

DECISION AND ORDER

EB-2018-0263

EPCOR NATURAL GAS LIMITED PARTNERSHIP

Application for leave to construct natural gas transmission pipeline and associated facilities to serve the Municipality of Arran-Elderslie, the Municipality of Kincardine and the Township of Huron-Kinloss

BEFORE: Susan Frank
Presiding Member

Lynne Anderson
Member

Robert Dodds
Member

July 11, 2019

TABLE OF CONTENTS

1	INTRODUCTION AND SUMMARY.....	1
2	THE PROCESS	3
3	LEAVE TO CONSTRUCT.....	5
3.1	NEED FOR THE PROJECT.....	5
3.2	PROPOSED FACILITIES AND ALTERNATIVES	6
3.3	PROJECT COSTS AND ECONOMICS	7
3.4	ENVIRONMENTAL MATTERS.....	8
3.5	LAND MATTERS.....	9
3.6	INDIGENOUS CONSULTATION	10
3.7	CONDITIONS OF APPROVAL.....	13
4	CERTIFICATES	15
5	MUNICIPAL FRANCHISE AGREEMENTS	16
6	ORDER	18

SCHEDULE A
SCHEDULE B
SCHEDULE C
SCHEDULE D
SCHEDULE E
SCHEDULE F
SCHEDULE G
SCHEDULE H
SCHEDULE I
SCHEDULE J
SCHEDULE K
SCHEDULE L
SCHEDULE M
SCHEDULE N
SCHEDULE O
SCHEDULE P

1 INTRODUCTION AND SUMMARY

EPCOR Natural Gas Limited Partnership (ENGLP) applied to the Ontario Energy Board (OEB) under section 90(1) of the *Ontario Energy Board Act, 1998* (OEB Act) for an order granting leave to construct approximately 120 kilometres of natural gas transmission pipeline to serve the Municipality of Arran-Elderslie, the Municipality of Kincardine and the Township of Huron-Kinloss (Southern Bruce Municipalities) (Southern Bruce Project or the Proposed Project). ENGLP is also seeking approval for the proposed form of easement agreements, pursuant to section 97 of the OEB Act.

The Proposed Project is composed of approximately 60 kilometres of steel NPS 8 pipeline, approximately 15 kilometres of steel NPS 6 pipeline, and approximately 45 kilometres of MDPE NPS 6 pipeline. A map detailing the route of the Proposed Project is attached as Schedule A to this Decision and Order. ENGLP plans to start construction in 2019 to begin providing gas distribution service to the Southern Bruce Municipalities by the 2019-2020 heating season, and have all construction completed by the end of 2021.

The OEB held a competitive bidding process to select a proponent to provide natural gas service to the Southern Bruce Municipalities. South Bruce is the largest area in southern Ontario that does not currently have access to natural gas. In the OEB's decision in the South Bruce Expansion Applications¹ issued on April 12, 2018 (the Expansion Decision) the OEB declared ENGLP the successful proponent for the Southern Bruce gas distribution project. ENGLP submitted that this decision means that ENGLP does not need to follow the normal process for leave to construct applications. OEB staff and some intervenors disagreed.

The OEB acknowledges that the selection of ENGLP as the utility to provide natural gas to the Southern Bruce Municipalities influences the examination of this leave to construct application. However, ENGLP is required to follow the same legislative requirements for leave to construct as any other proponent. Where the Expansion Decision is relevant to this Leave to Construct Decision and impacts the OEB's findings it will be indicated.

The OEB examined all aspects of ENGLP's leave to construct application and is satisfied that the Proposed Project is in the public interest. Leave to construct the Proposed Project is granted subject to the conditions of approval attached as Schedule B to this Decision and Order (Conditions of Approval). The OEB grants ENGLP's requests to revise the requirement in Condition 2(b)(i). ENGLP must give the OEB

¹ EB-2016-0137 | EB-2016-0138 | EB-2016-0139

notice in writing of the commencement of construction, as soon as construction begins. The OEB also grants ENGLP's proposed revision to Condition 4. Leave to construct is granted for the portions of the project route requiring further archeological assessment conditional upon ENGLP filing a clearance letter from the Ministry of Tourism, Culture and Sport (MTCS) for these portions.

The OEB approves the proposed forms of easement agreement.

