity
to construct works to supply gas and to
supply gas to the inhabitants of the
Town of Newcastle in the Regional
Municipality of Durham, Province of
Ontario.

BEFORE: S. J. Wychowanec,)
Presiding Member)
H. R. Chatterson,) December 5, 1977.
Member)

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

UPON the application of The Consumers' Gas
Company for a certificate of public convenience and
necessity to construct works to supply gas and to supply
gas to the inhabitants of the Town of Newcastle;

AND UPON the application having been heard at
Toronto on the 5th day of December, 1977, in the presence
of counsel for the Applicant and counsel for the Board,
no one else appearing, and the application having been
granted orally on the 5th day of December, 1977:

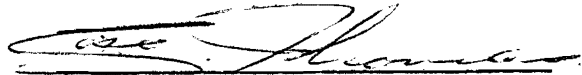
1. IT IS ORDERED that a certificate of public
convenience and necessity be and the same is hereby

granted to The Consumers' Gas Company to construct works to supply gas and to supply gas in the Town of Newcastle in the Regional Municipality of Durham.

2. AND IT IS FURTHER ORDERED that the costs of and incidental to this proceeding are fixed at \$375.⁰⁰ to be now paid by the Applicant.

ISSUED at Toronto this ~~23rd~~ day of December, 1977.

ONTARIO ENERGY BOARD



S.A.C. Thomas
Secretary to the Board



If this information is required in an alternate format, please contact the Accessibility Coordinator at 905-623-3379 ext. 2131

February 26, 2019

Mark Wilson
Senior Advisor Municipal Affairs
Enbridge Gas Distribution
500 Consumers Road
North York, Ontario M2J 1P8
Via E-mail: mark.wilson@enbridge.com

Dear Mr. Wilson:

Re: Enbridge Gas Franchise Agreement

File Number: PG.25.06

Please be advised at the February 25, 2019 Council Meeting, the following Resolution #GG-047-19 was approved:

That Report LGL-002-19 be received;

That Council approves the form of draft By-law (including the franchise agreement forming part thereof) attached to Report LGL-002-19 and authorizes the submission thereof to the Ontario Energy Board for approval pursuant to the provisions of Section 9 of the Municipal Franchises Act;

That Council requests the Ontario Energy Board to make an order dispensing with the assent of the municipal electors of the attached draft By-law (including the franchise agreement forming part thereof) pursuant to the provisions of Section 9(4) of the Municipal Franchises Act; and

That a copy of Council's resolution be forwarded to Enbridge Inc. in support of their request for Ontario Energy Board approval.

Yours truly,

[Original Signed By]

C. Anne Greentree, B.A., CMO
Municipal Clerk

CAG/lp

c. Ontario Energy Board
T. Cannella, Director of Engineering Services
R. Maciver, Municipal Solicitor

CORPORATION OF THE MUNICIPALITY OF CLARINGTON

40 TEMPERANCE STREET, BOWMANVILLE, ONTARIO L1C 3A6 905-623-3379 www.clarington.net



Legal Services Report

If this information is required in an alternate accessible format, please contact the Accessibility Coordinator at 905-623-3379 ext. 2131.

Report To: General Government Committee

Date of Meeting: February 11, 2019

Report Number: LGL-002-19 **Resolution:**

File Number: L2010-01-03 **By-law Number:**

Report Subject: Enbridge Gas Franchise Agreement

Recommendations:

1. That Report LGL-002-19 be received;
2. That Council approves the form of draft By-law (including the franchise agreement forming part thereof) attached to Report LGL-002-19 and authorizes the submission thereof to the Ontario Energy Board for approval pursuant to the provisions of Section 9 of the Municipal Franchises Act;
3. That Council requests the Ontario Energy Board to make an order dispensing with the assent of the municipal electors of the attached draft By-law (including the franchise agreement forming part thereof) pursuant to the provisions of Section 9(4) of the Municipal Franchises Act; and
4. That a copy of Council's resolution be forwarded to Enbridge Inc. in support of their request for Ontario Energy Board approval.

Report Overview

- Enbridge Gas Inc. requires an agreement with the Municipality as well as a Municipal by-law to enable them to locate their natural gas system in Municipal roadways.
- The Ontario Energy Board is the approval authority for such agreements.
- The current agreement with Enbridge will expire on May 31, 2019.
- The proposed by-law and Modal Franchise Agreement are attached to this report for acceptance by Council.

1. Background

- 1.1 Enbridge Gas Inc. ("Enbridge") distributes its natural gas within Clarington by means of infrastructure that is primarily situated within publicly-owned road allowances.
- 1.2 Pursuant to the *Municipal Franchises Act*, Enbridge is not authorized to operate its natural gas distribution network within Municipal boundaries unless the Municipality has enacted a by-law to that effect.
- 1.3 A by-law to authorize the works may be subject to such terms and conditions that are agreeable to Enbridge and the Municipality, provided that such terms and conditions are approved by the Ontario Energy Board (the "OEB").
- 1.4 The terms and conditions associated with municipal authorization routinely take the form of a "Franchise Agreement" between the Municipality and Enbridge.

