



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

May 10, 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”)
Chatham-Kent Rural Project
EB-2018-0188**

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

Yours truly,

[original signed by]

W.T. (Bill) Wachsmuth, RPF
Senior Administrator, Regulatory Projects
:sb
Attach.

cc: A. Manzano, OEB
L. Sault, Anwaatin
D. Richardson, Anwaatin
E. DeMarco, Anwaatin
J. McGillivray, Anwaatin
I. Mondrow, IGUA
S. Rahbar, IGUA

ENBRIDGE GAS INC.

Answer to Interrogatory from
Board Staff

Interrogatory #1

Reference: Application, page 28

Preamble:

Enbridge Gas Inc. (Enbridge Gas) requests leave to construct approximately 500 kilometers of nominal pipe size (NPS) 12-inch and 13 kilometres of NPS 8-inch natural gas pipeline in the Municipality of Chatham-Kent. Enbridge Gas states that the proposed pipeline will be constructed within road allowances.

Questions:

- a) Please provide copies of the applicable Municipal Franchise Agreement.
 - b) Please provide copies of the applicable Certificate of Public Convenience and Necessity.
-

Responses:

- a) Copies of the applicable Municipal Franchise Agreement are attached at Schedule 1.
- b) Copies of the applicable Certificate of Public Convenience and Necessity are attached at Schedule 2.

2000 Model Franchise Agreement

THIS AGREEMENT effective this 6 day of September, 2005

BETWEEN:

THE CORPORATION OF THE MUNICIPALITY OF CHATHAM-KENT

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
MUNICIPALITY OF CHATHAM-KENT**

Per:

Diane Gagner, Mayor

Elinor Mifflin, Clerk

UNION GAS LIMITED

Per:

Leigh Ann Shoji-Lee, Vice-President

Ontario Energy
Board

Commission de l'Énergie
de l'Ontario



RP-2005-0016
EB-2005-0312

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 to establish a single Certificate of Public Convenience and Necessity for certain geographic areas now incorporated within the Municipality of Chatham-Kent.

By delegation, before: Mark C. Garner

DECISION AND ORDER

Union Gas Limited filed an application dated June 13, 2005 with the Ontario Energy Board under the *Municipal Franchises Act*, R.S.O. 1990, c. M.55, as amended, for an order of the Board to establish a single Certificate of Public Convenience and Necessity for several former municipalities now incorporated within the Municipality of Chatham-Kent (the Municipality). The Board has assigned file number RP-2005-0016 / EB-2005-0312 to this application.

The Board's Notice of Application and Written Hearing was published on July 18, 2005. There were no intervenors.

On January 1, 1998, the former Town of Blenheim, Town of Bothwell, Township of Camden, City of Chatham, Township of Chatham, Township of Dover, Town of Dresden, Village of Erie Beach, Village of Eriean, Township of Harwich, Village of Highgate, Township of Howard, County of Kent, Township of Orford, Township of Raleigh, Town of Ridgetown, Township of Romney, Village of Thamesville, Town of Tilbury, Township of Tilbury East, Town of Wallaceburg, Village of Wheatly and Township of Zone, were amalgamated to form the Municipality.

Union is presently serving the Municipality and has Certificates of Public Convenience and Necessity for the former municipalities with the exception of the former Town of Bothwell, Township of Camden, City of Chatham, Town of Dresden, Village of Erie Beach, Township of Harwich, Township of Howard, Township of Raleigh, Town of Ridgetown, Township of Romney, Village of Thamesville, Town of Tilbury, Township of Tilbury East, Town of Wallaceburg, and Township of Zone. A Certificate of Public Convenience and Necessity was not required for these Municipalities since facilities existed prior to April 1, 1933.

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 A Certificate of Public Convenience and Necessity, attached as Appendix A, is granted to Union Gas Limited to construct works to supply gas in the Municipality of Chatham-Kent.
- 2 The portions of the Certificates of Public Convenience and Necessity for the former Town of Blenheim, Township of Chatham, Township of Dover, Village of Erieau, Village of Highgate, County of Kent, Township of Orford and Village of Wheatly now within the Municipality of Chatham-Kent are superseded by the Certificate of Public Convenience and Necessity, attached as Appendix A, referred to in paragraph 1.

DATED at Toronto, August, 23, 2005

ONTARIO ENERGY BOARD



Peter H. O'Dell
Assistant Board Secretary

**APPENDIX A
TO BOARD DECISION AND ORDER
RP-2005-0016 / EB-2005-0312**

DATED: August, 23, 2005

**Certificate of Public Convenience and Necessity for the
Municipality of Chatham-Kent**

RP-2005-0016
EB-2005-0312

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

Municipality of Chatham-Kent

This Certificate supersedes the Certificates of Public Convenience and Necessity as it applies to the former Town of Blenheim (E.B.C. 32 and E.B.C. 85), Township of Chatham (F.B.C. 192), Township of Dover (F.B.C. 192), Village of Erieau (E.B.C. 208-01), Village of Highgate (F.B.C. 259), County of Kent (F.B.C. 192), Township of Orford (F.B.C. 259) and Village of Wheatly (F.B.C. 259).

Dated at Toronto, August, 23, 2005

Ontario Energy Board



Peter H. O'Dell
Assistant Board Secretary

ENBRIDGE GAS INC.

Answer to Interrogatory from
Board Staff

Interrogatory #2

Reference: Application, pages 7 to 10 and 15 to 20

Preamble:

Enbridge Gas states that its proposal for cost recovery of net capital (total capital costs net of the NGGP - now Bill 32 - amount, municipal contribution and capital from future customers) is consistent with the process used in the EB-2016-0013 Leamington Expansion Phase 2.

Enbridge Gas originally contemplated building potential pipelines of 500 m of NPS 12 and 20 km of NPS 8, with an incremental capacity of approximately 75,000 m³/hr in the Chatham-Kent region. Enbridge Gas invited expressions of interest (EOI) from customers referencing a targeted Hourly Allocation Factor (HAF) of \$250 to \$350 per m³/hr of hourly demand. Enbridge Gas initially received 43 EOI responses from interested parties totaling over 51,000 m³ in hourly demand. Only five customers totaling a capacity of 18,845 m³/hr were able to execute a binding commitment letter by Enbridge Gas' deadline, however, which reduced the anticipated facilities required to the current configuration of 500 m of NPS 12 and 13 km of NPS 8. Enbridge Gas determined the proposed HAF of \$287 per m³/hr in the first half of 2018 based on the known parameters at that time, dividing the Net Capital of \$8.6 million by a total capacity of 30,045 m³/hr made available by the project for customers who required in excess of 200 m³/hr at the time of the Natural Gas Grant Program submission. All new customers who require a demand capacity of 200 m³/hr or greater within the Area of Benefit for the project will be allocated the HAF in their economics. Once the incremental capacity of those customers requiring more than 200 m³/hr reaches 31,985 m³/hr, Enbridge Gas will cease to apply the HAF to new loads in the Area of Benefit.

Enbridge Gas forecasts a cumulative large volume demand of 31,895 m³/hr by 2025 in the area serviced by the project, and a total forecasted demand (including small volume) of 35,132 m³/hr by 2025. Six first year contracts (four of which have been executed to date) represent 15,885 m³/hr, which is 50% of the forecasted growth in large volume demand. Another 12,950 m³/hr or 40% is supported by future growth from 2020 to 2024 by two of the six customers. Enbridge Gas states that these customers were proposing either new greenhouse projects or expansions of existing greenhouse operations.

Enbridge Gas completed an economic analysis for each large volume customer to assess capital costs and to determine the required contract term, contribution in aid to construct (CIAC) and/or Incremental Demand Charge Premium. If a customer is unable to achieve a profitability index (PI) of 1.0 within a 20 year contract term, Enbridge Gas has offered the option to either pay the CIAC, or to pay a flat incremental demand charge premium in excess of the regular monthly charges. Enbridge Gas also offered an option for customers to only contract for their 2019 demands and amend their contracts in the future, when the customer is ready to commit to the higher hourly requirement. Enbridge Gas states that the customer then runs the risk of their required capacity already being utilized by another customer, in which case they would be allocated their share of any costs of Enbridge Gas expanding further. To date, Enbridge Gas states that the customers with expansion plans have elected to contract only for their initial demands.

Enbridge Gas noted that the DCF analysis, which includes distribution capital for projected customer additions, shows a PI of 1.03 and a Net Present Value of \$425,000 using a revenue horizon of 20 years.

Questions:

- a) What is the current capacity of the local distribution network, and how much incremental capacity does the proposed project add? If the incremental capacity of the proposed project is larger than the forecasted demand of 35,132 m³/hr, please explain why Enbridge Gas only intends to recover the cost of the project from customers making up the forecasted demand of 35,132 m³/hr.
- b) Please explain how Enbridge Gas determined the appropriate calculations for the HAF:
 - i. Please explain the difference in total capacity forecasted for large industrial customers at 31,985m³/hr as compared to the total capacity of 30,045m³/hr used to calculate the HAF of \$287/m³/hr.
 - ii. Please explain why the HAF would not be recalculated to take the extra 1,940m³/hr into account, and discuss what impact a recalculation of the HAF would have.
 - iii. Please explain why it is appropriate to only apply the HAF up to a specific forecasted demand (30,045m³/hr), with additional large volume customers not having to contribute?
 - iv. Has Enbridge Gas considered providing a true-up/rebate to the customers who take up their original forecast demand, should additional growth materialize? Why or why not?
 - v. Please explain why it is appropriate, in Enbridge's view, to not have the required contract customers committing to future volumes at this time, and yet be committing ratepayer dollars.
- c) Please explain the Incremental Demand Charge Premium and how it would apply to customers who choose this option. Please provide an illustrative example.
- d) Please explain how Enbridge Gas calculated the forecasted revenues used in the DCF analysis. Please provide the assumptions used in the revenue forecast (including the incremental volumes by rate class and the rates used in the analysis). Please also discuss whether Enbridge Gas included any revenues from interruptible services in the revenue forecast, and explain why or why not.
- e) Please explain the derivation of the incremental capital used in the DCF analysis, including years 1, 2 and 6.
- f) Please explain why CIAC payments may be required when the DCF analysis shows a PI of 1.03 in the absence of capital contributions.

- g) Please explain the proposed accounting treatment for any CIAC payments collected related to this project. Please contrast this proposed approach to the treatment applied to capital contributions required to make a typical expansion project financially feasible.
- h) Please explain the proposed accounting treatment for any government contributions related to this project.
- i) Please explain the proposed accounting treatment for any Incremental Demand Charge Premium related to this project.
- j) Please provide generic copies, including the terms and conditions, for the proposed long-term contracts and/or Letter of Agreement that Enbridge Gas will require customers to sign in order to avoid or reduce CIAC payments. Please identify any differences between these contracts/Letters of Agreement and those filed in EB-2016-0013.
- k) Please discuss whether Minimum Annual Volume (MAV) requirements will be established by Enbridge Gas in each customer's contract. If so, please discuss how the MAV requirement will be set by Enbridge Gas. If not, are customers granted the option to set their own MAV or are there no MAV requirements?
- l) How many of the executed long-term contracts of Letters of Agreement include a CIAC payment and/or an Incremental Demand Charge Premium as opposed to relying entirely on a MAV for one or more years? If any, please explain what factors did or may have led to the inclusion of a CIAC and or an Incremental Demand Charge Premium.
- m) Please provide a range for: (i) the duration of the contracts signed; and (ii) the contracted MAV (if applicable).
- n) Please provide an update on the status of any contract negotiations that have not yet been executed.
- o) Please confirm that as a result of the use of MAVs in the contracting for the incremental capacity made available by this project, Enbridge Gas is 100% protected from the risk of a revenue shortfall from customers as a result of reduced annual volumes (whether as a result of customer specific operational issues or changes, conservation measures engaged in by the customer either on their own or in conjunction with Enbridge Gas, the weather sensitivity of the load, etc.), while at the same time Enbridge Gas benefits from any revenue as a result of increased volumes.
- p) When Enbridge Gas engages a customer that has a multiyear obligation as is proposed in this application in a Demand Side Management activity that has the effect of reducing the customer's annual consumption below the MAV embedded in its contract, does Enbridge

Gas allow the customer to adjust its contract terms going forward in order to reflect the impact of the DSM activity?

- q) If a customer falls below their MAV in some years and exceeds their MAV in other years such that, in aggregate, they meet the total volumes in the contract, can the customer avoid charges related to failing to meet their MAV in some years using “credit” for exceeding their MAV in other years?
- r) Of the long-term contracts and Letters of Agreement that have been entered into, how many of them included MAVs that Enbridge Gas believes materially exceed the annual volumes that the relevant customer will expect to consume in a “weather normal” year?
- s) Please confirm that in the event a customer has to terminate or materially curtail its consumption during the term of its long-term contract or Letter of Agreement, Enbridge Gas can make the unused capacity available to a new customer. If so, does the contracting for that capacity differ from the contracting of the capacity in the first instance?
- t) Does Enbridge Gas intend to adjust the terms of long-term contracts and Letters of Agreement to reflect the actual construction costs (i.e. adjusting the allocation of costs to each customer and the resulting MAV requirements)? Why or why not?
- u) OEB staff would like to better understand how the long-term contract eliminates or reduces the CIAC payment:
 - i. Please confirm that if a customer does not sign a contract they will be required to pay their entire portion of the project cost in a CIAC payment. Also please indicate whether this would be paid as a lump sum payment or if Enbridge Gas plans to offer payment flexibility.
 - ii. Please explain the relationship between long-term contracting and the required CIAC payment. Please provide a table that includes a number of examples (along with supporting calculations) that use a set of assumptions (e.g. rate class, contracted capacity, contracted volumes, load factor, etc.) to depict the CIAC payment required if a customer does not sign a contract, or signs a 1-year, 5-year, 10-year or 20-year contract. Please clearly indicate the assumptions made. Please also provide the total cost to the customer (including both the CIAC payment and the distribution charges) under these scenarios.
 - iii. Please explain the perceived benefits and disadvantages, from a customer’s standpoint, of paying for the service by means of a CIAC, or option to sign a contract of 1 year, 5 years, 10 years or 20 years (with a reduced or eliminated CIAC) with Enbridge Gas.
 - iv. If a customer opted for a 5-year contract with Enbridge Gas, what happens at the expiry of the contract?

- v) Does Enbridge Gas intend to sell any interruptible capacity created by the project, and will Enbridge Gas apply these revenues to the contracts held by customers to potentially reduce their contract terms?
 - w) Does Enbridge Gas intend to request Incremental Capital Module treatment for this project? Why or why not?
 - x) Please discuss how Enbridge Gas intends to carry the cost of the project until it can recover costs from all forecasted demand. Please also discuss how Enbridge Gas intends to recover the incremental cost of the project and whether there will be any cross subsidization in the event that actual demand falls short of the forecast. Please discuss whether existing ratepayers are essentially paying for the HAFs yet to be paid for, until the demand materializes.
 - y) Please explain the potential impacts for ratepayers associated with the risks of:
 - i. Demand being materially less than forecast
 - ii. Demand materializing slower than forecast
 - iii. An insufficient number of large volume customers with demand volumes over 200 m³/hr signing up and contributing to the remaining Net Capital
 - v. Contract terminations by large volume customers
 - z) Please comment on the potential risks of a lack of diversity in the load customers in the area.
-

Responses:

- a) The current Chatham distribution network has a peak demand of approximately 133,000 m³/h.

It was determined that the minimum design required to supply the forecasted demands on the Baseline Section was NPS 6, however, without upsizing the pipeline to NPS 8 it would be uneconomic to serve potential future growth beyond the term of the initial forecast. Enbridge Gas decided to carry the cost of upsizing the pipeline to facilitate future growth and not pass that cost on to the customers contracting as part of this Project. As a result, Enbridge Gas only intends to recover the cost of the NPS 6 project, which has an approximate capacity of 35,132 m³/h.

The proposed project will provide incremental capacity of approximately 65,000 m³/h, however, this capacity is highly dependent on the attachment location of forecasted non-specific customers.

- b)
 - i. At the time the NGGP application was being prepared, the demand forecast was 30,045 m³/h. Subsequent to the NGGP application being submitted, the demand forecast was

updated to 31,895 m³/hr to reflect a more up to date understanding of the customers needs and demand forecast potential. Several customers had signed 15 year contracts that were based on allocated costs using the \$287/ m³/hr HAF. Enbridge Gas elected to hold the HAF constant given that some contracts had already been executed and due to the immateriality of the difference.

- ii. Adding 1,940 m³/h of incremental capacity to the HAF calculation denominator would reduce the HAF from \$287/ m³/hr to \$270/ m³/hr (a 6% change). However, the potential variability due to the location of the unknown, but forecasted demand has a much larger variability. Given this significant variability and that the location of the uncontracted, but forecasted demand growth has yet to be identified, it was decided to simply hold the HAF constant once it had been determined and communicated to customers. The total amount of capacity created by the Project is dependent on the location of the new and forecasted loads.
- iii. Since the HAF was determined by dividing the net capital by 30,045 m³/hr it is appropriate to allocate the HAF to new large demands up to 30,045 m³/hr (and no more or no less), in order to fully allocate the net capital of the project.
- iv. A true up was considered but rejected. Customers prefer certainty when they execute a long term contract. A true up would introduce uncertainty from the customer's perspective and Enbridge Gas is prepared to manage the demand forecast risk.
- v. Enbridge Gas attempted to contract for as much capacity with customers as possible prior to finalizing the scope of the Project and filing the LTC application. Customers that shared their growth plans were unwilling to commit to contracts beyond their initial commitments. Enbridge Gas is not "committing rate payer dollars" other than those ratepayers that are contracted or forecasted as part of the Project. Should there be a variance to the demands forecasted (either positive or negative), it will be the subject of a future rebasing rates application and the impact of any such variance will be dealt with in that proceeding.

The Project was proposed under the framework and guidelines of the Natural Gas Grant Program's Economic Development Stream. The Economic Development stream placed an emphasis on enabling future economic growth. This entails ensuring that the Project can provide some benefit beyond the immediate demands of those customers ready and willing to execute long term gas distribution contracts. The Guidelines to the NGGP application process included this note on "prospective customers":

*"Prospective connections (e.g., attraction of new business and investments) may be included under the Economic Development Stream with appropriate supporting evidence showing when these connections would occur and how they would benefit the area."*¹

Forecasting demands in excess of those already contracted was consistent with the expectations of the Economic Development stream of the NGGP. The NGGP evaluators agreed with Enbridge Gas that the long term demand forecast was

¹ From the NGGP Guidelines, Point #2: archived [here](#)

appropriate. On April 3, 2018, when the recipients of the NGGP were announced and briefly described, the Ontario government described the Project in this manner:

“Will construct two transmission pipelines as well as supporting distribution mains and individual customer stations to immediately connect five local agricultural businesses, while establishing infrastructure that can help to meet growing energy demand within the local agri-food cluster.”²

The Project must obtain the needed approvals of the Board in order to obtain the funding under O. Reg. 24/19. Enbridge Gas has attempted to strike a balance between minimizing forecast risk (through contracting all available capacity) and the intention of the NGGP (now O. Reg. 24/19) of enabling future growth.

- c) Under the economic test outlined in E.B.O.188, the Contribution in Aid to Construct (“CIAC”) is determined by comparing the Net Present Value (“NPV”) of the cash outflows, against the NPV of the cash inflows over the term of the contract. If the NPV of the outflows exceed the NPV of the inflows, (say over a 10 year term), Enbridge Gas and the customer can negotiate for the customer to pay a CIAC or consider a longer contract term. Re-running the calculation with a longer term contract would directionally lower the CIAC. Customers often prefer to contract for a term that would minimize or eliminate their CIAC. Enbridge Gas has entered into contracts with a term of up to 20 years in an attempt to help customers minimize their CIAC.

In some circumstances, where the costs to serve a particular customer are high, even a 20 year contract may not be enough to eliminate CIAC. The Project currently includes one customer in this situation. They were offered a choice of a 20 year contract, with a CIAC of \$252,410 or an Incremental Demand Charge Premium of \$23,530 per year and they elected the Incremental Demand Charge Premium, paid monthly.

- d) The revenue assumptions are based on the impacts of the incremental demand forecast and the specifics of the contracts executed to date. Several customers are transitioning from one rate class to another as part of the Project, (i.e. from M4 to M7).

Each large volume contract customer has an economic test applied individually under E.B.O.188 based on the sum of the costs to serve them relative to the revenue derived from serving them to ensure a PI of at least 1.0 over the term of the contract. The costs to serve include both an allocation of the HAF, being \$287/ m³/hour multiplied by their Firm Hourly Quantity (Peak Hour) plus the costs of their customer specific costs (customer station and service and any specific distribution costs like stations upgrades etc. that are required to serve them given their load and location). These costs are then used in the Enbridge Gas economic model, in conjunction with the revenue assumptions which are derived from the EB-2017-0087 rate case and the relevant contract parameters, such as applicable rate, term, Firm Contract Demand, MAV and in rare circumstances, Demand Charge Premium, to ensure each customer has a PI of at least 1.0. In this manner the costs are recovered over the term of the contract from the customers deriving the benefit of the capacity.

² From <https://news.ontario.ca/moi/en/2018/04/ontarios-natural-gas-grant-program-11-new-projects.html>

For the small volume customers, the HAF was not applied against their forecasted demands as serving them was not originally contemplated in the NGGP application where the HAF was derived as the NGGP application was made under the Economic Development stream – which focused on businesses.

The overall Project economics use the forecasted transmission and distribution revenue from the large volume customers and the forecasted transmission component of the small volume customers. The distribution component of the small volume customer forecast revenue stream will be allocated to each customer through the customer attachment process under the Enbridge Gas Get Connected process and will be used to help them mitigate any CIAC that may be associated with the distribution cost to connect them to the system.

Enbridge Gas has not contracted or forecasted any incremental interruptible volumes or revenues, primarily due to the fact that no customers expressed interest in or asked for interruptible service. Most of the new large demands are related to the greenhouse market and this market in general prefers to contract for firm capacity when it is available.

- e) Incremental capital used in the DCF analysis is based on Enbridge Gas’s best estimate of the amount and timing of capital costs. The costs for the Base Line and Bear Line sections are spread over two years and a large generic customer is forecasted to contract for service in year 6, which results in the need for incremental capital costs.