The OEB approves ENGLP's municipal franchise agreement with each of the Southern Bruce Municipalities and the County of Bruce, for a twenty year term. The OEB also grants ENGLP a certificate of public convenience and necessity for each of the Municipality of West Grey, the Township of Chatsworth and the Municipality of Brockton, limited to traversing the pipeline route in these municipalities, for the purposes of serving the Southern Bruce Municipalities.

2 THE PROCESS

On June 5, 2018, ENGLP filed its application with the OEB for an order granting leave to construct the Proposed Project.

ENGLP was granted \$22 million for the Proposed Project from the Ontario Ministry of Infrastructure's Natural Gas Grant Program (NGGP). However, the Government of Ontario cancelled the NGGP in September 2018. On November 29, 2018, the OEB placed ENGLP's application for the Proposed Project in abeyance. On February 27, 2019, ENGLP filed an updated application. On March 11, 2019, the Government of Ontario announced funding for the Proposed Project through Bill 32, the *Access to Natural Gas Act, 2018*, which amended the OEB Act upon coming into force on July 1, 2019 and Ontario Regulation 24/19 – Expansion of Natural Gas Distribution Systems.

A Notice of Hearing (Notice) was issued by the OEB on March 22, 2019. Anwaatin Inc. (Anwaatin), the Corporation of the Municipality of Brockton (Municipality of Brockton), Enbridge Gas Inc. (Enbridge Gas), Industrial Gas Users Association (IGUA) and the Municipality of Kincardine, the Municipality of Arran-Elderslie and the Township of Huron-Kinloss (collectively, the Southern Bruce Municipalities) applied for, and were granted, intervenor status.

The OEB proceeded by way of a written hearing. In accordance with Procedural Order No. 1, OEB staff, Anwaatin, Enbridge Gas and IGUA filed interrogatories regarding ENGLP's application on April 24, 2019. ENGLP filed its responses to interrogatories on May 1, 2019. On May 10, 2019, ENGLP filed revised responses to interrogatories, which included updated information regarding impacted landowners. In Procedural Order No. 2, the OEB directed ENGLP to serve Notice on the additional landowners, extending the intervention period to May 27, 2019. OEB staff, Anwaatin, Enbridge Gas and IGUA filed written submissions with the OEB on June 3, 2019. ENGLP filed its reply submission on June 10, 2019.

On July 3, 2019, ENGLP filed a letter requesting a revision to Condition 2(b)(i) which had required ENGLP to provide notice of the commencement of construction ten days prior to the beginning of construction. ENGLP also filed another letter on July 4, 2019 requesting that the OEB revise Condition 4 as only certain portions of the Proposed Project require the completion of a Stage 2 Archaeological Assessment. In its July 4, 2019 letter, ENGLP also filed draft certificates for each of the Municipality of West Grey, the Township of Chatsworth and the Municipality of Brockton limited to traversing these municipalities.

On July 10, 2019, ENGLP filed its final Environmental Protection Plan, and a letter from the Ministry of Tourism, Culture and Sport (MTCS) dated June 21, 2019 confirming that

the fieldwork and reporting for the Stage 1 Archeological Assessment for the Southern Bruce Project was consistent with MTCS' *2011 Standards and Guidelines for Consultant Archaeologists* and the terms and conditions for archaeological reports.

3 LEAVE TO CONSTRUCT

This application seeks an order granting leave to construct a natural gas pipeline under section 90 of the OEB Act. Section 96 of the OEB Act provides that the OEB shall make an order granting leave to construct if the OEB finds that “the construction, expansion or reinforcement of the proposed work is in the public interest”. When determining whether a project is in the public interest, the OEB typically examines the need for the project; the project cost and economics; the environmental impacts; impacts on landowners; and Indigenous consultation.

3.1 Need for the Project

ENGLP used two telephone surveys to forecast the customer and demand profiles for this project. ENGLP forecasted 5,278 customers over the 10-year period.

Southern Bruce Municipalities and the Municipality of Brockton intervened to confirm the need for this project and their support. IGUA also supports ENGLP’s application for leave to construct; however, contracts have yet to be signed with any large users. IGUA submits that execution of customer contracts should not be a precondition to the granting of leave to construct, or to the commencement of construction. OEB staff agrees that the Proposed Project will increase energy options for consumers and is likely to decrease operating expenses and help support economic growth and competitiveness in the area.