2. Franchise Agreement

- 2.1 Clarington has an existing Franchise Agreement with Enbridge that commenced in 1999 and that is set to expire on May 31, 2019.
- 2.2 Enbridge has requested that the Municipality renew its Franchise Agreement.
- 2.3 Before the Municipality can pass an authorization by-law and enter into a new Franchise Agreement, the terms of the authorization must first be approved by the OEB.
- 2.4 Attachment 1 of this Report is the draft by-law together with the proposed new Franchise Agreement. Please note that the documents refer to "Enbridge Gas Distribution Inc." however the company has recently been renamed to "Enbridge Gas Inc." and the documents will have to be amended before they are finalized.
- 2.5 The new Franchise Agreement was produced in a collaborative effort between Enbridge and representatives from the Association of Municipalities of Ontario ("AMO").

- 2.6 The new Franchise Agreement is substantially similar to the previous Franchise Agreement with only minor changes.
- 2.7 Some of the important terms of the new Franchise Agreement include:
- a) A 20 year term concluding in 2039;
 - b) The requirement for Enbridge to obtain a road excavation permit from the Municipality;
 - c) The requirement for Enbridge to submit plans and drawings to the Municipality prior to undertaking any work;
 - d) The requirement for Enbridge to file “as built” drawings with the Municipality after completion of the work;
 - e) The responsibility of Enbridge to properly restore Municipal property to its previous condition after work is completed; and
 - f) The requirement for Enbridge to maintain appropriate liability insurance;
- 2.8 One other aspect of the new Franchise Agreement is that if for any legitimate reason the Municipality requires the relocation of the gas system, the costs to do so would be shared by the Municipality and Enbridge in the proportion of 35% and 65%, respectively. This is the same cost-sharing formula as is found in the existing Franchise Agreement.
- 2.9 A novel provision of the new Franchise Agreement is that it purports to be automatically amended if there is a change to any industry standards during the 20 year term.
- 2.10 The OEB is already familiar with the terms of the new Franchise Agreement, and there is virtual certainty that the draft by-law and agreement will be approved by the OEB if submitted in their current form.
- 2.11 Deviations from the form of the draft by-law or the new Franchise Agreement are not likely to receive OEB approval.

3. OEB Approval Process

- 3.1 Should Council adopt the recommendations in this report, the next step would be to notify Enbridge who would then submit the Council resolution together with the proposed by-law and Franchise Agreement to the OEB for approval. Enbridge will also request, and the Municipality has been asked to endorse, that the OEB dispense with the requirement of the *Municipal Franchises Act* to obtain the assent of the municipal electors.
- 3.2 Notice of the Enbridge application will then be published in the local newspaper by the OEB.

- 3.3 Following an affirmative decision by the OEB, the by-law and Franchise Agreement would then come back to Council for formal enactment and execution.

4. Concurrence

This report has been reviewed by the Director of Engineering Services who concurs with the recommendations.

5. Strategic Plan Application

Not applicable.

Submitted by:

Reviewed by:

[Original Signed By]

Robert Maciver, LL.B., MBA, CS,
Municipal Solicitor

[Original Signed By]

Andrew C. Allison, B. Comm, LL.B
CAO

Staff Contact: Robert Maciver, Municipal Solicitor, 905-623-3379 ext 2013 or
rmaciver@clarington.net

Attachments:

Attachment 1 - Draft By-law

THE CORPORATION OF THE MUNICIPALITY OF CLARINGTON
("CORPORATION")

BY-LAW NUMBER _____

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

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

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

NOW THEREFORE BE IT ENACTED:

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

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

_____	_____
Clerk	Reeve

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

_____	_____
Clerk	Reeve

Model Franchise Agreement

THIS AGREEMENT effective this day of , 20 .

BETWEEN: The Corporation of Municipality of Clarington hereinafter called the
"Corporation"

- and -

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

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

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

THEREFORE the Corporation and the Gas Company agree as follows:

Part I - Definitions

1. In this Agreement:

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

as the Gas Company may require or deem desirable for the distribution, storage and transmission of gas in or through the Municipality;

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

Part II - Rights Granted

- 2. To provide gas service:

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

3. To Use Highways.

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

4. Duration of Agreement and Renewal Procedures.

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

or

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

Part III - Conditions

5. Approval of Construction

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

conditions or to enter into a separate agreement as a condition of the approval of this part of the construction of the gas system.