The \$8 million of funding was assumed to be received \$4 million in year 1 and \$4 million in year 2. The municipal government grant of \$500,000 was assumed to be received in year 1. These payments are treated as a reduction to capital cost.

The following table quantifies the incremental capital of the Project (\$ millions).

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 6</u>	<u>Total</u>
Project capital	18.7	0.4	-	19.1
Provincial subsidy	(4.0)	(4.0)	-	(0.8)
Municipal grant	(0.5)	-	-	(0.5)
Total LTC capital	14.2	(3.6)	-	10.6
Customer capital	2.0	-	0.5	2.5
Total capital	16.2	(3.6)	0.5	13.1

- f) To date, Enbridge Gas has not contracted with a customer on the Project with a CIAC. Enbridge Gas and all customers contracted to date have been able to negotiate a contract term to cover their allocated costs from the HAF and their customer specific costs. The forecast includes assumed growth that has yet to be identified, so the actual costs to attach these loads are unknown. Depending on the future large volume customer’s location and preferences, a CIAC payment and/or an Incremental Demand Charge Premium by a customer may be utilized to ensure that each new large volume customer has a PI equal to at least 1.0.

All large volume customers were contracted to each have a PI of 1.0 at a minimum. Some customers have contracted for a contract term that results in a slightly positive NPV due to

the contract length being a bit longer than the actual month of the year in which the NPV becomes positive. As a result, when the NPV for all individual customers is summed, the Project has a small, but slightly positive NPV.

Please also see Enbridge Gas's response to Exhibit B.Staff.2 c) and d).

- g) Any CIAC payments would be treated as a reduction to capital cost and would reduce the net capital cost. This is consistent with the accounting treatment applied to capital contributions required to make a typical expansion project financially feasible.
- h) Any government contributions are treated consistent with CIAC as described in part g) above.
- i) Any Incremental Demand Charge Premium will be treated as revenue.
- j) Generic copies of the M4 and M7 Gas Distribution Contracts and the General Terms and Conditions effective as of April 1, 2016 are attached at Schedule 1, 2 and 3. There were no Letter of Agreements signed with customers for this Project.

Differences for the Gas Distribution Contracts as compared to those filed with EB-2016-0013 are as follows:

M4 and M7 Generic Gas Distribution Contract for this Project:

Page 1 paragraph 1: added "certain facilities for the Chatham-Kent Rural Pipeline Expansion Project"

Section 2 Conditions Precedent: simplified the wording in the opening paragraph

Section 2 Conditions Precedent d): added "by <Date>" to this condition

Section 2 Conditions Precedent: added conditions f), h) and i) specific to this Project.

Section 2 Conditions Precedent page 2 paragraph 2, added the following: for Union's benefit. Likewise, the Customer shall notify Union forthwith in writing of the Customer's satisfaction of the conditions precedent for Customer's benefit.

Section 2 Conditions Precedent page 2 paragraph 3, added "or Customer" to the first sentence.

Section 2 Conditions Precedent page 2 paragraph 4 has been added for the Project.

Section 2 Conditions Precedent page 3 paragraph 1 has been added for this Project.

Section 5 Firm Daily Contract Demand including 5.01 and 5.02 have been added for this project.

Sections 11 in the M4 and M7 contracts provided in EB-2016-0013 have been removed for

this project.

General Terms and Conditions changes since EB-2016-0013:

Section 12.21 Overrun in Union's Northern and Eastern Operations Areas

Section 12.21-2 Gas Supply Overrun: Unauthorized Overrun has been revised to be consistent for the two Union Gas Northern Rate Zones. The language in the current GT&C is as follows:

1. the highest daily cost of Gas at Dawn, Parkway, Niagara, Empress or Iroquois in the month the Overrun occurred or the month following, as published in the Canadian Gas Price Reporter ("CGPR") or equivalent as determined by Union plus all applicable costs associated with transporting such overrun to the applicable Delivery Area;

or,

2. Union's Dawn Reference Price as approved by the Ontario Energy Board for the Day the Overrun occurred plus all applicable costs associated with transporting such overrun to the applicable delivery area;

or,

3. the Gas Supply Charge for Rate 25 Utility Sales provided in Schedule "A" (Union North Gas Supply Charges) for the appropriate Delivery Area for the Day the Overrun occurred.

k) Each customer contract executed to date includes a Firm Contract Demand and a Minimum Annual Volume that has been negotiated by Enbridge Gas and the customer to a mutually agreed value.

The MAV negotiation with the customer considers factors associated with the customer's operations before being finalized in the contract. For example, the amount of natural gas equipment connected and the expected running time per day. Energy efficiency measures installed as part of any new construction or plant expansion as well as the customer's risk tolerance when committing to a minimum annual usage of natural gas.

For the Union Gas South Rate Zone M4 and T1 classes, there are minimum annual volume requirements to qualify for the rate class. The M4 rate class minimum is 350,400 m³/year. The T1 minimum is 2,500,000 m³/year.

l) No executed contracts related to the Project have, to date, included a CIAC. Three contracts have been executed with a 15 year term (without a CIAC or Incremental Demand Charge Premium) and one contract has been executed with a 20 year term and a demand charge premium. The economic analysis for each contract was done in compliance with the guidelines for E.B.O.188 and included the financial impact associated with the contracted Firm Demand Charge and Minimum Annual Volume.

No Letters of Agreement have been executed to date for the Project.

- m) The average duration of contract signed is 16.25 years with the range being 15 to 20 years. The average MAV is 4,485,820 m³/year and the range being 4,000,000 to 4,884,280 m³/year.
- n) Negotiations with the four contracted customers have been finalized and Enbridge Gas continues to negotiate with two potential customers as to their individual gas demand needs and expected in-service dates. The two customers remain interested in getting natural gas service for their operations that would be provided by the Project.
- o) Not confirmed. To date four contracts set to start Nov 1, 2019 have been executed representing 14,635 m³/hr of the forecasted demand of 15,885 m³/hr in the first year. The majority of the incremental revenue associated with these contracts is a function of the Firm Contract Demand and not the incremental Minimum Annual Volume.
- p) Minimum Annual Volumes are negotiated between Enbridge Gas and the customer and take into account many factors before being finalized in the contract. Customers usually commit to a MAV that is less than their Expected Annual Volume to avoid the possibility of a MAV deficiency charge in the event of a shortfall. The issue of amending a contract mid-term to lower the MAV due to the success of a DSM initiative is not a frequent occurrence.

In Enbridge Gas's (Union Gas at the time) EB-2016-0013, Reply Submission, May 17, 2016 at page 7 and in the OEB Decision and Order, June 29,2016 page 11 paragraph 4, Enbridge Gas has indicated its willingness "*...to amend the term and volume of these contracts. However...the outcome of any assistance would need to be revenue neutral.*"

Should the customer's operations change significantly during a multiyear obligation, the customer and Enbridge Gas can negotiate updated contract parameters that reflect the expected gas needs over the remaining term of the contract. This would include contract parameters that reflect the impact of DSM activity. However, there is still a requirement to ensure that the PI remains at 1.0 for the individual customer.

- q) This situation has not been a significant issue. For a customer where this was a concern, Enbridge Gas is willing to re-negotiate long term contracts as long as the impact to Enbridge Gas is revenue neutral as described in part p) above.
- r) Enbridge Gas believes no MAVs have been negotiated that in excess of an annual volume that the customer will expect to consume in a "weather normal" year, once all customer facilities are up and operating as the customers have planned.
- s) Enbridge Gas would always attempt to re-market excess capacity in the event of a contract breach and termination by one customer and the company would make the capacity "freed up" available to another customer. Contracting for the re-deployed capacity would be similar to contracting for the initial capacity, with appropriate consideration being given for the specifics of the situation and it would likely be handled on a case by case basis, while

following all applicable policies and guidelines. Please also see part p) above.

In the event that unused capacity becomes available to a new customer, the contracting for this capacity would not differ from the contracting of capacity in the first instance where any HAF not recovered would be applicable. As well, any individual customer costs to provide service would also be applicable. These costs and the associated revenues would be used to determine the economics and associated contract term to achieve a PI of 1.0.

t) No, in the Union South and North Rates Zones the company would finalize the economics and contract parameters, including the CIAC payment at the time of contract execution. The contracts executed to date for the Project are structured in this way and do not contain a true up provision. Customers prefer certainty and do not want to bear the risk of a cost over-run.

- u)
- i. Confirmed. Enbridge Gas (in the Union Gas South and North Rate Zones) usually insists on any applicable CIAC payments being fully paid before gas service commences. In cases where the costs have been significant, customer payment timing has been structured to approximate Enbridge Gas’s financial commitments to suppliers and contractors on the project. Most customers execute long term contracts to minimize up front CIAC payments.
 - ii. The CIAC calculation contemplates the NPV of cash inflows and cash outflows, and extending the contract term will increase the NPV if cash inflows are greater than cash outflows for these periods, resulting in a lower CIAC with a longer contract term.

The table below outlines an example that depicts the CIAC payment required for different contract periods for a generic customer.

The assumptions used in the calculations are as follows:

- This is a new customer
- Incremental capital expenditures of \$1,100,000 (\$450,000 of customer specific distribution capital and \$650,000 of allocated transmission costs through Hourly Allocation Factor based on 2,250 m³/hour x \$287 / m³/hr)
- Contract signed for M4 rate class (no contract scenario uses M2 rates)
- Rates based on current OEB approved rates (EB-2017-0087)
- Firm Contract Demand of 27,000 m³/day; MAV of 3,942,000 m³/year of minimum annual volume (“MAV”)
- Annual revenue used in economics and CIAC calculations for M4 is \$135,000 (transmission and distribution component only – excludes storage component of rates); M2 equivalent is \$1,040,000
- Annual O&M expenses of \$600 and municipal taxes of \$11,000

<u>Contract Term</u>	<u>Required CIAC</u>	<u>Assumed Rate</u>	<u>Annual Distribution</u>
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		<u>Class</u>	<u>cost to customer</u>
1.	No contract	M2	\$1,076,000
2.	1 year	M4	\$186,000
3.	5 year	M4	\$186,000
4.	10 year	M4	\$186,000
5.	15 year	M4	\$186,000
6.	20 year	M4	\$186,000

- iii. Large volume contract rate class customers in general prefer a lower CIAC, which usually drives them to consider a longer term contract. Many customers elect to contract for the minimum term required to eliminate the CIAC payment. The term eliminates the need for an “out of pocket” payment from the customer for a CIAC. These funds can be used by the customer for other business operations.
- iv. At the end of every large volume long term contract (over one year), regardless of the initial term, the customer has an option to renew, amend or cancel the contract as per the terms and conditions of the initial contract.
- v) No, customers to date have contracted for or are interested in incremental interruptible capacity as part of the Project. If a new large volume customer contracted for interruptible capacity as part of the Project, the MAV under that contract would be used to support that customer’s economics.
- w) Enbridge Gas is not requesting Incremental Capital Module treatment (“ICM”) for the Proposed Facilities. The Chatham-Kent Rural Project is not included as part of the 2019 ICM request.
- x) Enbridge Gas will propose to include the costs of the Project in rates as part of its 2024 rebasing proceeding.

As the Project has a P.I. of 1.0, there will be no cross subsidization from ratepayers over the life of the Project provided that the total incremental capacity of those customers requiring more than 200 m³/hour reaches 31,895 m³/hour, as forecasted in the project economics. If the Project demands do not reach 31,895 m³/hour over the life of the Project, there is a potential for cross subsidization over time, however, Enbridge Gas considers the risk of the Project demands being materially less than forecast or materializing slower than forecast to be low. Please see part 2 y) below.

- y) Since 50% of forecasted demands are under executed contracts or contracts expected to be executed in 2019, Enbridge Gas considers the risk of demand being materially less than forecast or materializing slower than forecast, to be low. As well, the majority of the demands forecasted for large volume customers are underpinned by contracts, and future expansion plans that have been shared with Enbridge Gas. If contracts are terminated, counterparties will continue to be responsible for compensating Enbridge Gas for the remaining value of the associated contracts. Enbridge Gas performs regular assessments of customer creditworthiness and secures credit support where appropriate.

- z) The demand forecast provided for the Project does identify greenhouse customers as those that have already contracted for capacity. The unknown customer demand for the Project is likely to come from the greenhouse sector, but any customer type could request capacity from the Project. The greenhouse sector has seen an increase in the diversity of the products being grown, to now include leafy greens, strawberries and the increase in demand for cannabis. The risk is whether the forecasted demand will materialize, regardless of the customer type, and Enbridge Gas is confident in the demand forecast provided for the Project.

Contract ID	
Contract Name	

M4 Contract with Expansion Facilities

This GAS DISTRIBUTION CONTRACT (“**Contract**”), made as of the [redacted] day of [redacted], 20[redacted].

BETWEEN:

UNION GAS LIMITED

hereinafter called "**Union**"

- and -

COMPANY NAME

hereinafter called "**Customer**"

WHEREAS, Union has built, or proposes to build, certain facilities for the Chatham-Kent Rural Pipeline Expansion Project (the “**Expansion Facilities**”) to increase the capacity of the pipeline system and to serve [redacted] (the “**Plant**”);

AND WHEREAS, Customer has requested from Union and Union has agreed to provide Customer with Services as specified in Schedule 1 (the “**Services**”);

AND WHEREAS, if Customer has elected direct purchase services, Customer will be responsible for supplying Gas to Union under a separate Contract called the Southern Bundled T;

AND WHEREAS, Union will distribute Gas to Customer’s Point(s) of Consumption under this Contract identified in Schedule 1;

IN CONSIDERATION of the mutual covenants contained herein, and other good and valuable consideration, the receipt of and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. INCORPORATIONS

The following are hereby incorporated in and form part of this Contract:

- a) Contract Parameters as contained in Schedule 1 as amended from time to time; and
- b) The latest posted version of Union’s General Terms and Conditions subject to Section 12.18 of Union’s General Terms and Conditions; and
- c) Rate M4 Rate Schedule as amended from time to time and as approved by the Ontario Energy Board.

2. CONDITIONS PRECEDENT

The obligations of Union to provide Services and of Customer to take and pay for Services hereunder are subject to the following conditions precedent for the benefit of Union or Customer, as applicable:

- a) Union shall have obtained, in form and substance satisfactory to Union, and all conditions shall have been satisfied under all governmental, regulatory and other third party approvals, consents, orders and authorizations, that are required to:
 - i. provide the Services; and
 - ii. construct the Expansion Facilities; and
- b) Union shall have obtained all internal approvals that are necessary or appropriate to:
 - i. provide the Services; and
 - ii. construct the Expansion Facilities; and
- c) Union shall have completed and placed into service the Expansion Facilities; and
- d) Union shall have received from Customer, by [Date], the requisite financial assurances as may be more specifically outlined herein, reasonably necessary to ensure Customer's ability to honour the provisions of this Contract which financial assurances, if required, will be determined solely by Union; and
- e) Union shall have received a contribution in aid of construction to Union of \$ [Amount] (the "Aid Amount") from Customer pursuant to Customer's obligations herein; and
- f) Customer shall have received all required financing necessary, on or before the later of November 1, 2018 or 90 days after notice has been provided that the conditions of 2(a) have been met, to ensure the Customer's ability to construct the Plant and can honour the provisions of this Contract; and
- g) If Customer has elected direct purchase services, Customer and Union shall have executed and maintained in good standing a Southern Bundled T: and
- h) Union shall have received funding from the Ontario government's Natural Gas Grant Program consistent with Union's application for the Chatham-Kent Rural Pipeline Expansion Project application.
- i) Union shall have received funding from the Municipality of Chatham-Kent consistent with Union's application for the Chatham-Kent Rural Pipeline Expansion Project application.

Union and Customer shall each use commercially reasonable efforts to satisfy and fulfill the conditions precedent specified in Sections a), c), d), e), f) g), h) and i).

Union shall notify Customer forthwith in writing of Union's satisfaction or waiver of each condition precedent for Union's benefit. Likewise, the Customer shall notify Union forthwith in writing of the Customer's satisfaction of the conditions precedent for Customer's benefit.

If either Union or Customer concludes that it will not be able to satisfy a condition precedent, either may, upon written Notice, terminate this Contract and upon giving such Notice, this Contract shall be of no further force and effect and each of the parties shall be released from all further obligations hereunder.

If Condition 2(f) is not satisfied or waived by Customer on or before the later of November 1, 2018 or 90 days after notice has been provided that the conditions of 2(a) have been met, then either party may, upon written Notice to the other party, terminate this Contract and upon giving

such Notice, this Contract shall be of no further force and effect and each of the parties shall be released from all obligations hereunder.

Should this Contract be terminated by virtue of this Section 2, Customer and Union shall remain bound by any pre-existing Gas Distribution Contract(s).

3. CONTRACT TERM

This Contract shall be effective from the date hereof. However, the Services and Union's obligation to provide the Services under Section 4 shall commence on the later of (such later date being the "**Day of First Delivery**") (a) [Date], and (b) the date that the last condition precedent as set out in Section 2 is satisfied or waived by Union. Subject to the provisions hereof, this Contract shall continue in full force and effect for a period of xx Contract Years (the "**Initial Term**") and continuing thereafter on a year to year basis unless written Notice to terminate is provided by one party to the other at least three (3) Months prior to the end of the then-current term.

"**Contract Year**" means a period of twelve (12) consecutive Months, beginning on [redacted] of any Contract Year and ending on the subsequent [redacted], except for the first contract year which shall begin on the Day of First Delivery and end on [redacted].

4. SERVICES PROVIDED

Union agrees to provide Services as specified in Schedule 1 and Customer agrees to pay for such Services pursuant to the terms and conditions as set out in this Contract and the referenced attachments and the rate(s) referenced in Schedule 1.

To be eligible for services under the Rate M4 Rate Schedule, Customer must have an annual natural gas consumption of at least 350,400 m³ and Daily Contracted Demand between 2,400 m³ and 60,000 m³. If the Customer does not maintain this level of consumption during the current Contract Year or is not expected to maintain this level of consumption then, notwithstanding any other remedy available to Union under this Contract or any other term of this Contract, effective the following Contract Year, the Customer may no longer qualify for service under the Rate M4 Rate Schedule and may be placed on an alternate service by Union. If the Customer's Daily Contracted Demand exceeds 60,000 m³ then the Customer no longer qualifies for services under the Rate M4 Rate Schedule.

If Customer has elected direct purchase services, and if Union does not receive Gas from Customer under the Southern Bundled T, then Union's obligations to provide Services under this Contract may, at Union's option, be suspended by Union. This suspension will be effective as of the date specified in Union's Notice to Customer, notwithstanding the General Terms and Conditions.

5. FIRM DAILY CONTRACT DEMAND

The Firm Contract Demand ("**CD**") is as specified in Schedule 1.

5.01 CD INCREASES DURING CONTRACT YEAR

The first day in each Contract Year that the Customer overruns its CD (“**First Occurrence**”) shall be recorded. “**Overrun**” shall have the meaning given that term in the M4 Rate Schedule. The second day in each Contract Year that the customer overruns its CD (“**Second Occurrence**”), shall result in an increase in the Customer’s CD to the higher quantity used on the First Occurrence or the Second Occurrence effective as of the 1st day of the month of this Second Occurrence, at Union’s sole discretion. Customer charges will reflect the increased CD.

5.02 SUBSEQUENT CD INCREASES DURING CONTRACT YEAR

After the CD has been increased and anytime thereafter that it has been increased pursuant to Section 5.01, the next day that Customer overruns the increased CD within the Contract Year shall be deemed to be a new First Occurrence for the purposes of Section 5.01, and the next time thereafter that Customer overruns the CD within the Contract Term shall be deemed to be a new Second Occurrence for the purposes of Section 5.01, resulting in another increase in the CD as per the procedure set out in Section 5.01. For greater clarity, every time the CD is increased in a Contract Year, the occurrence number is set back to zero and thereafter if two more occurrences happen, the CD will be raised again, and so on for the remainder of the Contract Year. At the beginning of each Contract Year any outstanding First Occurrences will be set back to zero.

6. MINIMUM ANNUAL VOLUME

6.01 FIRM MINIMUM ANNUAL VOLUME

In each Contract Year, the Customer shall consume or, in any event, pay for the Adjusted Firm Minimum Annual Volume (“**AFMAV**”) as determined in the formula below. This AFMAV will not be less than the minimum quantity required to qualify for firm service in the M4 Rate Schedule.

The firm quantity not consumed in any Contract Year (the “**Firm Deficiency Volume**” or “**FDV**”) shall be as determined in the formula below.

$$\text{AFMAV} = \text{FMAV} \times [(U - D_F) / U]$$

$$\text{FDV} = \text{AFMAV} - (\text{FV} - \text{F})$$

Where:

FMAV	=	Firm Minimum Annual Volume (as identified in Schedule 1)
U	=	number of days in the Contract Year
D_F	=	number of days of Force Majeure in the Contract Year
FV	=	total firm volume taken in the Contract Year
F	=	volumes delivered to the Points of Consumption during Force Majeure

The payment required for the FDV shall be calculated by multiplying FDV by the MAV Delivery charge specified in the Rate M4 Rate Schedule as of the last day of the Contract Year. This payment would only apply if the FDV was greater than zero.

6.02 INTERRUPTIBLE MINIMUM ANNUAL VOLUME

In each Contract Year, the Customer shall consume or, in any event, pay for the Adjusted Interruptible Minimum Annual Volume (“**AIMAV**”) as determined in the formula below. This AIMAV will not be less than the minimum quantity required to qualify for interruptible service in the Rate M4 Rate Schedule.

The interruptible quantity not consumed in any Contract Year (the "**Interruptible Deficiency Volume**") (“**IDV**”) shall be determined in the formula below.

$$\text{AIMAV} = \text{IMAV} - (\text{CD}_1 \times \text{D}_1)$$

$$\text{IDV} = \text{AIMAV} - (\text{IV} - \text{I})$$

Where:

IMAV	=	Interruptible Minimum Annual Volume (as identified in Schedule 1)
CD₁	=	Interruptible Contract Demand
D₁	=	number of days of interruption in the Contract Year
IV	=	total interruptible volume taken in the Contract Year
I	=	volumes delivered to the Points of Consumption during an interruption

The payment required for the IDV shall be calculated by multiplying the IDV by the MAV Delivery charge specified in the Rate M4 Rate Schedule as of the last day of the Contract Year. This payment would only apply if the IDV was greater than zero.