Findings

ENGLP was the successful proponent for the Southern Bruce gas distribution project, and many details of the plans to expand to this area were reviewed in the OEB’s previous proceeding to determine the proponent. There is broad support from the communities and from IGUA for the project. South Bruce is the largest area in southern Ontario that does not have access to natural gas and the OEB confirms that gas expansion to this region is appropriate. Finally, the Proposed Project will receive \$22 million in financial support under the *Access to Natural Gas Act, 2018* as indicated in the letter from the Ministry of Energy, Northern Development and Mines (MENDM) of December 21, 2018. For all these reasons, the OEB finds that the Proposed Project is needed.

3.2 Proposed Facilities and Alternatives

ENGLP is proposing to construct the following:

- Approximately 60 kilometres of steel NPS 8 pipeline
- Approximately 15 kilometres of steel NPS 6 pipeline
- Approximately 45 kilometres of MDPE NPS 6 pipeline
- Several pressure regulator and metering stations

ENGLP clarified in its interrogatory response that it was only requesting leave to construct (LTC) the 120 kilometre mainline as described above, and not the 178 km of NPS 4 and NPS 2 distribution pipelines, which ENGLP describes as Customer Connection Lines. OEB staff and Enbridge Gas submitted that ENGLP requires approval for leave to construct all 298 kilometres of both mainline and distribution pipeline. OEB staff noted that Section 90 of the OEB Act does not make a distinction between types of “hydrocarbon lines”, and the proposed pipelines to be built total more than 20 kilometres in length and cost more than \$2 million. ENGLP stated that the proposed distribution systems within the Southern Bruce Municipalities were not included within the study area of the Environmental Report. ENGLP disagreed that leave to construct approval was needed for the distribution lines. ENGLP clarified that the “Customer Connection Lines will consist of many smaller sections of pipeline, none of which individually would be longer than 20 km in length or meet any of the other statutory criteria to trigger a LTC application.”

For the mainline, OEB staff submitted that the proposed routing was appropriately selected from options in the Environmental Assessment. No environmental or socio-economic concerns were noted by stakeholders during the three May 2018 information sessions.

Findings

ENGLP has stated that the Customer Connection Lines will consist of many smaller sections of pipeline, none of which meet the criteria for requiring leave to construct. The OEB accepts ENGLP’s submission that the Customer Connection Lines or distribution lines for this project do not require leave to construct approval. ENGLP accurately described the typical practice for distribution lines that the “Board has granted, LTC approval to “backbone” pipelines without inclusion of distribution portions of systems.” However, if any single service line of NPS 2 or NPS 4 from the mainline to an individual customer or group of customers meets the criteria set out in Section 90 of the OEB Act, and the associated regulation, then ENGLP is required to seek leave to construct from the OEB prior to construction.

The OEB agrees with the OEB staff assessment of the appropriateness of the mainline facilities routing. The determination of the preferred alternative is consistent with the Environmental Assessment report that followed community consultation. The preferred alternative proposed for mainline facilities is accepted.

3.3 Project Costs and Economics

The South Bruce expansion project is a standalone project. The system's capital and OM&A costs are not co-mingled with any other rate bases or costs, but are incurred, recorded and expensed only within the framework of ENGLP's Southern Bruce rate zone.

In the Expansion application, ENGLP indicated that it will take market risk and capital overrun risk during the 10-year rate stabilization period. ENGLP confirmed that the Proposed Project costs and its revenue requirement are consistent with the underlying details that it committed to in its Common Infrastructure Plan (CIP). The total estimated cost of the Proposed Project is \$87 million. The Ontario Government has committed \$22 million of rate protection to the Proposed Project through Bill 32.

The OEB established a ten-year rate stability period for the Proposed Project for the South Bruce Expansion Applications. ENGLP offered further customer protection, confirming that "ENGLP will not include any capital cost overruns associated with the Facilities or Customer Connection Lines in rate base at ENGLP's rebasing application for rates in years 11 and beyond."

ENGLP has proposed deletion of reporting requirements in Conditions 5 and 6 related to project costs, on the basis that ENGLP is taking the financial risk on the capital cost of the project, such that any capital variances over the course of construction will have no impact on revenue requirement. IGUA is concerned that without monitoring of the capital cost of the project, there might be an impact on the reliability of the service and future project costs. OEB staff noted that the reporting requirements have not been revised for any of the other recently approved community expansion projects by Enbridge Gas.

ENGLP noted that the delay in getting government funding and the timeline for the OEB decision on the construction schedule has triggered a revenue deficiency of \$1.764 million on NPV basis compared to that included in ENGLP's CIP.