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

6. As Built Drawings

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

7. Emergencies

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

8. Restoration

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

9. Indemnification

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

10. Insurance

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

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

11. Alternative Easement

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

12. Pipeline Relocation

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

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

Part IV - Procedural And Other Matters

13. Municipal By-laws of General Application

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

14. Giving Notice

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

15. Disposition of Gas System

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

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

16. Use of Decommissioned Gas System

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

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

17. Franchise Handbook

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

18. Agreement Binding Parties

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

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

THE CORPORATION OF THE MUNICIPALITY OF CLARINGTON

By: _____

By: _____

Duly Authorized Officer

ENBRIDGE GAS DISTRIBUTION INC.

By: _____

By: _____

DATED this day of , 20 .

THE CORPORATION OF THE
MUNICIPALITY OF CLARINGTON

- and -

ENBRIDGE GAS DISTRIBUTION INC.

FRANCHISE AGREEMENT

ENBRIDGE GAS DISTRIBUTION INC.

500 Consumers Road
North York, Ontario
M2J 1P8

Attention: Regulatory Affairs Department

2000 Model Franchise Agreement

THIS AGREEMENT effective this day of , 2019

BETWEEN:

THE CORPORATION OF THE MUNICIPALITY OF CLARINGTON

hereinafter called the "Corporation"

- and -

ENBRIDGE GAS INC.

hereinafter called the "Gas Company"

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

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

THEREFORE the Corporation and the Gas Company agree as follows:

Part I - Definitions

1. In this Agreement

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

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

Part II - Rights Granted

2. To provide gas service

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

3. To Use Highways

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

4. Duration of Agreement and Renewal Procedures

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

or

- (b) If the Corporation has previously received gas distribution services, the rights hereby given and granted shall be for a term of 20 years from the date of final passing of the By-law provided that, if during the 20 year term 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 therefor has first been obtained from the Engineer/Road Superintendent and all work done by the Gas Company shall be to his satisfaction.
- (b) Prior to the commencement of work on the gas system, or any extensions or changes to it (except service laterals which do not interfere with municipal works in the highway), the Gas Company shall file with the Engineer/Road Superintendent a Plan, satisfactory to the Engineer/Road Superintendent, drawn to scale and of sufficient detail considering the complexity of the specific locations involved, showing the highways in which it proposes to lay its gas system and the particular parts thereof it proposes to occupy.
- (c) The Plan filed by the Gas Company shall include geodetic information for a particular location:
 - (i) where circumstances are complex, in order to facilitate known projects, including projects which are reasonably anticipated by the Engineer/Road Superintendent, or
 - (ii) when requested, where the Corporation has geodetic information for its own services and all others at the same location.
- (d) The Engineer/Road Superintendent may require sections of the gas system to be laid at greater depth than required by the latest CSA standard for gas pipeline systems to facilitate known projects or to correct known highway deficiencies.
- (e) Prior to the commencement of work on the gas system, the Engineer/Road Superintendent must approve the location of the work as shown on the Plan filed by the Gas Company, the timing of the work and any terms and conditions relating to the installation of the work.
- (f) In addition to the requirements of this Agreement, if the Gas Company proposes to affix any part of the gas system to a bridge, viaduct or other structure, if the Engineer/Road Superintendent approves this proposal, he may require the Gas Company to comply with special conditions or to enter into a separate agreement as a condition of the approval of this part of the construction of the gas system.

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

6. As Built Drawings

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

7. Emergencies

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

8. Restoration

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

9. Indemnification

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

10. Insurance

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

11. **Alternative Easement**

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

12. **Pipeline Relocation**

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

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

Part IV - Procedural And Other Matters

13. Municipal By-laws of General Application

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

14. Giving Notice

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

15. Disposition of Gas System

- (a) If the Gas Company decommissions part of its gas system affixed to a bridge, viaduct or structure, the Gas Company shall, at its sole expense, remove the part of its gas system affixed to the bridge, viaduct or structure.
- (b) If the Gas Company decommissions any other part of its gas system, it shall have the right, but is not required, to remove that part of its gas system. It may exercise its right to remove the decommissioned parts of its gas system by giving notice of its intention to do so by filing a Plan as required by Paragraph 5 of this Agreement for approval by the Engineer/Road Superintendent. If the Gas Company does not remove the part of the gas system it has decommissioned and the Corporation requires the removal of all or any part of the decommissioned gas system for the purpose of altering or improving a highway or in order to facilitate the construction of utility or other works in any highway, the Corporation may remove and dispose of so much of the decommissioned gas system

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

16. Use of Decommissioned Gas System

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

17. Franchise Handbook

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

18. Other Conditions

None.

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
MUNICIPALITY OF CLARINGTON**

Per:

Adrian Foster, Mayor

Per:

Anne Greentree, Municipal Clerk

ENBRIDGE GAS INC.

Per:

Mark Kitchen, Director
Regulatory Affairs

Per:

Steve McGivery, Director,
GTA East Operations