7. NOTICES

Notices shall be delivered pursuant to the Notice provision of General Terms and Conditions and delivered to the addresses as referenced in Schedule 1.

8. EXPANSION FACILITIES

Union will use commercially reasonable efforts to construct the Expansion Facilities to serve the Plant. The target date for completion of these facilities is [Date]. Union will provide written Notice to Customer when such facilities are complete and placed into service.

Union and Customer agree that Union shall not be obligated to construct any portion of the Expansion Facilities between December 15 of any year and March 31 of the subsequent calendar year.

9. AID AMOUNT PAYMENT SCHEDULE

Customer will be required to pay to Union the Aid Amount of \$ [redacted] by [Date].

Any applicable taxes will be applied to all amounts paid under this Section. Customer warrants and represents that no payment to be made by Customer under this Contract is subject to any withholding tax.

[NTD:If there are multiple years, then a payment table should be used:]

Year	Payment	Due Date

10. LATE PAYMENT CHARGES

Any amounts due and payable by Customer to Union arising under Section 9 of this Contract shall, if not paid by the due date thereof, be subject to late payment charges equal to 1.5% per month (for a nominal rate of 18% per annum compounded monthly) on any unpaid balance including previous arrears.

11. CREDIT REQUIREMENTS DURING INITIAL TERM

In addition to the terms of Section 5.04 of the General Terms and Conditions, Union may, at any time during the Initial Term, request financial assurances to cover the potential financial exposure to Union to the end of the Initial Term. Such financial assurances shall be determined by Union in a commercially reasonable manner and may include, without limitation, expected return on capital invested. Failure to provide such financial assurances shall be treated in a manner provided for in Section 5.04 of the General Terms and Conditions.

12. CONTRACT SUCCESSION

This Contract, unless terminated pursuant to Section 2 hereof, replaces all previous Gas Distribution Contracts, subject to settlement of any Surviving Obligations.

IN WITNESS WHEREOF this Contract has been duly executed by the parties hereto as of the date first written above. If an Agent on behalf of Customer executes this Contract then, if requested by Union, Agent or Customer shall at any time provide a copy of such authorization to Union.

 Authorized Signatory
Customer

 Authorized Signatory
Union Gas Limited

 Please Print Name

 Please Print Name

Contract ID	
Contract Name	

M7 Contract with Expansion Facilities

This GAS DISTRIBUTION CONTRACT (“**Contract**”), made as of the [REDACTED] day of [REDACTED], 20[REDACTED].

BETWEEN:

UNION GAS LIMITED

hereinafter called "**Union**"

- and -

COMPANY NAME

hereinafter called "**Customer**"

WHEREAS, Union has built, or proposes to build, certain facilities for the Chatham-Kent Rural Pipeline Expansion Project (the “**Expansion Facilities**”) to increase the capacity of the pipeline system and to serve [REDACTED] (the “**Plant**”);;

AND WHEREAS, Customer has requested from Union and Union has agreed to provide Customer with Services as specified in Schedule 1 (the “**Services**”);

AND WHEREAS, if Customer has elected direct purchase services, Customer will be responsible for supplying Gas to Union under a separate Contract called the Southern Bundled T;

AND WHEREAS, Union will distribute Gas to Customer’s Point(s) of Consumption under this Contract identified in Schedule 1;

IN CONSIDERATION of the mutual covenants contained herein, and other good and valuable consideration, the receipt of and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. INCORPORATIONS

The following are hereby incorporated in and form part of this Contract:

- a) Contract Parameters as contained in Schedule 1 as amended from time to time; and
- b) The latest posted version of Union’s General Terms and Conditions subject to Section 12.18 of Union’s General Terms and Conditions; and
- c) Rate M7 Rate Schedule as amended from time to time and as approved by the Ontario Energy Board.

2. CONDITIONS PRECEDENT

The obligations of Union to provide Services and of Customer to take and pay for Services hereunder are subject to the following conditions precedent for the benefit of Union or Customer, as applicable:

- a) Union shall have obtained, in form and substance satisfactory to Union, and all conditions shall have been satisfied under all governmental, regulatory and other third party approvals, consents, orders and authorizations, that are required to:
 - i. provide the Services; and
 - ii. construct the Expansion Facilities; and
- b) Union shall have obtained all internal approvals that are necessary or appropriate to:
 - i. provide the Services; and
 - ii. construct the Expansion Facilities; and
- c) Union shall have completed and placed into service the Expansion Facilities; and
- d) Union shall have received from Customer, by [Date], the requisite financial assurances as may be more specifically outlined herein, reasonably necessary to ensure Customer's ability to honour the provisions of this Contract which financial assurances, if required, will be determined solely by Union; and
- e) Union shall have received a contribution in aid of construction to Union of \$ [Amount] (the "Aid Amount") from Customer pursuant to Customer's obligations herein; and
- f) Customer shall have received all required financing necessary, on or before the later of November 1, 2018 or 90 days after notice has been provided that the conditions of 2(a) have been met, to ensure the Customer's ability to construct the Plant and can honour the provisions of this Contract; and
- g) If Customer has elected direct purchase services, Customer and Union shall have executed and maintained in good standing a Southern Bundled T; and
- h) Union shall have received funding from the Ontario government's Natural Gas Grant Program consistent with Union's application for the Chatham-Kent Rural Pipeline Expansion Project application; and
- i) Union shall have received funding from the Municipality of Chatham-Kent consistent with Union's application for the Chatham-Kent Rural Pipeline Expansion Project application.

Union and Customer shall each use commercially reasonable efforts to satisfy and fulfill the conditions precedent specified in Sections a), c), d), e), f) g), h) and i).

Union shall notify Customer forthwith in writing of Union's satisfaction or waiver of each condition precedent for Union's benefit. Likewise, the Customer shall notify Union forthwith in writing of the Customer's satisfaction of the conditions precedent for Customer's benefit.

If either Union or Customer concludes that it will not be able to satisfy a condition precedent, either may, upon written Notice, terminate this Contract and upon giving such Notice, this Contract shall be of no further force and effect and each of the parties shall be released from all further obligations hereunder.

If Condition 2(f) is not satisfied or waived by Customer on or before the later of November 1, 2018 or 90 days after notice has been provided that the conditions of 2(a) have been met, then

either party may, upon written Notice to the other party, terminate this Contract and upon giving such Notice, this Contract shall be of no further force and effect and each of the parties shall be released from all obligations hereunder.

Should this Contract be terminated by virtue of this Section 2, Customer and Union shall remain bound by any pre-existing Gas Distribution Contract(s).

3. CONTRACT TERM

This Contract shall be effective from the date hereof. However, the Services and Union's obligation to provide the Services under Section 4 shall commence on the later of (such later date being the "Day of First Delivery") (a) [Date], and (b) the date that the last condition precedent as set out in Section 2 is satisfied or waived by Union. Subject to the provisions hereof, this Contract shall continue in full force and effect for a period of xx Contract Years (the "Initial Term") and continuing thereafter on a year to year basis unless written Notice to terminate is provided by one party to the other at least three (3) Months prior to the end of the then-current term.

"Contract Year" means a period of twelve (12) consecutive Months, beginning on [redacted] of any Contract Year and ending on the subsequent [redacted], except for the first contract year which shall begin on the Day of First Delivery and end on [redacted].

4. SERVICES PROVIDED

Union agrees to provide Services as specified in Schedule 1 and Customer agrees to pay for such Services pursuant to these Contract terms and conditions as set out in this Contract, the referenced attachments, and the rate(s) referenced in Schedule 1.

To be eligible for services under the Rate M7 Rate Schedule, Customer must have a combined Firm, Interruptible and Seasonal Daily Contracted Demand greater than sixty thousand (60,000) m³. If the Customer does not maintain this level of consumption during the current Contract Year or is not expected to maintain this level of consumption then, notwithstanding any other remedy available to Union under this Contract or any other term of this Contract, effective the following Contract Year, the Customer may no longer qualify for service under the Rate M7 Rate Schedule and may be placed on an alternate service by Union.

If a Customer has elected direct purchase services, and if Union does not receive Gas from Customer under the Southern Bundled T, then Union's obligations to provide Services under this Contract may, at Union's option, be suspended or terminated by Union. This suspension or termination will be effective as of the date specified in Union's Notice to Customer, notwithstanding the General Terms and Conditions.

5. FIRM DAILY CONTRACT DEMAND

The Firm Contract Demand ("CD") is as specified in Schedule 1.

5.01 CD INCREASES DURING CONTRACT YEAR

The first day in each Contract Year that the Customer overruns its CD (“**First Occurrence**”) shall be recorded. “**Overrun**” shall have the meaning given that term in the M7 Rate Schedule. The second day in each Contract Year that the customer overruns its CD (“**Second Occurrence**”), shall result in an increase in the Customer’s CD to the higher quantity used on the First Occurrence or the Second Occurrence effective as of the 1st day of the month of this Second Occurrence, at Union’s sole discretion. Customer charges will reflect the increased CD.

5.02 SUBSEQUENT CD INCREASES DURING CONTRACT YEAR

After the CD has been increased and anytime thereafter that it has been increased pursuant to Section 5.01, the next day that Customer overruns the increased CD within the Contract Year shall be deemed to be a new First Occurrence for the purposes of Section 5.01, and the next time thereafter that Customer overruns the CD within the Contract Term shall be deemed to be a new Second Occurrence for the purposes of Section 5.01, resulting in another increase in the CD as per the procedure set out in Section 5.01. For greater clarity, every time the CD is increased in a Contract Year, the occurrence number is set back to zero and thereafter if two more occurrences happen, the CD will be raised again, and so on for the remainder of the Contract Year. At the beginning of each Contract Year any outstanding First Occurrences will be set back to zero.

6. MINIMUM ANNUAL VOLUME

6.01 FIRM MINIMUM ANNUAL VOLUME

In each Contract Year, the Customer shall consume or, in any event, pay for the Adjusted Firm Minimum Annual Volume (“AFMAV”) as determined in the formula below.

The firm quantity not consumed in any Contract Year (the "Firm Deficiency Volume" or “FDV”) shall be as determined in the formula below.

$$\mathbf{AFMAV = FMAV \times [(U - D_F) / U]}$$

$$\mathbf{FDV = AFMAV - (FV - F)}$$

Where:

FMAV = Firm Minimum Annual Volume (as identified in Schedule 1)

U = number of days in the Contract Year

D_F = number of days of Force Majeure in the Contract Year

FV = total firm volume taken in the Contract Year

F = volumes delivered to the Points of Consumption during Force Majeure

The payment required for the FDV shall be calculated by multiplying FDV by the Monthly Firm Delivery Commodity Charge specified in the Rate M7 Rate Schedule as of the last day of the Contract Year. This payment would only apply if the FDV was greater than zero.

6.02 INTERRUPTIBLE MINIMUM ANNUAL VOLUME

In each Contract Year, the Customer shall consume or, in any event, pay for the Adjusted Interruptible Minimum Annual Volume (“AIMAV”) as determined in the formula below.

The interruptible quantity not consumed in any Contract Year (the "Interruptible Deficiency Volume") (“IDV”) shall be determined in the formula below.

$$\text{AIMAV} = \text{IMAV} \times [(U - D_I) / U]$$

$$\text{IDV} = \text{AIMAV} - (\text{IV} - I)$$

Where:

- IMAV** = Interruptible Minimum Annual Volume (as identified in Schedule 1)
- U** = number of days in the Contract Year
- D_I** = number of days of interruption in the Contract Year
- IV** = total interruptible volume taken in the Contract Year
- I** = volume delivered to point of consumption during an interruption

The payment required for the IDV shall be calculated by multiplying IDV by the Monthly Interruptible Delivery Commodity Charge as of the last day of the Contract Year. This payment would only apply if the IDV was greater than zero.

7. NOTICES

Notices shall be delivered pursuant to the Notice provision of General Terms and Conditions and delivered to the addresses as referenced in Schedule 1.

8. EXPANSION FACILITIES

Union will use commercially reasonable efforts to construct the Expansion Facilities to serve the Plant. The target date for completion of these facilities is [Date]. Union will provide written Notice to Customer when such facilities are complete and placed into service.

Union and Customer agree that Union shall not be obligated to construct any portion of the Expansion Facilities between December 15 of any year and March 31 of the subsequent calendar year.

9. AID AMOUNT PAYMENT SCHEDULE

Customer will be required to pay to Union the Aid Amount of \$ [] by [Date].

Any applicable taxes will be applied to all amounts paid under this Section. Customer warrants and represents that no payment to be made by Customer under this Contract is subject to any withholding tax.

[NTD:If there are multiple years, then a payment table should be used:]

Year	Payment	Due Date

10. LATE PAYMENT CHARGES

Any amounts due and payable by Customer to Union arising under Sections 9 of this Contract shall, if not paid by the due date thereof, be subject to late payment charges equal to 1.5% per month (for a nominal rate of 18% per annum compounded monthly) on any unpaid balance including previous arrears.

11. CREDIT REQUIREMENTS DURING INITIAL TERM

In addition to the terms of Section 5.04 of the General Terms and Conditions, Union may, at any time during the Initial Term, request financial assurances to cover the potential financial exposure to Union to the end of the Initial Term. Such financial assurances shall be determined by Union in a commercially reasonable manner and may include, without limitation, expected return on capital invested. Failure to provide such financial assurances shall be treated in a manner provided for in Section 5.04 of the General Terms and Conditions.

12. CONTRACT SUCCESSION

This Contract, unless terminated pursuant to Section 2 hereof, replaces all previous Gas Distribution Contracts, subject to settlement of any Surviving Obligations.

IN WITNESS WHEREOF this Contract has been duly executed by the parties hereto as of the date first written above. If an Agent on behalf of Customer executes this Contract then, if requested by Union, Agent or Customer shall at any time provide a copy of such authorization to Union.

 Authorized Signatory
Customer

 Authorized Signatory
Union Gas Limited

 Please Print Name

 Please Print Name

**Union In-Franchise Contracted Services
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GENERAL TERMS AND CONDITIONS

1 NOMINATION REQUIREMENTS FOR IN-FRANCHISE CONTRACTED SERVICES

Customers with contracted Services requiring Nominations to Union must submit Nominations to Union in accordance with Union's nomination provisions. All Nominations shall be submitted by electronic means via Unionline. Union, in its sole discretion, may amend or modify the nominating procedures or Unionline at any time.

Nominations shall be submitted so as to be received by Union in accordance with timelines established by Union, which reflect the North American Energy Standards Board (NAESB) standard nomination cycles, applicable interconnecting transporters' nomination cycles, and Services approved by the Ontario Energy Board. Union will accept Nominations, subject to Section 1.04. Nominations made after the applicable deadline shall not be accepted except at the sole discretion of Union. The nomination cycle timelines are posted on Union's website and the nomination deadlines are provided in Unionline.

1.01 Nomination Deadline for Services requiring Union to Nominate on Other Pipelines

The Nomination deadline for any contracted services (e.g. exchanges) requiring Union to nominate on upstream pipelines is two (2) hours prior to the close of the nomination window for the Timely Nomination Cycle. These services are only offered on the Timely Nomination Cycle. If nominated after this deadline but before the close of the Timely Nomination Cycle deadline Union will attempt to accommodate on a reasonable efforts basis. Union does not accept changes to the nominated quantities for these services after the close of the Timely Nomination Cycle deadline.

1.02 Nomination Quantities (Units)

All Services are required to be nominated in whole Gigajoules (GJ's)

1.03 Compressor Fuel

For Services requiring Customer to provide Compressor Fuel in kind, the nominated fuel requirements will be calculated by rounding to the nearest whole GJ.

1.04 Union's Acceptance of Nominations

Union will accept Nominations for contracted Services on each of the nomination cycles. The Nomination will be rejected if the activity on the Nomination does not properly balance or if the nominated quantities violate Customer's contractual entitlements.

1.05 Confirmation Process

The confirmation process validates nominated quantities to flow between interconnecting pipelines to ensure Customers have nominated identical quantities to both pipeline operators. In the case where there is a discrepancy between the nominated quantities and the discrepancy

cannot be resolved with Customer, then the lower quantity will be the confirmed scheduled quantity.

1.06 Scheduling Process

During the scheduling process, Union compares all of the Nominations to the physical capacity available for the Gas Day in question.

If there is insufficient capacity available to meet all of the nominated quantities, Union will complete scheduling reductions of nominated Interruptible Services.

If Union is unable to completely schedule an Interruptible Service, Customer will be advised of its scheduled quantities no later than the close of the scheduling deadline for the applicable Nomination cycle. Once notified, Customer is, within 30 minutes, required to submit a revised Nomination to meet the scheduled quantity for the Interruptible Service. In order to be accepted, this Nomination must be properly balanced and the nominated quantities must not violate Customer's contractual entitlements. If a revised Nomination is not submitted, Union will, using the contracted Services Customer has available, re-balance the Nomination to match the scheduled quantities.

Scheduling of Firm Services must be nominated on the Timely Nomination Cycle. Nominations for increasing quantities for Firm Services after the Timely Nomination Cycle will be treated as Interruptible Services and will only be scheduled if there is sufficient capacity available.

1.07 Subsequent Nominations

All scheduled Nominations for Services will remain in effect until a new Nomination is provided by Customer.

The Unbundled Service requires a valid daily Nomination.

1.08 Parkway Call

This Section 1.08 is only applicable to Services taken under Rate U2. Union shall advise Customer of the Parkway Call requirement on or before the scheduling deadline for the Timely Nomination Cycle on the Day immediately preceding the Gas Day for which the Parkway Call is required.

After being notified by Union, but no later than the next Unionline deadline for the Gas Day for which the Parkway Call is required, Customer shall provide a revised Nomination to Union, which shall include the entire Parkway Call. If a revised Nomination acceptable to Union is not provided by that deadline or does not include the entire Parkway Call, a Failure to Deliver will be deemed to have occurred, and the Failure to Deliver section in Schedule 2 of this Contract shall apply.

2 FORCE MAJEURE

In the event that either Customer or Union is rendered unable, in whole or in part, by Force Majeure, to perform or comply with any obligation or condition of this Contract then, subject to the provision of this Section 2, the obligations (other than the obligations to make payment of money then due) of both parties so far as they are directly related to and affected by such Force Majeure, shall be suspended during the continuance of the Force Majeure.

The party claiming Force Majeure shall give Notice, with full particulars of such Force Majeure, to the other party as soon as possible after the occurrence of Force Majeure.

The party claiming Force Majeure shall also give Notice to the other party as soon as possible after the Force Majeure is remedied in whole or part.

Force Majeure means:

- a) Acts of God, landslides, lightning, earthquakes, fires, storms, floods, washouts, explosions, breakage or accident to its machinery or equipment or lines of pipe;
- b) freezing or failure of wells or lines of pipe; curtailment of firm transportation and/or firm storage by Transporters;
- c) strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections, civil disturbance, acts of terrorism, wars, arrests or restraint of governments and people;
- d) any laws, orders, rules, regulations, acts of any government body or authority, civil or military;
- e) any act or omission by parties not controlled by the party claiming Force Majeure; and
- f) any other similar causes not within the control of the party claiming Force Majeure.

The party claiming Force Majeure shall make reasonable efforts to avoid, or correct the Force Majeure and to remedy the Force Majeure once it has occurred in order to resume performance.

2.01 Force Majeure Not Available

A party claiming Force Majeure shall not be entitled to the benefit of the provisions of Force Majeure if any one or more of the following circumstances prevail:

- a) the Force Majeure was caused by the negligence of the party claiming Force Majeure;
- b) the party claiming Force Majeure failed to make all reasonable efforts (not including litigation, if such remedy would require litigation) to remedy the Force Majeure;
- c) the Force Majeure was caused by lack of funds;

- d) the party claiming Force Majeure did not give Notice required, as soon as reasonably possible after the Force Majeure occurred.

2.02 Force Majeure Declared by Union

During a Force Majeure declared by Union, Customer will be responsible for commodity charges and will only be relieved of the demand charges applicable to that part of the Services not available to Customer as a result of the Force Majeure. Union will not be responsible for any Transporter charges.

2.03 Force Majeure Declared by Customer

During a Force Majeure declared by Customer, all demand charges and all commodity charges otherwise payable under this Contract will continue to be payable. Where this Contract includes an Obligation to Deliver Gas, such Obligation to Deliver Gas shall not be relieved under Force Majeure. Union will not be responsible for any Transporter charges.

2.04 Applicability to Contractual Annual Quantity Requirements

a) The number of Days of Force Majeure will proportionately reduce any minimum annual quantity upon which any minimum bills are determined, subject to the following:

- If the Force Majeure was declared by Union, such reduced minimum annual quantity will not be limited to the minimum quantity required to qualify for the applicable Rate Schedule.
- If the Force Majeure was declared by Customer, such reduced minimum annual quantity will be limited to the minimum quantity required to qualify for the applicable Rate Schedule.

b) Services taken during the period of Force Majeure will be deemed not to have been taken for purposes of determining the applicable minimum annual quantity.

3 SUSPENSION and TERMINATION

3.01 Suspension of Service and Termination of Contract

In the event of a breach, misrepresentation, non-observance or non-performance by any party to this Contract of any covenant, provision, representation, condition, continuing condition, restriction or stipulation contained in this Contract (including, without limiting the generality of the foregoing, any failure to pay, or any failure to provide financial assurances when required pursuant to the terms of this Contract, or any Failure to Deliver), the party not in default may give written Notice to the defaulting party requiring it to remedy such default.

If the defaulting party fails to fully remedy the default within a period of ten (10) Business Days from receipt of such Notice, (or, in the event of a Failure to Deliver, if the defaulting party has failed to immediately remedy the Failure to Deliver) then, if the Customer is the defaulting party, Union may suspend Services under this Contract. Such suspension shall not relieve Customer from paying any charges payable under this Contract.

If the defaulting party fails to fully remedy such default within a period of ten (10) Business Days from receipt of such Notice, then this Contract may be terminated by Notice from the party not in default.