Findings

As part of the competitive selection process, the OEB assessed the CIP and the project economics presented by ENGLP. The OEB confirms the decision in the Expansion application that this project is expected to be beneficial for the South Bruce area. Given that this is a standalone project, the E.B.O. 188 analysis is not required because ENGLP is held to the costs established in the selection process, and there are no legacy customers who could be adversely impacted.

However, the OEB will continue to require the reporting on Conditions 5 and 6 related to project costs as a means of monitoring the progress on the project. There is currently no scorecard for ENGLP that could provide tracking of significant projects. The OEB directs ENGLP to provide a Post-Construction Financial Report as part of its next rate application. The review shall provide a variance analysis of project cost, schedule and scope compared to the original estimates.

Any issues regarding the revenue deficiency of \$1.764 million can be addressed in the concurrent rate proceeding².

3.4 Environmental Matters

ENGLP retained Stantec Consulting (Stantec) to complete an environmental assessment and to propose a route for the pipeline. ENGLP followed the OEB's Environmental Guidelines³ to assess the potential environmental impact of the mainline portion of the Proposed Project. The environmental assessment, including alternative routing and proposed mitigation measures, was documented in an Environmental and Socio-Economic Impact Assessment Report (ER) completed by Stantec on behalf of ENGLP.

ENGLP provided an updated summary of the OPCC review comments in response to interrogatories. The summary indicated that there are no outstanding concerns from OPCC members.

OEB staff noted that the Stage 1 Archaeological Assessment determined that certain locations along the proposed route require a Stage 2 Archaeological Assessment.

² EB-2018-0264

³ *Environmental Guidelines for the Location, Construction and Operation of Hydrocarbon Pipelines in Ontario*, 7th Edition, 2016 (Environmental Guidelines)

On July 10, 2019, ENGLP filed the final Environmental Protection Plan for the Southern Bruce Project. ENGLP submitted in its reply submission that it will file all environmental screening criteria with the OEB prior to commencing construction on the elements of the Southern Bruce project that are not covered in the current Environmental Report.

Findings

The OEB accepts Stantec's opinion that there will be no long-term impacts from the construction and / or operation of the approximately 120 kilometre proposed mainline, assuming that ENGLP follows the recommended mitigation.

OEB accepts the environmental conditions submitted by OEB staff that OEB approval should be conditional on ENGLP obtaining, filing with the OEB, and adhering to the Ministry of Tourism, Culture and Sport's (MTCS) Stage 2 Archeological Assessment. ENGLP's request to revise this condition is discussed in the section on Conditions of Approval below.

The OEB accepts ENGLP's submissions that the distribution lines do not need to be included in the Environmental Assessment Report, unless an individual section of distribution pipeline meets the criteria for requiring leave to construct. The OEB expects that ENGLP will file all environmental screening criteria with the OEB prior to commencing construction on the elements of the South Bruce project that are not covered in the current Environmental Report.

3.5 Land Matters

ENGLP has determined that the majority of the Proposed Project will be constructed in existing road allowances. For any sections outside of such allowances, ENGLP intends to secure land rights by way of easements from the relevant landowners. The number of potentially affected properties is 39. ENGLP stated that the forms of agreements it has requested approval are substantially similar to those previously approved by the OEB. OEB staff confirmed that the forms of agreement are consistent with previously OEB approved forms.

No party has expressed any issue with respect to the land matters or easements in connection with the Southern Bruce project.

Findings

The OEB approves the proposed forms of agreement for permanent and temporary land use.

3.6 Indigenous Consultation

In accordance with the OEB's Environmental Guidelines, ENGLP contacted the Ministry of Energy⁴ with respect to the Crown's duty to consult. On May 4, 2017, the Ministry informed ENGLP that the duty to consult had been delegated to ENGLP and listed the communities to be consulted.

ENGLP submitted a listing of the contacts made with each of the communities and summarized the issues raised. Feedback from the Saugeen Ojibway Nation (SON) resulted in an updated Archeological Assessment for the Proposed Project. OEB staff noted that ENGLP had stated that it would continue to engage with all identified First Nations and Métis communities concerning the Proposed Project, hear and address (as feasible) concerns and seek information on the exercise of, and potential impacts to Treaty rights in the Proposed Project area. ENGLP also stated that it anticipates it will continue its active involvement in the community in an effort to maintain long-term relationships with First Nations, Métis communities and rights-holder community groups.