If either party makes an assignment in bankruptcy, is a party against whom a receiving order is made, or for whom a receiver or monitor has been appointed under a security agreement or by a court or any similar action under any law, the other party may terminate this Contract immediately, except where not permitted by such law.

The rights set forth in this Section 3.01 shall be in addition to, and not in derogation of or in substitution for, any other right or remedy which the parties respectively at law or in equity shall or may possess.

3.02 Effect of Termination

Notwithstanding the termination of this Contract, each party shall continue to be liable to pay on the terms herein specified any amount accrued and payable up to the time of termination. Termination will be without waiver of any other remedy to which the party not in default may be entitled including breaches of contract, for past and future damages, and losses.

4 NOTICE

All Notices provided for or permitted hereunder (each, a “Notice”) shall be in writing and shall be sufficiently given and received if personally delivered or sent by registered mail, charges prepaid, or by Unionline, email, fax or other means of recorded electronic communication to the applicable address, provided that no Notice shall be sent by mail pending any threatened, or during any actual, postal strike or other disruption of postal service.

Customer contact information, as provided to Union, shall be found on the secured portion of Union’s website (the secured portion of Union’s website is known as Unionline). Union’s contact information shall be displayed on the unsecured portion of Union’s website.

Any Notice personally delivered shall be deemed to have been received on the date of such delivery. Any communication sent by Unionline, email, fax or other means of electronic communication shall be deemed to have been received on the Business Day on which it is sent. Any communication sent by mail shall be deemed to have been validly and effectively received on the third Business Day following the day on which it is postmarked.

Notwithstanding the above, with the exception of Notice of Interruption, Force Majeure, or Service Curtailment as per Section 12.14 hereof, any Notice received after 5:00 p.m. or on a weekend or a statutory holiday is deemed to be received on the next Business Day.

Notwithstanding the above, nominations shall be made via Unionline, subject to execution of an agreement for use of Unionline and will be deemed to be received on the same Day and same time as sent.

5 BILLING

5.01 Monthly Billing

Each Month, Union shall render a bill for Services and any other charges for the preceding Month. Charges may be based on estimated quantities. If based on an estimate, Union shall provide, in a future Month's billing, an adjustment based on any difference between actual quantities and estimated quantities. In addition to the charges and rates as per the applicable rate schedule, Customer is responsible for any applicable Goods and Services Tax, Harmonized Sales Tax, or other taxes, royalties, charges, duties or levies, (including but not limited to charges under any form of cap and trade, carbon tax, or similar system) imposed currently or subsequent to the execution of this Contract by any legal authority having jurisdiction.

5.02 Right of Examination

Both Union and Customer shall have the right to examine, at any reasonable time, copies of the books, records and charts of the other to the extent necessary to verify the accuracy of any statement, chart or computation made under or pursuant to the provisions of this Contract.

5.03 Payments

5.03-1 Payment Date

Payment date is identified in the applicable Rate Schedule. If payment date is not identified in a Rate Schedule, it will be as identified on the invoice.

5.03-2 Remedies For Non-Payment

In the event that Customer fails to pay Union when payment is due, late payment charges as identified in the applicable Rate Schedule and the suspension and termination provisions in Section 3 will apply.

5.03-3 Adjustment for Underpayment or Overpayment

If a Customer in good faith disputes a bill or any portion thereof, notwithstanding such dispute, Customer shall pay to Union the entire amount set forth in the bill, or such amount as determined by Union, acting reasonably. Together with such payment, Customer shall provide written Notice to Union setting out the portions of the bill that are in dispute, an explanation of the dispute and the amount that Customer believes is the correct amount.

If it is subsequently determined that Customer has been overcharged and Customer has actually paid the bill(s) containing the overcharge then, within thirty (30) calendar days after the final determination, Union shall refund the amount of any such overcharge with Interest.

If it is subsequently determined that Customer has paid less than the full amount of an invoice which has been shown to be correct, Customer shall pay the amount owing, with Interest.

Customer and Union each expressly disclaims and waives any claim or dispute (including those related to amounts charged for Services or quantities of Gas distributed, stored, or transported) that relate to a period that is earlier than 12 Months prior to the date written Notice to the other party of such claim or dispute is asserted. This applies to the extent allowed under law regardless of and whether such claim or dispute is related to a billing error or measurement error or any other error or circumstance whatsoever.

5.04 Financial Assurance

If at any time during the term of this Contract, Union has reasonable grounds to believe that Customer's creditworthiness under this Contract has become unsatisfactory, then Union may, by written Notice, request financial assurances from Customer in an amount determined by Union in a commercially reasonable manner. Upon receipt of such written Notice, Customer shall have fourteen (14) calendar days to provide such financial assurances.

The financial assurances requested by Union will not exceed the sum of the following:

- a) an amount equal to sixty (60) calendar days of all Services; and,
- b) if Customer holds a temporary capacity assignment from Union of a third party asset (for example, upstream pipeline capacity), an amount equal to the higher of sixty (60) calendar days of all charges for the third party asset, or security equivalent to that which may be required by the third party asset provider as if Customer held the asset directly; and,
- c) if Customer supplies their own Gas, an amount equivalent to the value, as determined by Union, of any current or projected negative Banked Gas Account balance.

Customer may provide Union such financial assurances in the form of cash, letters of credit, guarantees or such other form as may be agreed upon between Customer and Union.

In the event that Customer fails to provide financial assurances as set out above, the termination and suspension provisions in Section 3 shall apply.

Where Customer has provided financial assurances to Union, and the grounds for requesting such financial assurances have been removed so that Customer's creditworthiness under this Contract has become satisfactory, then Customer may request the return of such financial assurances from Union by written Notice. Upon receipt of such written Notice, Union shall have fourteen (14) calendar days to return such financial assurances to Customer.

5.05 Non-Payment Remedy

If Customer shall be indebted (whether past, present, or future, liquidated, or unliquidated) to Union, under this Contract or any other agreement including one with a third party asset provider, Union has the right to reduce any amount payable by Union to Customer under this Contract by an amount equal to the amount of such indebtedness to Union. As part of this set-off remedy, Union may take title to any or all of Customer's Gas in Union's possession. Such Gas shall be valued at the Day price for Gas at Dawn as listed in Canadian Gas Price Reporter (or equivalent) for the Day of set off.

6 QUALITY

6.01 Natural Gas Quality

In any Month, the minimum average gross heating value of the Gas received by Union from Customer, and delivered to Customer by Union, shall be thirty-six (36) Megajoules per Cubic Metre. Gas shall not contain more than seven (7) milligrams of hydrogen sulphide per Cubic Metre nor four hundred and sixty (460) milligrams of total sulphur per Cubic Metre of Gas, as determined by standard methods of testing.

6.02 Freedom from Objectionable Matter

The Gas received by Union and delivered to Customer hereunder shall be commercially free (at prevailing pressure and temperature in Union's pipeline at the Point of Receipt or Point of Consumption, as the case may be) from bacteria, dust, or other solids or liquids which cause injury to, or interfere with proper operation of the lines, regulators, or meters through which it flows.

6.03 Parties' Responsibilities

If the Gas being received by Union from Customer or delivered by Union to Customer fails at any time to conform to any of the specifications set forth in this Section 6, the party receiving such Gas shall notify the delivering party of such deficiency. The party receiving the Gas may, at its option, refuse to accept receipt of Gas pending correction by the party delivering the Gas. Neither party is responsible for any loss, damage, nor injury resulting from such party's delivery of Gas that does not conform to any specifications set forth in Section 6 except to the extent any such loss, damage or injury arises as a result of such party's gross negligence or wilful misconduct.

7 MEASUREMENT

7.01 Determination of Volume and Energy

- a) The volume and energy amounts shall be determined in accordance with the Electricity and Gas Inspection Act, R.S.C. 1985 c. E-4 (the "Act") and the Electricity and Gas Inspection Regulations, S.O.R 86/131 (the "Regulations"), and any documents issued under the authority of the Act and Regulations and any amendments thereto. Where there is no site specific energy measurement, Union's Average Heat Value will be used to convert volumes to energy.
- b) The supercompressibility factor shall be determined, at Union's discretion, in accordance with either the "Manual for Determination of Supercompressibility Factors for Natural Gas" (PAR Project NX-19) published in 1962 or with American Gas Association's "Transmission Measurement Committee Report No. 8, Nov. 1992".

7.02 Metering by Union, Check Measuring Equipment

Union will install and operate meters and related equipment in accordance with the Act and the Regulations referenced in these General Terms and Conditions.

Customer may install, maintain, and operate, such check measuring equipment as desired, and shall be so installed as not to interfere with the operation of Union's measuring equipment at or near the Consumption Point. This check measuring equipment will be downstream of the Consumption Point and at Customer's own expense.

Where Union has installed heat value measuring equipment at Customer's end use location, the heating value properly measured at this site will be used to convert volume to energy for Gas delivered by Union to Customer.

7.03 Observation of Measurement Work

Union and Customer shall have the option to have representatives present at the time of any installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating, or adjusting done in connection with the other's measuring equipment. Each party shall provide reasonable notification to the other party in connection with testing, calibrating or adjusting measuring equipment, to enable the other party to be present if desired.

7.04 Calibration and Test of Meters

The accuracy of Union's measuring equipment shall be verified by Union at reasonable intervals.

If Customer notifies Union that it desires a special test, the expense of any such test shall be borne by Customer if the measuring equipment tested is found to be in error by two per cent (2%) or less. In this event, previous recordings shall be considered accurate, but such equipment shall be adjusted to record as near to absolute accuracy as possible. If the special test shows a percentage of inaccuracy greater than two percent (2%), the expense of the test will be borne by Union and the financial adjustment shall be calculated in accordance with the Act and Regulations thereunder, and any successor statutes and regulations. Union shall not be required to verify the accuracy of such equipment more frequently than once in any thirty (30) calendar day period.

7.05 Correction of Metering Errors - Failure Of Meters

In the event a meter is out of service, or registered inaccurately, the volume or quantity of Gas shall be determined by Union as follows:

- a) by using the registration of any check meter or meter, if installed and accurately registering; or, in the absence of (a) then;
- b) by correcting the error if the percentage of error is ascertainable by calibration, tests or mathematical calculation; or in the absence of both (a) and (b), then;
- c) by estimating the quantity of Gas delivered during periods under similar conditions when the meter was registering accurately.

8 POSSESSION OF, AND RESPONSIBILITY FOR, GAS

8.01 Point of Receipt and Point of Consumption Controls

As between Union and Customer, control, responsibility, and possession of all Gas received and/or delivered and transported hereunder shall pass from the delivering party to the receiving party at the Points of Receipt and the Points of Consumption as applicable.

8.02 Title to the Gas

Each party warrants that it owns or controls, or has the right to deliver or have delivered to the other party, Gas that is free and clear of any lien, mortgage, security interest or other encumbrance whatsoever. The delivering party shall indemnify and hold harmless the receiving party from all claims, actions, or damages arising from any adverse claims by third parties claiming an ownership or an interest in such Gas.

8.03 Common Carrier and Insurance

To further clarify the relationship between Union and Customer, Union is not a common carrier and Union is not an insurer of Customer's Gas.

8.04 Right to Commingle the Gas

Union shall have the right to commingle and use the Gas received under this Contract with Gas owned by Union or others and deliver such commingled Gas to Customers.

9 FACILITIES AT CONSUMPTION POINT

9.01 Construction, Maintenance and Entry

Union may construct on Customer's property (whether owned by Customer or any other party), at each Point of Consumption, the metering stations and facilities required by Union. With notification to Customer (except in cases of emergency where no notification is required), Union employees or agents may, at any reasonable time, enter Customer's property, provided that in all cases, Union's employees or agents agree to abide by Customer's facility security policies and procedures and health and safety policies (provided that they are reasonable and provided by Customer to Union's employees or agent prior to entry to the property).

9.02 Property, Easements, Utilities

Customer agrees that all stations and facilities installed by Union, including the meter station, are the property of Union whether the facilities are on property belonging to Customer or some other party.

Customer grants to Union, on such non-financial commercial terms and conditions as may be agreed upon, any required easements or agreements and undertakes to obtain or execute and deliver to Union such required easements or agreements, to allow Union to have the related use of Customer's land interests which may be reasonably required by Union to facilitate Construction.

In the event that the station at the Point of Consumption requires electrical power circuitry, exclusive telecommunications and/or telecommunications lines, or other utility supply apparatus (“Equipment”), at each or any meter in the station, for telemetry; in addition to telemetry; or for purposes unrelated to telemetry, Customer agrees to provide and pay for all such Equipment and all utilities required (including power and telephone service as specified by Union) for the purpose of serving the Equipment. The exclusive telephone line for each meter must not employ a manual switchboard.

10 INDEMNITY

Each party (the “Indemnifying Party”) hereby agrees to indemnify and save the other party (the “Indemnified Party”) harmless from and against all claims, demands, actions, causes of action, damage, loss, deficiency, cost, liability and expense which may be brought against the Indemnified Party or which Indemnified Party may suffer or incur as a result of, in respect of, or arising out of any of the following:

- a) any non-performance or non-fulfilment of any covenant or agreement on the part of the Indemnifying Party contained in this Contract;
- b) any misrepresentation, inaccuracy, incorrectness or breach of any representation or warranty made by the Indemnifying Party contained in this Contract or contained in any document given pursuant to this Contract;
- c) *(Subsection 10(c) is only applicable to Agent or Customer as the Indemnifying Party)* the failure of the Indemnifying Party to satisfy its obligations to end use locations listed in Schedule 3 (where a Schedule 3 is included in this Contract);
- d) *(Subsection 10(d) is only applicable to Agent as the Indemnifying Party)* any dispute arising out of any aspect of the relationship between the Agent and Customer;
- e) any negligence or wilful misconduct of the Indemnifying Party;
- f) all costs and expenses including, without limitation, legal fees, incidental to or in respect of the foregoing.

This indemnity shall survive the termination or expiration of this Contract.

11 REPRESENTATIONS AND WARRANTIES BY AGENT

Agent hereby represents and warrants to Union as follows and confirms that Union is relying upon the accuracy of each of such representations and warranties in connection with the execution of this Contract by Union and the acceptance of its rights and obligations hereunder:

- a) Agent is the duly appointed agent of Customer and, in such capacity, is entitled to enter into this Contract on behalf of Customer and to act on its behalf hereunder;

- b) Union is entitled to rely on anything done or any document signed by Agent on behalf of Customer, in respect of this Contract as if the action had been taken or the document had been signed by Customer; and
- c) payments made by Customer to Union pursuant to invoices shall be made without any right of deduction or set-off regardless of any rights Customer may have against Agent or any rights Agent may have against Customer.
- d) Agent shall be the only person to deliver or receive all Notices, invoices, and payments. Any Notice, invoice, or payment made to Union by Agent will be deemed to be received from Customer. Any Notice, invoice, or payment made by Union to Agent will be deemed to be received by Customer. Union shall not be responsible to communicate to End Users any such Notice, invoice, or payment from or to Agent.

12 MISCELLANEOUS PROVISIONS

12.01 Interpretation

12.01-1 Definitions and Industry Usage

Capitalized terms and certain other terms used in this Contract and not specifically defined shall have the meaning set forth in these General Terms and Conditions, Schedules and/or Rate Schedule. Words, phrases or expressions which are not defined herein and which, in the usage or custom of the business of the exploration, production, transmission, storage, and distribution or sale of natural gas in Canada have an accepted meaning shall have that meaning.

12.01-2 Expanded Meaning

In this Agreement, unless there is something in the subject matter or context inconsistent therewith:

- a) words importing the singular shall include the plural and vice versa;
- b) words importing the gender shall include the masculine, feminine and neuter genders; and
- c) references to any statute shall extend to any orders in-council or regulations passed under and pursuant thereto, of any amendment or re-enactment or such statute, orders-in-council or regulations, or any statute, orders-in-council or regulations substantially in replacement thereof.

12.01-3 Inconsistency

In the event of a conflict among the terms of the (i) Rate Schedules; (ii) the body of the Contract; (iii) Schedules to the Contract; and, (iv) these General Terms and Conditions, the terms of the documents shall govern in the priority as listed.

12.01-4 Currency

Unless otherwise indicated, all reference to dollars in this Contract shall mean Canadian dollars.

12.01-5 Time

All references to time in this Contract shall be stated in Eastern Clock Time.

12.02 Assignability

Neither the rights nor the obligations of Customer under this Contract shall be assignable without the prior written consent of Union. Union's consent may not be unreasonably withheld or delayed.

12.03 Proper Law of Contract

This Contract shall be governed by and construed in accordance with the laws of the Province of Ontario, and the parties to this Contract exclusively attorn to the jurisdiction of the Courts of Ontario.

12.04 Successors and Assigns

The Contract shall be binding upon and shall enure to the benefit of the Parties hereto and their respective successors and permitted and lawful assigns.

12.05 Entire Contract

This Contract constitutes the entire agreement between the parties pertaining to the subject matter hereof. This Contract supersedes any prior agreements, understandings, negotiations or discussions, whether oral or written, between the Parties in respect of the subject matter hereof.

12.06 Confidentiality

Except for credit purposes, unless the Parties to this Contract otherwise expressly agree in writing, the terms of this Contract will remain strictly confidential except as otherwise required by applicable law or by any competent regulatory body or court of competent jurisdiction.

12.07 Priority of Service

Despite any other provision of this Contract, when the use of Gas or Service is curtailed or restricted, by order of any authorized government agency, or by Force Majeure, Customer shall, in accordance with the direction of Union, curtail or discontinue use of Gas or Service during the period in which such Gas or Service is so jeopardized. Union shall not be liable for any loss of production or for any damages whatsoever by reason of such curtailment or discontinuance or because of the length of advance Notice given directing such curtailment or discontinuance. However, Union shall use its reasonable efforts to provide Notice as soon as possible to Customer, of such curtailment or discontinuance of Gas or Service as aforesaid.

12.08 Waiver and Future Default

No waiver by either Union or Customer of any one or more defaults by the other in the performance of any provisions of this Contract, nor any waiver by either Union or Customer in the enforcement of any right under this Contract, shall operate or be construed as a waiver of any future default or defaults, or as a waiver of enforcement of any future rights, whether of a like or a different character.

12.09 Laws, Regulations and Orders

This Contract and the respective rights and obligations of the Parties hereto are subject to all present and future valid laws, statutes, orders, rules and regulations of any competent legislative body, or duly constituted authority now or hereafter having jurisdiction. This Contract shall be varied and amended to comply with or conform to any valid order or direction of any board, tribunal or administrative agency, which affects any of the provisions of this Contract.

12.10 Right to Contract

Customer hereby represents and warrants to Union that it or its Agent has the sole right to enter into this Contract for each of the Points of Consumption, for the term of this Contract.

12.11 Surviving Obligations

Despite the termination or expiry of this Contract, the following defined provisions shall remain in full force and effect in accordance with their terms and shall survive termination or expiry. The term of the survival shall be for the period referenced in this section.

- a) confidentiality as outlined in Section 12.06
- b) liability and Gas balancing obligations to the extent any liabilities and Gas balancing obligations have accrued prior to the date of termination or expiry of this Contract, and may continue as a result of an event occurring prior to the termination or expiry of this Contract (for the period until all liabilities and Gas balancing and reconciliations have been completed)
- c) settlement of accounts; rights to set off; calling any Letter of Credit; collecting on any security (for the period until all accounts have been settled).

12.12 Joint and Several Liability

In the event that Customer is more than one person the obligations of all of such persons shall be joint and several and Union shall not be required to exhaust its rights and remedies against any one person prior to exercising its rights and remedies in respect of any other person.

12.13 Invalidity of Provisions

If any of the provisions of this Contract are invalid, illegal or unenforceable in any respect, the validity or legality of enforceability of the remaining provisions shall not in any way be affected.

12.14 Service Curtailment

Union may be required from time to time to perform Construction to its facilities, which may impact Union's ability to meet Customer's requirements. In such event, Union shall have the right to suspend any Service in whole or in part but will use reasonable efforts to determine a mutually acceptable period during which such Construction will occur and also to reasonably limit the extent and duration of any impairment. Union shall provide at least fifteen (15) calendar days Notice (except in cases of emergency, in which event it may be done immediately with Notice provided as soon as reasonably possible afterwards) to Customer of the extent that Union's ability to provide Service may be impaired. During any such curtailment, Customer will be relieved of the demand charges for Services directly related to the said curtailment, but commodity and proportionate demand charges for Services available to Customer will be payable.

12.15 Unauthorized Use of Services

Subject to Section 1.07, where Union is unable to completely or partially schedule Interruptible Service during periods of peak demand or for causes which require the reduction of load on any part of Union's Gas transmission or distribution system, such Service shall be subject to discontinuance of use by Union upon Notice, given in accordance with these General Terms and Conditions. Union shall have the sole right and discretion to give Notice to discontinue use. Each discontinuance of use shall be referred to as an "Interruption" and the applicable period referred to as the "Interruption Period".

Customer shall comply with any Notice of Interruption provided by Union to Customer and shall discontinue its use of Interruptible Gas supplied or transported by Union for the Interruption Period. If the Customer fails to comply with Union's Notice, then (a) such failure shall constitute an Event of Default; and (b) Union shall have the right to immediately and without further Notice to the Customer, suspend the delivery of Gas to the Consumption Point. Subject to Section 9 hereof, Customer hereby expressly and irrevocably consents to Union and its representatives entering onto the property of the Customer, for the purpose of enforcing Union's rights under this agreement, including accessing Union's equipment to physically suspend the delivery of Gas to the Consumption Point.

Customer shall be deemed to have failed to comply with Union's Notice in accordance with this section if, during the Interruption Period, any Gas is consumed in excess of Customer's Firm Service. In such circumstances, during the course of the Interruption Period, Union shall be entitled to suspend delivery of Gas to the Consumption Point under this section even where the Customer is also receiving Service which is not Interruptible.

For clarity, Union would only exercise its ability to suspend delivery of Gas to Customer during an Interruption Period when Union, acting reasonably, has determined there is a risk to system integrity.

If the Customer has not complied with a Notice from Union in respect of an Interruption, the Customer shall reimburse Union for all of Union's costs of suspending delivery of Gas to the Consumption Point including charges identified in the Rate Schedules as well as any direct

damages resulting from exceeding contract parameters and not complying fully with any Notice or direction.

If Customer failed to comply during an Interruption Period in breach of a Notice as contemplated herein, Union shall, notwithstanding any other term of this Contract, have the right to give Notice to suspend all Services to Customer, and terminate this Contract at a future date, pending the negotiation of a new Contract for Services which Customer qualifies for.

The Customer acknowledges and agrees that it can accommodate any total or partial Interruption of Gas by Union as contemplated in this section and that Union shall have no liability of any loss arising from any such Interruption of Service.

12.16 Consequential Claims or Damages

Neither party shall be responsible for any consequential, incidental, special nor indirect damages howsoever caused, including, without limitation, loss of profits, loss of earnings, business interruption losses, cost of capital or loss of business opportunities. This provision shall survive the termination or expiration of this Contract.

12.17 Further Assurances

Each party will do, execute and deliver, or will cause to be done, executed and delivered, all such further acts, documents, and assurances as may reasonably be requested for the carrying out and performance of this Contract.

12.18 Amendment

Union may from time to time incorporate updates to Schedule 2 and/or these General Terms and Conditions which are intended to be applicable to all of Union's customers on non-discriminatory basis. Union will notify Customer no less than sixty (60) calendar days prior to the effective date of the update and post the update on Union's website. If, ten (10) Business Days prior to the effective date, Customer has not provided Notice to Union objecting to the updates, the Customer will be deemed to have accepted the revised Schedule 2 and/or these General Terms and Conditions, as the case may be, which shall, as of the effective date, apply to this Contract. If Customer has provided Notice objecting to such revision, Union and Customer shall use reasonable efforts to negotiate an accommodation, failing which the updates shall not apply to this Contract.

12.19 Counterparts

This Agreement may be executed in several counterparts, each of which so executed being deemed to be an original. Such counterparts together shall constitute one and the same instrument and notwithstanding their date of execution shall be deemed to be made and dated as of the date hereof.

12.20 Changes to Services

Any changes to Services are subject to Union having the facilities on its system, and, where applicable, capacity or Services contracted with third parties.

12.21 Overrun in Union's Northern Operations Areas

12.21-1 Distribution Overrun

If, on any Day, Customer consumes Gas in excess of the sum of:

- a) Firm Transportation Service Contract Demand, if applicable; plus,
- b) Firm Sales Service Contract Demand, if applicable; plus,
- c) Firm Bundled Transportation Service Contract Demand, if applicable; plus,
- d) The uninterrupted contracted quantity of Rate 25 Large Volume Interruptible T-service, if applicable; plus,
- e) The uninterrupted contract quantity of Rate 25 Large Volume Interruptible Utility Sales Service if applicable,

then such excess shall be deemed Overrun and charged to Customer as either Authorized or Unauthorized Overrun.

Authorized Overrun

Overrun may be authorized if requested in writing by Customer and agreed to by Union in advance of the Day, subject to Union's sole discretion. If Union specifically provides prior written authorization to Customer to exceed the quantities identified in Schedule 1, such excess quantity shall be deemed Authorized Overrun. Customer shall be charged the delivery charge for Rate 25 Sales Service as defined in Schedule 1.

Unauthorized Overrun

Any Overrun quantity not authorized by Union shall be deemed Unauthorized Overrun. Customer shall be charged 150% of the maximum delivery charge identified in the Rate 25 Rate Schedule, in addition to any other remedies Union may pursue.

Any Overrun quantity when a Notice of Interruption is in effect (including any quantity which had been previously considered Authorized Overrun), shall be deemed Unauthorized Overrun. Customer shall be charged the Unauthorized Overrun Non-Compliance Rate as identified in the applicable Rate Schedule, in addition to any other remedies Union may pursue.

12.21-2 Gas Supply Overrun

If, on any Day, Customer consumes Gas in excess of the sum of:

- a) The quantity of Firm T-service delivered to Union, if applicable, plus
- b) The quantity of Rate 25 Large Volume Interruptible T-service delivered to Union, if applicable; plus,
- c) Firm Sales Service Contract Demand, if applicable; plus,
- d) Firm Bundled Transportation Service Contract Demand, if applicable; plus,

- e) The uninterrupted contract quantity of Rate 25 Large Volume Interruptible Utility Sales Service if applicable,

then such excess shall be deemed Overrun and purchased from Union by Customer as either Authorized Overrun or Unauthorized Overrun.

Authorized Overrun

Overrun may be authorized if requested in writing by Customer and agreed to by Union in advance of the Day, subject to Union's sole discretion. If Union specifically provides prior written authorization to Customer to exceed the quantities identified in Schedule 1, such excess quantity shall be deemed Authorized Overrun. Customer shall be charged the Gas Supply Charge for Rate 25 Utility Sales provided in Schedule "A" (Union North Gas Supply Charges) for the appropriate Delivery Area, if applicable.

Unauthorized Overrun

Any Overrun quantity not authorized by Union shall be deemed Unauthorized Overrun. In addition to any other remedies Union may pursue, Customer shall be charged the greatest of:

1. the highest daily cost of Gas at Dawn, Parkway, Niagara, Empress or Iroquois in the month the Overrun occurred or the month following, as published in the Canadian Gas Price Reporter ("CGPR") or equivalent as determined by Union plus all applicable costs associated with transporting such overrun to the applicable Delivery Area;

or,

2. Union's Dawn Reference Price as approved by the Ontario Energy Board for the Day the Overrun occurred plus all applicable costs associated with transporting such overrun to the applicable delivery area;

or,

3. the Gas Supply Charge for Rate 25 Utility Sales provided in Schedule "A" (Union North Gas Supply Charges) for the appropriate Delivery Area for the Day the Overrun occurred.

12.22 Overrun in Union's Southern Operations Area

12.22 -1 Distribution Overrun

If on any Day, Customer consumes Gas in excess of the sum of:

- a) Firm Contract Demand, if applicable; plus
- b) Uninterrupted Interruptible Contract Demand, if applicable

then such excess shall be deemed Overrun and charged to Customer as either Authorized Overrun or Unauthorized Overrun.

Authorized Overrun

Overrun may be authorized if requested in writing by Customer and agreed to by Union in advance of the Day, subject to Union's sole discretion. If Union specifically provides prior written authorization to Customer to exceed the quantities identified in Schedule 1, such excess quantity shall be deemed Authorized Overrun. Customer shall be charged the Authorized Overrun charge as per the applicable Rate Schedule.

Unauthorized Overrun

Any Overrun quantity not authorized by Union shall be deemed Unauthorized Overrun. Customer shall be charged the Unauthorized Overrun charge as per the applicable Rate Schedule, in addition to any other remedies Union may pursue.

Any Overrun quantity when a Notice of Interruption is in effect (including any quantity which had been previously considered Authorized Overrun), shall be deemed Unauthorized Overrun. Customer shall be charged the Unauthorized Overrun Non-Compliance Rate as identified in the applicable Rate Schedule, in addition to any other remedies Union may pursue.

12.22-2 Gas Supply Overrun

If a Utility Sales Customer incurs Distribution Service Overrun, regardless of whether it is Authorized Overrun or Unauthorized Overrun, Customer shall be charged the total Gas Supply Charge for Utility Sales provided in Schedule "A" (Gas Supply Charges) for all Gas Supply quantities deemed to be purchased.

13 DEFINITIONS

Except where this Contract expressly states another meaning, the following definitions, when used in these General Terms and Conditions or in this Contract, shall have the following meanings:

"Agent" means such person as appointed by Customer as its agent to enter into the Contract on behalf of the Customer and to act on Customer's behalf hereunder.

"Average Heat Value" means the average forecasted heating value of all Gas to be received by Union for the applicable Delivery Area for the applicable period.

"Authorization Notice" means the written approval provided by Union in response to Customer's request for a short-term amendment to certain contract parameters or additional Services. Such Authorization Notice shall specify the approved amended parameters and the term for the amendment.

"Business Day" means any day upon which Union's head office in Chatham, Ontario, is normally open for business.

"Bundled Service" means a Service provided by Union under the Gas Distribution Contract and/or the Bundled T Gas Contract without daily Nominations at the

Consumption Point.

“Bundled T” means the Bundled T Gas Contract with Union under which Customer receives Receipt Services.

“Compressor Fuel” means an amount of Gas specified by Transporter to be supplied by a shipper as a fuel source for Transporter’s pipeline compressors.

“Construction” means constructing, maintaining, removing, operating and/or repairing Union’s facilities for the purpose of commencing, maintaining, or discontinuing deliveries of Gas to Customer.

“Contract” means the contract entered into between Union and Customer to which these General Terms and Conditions, Rate Schedules and Schedules apply, and into which they are incorporated by reference.

“Contract Demand” (“CD”) means the maximum volume or quantity of Gas that Union is obliged to deliver in any one Day to a Customer under all Services or, if the context so requires, a particular Service at the Consumption Point.

“Contract Year” means a period of twelve (12) consecutive Months beginning on the Day of First Delivery and each anniversary date thereafter unless mutually agreed otherwise.

“Cubic Metre” (“m³”) means the volume of Gas which occupies one cubic metre when such Gas is at a temperature of 15 degrees Celsius, and at an absolute pressure of 101.325 kilopascals.

“Customer” shall have the meaning as defined in this Contract.

“Daily Contract Quantity” (“DCQ”) means that portion of the daily parameters as set out in Schedule 1, being a quantity of Gas which Customer must deliver to Union on a Firm basis.

“Daily Variance Account” (“DVA”) means the account used to manage imbalances between nominated supply, nominated storage activity and consumption for customers with an Annual Firm Storage Space based on Contract Demand multiple of 10 .

“Day” means Gas Day.

“Day of First Delivery” means the date the Service, obligations, terms and conditions of the Gas Distribution Contract commence, as set out in its Schedule 1.

“Day of First Receipt” means the date the Service, obligations, terms and conditions of the Bundled T commence, as set out in its Schedule 1.

“Delivery Area” means the receipt zone(s) of Union (Manitoba, Western, Northern, Sault Ste. Marie, Central, North Central or Eastern Delivery Areas) which are defined as the

delivery zone(s) of TCPL for service under its applicable toll schedules.

“Delivery Service” means the transportation of Gas by Union to storage or the Consumption Points.

“Distribution Service” means any combination of Delivery Service and Storage Service.

“End User” means the ultimate user of the Gas in Union’s franchise area.

“Equipment” is as defined in Section 9.02 of this General Terms and Conditions.

“Failure to Deliver” means the circumstance where Customer is obligated to deliver a quantity of Gas to Union, and all or a portion of the said quantity is not received by Union at the Points of Receipt.

“Firm” means any Services not subject to interruption or curtailment except under sections titled Force Majeure; Service Curtailment; and Priority of Service of these General Terms and Conditions.

“Firm Entitlements” means the quantity of Gas as set out in Schedule 1 of the Unbundled Service contract which Customer will nominate and deliver to Union and Union shall receive at each contracted Receipt Point.

“Firm Hourly Quantity” means the maximum quantity of natural gas that may flow during any hourly period when a Notice of Interruption is in effect within a Day.

“Force Majeure” is as defined in Section 2 of this General Terms and Conditions.

“Gas” means Gas as defined in the Ontario Energy Board Act, 1998, as amended, supplemented or re-enacted from time to time, which may be commingled supplies.

“Gas Day” is as defined by the North American Energy Standards Board (“NAESB”).

“Interruptible” means any Services subject to interruption, after being notified by Union.

“Interruption” is as defined in Section 12.15 of this General Terms and Conditions.

“Interruption Period” is as defined in Section 12.15 of this General Terms and Conditions.

“Interest” means a rate equivalent to the prescribed interest rate for Ontario Energy Board approved deferral and variance accounts as posted on the Ontario Energy Board’s website.

“Joule” (J) means the work done when the point of application of a force of one (1) newton is displaced a distance of one (1) metre in the direction of the force. The term “Megajoule” (MJ) shall mean 1,000,000 Joules. The term “gigajoule” (GJ) shall mean 1,000,000,000 Joules.

“Month” means a period beginning at 10:00 a.m. (Eastern Clock Time) on the first Day of the calendar month and ending at the same hour on the first Day of the next succeeding calendar month.

“Nomination” means a request to Union for a Service in accordance with Union’s nomination provisions.

“Non-Obligated” means any quantities of Gas that are not committed to be delivered by Customer on a Firm basis and which Union will receive on a Firm basis when delivered by Customer.

“Northeast Zone” means Union’s NDA, NCDA and EDA on TCPL’s Canadian Mainline system.

“Northwest Zone” means Union’s WDA, SSMDA and MDA on TCPL’s Canadian Mainline system.

“Notice” is defined in Section 4 of this General Terms and Conditions.

“Obligated” means that quantity of Gas which Customer is committed to deliver to Union on a Firm basis at the Points of Receipt.

“Parkway Call” is defined in Section 1.08 of this General Terms and Conditions

“Points of Consumption” or “Consumption Points” means, unless otherwise specified in this Contract, the outlet side of the Union measuring equipment located at Customer’s or End User locations as specified in Schedule 1 or Schedule 3, as applicable.

“Rate Schedule” means the Ontario Energy Board approved rate schedule applicable to the Service being provided, (including schedules attached thereto), or such other replacement rate schedule as approved by the Ontario Energy Board from time to time.

“Receipt Service” means the approved receipt of Gas from Customer to Union at the Points of Receipt.

“Receipt Point” or “Points of Receipt” shall mean the points listed on Schedule 1 of this Contract where Union may receive Gas from Customer.

“Schedules” means the schedules attached to and forming part of this Contract.

“Seasonal” means any Service that is available during a specified period of the Year.

“Service(s)” means Receipt, Delivery or Storage Service as defined herein.

“Storage Service” means the space and deliverability service for storage under either Bundled Service or Unbundled Service.

“TCPL” means TransCanada PipeLines Limited.

“Timely Nomination Cycle” means the first nomination cycle for Union’s Gas Day.

“Transporter” means the transmission company that transports the Gas to the Receipt Point.

“Unbundled Service” means a Service provided by Union under which Customer will nominate and balance daily for Receipt, Storage and Delivery Services.

“Union” means Enbridge Gas Inc. operating as Union Gas.

“Unionline” means Union’s electronic web based system for Customer and Union to interact electronically, including but not limited to nominating and information exchange.

“When Available” means any interruptible Service that is available based on Union’s sole discretion after Firm and Interruptible Services have been exhausted and is priced at the interruptible rate in the applicable Rate Schedule.

“Western” means the points of receipt on the TCPL system where Union is able to receive Gas.

“Year” means a period of 365 days; provided, however, that any such Year, which contains a date of February 29, shall consist of 366 days.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Board Staff

Interrogatory #3

Reference: Application, pages 10, 16 and 17

Preamble:

Enbridge Gas forecasts a cumulative forecasted small volume demand growth of 3,237 m³/hr by 2025 and non-specific large volume growth of 3,060 m³/hr in 2024. Enbridge Gas states that it would not be practical to apply the HAF to small volume customers, nor will it be applying the equivalent of a system expansion surcharge (SES) as the area being served by the project is not a new community.

Questions:

- a) Please provide Enbridge Gas' ten-year forecast by rate class for small volume and non-specific large volume growth for the area and discuss how this growth was identified.
- b) Please explain why it would not be practical to apply the HAF to small volume customers.
- c) Will this project serve any community expansions? If so, please explain why it would not be appropriate to charge these communities an SES.
- d) Please explain how the \$2 million "capital to be recovered from future customers" described in the Hourly Allocation Determination table was calculated. Please confirm if this capital is to be recovered from the small volume and non-specific large volume customers in Enbridge Gas' forecast, and if any of these customers would be required to pay a CIAC.
- e) Please discuss whether residential customers in the area are essentially being subsidized by large volume customers.

Responses:

- a/b) 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 Chatham Distribution System. These growth rates are determined by assessing 10 years of historical load additions.

M1 Rate Class

Customer Type	Total Load (m ³ /h)	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Residential	1844	188.18	189.15	183.33	183.33	183.33	183.33	183.33	183.33	183.33	183.33
Small Commercial	1232	123.2	123.2	123.2	123.2	123.2	123.2	123.2	123.2	123.2	123.2
Small Industrial	37.2	12.4	0	12.4	0	0	0	0	0	0	12.4

M2 Rate Class

Customer Type	Total Load (m ³ /h)	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Large Commercial	1408.4	150.9	150.9	201.2	201.2	100.6	150.9	100.6	150.9	100.6	100.6
Large Industrial	0	0	0	0	0	0	0	0	0	0	0

M4 Rate Class

Customer Type	Total Load (m ³ /h)	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Large Volume Non-Specific	3060	0	0	0	0	0	3060	0	0	0	0

Applying the HAF to small volume customers would also be inappropriate as these customers are accounted for in the FBP. As part of the FBP process, distribution reinforcements are identified to serve these customers, where the customers are not required to pay an HAF. Instead, their collective economics are evaluated to determine if the smaller distribution projects are economically viable. If there were no large volume customers in the Chatham-Kent region, a smaller scale project would be constructed instead of the Proposed Project and the small volume customers would not be assessed an HAF. Treating these customers differently due to the presence of large volume customers would be inappropriate and would hinder smaller volume customer growth.

- c) No.
- d) The \$2 million figure originated as the initial estimated cost to upsize the 13 km Base Line Section from NPS 6 to NPS 8 at the time of preparing the NGGP application.

It was determined that the minimum design required to supply the forecasted demand was NPS 6, however, without upsizing the pipeline to NPS 8 it would be uneconomic to serve potential future growth beyond the term of the initial forecast. See Schedule 8 Section 3.5.1.2 of the pre-filed evidence for further details on the justification.

The original NGGP application and vetting process placed value on projects that demonstrated and leveraged “partnerships”.

“Please describe how your project is leveraging partnerships or innovation to make the project more economic (i.e., lower project costs or improve project revenues).”

In response to this request, Enbridge Gas (Union Gas at the time), stated:

“Union Gas will effectively 'partner' with the Project customers by taking on the \$2 million of incremental financial risk of up-sizing the 13 km pipeline from 6 inch to 8 inch. The increased capacity will provide economic development opportunity for the area and ensure the line does not become a constraint in the future.”

Enbridge Gas decided to carry the cost of upsizing the pipeline, to facilitate future growth and not pass those costs on to the customers contracting as part of this Project (i.e. this decision reduced the HAF numerator by \$2 million and therefore the HAF to \$287/ m³/hr). With respect to longer term demands (beyond 2025), upsizing of the pipeline now will help provide capacity at a reduced cost in the future to future customers.

- e) All customers that have been forecasted to connect to the Project over the forecast period are being allocated their appropriate share of the costs.

The economic model for the Project is allocating the transmission component of the M1 and M2 rates for the small volume customers, so these customers are contributing to the Project.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Board Staff

Interrogatory #4

Reference: Application, page 13
 Schedule 8, pages 10 to 15

Preamble:

Enbridge Gas listed a number of alternatives to the proposed project that were considered in its Facilities Business Plan (FBP) for the Chatham-Kent area.

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 Enbridge Gas' 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 Enbridge Gas considered? What timelines would have been required to achieve the full impact of the DSM programs?

Responses:

- a) The table below outlines the cost of all alternatives identified in the System Design Criteria Report (which can be found at Schedule 8 of the pre-filed evidence) that are able to provide the necessary capacity to the Chatham Distribution System to support identified growth. The magnitude cost range ability is -25% to +50%, where all estimates include associated launcher and receiver facilities.

500m NPS 12 Proposed Pipeline (Bearline Section)

Section	Proposed Facility	Project Scope	Estimated Cost
-	LTC Proposed Facility	500m NPS 12 6040kPa	\$2,260,000

500m of Alternative Pipeline Options (Bearline Section)

Section	Alternative	Project Scope	Estimated Cost
3.5.1.1	Install a Different Diameter Pipeline	500m NPS 10 6040kPa	\$2,100,000
3.5.1.1	Install a Different Diameter Pipeline	500m NPS 16 6040kPa	\$2,625,000

13km NPS 8 Proposed Pipeline (Baseline Section)

Section	Proposed Facility	Project Scope	Estimated Cost
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-	LTC Proposed Facility	13km NPS 8 6040kPa	\$16,840,000
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13km NPS 8 Alternative Pipeline Options (Baseline Section)

Section	Alternative	Project Scope	Estimated Cost
3.5.1.2	Install a Different Diameter Pipeline	13km NPS 6 6040kPa	\$16,330,000
3.5.1.2	Install a Different Diameter Pipeline	13km NPS 10 6040kPa	\$18,575,000

The remaining alternatives within Schedule 8 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) Yes, the Baseline Section of the Proposed Project defers the need for one distribution reinforcement Project. The Project was estimated at approximately \$660,000.
- c) The timelines required to deploy geo-targeted DSM was explored in the context of the recent IRP Study, the study found that,

“The length of time that the DSM program will need to be in place in order to reduce peak demand by enough to reduce 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 reduce 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 facility 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 3 to 5 years prior to the expected in-service date of the targeted facility investment.”¹

¹ Natural Gas Integrated Resource Planning: Initial Assessment of the Potential to Employ Targeted DSM to Influence Future Natural Gas Infrastructure Investment EB-2017-0128 Appendix D Pages 19-20 of 49

ENBRIDGE GAS INC.

Answer to Interrogatory from
Board Staff

Interrogatory #5

Reference: Schedule 12

Preamble:

Enbridge Gas estimates the total Pipeline and Equipment cost to be approximately \$2.1 million and the Construction and Labour costs to be approximately \$14.3 million. There is a 15% contingency applied to the project sub-total.

Questions:

- a) Please explain how the updated estimate for the Construction and Labour Cost was determined.
- b) Please compare the total capital cost of the project to three or more comparable projects completed by Enbridge Gas in the last five years. Indicate the length, diameter, location and year of construction for each of the projects.

Responses:

- a) The total estimated construction and labour cost amounting to approximately \$14.3 million relates to the installation of the pipeline. This total includes the cost of all miscellaneous company and contract labour. Since the original filing submission, Enbridge Gas along with its contractor has continued to refine the detailed design, temporary land needs, and construction plan of the Proposed Facilities. During this process, Enbridge Gas has identified some increased costs to the Construction and Labour portion of the Project, but to maintain the overall Project costs at \$19.1 million, the contingency has been adjusted from 19% to 15%.

b)

Project	Pipe size	Length	Costs (M)
EB-2014-0333 Sarnia Expansion	NPS 20	4.8km	24.31
EB-2016-0013 Leamington Phase 2	NPS 8	60m	12.34
	NPS 12	6.7km	
	NPS 16	250m	
EB-2018-0003 Oxford	NPS 8	5.2km	7.4
EB-2018-0188 CK Rural	NPS 12	500m	19.1
	NPS 8	13km	

ENBRIDGE GAS INC.