On May 1, 2019, the Ministry sent a letter indicating that the Ministry was of the opinion that the procedural aspects of consultation undertaken by ENGLP for the Southern Bruce Project were satisfactory.

Anwaatin – an Indigenous business corporation – intervened in this proceeding. Anwaatin stated that the purpose of its submissions was to “assist the OEB in understanding the interests of Indigenous communities in accessing low-carbon, low-cost natural gas...and reducing the need for First Nations to rely on the electrical grid to provide baseload heat energy”. Anwaatin submitted that the OEB should consider:

- ENGLP's approach to consultation and relationships with Indigenous communities, including expressly determining whether EPCOR has adequately consulted with affected Indigenous communities and fully executed the procedural duties of consultation
- the adequacy of ENGLP's services for its Indigenous customers, and, give priority to expanding reliable and affordable natural gas distribution service to Indigenous communities
- certain proposed amendments to the proposed Municipal Franchise Agreement to reflect the Indigenous rights and processes set out in the Official Plan of Bruce County

⁴ Now the Ministry of Energy, Northern Development and Mines, since the end of June 2018.

Anwaatin also requested that the OEB:

- impose certain conditions of approval regarding the provision of information to First Nations during construction, and for the lifecycle of the South Bruce require ENGLP to permit First Nation monitors to actively participate in ENGLP's environmental and archeological assessment and monitoring work, including providing reasonable financial resources to the First Nations to hire and administer monitors
- require ENGLP to have adequate insurance
- stipulate that all affected First Nations communities receive natural gas service and rates that reflect their inherent rights to the land and resources on which the South Bruce project is built

OEB staff submitted that the duty to consult has been sufficiently discharged for the Southern Bruce project. Among other things, OEB staff noted that none of the Indigenous groups identified by MENDM intervened or otherwise directly participated in this proceeding. OEB staff also noted that it is not aware of any concerns regarding the adequacy of consultation, and that there is no evidence on the record of this proceeding that points to concerns in this regard.

ENGLP in its reply submission stated that it has discharged its delegated consultation obligations, and that no other party disagrees. ENGLP argued that Anwaatin's request that it provide First Nations with certain information for each work site during construction, and for the lifecycle of the South Bruce project where maintenance work involving excavation is required, is overly broad. ENGLP submitted that its commitment to having Indigenous monitors during construction as well as other environmental obligations should be sufficient. ENGLP also submitted that the request for adequate insurance is unnecessary as ENGLP has undertaken a Pipeline Hazard Assessment and an Environmental Report, and that in any event it maintains insurance coverage as prudent for a natural gas utility. In ENGLP's view, Anwaatin's request relating to natural gas service and rates is out of scope of this proceeding, and moreover that as currently configured the South Bruce project is not serving any First Nation communities.

ENGLP also expressed its preference that the proposed Municipal Franchise Agreement remain "as-is". Specifically in relation to Anwaatin's request regarding modifications to the proposed Municipal Franchise Agreement, ENGLP submitted that, if the OEB were to deal with such requests, they should be the subject of a generic proceeding regarding the OEB's Model Franchise Agreement.

Findings

The OEB notes that ENGLP followed the OEB's Environmental Guidelines. ENGLP contacted the Ministry of Energy, which delegated to ENGLP procedural aspects with respect to the Crown's duty to consult in relation to the Southern Bruce Project and identified the communities to be consulted.

The Ministry of Energy, Northern Development and Mines concluded in its letter of May 1, 2019 that the procedural aspects of the consultation undertaken by ENGLP for the purposes of the OEB's Leave to Construct for the Southern Bruce Project are satisfactory.

ENGLP provided a complete record of all consultations including a summary of concerns identified. ENGLP also committed to ongoing consultations.

No party, including Anwaatin, has argued that Indigenous consultations with respect to the Southern Bruce Project have been inadequate. Nor has any party pointed to any potential impacts to Aboriginal or treaty rights that would result from approval of the Southern Bruce Project. The Southern Bruce Project is being built on existing road allowances, which suggests that the potential for harm is limited.

Most of the matters identified in Anwaatin's requests are already covered by the program that ENGLP has in place. The OEB agrees with ENGLP that other matters that Anwaatin has asked the OEB to consider are either overly broad (such as the proposed requirement that certain information for each work site during construction and for the lifecycle of the Southern Bruce project be provided to First Nations) or beyond the scope of this proceeding (i.e. a broader enquiry into the provision of natural gas service to, and natural gas rates for particular Indigenous communities).