Answer to Interrogatory from
Board Staff

Interrogatory #6

Reference: Application, pages 22 to 23
Schedules 18a and 18b
Schedule 25

Preamble:

Enbridge Gas states that the preferred route is within the road allowance. Enbridge Gas also states that it has obtained options for temporary land use from directly affected landowners on the Bear Line Section, and will continue efforts to obtain the outstanding rights for the Base Line Section. Enbridge Gas has also obtained 2.62 acres of fee simple land for the proposed stations.

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.” Enbridge Gas has requested approval of the temporary land use agreement it will offer to affected landowners as part of the application.

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.
- c) Please confirm whether the form of temporary land use agreement filed as part of the application has been previously approved by the OEB. If so, please provide the OEB case number and project name in which these forms of easement agreement were last used.

Responses:

- a) Enbridge Gas has acquired options for all temporary land use agreements needed for this Project.
- b) A table that lists all permits and approvals is attached at Schedule 1.
- c) The form of agreement submitted was approved by the Board for the Kingsville Reinforcement Project (EB-2018-0013).

Agency	Type of Permit	Status
Municipal Permits		
Municipality of Chatham Kent (Baseline Section)	Municipal Consent	Pending
	Crossing Agreement	Complete
	Temporary Driveway / Access Permit	Pending
	Permanent Driveway/ Access Permit	Pending
	Traffic Control Plan	Pending
Municipality of Chatham Kent (Bear Line Road)	Municipal Consent	Pending
	Crossing Agreement	Pending
	Temporary Driveway / Access Permit	Pending
	Permanent Driveway/ Access Permit	Pending
	Traffic Control Plan	Pending
Environmental Permits		
Ministry of Tourism, Culture, and Sport (Baseline Section)	Archaeology Stage 1 (Permanent & Some TLU)	Complete
	Archaeology Stage 2 (Remaining TLU)	Pending
	Build Heritage Acceptance	Complete
Ministry of Tourism, Culture, and Sport (Bear Line Road)	Archaeology Stage 1 & 2 (Permanent)	Complete
	Archaeology Stage 1 & 2 (TLU)	Complete
	Build Heritage Acceptance	Complete
St. Clair Conservation Authority	Crossing Agreement	Complete
Ministry of Natural Resources and Forestry	Letter of Advice	Complete
Foreign Pipeline		
Enbridge Gas Distribution	Pipeline Crossing Agreement	Complete
Real Oil	Pipeline Crossing Agreement	Complete
Other Permits & Approvals		
Ontario Energy Board	Leave to Construct/Franchise & Certificate	Pending

* Note: All permits will be in place for Construction

ENBRIDGE GAS INC.

Answer to Interrogatory from
Board Staff

Interrogatory #7

Reference: Schedule 21

Preamble:

Copies of the Environmental Reports were submitted to the Ontario Pipeline Coordination Committee (OPCC) on February 8, 2018 and June 1, 2018. Enbridge Gas provided a summary of the comments received to date regarding the ER as well as Enbridge Gas' responses. Enbridge Gas also filed an updated version of the summary of comments on March 14, 2019.

Question:

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

Responses:

Attached at Schedule 1, in tabular format are the comments that Enbridge Gas has received as part of the OPCC review. Included in the table are the dates of communication, the issues and concerns identified by the parties, as well as Enbridge Gas' responses and actions to address these issues and concerns.

OPCC Review Summary 2018
Chatham Kent Rural Expansion Project

AGENCY	COMMENT	RESPONSE
<p>Email received by Norm Dumouchelle Sr. Environmental Analyst, Union Gas Ltd. April 25, 2018 From: Municipality of Chatham Kent Janet Couvillon</p>	<p>Indicated that there were no concerns associated with the project.</p>	<p>Not required</p>
<p>Email received by Steve Thurtell Sr. Environmental Scientist Stantec Consulting August 7, 2018 From: Karissa Reischke Management Biologist Ministry of Natural Resources and Forestry</p>	<p>MNRF asking for Union Gas contact information. Letter to Proponent received August 17, 2018</p>	<p>Not required</p>
<p>Letter received by Laura Walter Stantec Consulting October 11, 2018 From: Dan Minkin Heritage Planner Ministry of Tourism, Culture and Sport</p>	<p>The Cultural Heritage Assessment Report for the project has been reviewed and accepted.</p>	<p>Not required</p>
<p>Email received by Steve Thurtell Sr. Environmental Scientist Stantec Consulting June 22, 2018 From: Ashley Walsh Program Analyst Ministry of Transportation</p>	<p>Indicating the MTO has no comments or concerns regarding the project</p>	<p>Not required</p>
<p>Letter received by Norm Dumouchelle Sr. Environmental Analyst, Union Gas Ltd. Dated April 6, 2018 From: Rita Kelly Project Manager Lands Transactions, Hydro Corridors & Public Works Infrastructure Ontario (IO)</p>	<p>The letter outlined processes to be undertaken as well as a request for additional information pertaining to the Dover portion of the project.</p>	<p>An email dated May 4, 2018 was sent to Rita Kelly informing her that the project was not within IO lands.</p>
<p>Email received by Norm Dumouchelle Sr. Environmental Analyst, Union Gas Ltd. Dated April 5, 2018 From: Kourosh Manouchehri Technical Safety Standards Authority Engineer</p>	<p>Additional information was required for the Dover section of the project.</p>	<p>Email sent on April 23, 2018 From: Norm Dumouchelle, Union Gas Ltd. Supplied TSSA with required information</p>

<p>Letter received by Norm Dumouchelle Sr. Environmental Analyst, Union Gas Ltd. Dated April 13 2018 From: Brooke Herczeg Heritage Planner Ministry of Tourism, Culture and Sport</p>	<p>The letter indicated the requirements for an archaeological assessment and cultural heritage report.</p>	<p>The archaeological assessment was submitted to the MTCS on June 7, 2018 and entered into the registry on July 11, 2018. The heritage report was submitted on September 18, 2018.</p>
<p>Email received by Steve Thurtell Sr. Environmental Scientist, Stantec Dated April 29, 2019 From: Kourosh Manouchehri Engineer, TSSA</p>	<p>The email consisted of three questions consisting of: 1: Is the high consequence area analysis completed? 2: Is the original scheduled construction time of spring/summer still valid? 3: Who will be the contact to arrange a site visit?</p>	<p>Email sent May 2 , 2019 From: Steve Thurtell suppling the TSSA with the required information.</p>

Norm Dumouchelle

From: Thurtell, Steve [REDACTED]
Sent: Thursday, May 02, 2019 9:16 AM
To: Kourosh Manouchehri
Cc: Norm Dumouchelle
Subject: [External] RE: Stantec FTP Confirmation - CHATHAM KENT PIPELINE PROJECT ER
Attachments: IR Response.docx

Good morning Kourosh,
Please find the attached responses to your questions. As you can see in the format of the attachment, our communications have been entered into Enbridge's interrogatory responses to the Board.
Thank you, Steve

Steve Thurtell M.Sc., P.Ag., CAN-CISEC
Senior Environmental Scientist

[REDACTED]
Stantec
1-70 Southgate Drive
Guelph ON N1G 4P5



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From: Thurtell, Steve
Sent: Monday, April 29, 2019 10:09 AM
To: 'Kourosh Manouchehri' [REDACTED]
Subject: RE: Stantec FTP Confirmation - CHATHAM KENT PIPELINE PROJECT ER

Good morning Kourosh,
Thank you for your response regarding the Chatham Kent Pipeline Project. I will respond to your questions in the next few days.
Thanks, Steve

Steve Thurtell M.Sc., P.Ag., CAN-CISEC
Senior Environmental Scientist

[REDACTED]
Stantec
1-70 Southgate Drive
Guelph ON N1G 4P5



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From: Kourosh Manouchehri [REDACTED]
Sent: Monday, April 29, 2019 9:53 AM
To: Thurtell, Steve [REDACTED]
Subject: RE: Stantec FTP Confirmation - CHATHAM KENT PIPELINE PROJECT ER

Hi Steve,

Thank you for the submitted document. Is the high consequence area analysis done for this project? Amended section 4.3.4.9.2 requires identification of high consequence area and risk analysis for them.

Also the original scheduled construction time of the project was in spring\summer 2019. I like to visit the site for inspection. Who is the contact person in Union Gas to arrange this site visit?

Regards,



Kourosh Manouchehri, P.Eng., PMP | Engineer

Fuels Safety
345 Carlingview Drive
Toronto, Ontario M9W 6N9

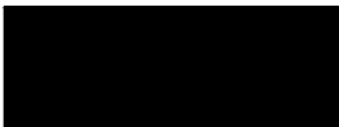
www.tssa.org



From: Thurtell, Steve [REDACTED]
Sent: April 16, 2019 12:49
To: Kourosh Manouchehri [REDACTED]
Subject: RE: Stantec FTP Confirmation - CHATHAM KENT PIPELINE PROJECT ER

Hi Kourosh,
Please find the attached specifications of the pipe. It was provided to me by the client.
Have a good day, Steve

Steve Thurtell M.Sc., P.Ag., CAN-CISEC
Senior Environmental Scientist



Stantec
1-70 Southgate Drive
Guelph ON N1G 4P5



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From: Kourosh Manouchehri [REDACTED]
Sent: Tuesday, April 16, 2019 11:29 AM
To: Thurtell, Steve [REDACTED]
Cc: Norm Dumouchelle [REDACTED]
Subject: RE: Stantec FTP Confirmation - CHATHAM KENT PIPELINE PROJECT ER

Hi Steve,

Thank you for the update.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Board Staff

Interrogatory #8

Reference: Application, page 1

Preamble:

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

Questions:

OEB staff has prepared the following draft Conditions of Approval. If Enbridge Gas does not agree to any of the draft conditions of approval noted below, please identify the specific conditions that Enbridge Gas disagrees with and explain why.

For conditions in respect of which Enbridge Gas 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
Enbridge Gas Inc.
EB-2018-0188**

1. Enbridge Gas Inc. (Enbridge Gas) shall construct the facilities and restore the land in accordance with the OEB's Decision and Order in EB-2018-0188 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) Enbridge Gas 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. Enbridge Gas 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. Enbridge Gas shall advise the OEB of any proposed change to OEB-approved construction or restoration procedures. Except in an emergency, Enbridge Gas 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), Enbridge Gas 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. Enbridge Gas 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 Enbridge Gas proposes to start collecting revenues associated with the project, whichever is earlier.
6. Both during and after construction, Enbridge Gas 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

- Enbridge Gas' 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 Enbridge Gas, 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 Enbridge Gas' 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 Enbridge Gas, 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
7. Enbridge Gas shall designate one of its employees as project manager who will be responsible for the fulfillment of these conditions, and shall provide the employee's name and contact information to the OEB and to all the appropriate landowners as well clearly posted on the construction site.
8. The OEB's designated representative for the purpose of these of Approval shall be the OEB's Manager of Supply and Infrastructure.

Responses:

Enbridge Gas can accept the proposed Conditions of Approval.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Anwaatin Inc.

Interrogatory #1

Reference: Application (updated March 14, 2019), paras. 8, 80–88
Application (updated March 14, 2019), Schedules 19 and 20

Preamble:

Assessment of alternatives is a core principle of the *Environmental Assessment Act*, RSO 1990, c E.18 and most environmental assessment processes applicable to pipelines and pipeline project approvals. “Alternatives assessment” in Canada generally includes (i) evaluating impacts on Indigenous rights and interests and (ii) assessing impacts of construction and operation on environmental and cultural heritage features, prior to determining a preferred alternative.

Question:

- a) Please provide all evidence that Enbridge Gas Inc. (**Enbridge Gas**), Union Gas Limited (**Union**), and/or their consultant(s) considered and developed — and the results of any and all — assessments of alternative routes, including, but not limited to, (i) evaluating impacts on Indigenous rights and interests and (ii) assessing impacts of route evaluation and selection, construction, and operation on environmental and cultural heritage features.

Response:

When planning to construct the Chatham-Kent Rural Pipeline, Enbridge Gas implemented its standard process to solicit input from First Nations identified by the Ministry of Energy Northern Development and Mines. If any interests are noted by First Nations, they are incorporated into the assessment of alternative routes. This process is discussed in the Project’s environmental report in section 2.0 Route Evaluation and Selection. For the Chatham Kent project no specific interests were identified, other than participation in the archaeological assessment.

In addition to outreach by Enbridge Gas, as part of the environmental study process letters are sent to identify First Nations to solicit information pertaining to any adverse impacts and mitigation measures. No responses were received from any Indigenous communities. Further into the process, to introduce the Project and to provide and update on the progress made to date, Indigenous groups along with landowners, agencies and other interested parties were invited to attend an Information Session for the Chatham-Kent project. No attendance of a member of an Indigenous community was noted in the sign-in book.

A few of the key components of the field work conducted for constraint identification in the environmental assessment were the archaeological assessment and natural heritage assessment. An archaeological assessment could discover artifacts or other important evidence of habitation

in the past. This assessment is on-going but to date has not identified any significant environmental features. A natural heritage assessment may bring to light the presence of important wildlife or plant species which may be significant to Indigenous cultures. No features were identified as being significant to Indigenous peoples.

When significant features, that may be of particular interest to Indigenous peoples for example, are discovered during site assessments or brought to light during consultation, they are entered into the routing or mitigation development methodologies. Through communication with government agencies, landowners, indigenous communities, Stantec Consulting and Enbridge Gas, conducts an assessment of the most appropriate way to protect the feature. Sometimes avoidance of a historically significant location is the appropriate protection and another route is selected. Sometimes removing artifacts during a Stage 3 archaeological assessment is preferred and the route is still available for selection as preferred. After the route selection process has identified a preferred route, micro siting and the development of mitigation measures are conducted to further determine appropriate protections of significant features in the study area.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Anwaatin Inc.

Interrogatory #2

Reference: Application (updated March 14, 2019), paras. 8, 80–88
Application (updated March 14, 2019), Schedules 19 and 20

Preamble:

Indigenous governments commonly provide proponents of infrastructure and resource development projects with principles and procedures for conducting consultation and accommodation, and similar guidance for archaeological assessment processes on their traditional territories.

Questions:

- a) Please provide the Indigenous consultation policy or policies of Enbridge Gas and/or Union that were followed in relation to this project.
- b) Please provide all information on or related to Enbridge Gas and Union's consideration and implementation of any principles and/or procedures of Indigenous governments for conducting consultation and accommodation on their traditional territories.
- c) Please provide all information on or related to Enbridge Gas and Union's consideration and implementation of any principles and/or procedures of Indigenous governments for conducting archaeological assessment processes on their traditional territories.

Responses:

- a) A copy of the Enbridge Indigenous Peoples Policy is attached at Schedule 1.

Enbridge Gas follows its Indigenous Peoples Policy when engaging with Indigenous groups on projects and operations. Enbridge Gas commits to engaging in forthright and sincere relationships with First Nation and Métis communities to respect their inherent rights.

Enbridge Gas consultation on this Project is outlined in Enbridge Gas's response to Exhibit B.Anwaatin.4.

- b) Enbridge Gas followed the principles and procedures as brought forth by the Indigenous governments during the consultation process from the Indigenous consultation committee.
- c) Enbridge Gas followed the principles and procedures as brought forth during the consultation process from the Indigenous consultation committee on archaeological assessments on their traditional territories. Enbridge Gas provides all the Indigenous communities with the opportunity to participate as archaeological monitors. The monitors are invited to work with our external archaeological team and are paid for their participation on the project.

Enbridge Inc. Indigenous Peoples Policy

Enbridge Indigenous Peoples Policy

Enbridge recognizes the diversity of Indigenous Peoples who live where we work and operate. We understand that the history of Indigenous Peoples in both Canada and the United States has had destructive impacts on the social and economic wellbeing of Indigenous Peoples. Enbridge recognizes the importance of reconciliation between Indigenous communities and broader society. Positive relationships with Indigenous Peoples, based on mutual respect and focused on achieving common goals, will create constructive outcomes for Indigenous communities and for Enbridge.

Enbridge commits to pursuing sustainable relationships with Indigenous Nations and groups in proximity to where Enbridge conducts business. To achieve this, Enbridge will govern itself by the following principles:

- We recognize the legal and constitutional rights possessed by Indigenous Peoples in Canada and in the U.S., and the importance of the relationship between Indigenous Peoples and their traditional lands and resources. We commit to working with Indigenous communities in a manner that recognizes and respects those legal and constitutional rights and the traditional lands and resources to which they apply, and we commit to ensuring that our projects and operations are carried out in an environmentally responsible manner.
- We recognize the importance of the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) within the context of existing Canadian and U.S. law and the commitments that governments in both countries have made to protecting the rights of Indigenous Peoples.

- We engage in forthright and sincere consultation with Indigenous Peoples about Enbridge's projects and operations through processes that seek to achieve early and meaningful engagement so their input can help define our projects that may occur on lands traditionally used by Indigenous Peoples.
- We commit to working with Indigenous Peoples to achieve benefits for them resulting from Enbridge's projects and operations, including opportunities in training and education, employment, procurement, business development, and community development.
- We foster understanding of the history and culture of Indigenous Peoples among Enbridge's employees and contractors, in order to create better relationships between Enbridge and Indigenous communities.

This commitment is a shared responsibility involving Enbridge and its affiliates, employees and contractors, and we will conduct business in a manner that reflects the above principles. Enbridge will provide ongoing leadership and resources to ensure the effective implementation of the above principles, including the development of implementation strategies and specific action plans.

Enbridge commits to periodically reviewing this policy to ensure it remains relevant and meets changing expectations.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Anwaatin Inc.

Interrogatory #3

Reference: Application (updated March 14, 2019), paras. 4–6

Preamble:

The majority of First Nations in Ontario do not have access to natural gas, and many First Nations are interested in accessing natural gas for energy cost savings and low-emission heating. The recently enacted *Access to Natural Gas Act, 2018*, SO 2018, c 15 (Bill 32) provides a framework for regulations to deliver rate protection for consumers or prescribed classes of consumers with respect to costs incurred by natural gas distributors in making a qualifying investment for the purpose of providing access to a natural gas distribution system to those consumers by reducing the rates that would otherwise apply in accordance with the prescribed rules.

Enbridge Gas notes that \$8.0 million of funding would be available as a result of Bill 32 and O.Reg. 24/19 (Expansion of Natural Gas Distribution Systems).

Questions:

- a) What impacts will the project have on the provision of natural gas to First Nation reserve communities and off-reserve First Nation members in the region?
- b) What impacts will the project have on the cost of natural gas to First Nation reserve communities and off-reserve First Nation members in the region?

Responses:

- a) The Chatham-Kent Rural Pipeline Expansion has two First Nation communities in close proximity and both communities receive natural gas service from Enbridge Gas.

Under Phase I of Bill 32 the *Access to Natural Gas Act, 2018*, Enbridge Gas is proposing to bring natural gas services to five First Nations communities.

- b) The Project will have no impact on the cost of natural gas to First Nation reserve communities and off-reserve First Nation members over the life of the Project as the Project has a PI of 1.0. Please see Enbridge Gas's response to Exhibit B.Staff.2 x).

ENBRIDGE GAS INC.

Answer to Interrogatory from
Anwaatin Inc.

Interrogatory #4

Reference: Application (updated March 14, 2019), Schedules 22 and 23

Question:

- a) Please describe and provide evidence for how Enbridge Gas and Union determined, interpreted, and applied:
- (i) their procedural requirements;
 - (ii) the Crown's procedural requirements; and
 - (iii) the Ontario Energy Board's procedural requirements;

in assisting the Crown in fulfilling its duty to consult and accommodate the First Nation and Métis communities listed in the Letter of Delegation of Authority to Union Gas (Schedule 23, page 15), with all supporting evidence.

Response:

- a) Enbridge Gas conducted Indigenous consultation as directed by the OEB Environmental Guidelines.

The Ministry of Energy, Northern Development and Mines ("MOENDM") takes the lead in coordinating and provides a Delegation Letter if the duty to consult it triggered. The Delegation Letter will include the list of First Nation and Métis communities whose rights are potentially adversely affected by the planned Project.

Enbridge Gas consults with the Indigenous communities on the delegation list. The consultation process continues throughout the entire course of the Project. These consultations consist of but are not limited to:

- Meeting with Indigenous communities to present to council and committee meetings
- Responding to questions and concerns raised by the communities on the Project
- Providing copies of presentations, maps and any archaeological and cultural assessments completed.
- Providing reasonable resources for Indigenous communities to participate in consultation

Enbridge Gas prepares and files an Indigenous Consultation Report (“ICR”) in its application to the OEB.

The ICR is subject to the MOENDM’s review and a letter is issued expressing if the procedural aspects of consultation were completed to the satisfaction of the Ministry. This letter is entered into the evidence to the OEB.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Anwaatin Inc.

Interrogatory #5

Reference: Application (updated March 14, 2019), Schedules 23 and 24

Preamble:

On February 2, 2018, Enbridge Gas (then Union) received correspondence from the Ministry of Energy, Northern Development and Mines (then the Ministry of Energy) (the **Ministry**) that the duty to consult had been delegated to Enbridge Gas (Schedule 23, page 15).

On March 4, 2018, Enbridge Gas received correspondence from the Ministry indicating the Ministry's expectation that Enbridge Gas will continue its consultation activities with the communities throughout the life of the project.

Questions:

- a) Please describe and provide copies of any and all communications and responses between Enbridge Gas and/or Union and the Ministry with respect to the delegated duty to consult and accommodate First Nations and Métis communities.
 - b) Please provide any and all records of consultation activities not reflected in the Indigenous consultation reports in Schedules 22 and 23 prepared as of June 5, 2018.
-

Responses:

- a) Correspondence with the Ministry and Enbridge Gas following the OEB filing are attached at Schedule 1.
- b) Records of consultation activities following the OEB filing are attached at Schedule 1.

a) Communications with the Ministry

From: Smithanik, Shereen (ENERGY) [REDACTED] Sent: Fri 28/09/2018 10:55 AM
To: Ken McCorkle
Cc: Lauren Whitwham
Subject: [External] Chatham- Kent Expansion Project

Hi Ken,

I just wanted to follow up on a couple request for the Chatham-Kent project. Grant Doxtator from Oneida asks me to forward the project information. Do you have a copy of the brochure that is included in the consultation report that contains the project information. I can forward this to him. Nikki Orosz from Caldwell also requested some information about the project. I am hoping that you could contact her directly. She notes that a community meeting is coming up on October 15, 2018 in the evening and that would be a possible opportunity to present on the project.

Shereen Smithanik
Senior Policy Advisor
Ministry of Energy
Indigenous Energy Policy
[REDACTED]

From: Smithanik, Shereen (ENERGY) [REDACTED]
Sent: September-28-18 11:07 AM
To: [REDACTED]
Cc: Ken McCorkle; McCabe, Shannon (ENERGY)
Subject: [External] Chatham-Kent Expansion project

Hi Nikki,

Thank you for speaking with me yesterday. I forwarded your request for more information on the project to Ken McCorkle from Union Gas Limited who is copied here and I am certain he will reach out shortly. I also advised him of the upcoming community meeting. Please do not hesitate to contact myself or Shannon McCabe if you have any further questions or concerns.

Best Regards,

Shereen Smithanik
Senior Policy Advisor
Ministry of Energy
Indigenous Energy Policy
[REDACTED]

From: Ken McCorkle [REDACTED]
Sent: November-21-18 12:44 PM
To: McCabe, Shannon (ENERGY) [REDACTED]
Cc: Lauren Whitwham [REDACTED]
Subject: Chatham Kent Rural Project & Caldwell First Nation

Hello Shannon:

I just wanted to bring you up to date regarding the Chatham-Kent Rural Project for Union Gas. Regarding correspondence with the Caldwell First Nation myself and Norm Dumouchelle, Environmental Planner for Union Gas, attended a council meeting on October 29, 2018 at the Caldwell Band Office in Leamington. The meeting was attended by Nikki Orosz, Director of Operations for the Band, four council members and 15-20 community members observing. Norm presented the attached presentation and walked through all the aspects of the project. This included the reason for, scope, nature and impact of the project. The project is in road allowance and explained the reason for the route selection. They asked questions regarding pipe depth, soil compaction, tree removal, directional drilling, and Heritage features. All of their questions were answered to their satisfaction with the note that if any other questions came up that they could get in touch with myself. Union offered them an opportunity to attend an Open House and a copy of the EA report once it was completed. Union also offered participation by monitors on site for the Archeological and Environmental surveys. We also offered if any member would like a tour of the work site that we could make arrangements for this. The Band was very accepting of these offers. We ended with confirmation that we would continue dialogue on this project and at if at time there was a change to what we stated that Union would notify them immediately.

Meeting was very informative and positive as we have had in the past with the Caldwell Nation. Union is looking forward to continued communication and the partnership that we share with them. No anticipated issues and if there are any Union will mitigate.

Regards,
Ken

Ken McCorkle
Manager, Indigenous Affairs
Union Gas Ltd
[REDACTED]

From: Ken McCorkle [REDACTED]
Sent: December 4, 2018 7:35 PM
To: McCabe, Shannon (ENERGY) [REDACTED]
Subject: Chatham Kent Rural Project

Hello Shannon
I trust this finds you well!
Do you know when we would receive the letter that states we have satisfied the consultation to this point?

Regards
Ken

From: McCabe, Shannon (ENERGY) [REDACTED]
Sent: December-05-18 9:18 AM
To: Ken McCorkle
Subject: [External] RE: Chatham Kent Rural Project

Hi Ken,

Hope you're doing well! Let me check with the team today, and I'll get back to you.

Cheers,
Shannon

From: Ken McCorkle
Sent: January-08-19 9:23 AM
To: 'McCabe, Shannon (ENERGY)'
Cc: Lauren Whitwham
Subject: RE: Chatham Kent Rural Project

Hello Shannon:
I trust you had a Merry Christmas and a safe and Happy New Year!
I am just doing a follow up to our previous discussion regarding the Chatham-Kent Rural project for Union Gas.

Regards,
Ken

Ken McCorkle
Manager, Indigenous Affairs
Union Gas Ltd.



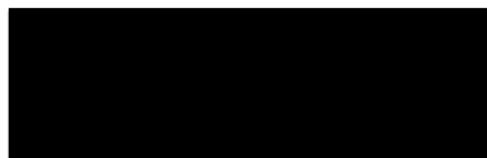
We can't change the past, but we can influence our future

From: Ken McCorkle [REDACTED]
Sent: January 10, 2019 3:27 PM
To: Lazakis, Chloe (ENERGY) [REDACTED]
Subject: FW: Chatham Kent Rural Project

Hello Chloe:
As per Shannon's email response would you be able to answer my question below?
I believe we only meant once but I still wanted to wish you a great and safe New Year!

Regards,
Ken

Ken McCorkle
Manager, Indigenous Affairs
Union Gas Ltd.



We can't change the past, but we can influence our future

From: Lazakis, Chloe (ENERGY) [REDACTED]
Sent: January-11-19 10:04 AM
To: Ken McCorkle
Cc: McCabe, Shannon (ENERGY)
Subject: [External] RE: Chatham Kent Rural Project

Hi Ken,
 Many thanks! Yes we did just meet the once but I also extend my best to you and wish and your family you a bright, happy and healthy 2019!

We are still working to get ahold of the right people – and as you know, the holidays slowed us down quite a bit as band office hours and availabilities taper down significantly.

I will give you a call about this next week, but want you to know that I'm aware that we have outstanding information to provide and that this project, in particular, needs to be expedited.

I apologize for the delay. I will get back to you as early as I can next week but imagine it will be Wednesday. I just want to manage expectations in the most realistic and honest way possible!

Many thanks for your ongoing understanding.

Talk soon and have a great weekend,
 Chloe

b) Consultation Activities post OEB filing

Aamjiwnaang First Nation				
Date	Activity	Issues raises	Outcome	Doc Location
Jul 4/18	Ongoing emails back and forth between Union Gas and Aamjiwnaang First Nation	Ongoing emails back and forth to set up a meeting date with the Aamjiwnaang Environment and Consultation committee	Final date decision of Nov 20, 2018	Page 9
Nov 20/18	Meeting with Aamjiwnaang Environment and Consultation committee Sharilyn Johnson, Environment Coordinator Courtney Jackson, Environment Worker Christine James, Environment Worker Ken McCorkle, Indigenous Affairs, Union Gas/Enbridge Gas Norm Dumouchelle, Environmental Planner, Union Gas/Enbridge Gas	Norm reviewed the project presentation answering questions throughout the presentation. Questions were asked about vegetation clearing, water crossing and the opportunity for a tour of the site. All were answered to the satisfaction of the committee	Advised that Union Gas would continue to update the Environment Coordinator on the project.	Presentation included in ICR submitted to OEB.

Jan 31/19	Email sent to Chief Plain and Sharilyn Johnston	Emailed advised that the project is currently on hold with the Ontario Energy Board while we wait for the details of Bill 32, Access to Natural Gas Act, to be determined. Once the details are ironed out, Union Gas will be filing an updated application to the Ontario Energy Board.	No response received. Will continue to provide information as the project progresses.	Page 13
Bkejwanong (Walpole Island) First Nation				
Date	Activity	Issues raises	Outcome	Doc Location
Jan 31/19	Email sent to Chief Miskokomon and Dr. Jacobs	Emailed advised that the project is currently on hold with the Ontario Energy Board while we wait for the details of Bill 32, Access to Natural Gas Act, to be determined. Once the details are ironed out, Union Gas will be filing an updated application to the Ontario Energy Board.	No response received. Will continue to provide information as the project progresses.	Page 14
Caldwell First Nation				
Date	Activity	Issues raises	Outcome	Doc Location
Jun 11/18	Meeting with Nikki Orosz, Director of Operations	Met with Nikki to discuss project. Provided information on the scope and details of the Chatham Kent project.	Advised that he would keep her informed on the project.	
Oct 2/18	Email to Nikki Orosz, Director of Operations	Union Gas looking to set up a meeting to discuss the project. Looking for make arrangements for such a meeting.	Date set for council meeting on October 29	Page 15
Oct 26/18	Email to Nikki Orosz	Provided presentation to Nikki for the Chatham Kent project.		Page 16
Oct 29/18	Meeting at Caldwell First Nation	<p>Presentation made by Norm Dumouchelle, environmental project coordinator at Union Gas.</p> <p>Spoke to Nikki Orosz and four council members.</p> <p>Norm Dumouchelle and Ken McCorkle walked the attendees through the scope of the project and answered questions on the construction process. Explained the route selection based on the least environmental disruption. The project is mainly in road allowance. Noted that one station is required.</p> <p>Question asked about the depth of pipe and type of soil. Discussed heritage features and explained that none found.</p>	Ken McCorkle will continue with consultation.	

		<p>Seven watercourse crossing in the project and that they would be completed by directional drill.</p> <p>Only two trees to be removed as construction is in road allowance and none of the hedges cut down. Soil compaction explained.</p> <p>Offered an Open house and a copy of the EA once completed. We explained if there is a need for any alternations to the project, we would update them.</p> <p>Agreed to meet again and have ongoing consultation.</p>		
Jan 31, 2019	Email sent to Melody Watson and Nikki Orosz	Emailed advised that the project is currently on hold with the Ontario Energy Board while we wait for the details of Bill 32, Access to Natural Gas Act, to be determined. Once the details are ironed out, Union Gas will be filing an updated application to the Ontario Energy Board.	Response received Feb 17	Page 16
Feb 17/19	Email received from Nikki Orosz	Email stated that the Council at Caldwell had no concerns with the presented project to date.	Requested any changes or developments to be forwarded as they are available.	Page 17
Chippewa of the Thames First Nation				
Date	Activity	Issues raises	Outcome	Doc Location
Jan 31, 2019	Email sent to Chief Henry, Kelly Riley and Emma Young	Emailed advised that the project is currently on hold with the Ontario Energy Board while we wait for the details of Bill 32, Access to Natural Gas Act, to be determined. Once the details are ironed out, Union Gas will be filing an updated application to the Ontario Energy Board.	No response received. Will continue to provide information as the project progresses.	Page 18
Chippewas of the Kettle and Stony Point First Nation				
Jan 31, 2019	Email sent to Chief Henry, Clint Couchie and Valerie George	Emailed advised that the project is currently on hold with the Ontario Energy Board while we wait for the details of Bill 32, Access to Natural Gas Act, to be determined. Once the details are ironed out, Union Gas will be filing an updated application	No response received. Will continue to provide information as the project progresses.	Page 19

		to the Ontario Energy Board.		
Oneida Nation of the Thames				
Date	Activity	Issues raises	Outcome	Doc Location
Oct 2/18	Email to Grant Doxtator	Email to Grant to follow up on the Chatham Kent project. Advised Grant that the project has been on hold as a result of provincial government funding. Ken McCorkle looking to set up a time to discuss the project and provide a presentation.	No response from Grant	Page 20
Nov 21/18	Email to Grant Doxtator	Follow up with Grant in regards to the October 2, 2018 email. Ken McCorkle provided the presentation in the email and advised that he could attend a meeting to provide information on the presentation.	No response from Grant	Page 20
Jan 31/19	Email sent to Chief Hill and the Environment committee	Emailed advised that the project is currently on hold with the Ontario Energy Board while we wait for the details of Bill 32, Access to Natural Gas Act, to be determined. Once the details are ironed out, Union Gas will be filing an updated application to the Ontario Energy Board.	Call received from Brandon Doxtator and a meeting was set for Feb 7 with the environment committee.	Page 21
Feb 2/19	Email to Brandon Doxtator, Environment and Consultation Coordinator	Email to Brandon and the MENDM to follow up on their telephone call. Email to confirm that Brandon is now looking after consultation outreach for Oneida First Nation.	Meeting set for Feb 7 to review the project with the environmental committee.	Page 21
Feb 7/19	Meeting with Oneida Nation of the Thames Environmental Committee Attending: Oneida Nation of the Thames Environmental committee Grant Doxtator Brandon Doxtator Students from Ryerson University Ken McCorkle, Indigenous Affairs, Union Gas/Enbridge Gas Norm Dumouchelle, Environmental Planner, Union Gas/Enbridge Gas Lauren Whitwham, Indigenous Affairs, Union Gas/Enbridge Gas	Norm reviewed the project deck answering questions throughout the presentation. Question about the depth of the directional drill and the run off of water from it. Norm explained the process for the drill and the bore pits and sediments fences that cover the area. Question about the Bank Swallow and if it will be affected. Norm explained that we will not encounter the Bank Swallow as the directional drill will be mainly under culverts. Pipe will be within the road allowance and will be beside	Committee very happy with responses received, exhausted questions they had at that time and requested some information on how to bring natural gas into Oneida. Advised that we would continue to be in touch on this project and they are welcome to reach out to us at any point with questions or concerns.	

		<p>the road the entire way. Archeology has been completed on route and was done at a stage 2. Archeology on temporary lands will be resumed in the spring.</p> <p>Question asked about sand getting into wells and if this could happen with this project. Explained that natural gas pipelines do not affect water wells as we are only a short distance under the surface. Our project is on municipal land and will not interact with private wells.</p> <p>Invited committee to monitor the archeology this spring, tour the site during construction and/or during the clean up the following year.</p> <p>Provided rough estimate of timelines, hoping to have project started in May.</p>		
Feb 13/19	Ken McCorkle email to Brandon Doxtator	<p>Thanked Brandon and the environmental committee for meeting on Feb 7, 2019.</p> <p>Email provided a brief overview of the meeting.</p>	Reminded that Enbridge is open to having monitors on site for the Archeological surveys and that we looked forward to continuing the dialogue on the project.	Page 22

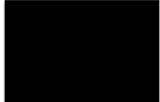
Correspondence - Aamjiwnaang First Nation

From: Courtney Jackson Next Previous
Sent: Wednesday, July 4, 2018 10:39 AM
To: 'Ken McCorkle' [REDACTED]
Cc: Sharilyn Johnston [REDACTED] Christine James [REDACTED] Lauren Whitwham [REDACTED]
Subject: RE: AFN Environment Committee Dates

Good Morning Ken,
The purpose of email is to confirm Union Gas is still attending the Environment Committee meeting on Tuesday, July 10, 2018 at 5:00 p.m. Our meeting is held at the Aamjiwnaang Band Administration Building (978 Tashmoo Avenue, Sarnia, ON N7T 7H5) There is a sign in sheet in lobby, please have everyone sign in and I will come get you when we're ready.
Can you please email presentation by tomorrow (Thursday, July 5, 2018) 3:00 pm?

If you have any questions, please feel free to call me or email.
Thank you,
Courtney Jackson

Courtney Jackson
Environment Worker
Aamjiwnaang First Nation



<https://www.facebook.com/AamjiwnaangEnvironment>
www.aamjiwnaang.ca

From: Courtney Jackson [REDACTED] Next Previous
Sent: July-04-18 11:56 AM
To: Ken McCorkle
Cc: Sharilyn Johnston; Christine James; Lauren Whitwham
Subject: [External] RE: AFN Environment Committee Dates

Hello Ken,
Thank you for your telephone call to reschedule our meeting with the committee. Below is a list of dates, please let me know what works best from the list below. Presentations are schedule for 30 minutes, if you require more time, please let me know and I can arrange that. Our meetings are held at the Aamjiwnaang Band Administration Building (978 Tashmoo Avenue, Sarnia, ON N7T 7H5). The Committee request copy of presentation prior to meeting for their review, please email a copy the Wednesday before scheduled meeting.

Upcoming Environment Committee Meeting Dates:

1. Tuesday, July 17, 2018 at 5:00 or 5:30 pm
2. Tuesday, August 14, 2018 at 5:30 pm
3. Tuesday, August 28, 2018 at 5:00 or 5:30 pm
4. Tuesday, September 11, 2018 at 5:00 or 5:30 pm
5. Tuesday, September 18, 2018 at 5:00 or 5:30 pm

If you have any questions, please feel free to call or email.

Thank you,
Courtney Jackson

From: Ken McCorkle [REDACTED]
Sent: Thursday, July 5, 2018 8:40 AM
To: Courtney Jackson [REDACTED]
Cc: Sharilyn Johnston [REDACTED] Christine James [REDACTED] Lauren Whitwham [REDACTED]
Subject: RE: AFN Environment Committee Dates

Hello Courtney:
Please schedule us for Tuesday, July 17, 2018 at 5:00! We will see you then

Miigwetch,
Ken

Ken McCorkle
Manager, Indigenous Affairs
Union Gas Ltd.



We can't change the past, but we can influence our future

From: Courtney Jackson [REDACTED]
Sent: July-12-18 1:19 PM
To: Ken McCorkle
Cc: Sharilyn Johnston; Christine James; Lauren Whitwham
Subject: [External] RE: AFN Environment Committee Dates

Good afternoon Ken,
Unfortunately, I have to cancel our July 17, 2018 meeting due to conflict with another meeting and I will need to reschedule Union Gas. I apologize for any inconvenience and if there is another date and time listed below that works best for Union Gas please let me know and I can schedule you in.

Upcoming Environment Committee Meeting Dates:

1. Tuesday, August 14, 2018 at 5:30 pm
2. Tuesday, August 28, 2018 at 5:00 ~~or~~ 5:30 pm
3. Tuesday, September 11, 2018 at 5:00 ~~or~~ 5:30 pm
4. Tuesday, September 18, 2018 at 5:00 ~~or~~ 5:30 pm

Thank you,
Courtney Jackson

From: Ken McCorkle [REDACTED]
Sent: Friday, July 13, 2018 9:18 AM
To: Courtney Jackson [REDACTED]
Cc: Sharilyn Johnston [REDACTED]; Christine James [REDACTED]; Lauren Whitwham [REDACTED]
Subject: RE: AFN Environment Committee Dates

Not a problem. Could we reschedule for Tuesday Sept 11 @ 5:00PM?

Miigwetch,
Ken

Ken McCorkle
Manager, Indigenous Affairs
Union Gas Ltd.



We can't change the past, but we can influence our future

From: Courtney Jackson
Sent: Friday, July 13, 2018 10:09 AM
To: 'Ken McCorkle' [REDACTED]
Cc: Sharilyn Johnston [REDACTED]; Christine James [REDACTED]; Lauren Whitwham [REDACTED]
Subject: RE: AFN Environment Committee Dates

Good morning Ken,
Thank you for your understanding and I have scheduled Union Gas for September 11 at 5 pm.

Have a great weekend,
Courtney

From: Courtney Jackson [REDACTED]
Sent: September-04-18 1:39 PM
To: Ken McCorkle
Cc: Sharilyn Johnston; Christine James; Lauren Whitwham
Subject: [External] RE: AFN Environment Committee Dates

Hello Ken,
I apologize for any inconvenience but unfortunately I need to reschedule our meeting on September 11, 2018.
Are you available for September 25, 2018 at 5pm?

Courtney

From: Ken McCorkle [REDACTED]
Sent: Tuesday, September 4, 2018 3:10 PM
To: Courtney Jackson [REDACTED]
Cc: Sharilyn Johnston [REDACTED]; Christine James [REDACTED]; Lauren Whitwham [REDACTED]
Subject: RE: AFN Environment Committee Dates

Hello Courtney:
No problem cancelling the Sept. 11th. We are not available on the Sept. 25th date. Would you have another date(s) in October that would be available?

Miigwetch,
Ken

Ken McCorkle
Manager, Indigenous Affairs
Union Gas Ltd.

[REDACTED]
We can't change the past, but we can influence our future

From: Courtney Jackson
Sent: Tuesday, September 4, 2018 3:13 PM
To: 'Ken McCorkle' - [REDACTED]
Cc: Sharilyn Johnston [REDACTED]; Christine James [REDACTED]; Lauren Whitwham [REDACTED]
Subject: RE: AFN Environment Committee Dates

Hello Ken,
As of right now, the only date in October is Tuesday, October 16, 2018 at 5:30 pm. Does that work for you?

Courtney

From: Courtney Jackson [REDACTED]
Sent: September-24-18 10:34 AM
To: Ken McCorkle
Cc: Sharilyn Johnston; Christine James; Lauren Whitwham
Subject: [External] RE: AFN Environment Committee Dates

Good morning Ken,
Just following up with the email below, are you available for October 16, 2018 at 5:30 pm?
The next available date is November 20, 2018 at 5:00 or 5:30pm.

Thank you,
Courtney Jackson

Courtney Jackson
Environment Worker
Aamjiwnaang First Nation
978 Tashmoo Ave.
Sarnia, ON
N7T 7H5

[REDACTED]
<https://www.facebook.com/AamjiwnaangEnvironment>
www.aamjiwnaang.ca

From: Ken McCorkle [REDACTED]
Sent: Monday, September 24, 2018 11:10 AM
To: Courtney Jackson [REDACTED]
Cc: Sharilyn Johnston [REDACTED]; Christine James [REDACTED]; Lauren Whitwham [REDACTED]
Subject: RE: AFN Environment Committee Dates

Hello Courtney:
The Engineer got back much quicker than I thought! The November 20, 2018 at 5:00PM will work for us!

Ken McCorkle
Manager, Indigenous Affairs
Union Gas Ltd.



Email: kmccorkle@uniongas.com

From: Courtney Jackson
Sent: Monday, September 24, 2018 11:13 AM
To: Ken McCorkle [REDACTED]
Cc: Sharilyn Johnston [REDACTED]; Christine James [REDACTED]; Lauren Whitwham [REDACTED]
Subject: RE: AFN Environment Committee Dates

Hi Ken,
Ok sounds good, ill schedule Union Gas on November 20, 2018 at 5:00 pm.

Thank you,
Courtney Jackson

From: Courtney Jackson [REDACTED] Sent: Mon 19/11/2018 12:01 PM
To: Christine James; Ken McCorkle
Cc: Sherilyn Johnston; Lauren Whitwham
Subject: [External] RE: AFN Environment Committee Dates

First Previous

Hello Ken,
Hope all is well, are you still attending the Environment Committee meeting tomorrow evening? If so, can you please provide your presentation or bring copies to the meeting?