With respect to Anwaatin's submission that the proposed Municipal Franchise Agreement should be amended to reflect the Indigenous rights and processes set out in the Official Plan of Bruce County, the OEB notes that no evidence has been provided which would suggest that the execution of the Municipal Franchise Agreement (which is based on the OEB's Model Franchise Agreement) results in any potential impacts to any Aboriginal or treaty rights. Based on the record before it, the OEB sees no compelling reason to require any adjustments to the proposed Municipal Franchise Agreements.

The OEB finds that ENGLP's efforts to date together with its ongoing plans are sufficient for the OEB to conclude that ENGLP has satisfied the duty to consult with respect to the Southern Bruce Project for the purposes of granting leave to construct.

3.7 Conditions of Approval

OEB staff proposed the conditions of service typically attached to leave to construct decisions. ENGLP agreed to inclusion of these conditions to the approval with the exception of Conditions 5 and 6, discussed above.

Enbridge Gas submitted that conditions should be added to require ENGLP to have:

- a Pipeline Integrity Management Program to ensure that proper controls are in place to mitigate safety risks
- an emergency response program
- financial assurance that demonstrates a pipeline operator's capability to respond to leaks and spills under the *Environmental Protection Act, 1990*

ENGLP submitted that it is subject to a variety of legal requirements in a number of different areas beyond those that fall within the OEB's leave to construct jurisdiction. ENGLP indicated it need not demonstrate compliance with each and every one of these in a leave to construct application.

ENGLP filed a letter on July 3, 2019 requesting that the OEB remove the requirement in Condition 2(b)(i) to give the OEB notice in writing of the commencement of construction, at least ten days prior to the date construction commences. ENGLP requested that it be required to provide notice by the beginning of construction, at the latest. ENGLP also filed another letter on July 4, 2019 requesting that the OEB revise Condition 4 as only certain portions of the Proposed Project require the completion of a Stage 2 Archaeological Assessment. ENGLP submitted that Condition 4, as it was currently written, might preclude ENGLP from commencing construction on the portions of the route that do not require further archeological assessment. ENGLP submitted that it was concerned about further delays to the project and its ability to provide service to customers by the end of the year, and that no interested persons would be prejudiced by the removal of Condition 2(b)(i) and the revision of Condition 4 requirements.

Findings

The OEB notes that the standard conditions of approval require compliance with all recommendations of the *Environmental Protection Act, 1990*, the Environmental Report and the Ontario Pipeline Coordinating Committee. Accordingly, the OEB will not add the conditions specifically requested by Enbridge Gas.

The OEB finds that ENGLP's compliance with the Conditions of Approval will ensure that the requirements of other approvals, permits, licenses, and certificates are fully addressed.

In the previous section, the OEB added the following condition beyond the standard conditions to reflect the circumstances of this project:

- ENGLP obtaining, filing with the OEB, and adhering to the Ministry of Tourism, Culture and Sport's (MTCS) Stage 2 Archeological Assessment.

The OEB grants ENGLP's requests to revise the requirement in Condition 2(b)(i). ENGLP must give the OEB notice in writing of the commencement of construction, as soon as construction begins. The OEB also grants ENGLP's proposed revision to Condition 4. Leave to construct is granted for the portions of the project route requiring further archeological assessment conditional upon ENGLP filing a clearance letter from the MTCS for these portions.

Condition 4 now is as follows:

4. Authorization for leave to construct on the portions of the project route requiring further archaeological assessment is granted conditional of ENGLP filing with the OEB a clearance letter from the Ministry of Tourism, Culture and Sport for those portions requiring further assessment prior to the commencement of construction.

The approved Conditions of Approval are attached as Schedule B to this Decision and Order.

4 CERTIFICATES

ENGLP requested certificates for the upper-tier municipalities of Grey County and Bruce County, and for the lower-tier municipalities of the Municipality of West Grey, the Township of Chatsworth and the Municipality of Brockton, each of which would be limited to a strip 500 metres to the north and south of the preferred pipeline route.