Thank you,
Courtney Jackson

Chatham Kent Rural Pipeline Expansion project

Lauren Whitwham

Sent: Thu 31/01/2019 2:44 PM

To: Chris Plain; [REDACTED]

Cc: Ken McCorkle

Greeting Chief Plain and Sharilyn,

Hope you are keeping warm in this very cold weather!

We just wanted to touch base on the Chatham Kent Rural Pipeline Expansion project we met with you about in 2018.

The project is currently on hold with the Ontario Energy Board while we wait for the details of Bill 32, Access to Natural Gas Act, to be determined. Once the details are ironed out, Union Gas will be filing an updated application to the Ontario Energy Board.

If approved, we plan to move forward on it with the route and plans we previously discussed. If there are any changes or updates, we will reach out and provide you with that information.

In the meantime, if you have any questions or concerns on this project or anything else, please feel free to contact Ken McCorkle [REDACTED] or myself.

Miigwech, Thank you

Lauren

Lauren Whitwham

Correspondence - Bkejwanong (Walpole Island) First Nation

From: Lauren Whitwham
To: [REDACTED] Dean Jacobs'
Cc: Ken McCorkle
Subject: Chatham Kent Rural Pipeline Expansion Project

Sent: Thu 31/01/2019 1:26 PM

Greeting Chief Miskokomon and Dr. Jacobs,

Hope you are keeping warm in this very cold weather!

We just wanted to touch base on the Chatham Kent Rural Pipeline Expansion project we met with you about in 2018.

The project is currently on hold with the Ontario Energy Board while we wait for the details of Bill 32, Access to Natural Gas Act, to be determined. Once the details are ironed out, Union Gas will be filing an updated application to the Ontario Energy Board.

If approved, we plan to move forward on it with the route and plans we previously discussed. If there are any changes or updates, we will reach out and provide you with that information.

In the meantime, if you have any questions or concerns on this project or anything else, please feel free to contact Ken McCorkle (519-365-0584) or myself.

Miigwech, Thank you

Lauren

Lauren Whitwham
Analyst, Indigenous Affairs

—

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109 Commissioners Road West, London, ON N6A4P1
uniongas.com
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Correspondence - Caldwell First Nation

From: Ken McCorkle [REDACTED]
Sent: October 2, 2018 10:45 AM
To: [REDACTED]
Cc: Lauren Whitwham [REDACTED]
Subject: Chatham-Kent Project (Caldwell First Nation)

Hello Nikki:

I trust this email finds you well!

I called your office and heard you are on two weeks' vacation. The reason I mention this is simply because I am jealous. I just wanted to follow up from our meeting on June 11/18 with you and Melody regarding the Chatham-Kent Project for Union Gas. This project has had little movement over the past few months as a result of the funding direction with the new Provincial Government in place. Having said that I have a presentation that our Environmental officer and myself can present to you or your designate regarding this project. Upon your return could you give me a call and we can make arrangements for this to take place. In the interim if there any further questions or concerns please do not hesitate to contact me.

Miigwetch,
Ken

Ken McCorkle
Manager, Indigenous Affairs
Union Gas Ltd

From: Nikki Orosz [REDACTED] [Next](#) [Previous](#)
Sent: October-17-18 7:01 PM
To: Ken McCorkle
Cc: Lauren Whitwham; Tammy Jolicoeur
Subject: [External] RE: Chatham-Kent Project (Caldwell First Nation)

Hi Ken,

(hahahaha)

If you can let me know how long the presentation is, I can check with the Council on whether we can see you at the next Council meeting on October 29 (morning meeting).

Thank you,

--

Nikki Orosz

Director of Operations

Caldwell First Nation
14 Orange Street
Leamington | ON | N8H 1P5

From: Ken McCorkle Sent: Thu 18/10/2018 8:52 AM
To: Nikki Orosz
Cc: Lauren Whitwham; Tammy Jolicœur
Subject: RE: [External] RE: Chatham-Kent Project (Caldwell First Nation)

Hello Nikki:
Yes we can attend the 29th council meeting! This presentation is about 30 minutes which is followed up by ongoing meetings and communications to keep you apprised of the project.
Could you please confirm the time and I assume it will be at your Orange Street location?

Miigwetch,
Ken

From: Ken McCorkle [redacted] Next Previous
Sent: October 26, 2018 10:38 AM
To: Nikki Orosz [redacted] Mary Duckworth [redacted]
Cc: Lauren Whitwham [redacted]
Subject: RE: [External] RE: Union Gas Chatham-Kent & Windsor Line Replacement!

Hello Nikki:
Please find attached a copy of the presentation for the Chatham-Kent Project to be presented on Monday.
Regarding the Windsor project we are in the early stage of this and I will provide a map and scope outline on Monday for this one.
Could you let me know how many will be in attendance as I will bring a hard copy for each attendee?

Miigwetch,
Ken

Ken McCorkle
Manager, Indigenous Affairs
Union Gas Ltd.

From: Lauren Whitwham [redacted]
Sent: January 31, 2019 2:53 PM
To: [redacted]
Cc: Ken McCorkle <[redacted]>
Subject: Chatham Kent Rural Pipeline Expansion Project

Greetings Melody and Nikki,

Hope you are keeping warm in this very cold weather!

We just wanted to touch base on the Chatham Kent Rural Pipeline Expansion project we met with you about in 2018.

The project is currently on hold with the Ontario Energy Board while we wait for the details of Bill 32, Access to Natural Gas Act, to be determined. Once the details are ironed out, Union Gas will be filing an updated application to the Ontario Energy Board.

If approved, we plan to move forward on it with the route and plans we previously discussed. If there are any changes or updates, we will reach out and provide you with that information.

In the meantime, if you have any questions or concerns on this project or anything else, please feel free to contact Ken McCorkle (519-365-0584) or myself.

Miigwech, Thank you

Lauren

Lauren Whitwham
Analyst, Indigenous Affairs

From: Nikki Orosz [REDACTED] Sent: Sun 17/02/2019 12:52 PM
To: Lauren Whitvham; Melody Watson
Cc: Ken McCorkle
Subject: [External] RE: Chatham Kent Rural Pipeline Expansion Project

Good afternoon,

At this time, the Council has no concerns with what was presented to-date. Please forward any changes or developments on the project as they become available.

Thank you,

Nikki Orosz

Director of Operations

Caldwell First Nation
14 Orange Street
Leamington | ON | N8H 1P5
[REDACTED]

Correspondence - Chippewa of the Thames First Nation

Chatham Kent Rural Pipeline Expansion project

Lauren Whitwham

Sent: Thu 31/01/2019 2:45 PM

To: [REDACTED]

Cc: Ken McCorkle

Greeting Chief Henry, Kelly and Emma,

Hope you are keeping warm in this very cold weather!

We just wanted to touch base on the Chatham Kent Rural Pipeline Expansion project we met with you about in 2018.

The project is currently on hold with the Ontario Energy Board while we wait for the details of Bill 32, Access to Natural Gas Act, to be determined. Once the details are ironed out, Union Gas will be filing an updated application to the Ontario Energy Board.

If approved, we plan to move forward on it with the route and plans we previously discussed. If there are any changes or updates, we will reach out and provide you with that information.

In the meantime, if you have any questions or concerns on this project or anything else, please feel free to contact Ken McCorkle [REDACTED] or myself.

Miigwech, Thank you

Lauren

Lauren Whitwham
Analyst, Indigenous Affairs

Correspondence - Chippewas of the Kettle and Stony Point First Nation

Chatham Kent Rural Pipeline Expansion project

[Lauren Whitwham](#)

Sent: Thu 31/01/2019 2:45 PM

To:

Cc: Ken McCorkle

Greeting Chief Henry, Mr. Couchie and Ms. George,

Hope you are keeping warm in this very cold weather!

We just wanted to touch base on the Chatham Kent Rural Pipeline Expansion project we met with you about in 2018.

The project is currently on hold with the Ontario Energy Board while we wait for the details of Bill 32, Access to Natural Gas Act, to be determined. Once the details are ironed out, Union Gas will be filing an updated application to the Ontario Energy Board.

If approved, we plan to move forward on it with the route and plans we previously discussed. If there are any changes or updates, we will reach out and provide you with that information.

In the meantime, if you have any questions or concerns on this project or anything else, please feel free to contact Ken McCorkle (519-365-0584) or myself.

Miigwech, Thank you

Lauren

Lauren Whitwham
Analyst, Indigenous Affairs

Correspondence - Oneida Nation of the Thames

From: Ken McCorkle
To: [REDACTED]
Cc: Lauren Whitwham
Subject: Chatham-Kent Natural Gas Project (Oneida First Nation)

Sent: Tue 02/10/2018 11:19 AM [REDACTED]

Hello Grant:
I just wanted to follow up with you regarding the Chatham-Kent project we have spoken of. There has been little movement on this project as the result of the new Provincial government reviewing the funding model and determining a new program. Could you give me a call to set up a mutual time to discuss any new developments on this project. I have a presentation I can speak to and answer any questions you may have. Please call my cell (519-365-0584) at your convenience.

Miigwetch,
Ken

Ken McCorkle
Manager, Indigenous Affairs
Union Gas Ltd
[REDACTED]

We can't change the past, but we can influence our future

From: Ken McCorkle
Sent: November-21-18 11:29 AM
To: [REDACTED]
Cc: Lauren Whitwham
Subject: RE: Chatham-Kent Natural Gas Project (Oneida First Nation)

Next Previous

Hello Grant:
I am just following up from our last correspondence regarding the Union Gas Chatham-Kent Rural project. I am attaching a presentation that I have regarding this project. I can attend to address the material if you require any further clarification. As noted I will wait to hear from you regarding further follow up or any involvement you want regarding this project.

Miigwetch,
Ken

Ken McCorkle
Manager, Indigenous Affairs
Union Gas Ltd
[REDACTED]

We can't change the past, but we can influence our future

From: Lauren Whitwham
To: [REDACTED]
Cc: Ken McCorkle
Subject: Chatham Kent Rural Pipeline Expansion Project
Sent: Thu 31/01/2019 2:46 PM

Greeting Chief Hill and Mr. Doxator,

Hope you are keeping warm in this very cold weather!

We just wanted to touch base on the Chatham Kent Rural Pipeline Expansion project we met with you about in 2018.

The project is currently on hold with the Ontario Energy Board while we wait for the details of Bill 32, Access to Natural Gas Act, to be determined. Once the details are ironed out, Union Gas will be filing an updated application to the Ontario Energy Board.

If approved, we plan to move forward on it with the route and plans we previously discussed. If there are any changes or updates, we will reach out and provide you with that information.

In the meantime, if you have any questions or concerns on this project or anything else, please feel free to contact Ken McCorkle (519-365-0584) or myself.

Miigwech, Thank you

Lauren

Lauren Whitwham

Analyst, Indigenous Affairs

—

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109 Commissioners Road West, London, ON N6A4P1

uniongas.com

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From: Ken McCorkle
To: environment@oneida.on.ca
Cc: Lauren Whitwham; [REDACTED]
Subject: FW: Chatham Kent Rural Pipeline Expansion Project
Sent: Fri 01/02/2019 11:44 AM

Message: Chatham-Kent Rural.pdf

Hello Brandon:

I understand you are now looking after the consultation outreach for Oneida First Nation. Please see the attached presentation I made to your predecessor and the email below regarding the Chatham-Kent Rural project for Union Gas. As per our phone conversation this morning I will meet with your committee on Thursday Feb 7 at 1:15PM (Political Office, 2212 Elem Ave).

I also want to include for Chloe's purpose at the MENDM that we are in agreement that Union and Oneida are satisfied with the consultation process to this point.

Thank you for your time and looking forward to our gathering!

Miigwech,

Ken

Ken McCorkle

Manager, Indigenous Affairs

Union Gas Ltd.

[REDACTED]

We can't change the past, but we can influence our future

From: Ken McCorkle
To: Brandon Dostator
Cc: McCabe, Shannon (ENERGY); Lauren Whitwham
Subject: Consultation for Enbridge Chatham-Kent Rural Project with Oneida First Nation

Sent: Wed 13/02/2019 2:17 PM

Hello Brandon:

I just wanted to take a moment to thank you and your committee for meeting with Lauren, Norm and myself regarding the Chatham-Kent Rural project for Enbridge Gas Inc. on Thursday February 11, 2019. The meeting was very informative with several great questions asked by your committee regarding the installation process used. We left you with a copy of the presentation for each of your members as presented by Norm Dumouchelle, Environmental Planner for Enbridge. This included a couple of aerial pictures of the road allowance installation to give you a visual of the work to be completed.

As we further discussed Enbridge is open to have a monitor on site for the Archeological surveys if you wish and a tour for your committee of the construction site. Please do not hesitate to follow up with me regarding any further questions or information required. We look forward to any further dialogue with you or any member of your committee.

As a side note to the consultation and as discussed at the meeting Enbridge looks forward to opening discussions on the possibility of bringing Natural gas to the Reserve.

Miigwech,
Ken

Ken McCorkle

Sr Advisor, Indigenous Affairs
Enbridge Gas Inc. - Operating as Union Gas

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ENBRIDGE GAS INC.

Answer to Interrogatory from
Anwaatin Inc.

Interrogatory #6

Reference: Application (updated March 14, 2019), Schedules 22 and 23

Question:

- a) Has Enbridge Gas and/or Union made plans to or considered entering into an agreement (or similar) with First Nation or Métis communities in the region with respect to those communities' treaty rights?
-

Response:

- a) No, Enbridge Gas's practice is to consult with Indigenous nations on an individual Project by Project basis as described in the OEB's Environmental Guidelines.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Industrial Gas Users Association (IGUA)

Interrogatory #1

Reference: Page 9, paragraph 25.

Preamble:

The evidence addresses Enbridge Gas' (EG) forecast total growth in large volume demand (LVD) expected to be served by the project by 2025, indicating as follows:

Total LVD Forecast	31,895 m ³ /hour
Total currently contracted LVD	14,635 m ³ /hour
Incremental anticipated contracted LVD	1,250 m ³ /hour
Specifically identified (2 contracting customers) incremental future LVD	12,950 m ³ /hour
Balance (line 1 – lines 2 to 4) (Table at paragraph 28 refers to this as “Non-specific Large Volume Growth”)	3,060 m ³ /hour

Question:

- a) Please explain the basis for derivation and inclusion of the “Non-specific Large Volume Growth” LVD of 3,060 m³/hour in the total LVD forecast supporting the project. Please address in the response the relationship of this component of the forecast with the other, known components of the forecast listed in the table above.

Response:

- a) The Non-specific Large Volume Growth of 3,060 m³/hr, forecasted in 2024, represents a new, yet to be identified load, equivalent to that of a new 30 to 34 acre greenhouse. It may or may not actually end up being a single new large greenhouse. It might be an addition to an existing operation or a new facility or some other non-agricultural load. It was added to the forecast to represent Enbridge Gas's belief that the greenhouse market will continue to expand and with the proposed Project in-service, it will open up a new area for future greenhouse development and that by 2024 a new facility is likely to locate in the area and contract for capacity created by the Project.

For additional information please see Exhibit B.Staff.2 b).

ENBRIDGE GAS INC.

Answer to Interrogatory from
Industrial Gas Users Association (IGUA)

Interrogatory #2

Reference: Page 10, paragraph 28.

Question:

Please confirm that the small volume growth forecast in support of the project equates to approximately 9.2% of the total growth forecast.

Response:

Confirmed.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Industrial Gas Users Association (IGUA)

Interrogatory #3

Reference: Page 13, paragraph 41.

Preamble:

The evidence states: *Due to the cost allocation methodology to service Contract Customers included in this LTC application, DSM on [sic] existing customers would not reduce the scope of the Bear and Base Line Sections that will reinforce the Chatham East System and is thus not applicable as an alternative to this project.*

Questions:

- a) What “*cost allocation methodology*” does this statement refer to?
- b) Please elaborate on how this cost allocation methodology renders DSM inapplicable as an alternative, in whole or in part, to the proposed project?

Response:

- a) Enbridge Gas is not proposing a cost allocation methodology as part of this application. As explained in the response at Exhibit B.IGUA.6, based on the current OEB-approved methodology, costs will be allocated to rate classes in proportion to Union south rate zone in-franchise design day demands. Further, DSM-related costs will be allocated in accordance with the 2015-2020 DSM Filing Guidelines which direct that “*Cost allocation in rates should be on the same basis as budgeted DSM spending by customer class*”.¹
- b) The current OEB-approved cost allocation methodologies described in part a, have no direct bearing on the applicability of incremental Demand Side Management (“DSM”) alternatives for existing residential and small commercial customers in the Chatham-Kent area to offset forecasted design day demand growth.

As explained in Enbridge Gas’s application and pre-filed evidence, the customer demand (load) growth driving this project is process-oriented and implementing new equipment would present challenges for customers due to both cost and lead times. Further, it was determined that DSM would not substantially impact the demand loads in the near future. It was also determined that due to the high impact of these loads, even significant DSM

¹ EB-2014-0134 Filing Guidelines to the Demand Side Management Framework for Natural Gas Distributors (2015-2020), p. 37.

reductions in consumption for residential and small commercial would not show an appreciable impact on the need for the proposed project.²

In other words, Enbridge Gas is not aware of any DSM alternatives, for existing customers that are suitable to offset the design day demand growth anticipated, either in whole or in part. Further, Enbridge Gas understands from the OEB that it is not appropriate to obligate new large volume customers to participate in DSM programs, in its 2015-2020 DSM Framework the OEB states that the OEB is “...of the view that rate funded DSM programs for large volume customers should not be mandated as these customers are sophisticated and typically competitively motivated to ensure their systems are efficient.”³

² EB-2018-0188 Application, pp. 6-10; Schedule 8, p. 14.

³ EB-2014-0134 Report of the Board Demand Side Management Framework for Natural Gas Distributors (2015-2020), p. 27.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Industrial Gas Users Association (IGUA)

Interrogatory #4

Reference: Paragraph 45.

Preamble:

The evidence indicates that the subsidy payable in relation to this project under the *Expansion of Natural Gas Distribution Systems* regulation will be treated as a contribution in aid of construction (CIAC) payment in accounting for the project.

We understand EG's proposal to be that the \$8 million subsidy payable under the regulation will be deducted by EG from the total forecast project cost of \$19.1 million resulting in a total forecast project cost for recovery from customers of \$10.6 million.

Questions:

- a) Please confirm that our understanding is correct.
- b) Please confirm that, in the result, the subsidy payable under the regulation will be allocated to all customers ultimately bearing costs associated with the proposed project in accord with the methodology ultimately applied to allocate recovery by EG of the \$10.6 million of project costs net of application of the subsidy (i.e. the subsidy will not be directed towards any particular customer group).

Response:

- a) Confirmed.
- b) Confirmed.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Industrial Gas Users Association (IGUA)

Interrogatory #5

Reference: Page 15, paragraph 49 *et seq.* addressing cost recovery.

Questions:

- a) Please explain the entry on line 5 of the table at paragraph 50; *Capital to be recovered from future customers* -\$2,000,000. Please include details regarding nature, and the derivation, of this figure.
- b) Please explain how EG proposes to implement/recover the proposed Hourly Allocation Factor of \$287/m³/hour from contract customers contracting for incremental service provided by the project (i.e. rate rider, lump sum, etc).
- c) Please explain, in reference to the response to part (a) of this question or otherwise, whether EG's proposal for recovery of an Hourly Allocation Factor from contract customers can be said to entail a cross-subsidy from contract customers to general service customers in relation to the capital costs of the proposed project. If not, please explain why not.

Response:

- a) Please see Enbridge Gas's response to Exhibit B.Staff.3 d).
- b) Please see Enbridge Gas's response to Exhibit B.Staff.2 c) and d).
- c) Please see Enbridge Gas's response to Exhibit B.Staff.3 e).

ENBRIDGE GAS INC.

Answer to Interrogatory from
Industrial Gas Users Association (IGUA)

Interrogatory #6

Reference: Page 5, paragraphs 12 and 13.

Preamble:

The evidence references the connection of the proposed reinforcement to the Panhandle System through the Dover Centre.

Question:

Please indicate the basis upon which EG anticipates allocation of project costs (net of CIAC and Hourly Allocation Factor contributions) to rates.

(Please note that the intent of this question is not to delve into rate making details, but rather to establish whether the allocation of project costs to be proposed places this project in the same category as Panhandle Reinforcement and other projects, allocation of the costs of the OEB has determined [EB-2017-0306/0307] is to be reconsidered prior to EG's 2020 rates being set.)

Response:

Please see Enbridge Gas's response to Exhibit B.Staff.2 x).

Enbridge Gas is not proposing a cost allocation methodology as part of this proceeding. Based on current approved cost allocation methodology, the Project costs would be considered Other Transmission assets and allocated to rate classes in proportion to Union Gas South Rate Zone in-franchise design day demands. This allocation methodology is different than the current approved allocation of Panhandle transmission costs, which will be subject to review as part of Enbridge Gas' 2020 rates application.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Industrial Gas Users Association (IGUA)

Interrogatory #7

Reference: Page 18, paragraph 54 and footnote 15.

Preamble:

The evidence confirms that EG's economic feasibility analysis for the project proceeded on the basis of E.B.O. 188, but also refers to the project costs as "transmission" costs (which brings to mind E.B.O. 134).

Question:

Please explain the basis upon which this project is appropriately considered an E.B.O. 188 project rather than an E.B.O. 134 project. Please include in the response a discussion of the parameters that EG applied to make this determination.

Response:

The Project scope and economics were largely determined by stipulations in the original Natural Gas Grant Program (which was subsequently cancelled and effectively replaced with Bill 32 – O. Reg. 24/19.

Within the actual NGGP application form, in Section C – Project Financials, Table 2, where the applicant had to report on the Profitability Index of the Proposed Project was the following note:

“Profitability Index to be determined consistent with Ontario Energy Board Guidelines For Assessing And Reporting On Natural Gas System Expansion In Ontario.”

The guidelines referenced in the note are contained in Appendix B of the E.B.O.188 Decision. Enbridge Gas therefore concluded that the NGGP program follow the E.B.O.188 guidelines. The Project economics are consistent with the guidelines.