OEB staff submitted that only certificates for lower-tier municipalities need to be granted, and that the certificates should limit the authorization for ENGLP to traversing the route in the Municipality of West Grey, the Township of Chatsworth and the Municipality of Brockton, as opposed to being characterized as “limited to 500 metres on either side of the route” in these municipalities. Limiting the certificates to traversing these municipalities ensures that the certificates do not include these potential future customers and allows for future competition to determine who can best serve them (if they are currently unserved).

OEB staff submitted that ENGLP should file draft lower-tier certificates, in a format consistent with those in the EB-2014-0299 proceeding, for the Township of Chatsworth, the Municipality of West Grey and the Municipality of Brockton, describing the roads the high pressure mains will traverse and specifying the certificates’ function.

ENGLP requested the OEB to clearly indicate in its Decision and Order that no CPCNs are required for the County of Bruce or the County of Grey in order to construct and operate its pipeline and serve the Southern Bruce Municipalities.

On July 4, 2019, ENGLP filed draft certificates for the Municipality of West Grey, the Township of Chatsworth and the Municipality of Brockton limited to traversing these municipalities for the purpose of serving the Southern Bruce Municipalities. ENGLP prepared and submitted draft certificates to prevent any further delay to constructing the Proposed Project.

Findings

The OEB does not approve ENGLP’s original proposed approach for certificates that include 500 metres to the north and south of the pipeline. The OEB approves the attached certificates for the lower-tier municipalities of the Municipality of West Grey, the Township of Chatsworth and the Municipality of Brockton, which limit the authorization for ENGLP to traversing the pipeline route in these municipalities to serve the Southern Bruce Municipalities.

The OEB confirms that no certificates are required for the upper tier municipalities of County of Bruce or the County of Grey.

5 MUNICIPAL FRANCHISE AGREEMENTS

ENGLP requested approval of its municipal franchise agreements (MFAs) with each of the Southern Bruce Municipalities, and each of the Township of Chatsworth, the Municipality of West Grey, the Municipality of Brockton, the County of Grey and the County of Bruce.

Several of ENGLP's proposed franchise agreements have been dated and "executed" prior to OEB approval. OEB directions to other gas distributors have been clear that municipalities are only supposed to put proposed franchise agreements through 1st and 2nd readings prior to submitting them to the OEB so that the municipality is finalizing its bylaw and executing the final approved version of the franchise agreement.

Section 6 of the *Municipal Franchises Act* provides an exception to the requirement for OEB approval of an MFA, in the case where infrastructure is meant to pass through a municipality to serve another municipality. OEB staff submitted that OEB approval for the MFAs for the Township of Chatsworth, the Municipality of West Grey, the Municipality of Brockton and the County of Grey is unnecessary, and that the OEB should only approve ENGLP's MFAs with each of the Southern Bruce Municipalities and the County of Bruce.

OEB staff also argued that ENGLP's process did not follow the typical process for franchise agreements, but OEB staff submitted that the OEB should approve the proposed MFAs and declare that the assent of the electors is not necessary.

Enbridge Gas suggested the use of clause 4 (a) in the MFAs was inappropriate and recommended the use of clause 4 (b). OEB staff submitted that they could find no precedents regarding clause 4 usage. However, OEB staff supported the use of clause 4 (a) as ENGLP has not previously provided gas distribution in the area covered by the Proposed Project. ENGLP described the agreements as dealing with "greenfield" projects with no previous municipal franchise agreements.

Finally, Anwaatin requested that ENGLP make certain revisions to its MFAs. This issue is addressed in the Indigenous section.

Findings

The OEB finds that it is in the public interest to approve ENGLP's application requesting approval of its MFAs with each of the Southern Bruce Municipalities and the County of Bruce. The proposed MFAs are in the form of the 2000 Model Franchise Agreement, with no amendments, and are valid for a term of twenty years. Both OEB staff and Enbridge Gas noted that the MFAs between ENGLP and the Southern Bruce

Municipalities and the County of Bruce were dated and executed prior to OEB approval. While the OEB agrees that this is not generally consistent with E.B.O. 125, the OEB considers this to be an administrative matter that does not warrant denying the application, as a municipal by-law with a signed municipal franchise agreement would not be valid prior to the OEB approving it in any event. The OEB finds that the effective date of the franchise agreements between ENGLP and the municipalities will be the date of this Decision and Order issued by the OEB approving the municipal franchise agreements. The OEB expects ENGLP, as well as other rate-regulated gas distributors in the Province, to follow the process set out in E.B.O. 125 when filing future applications for the approval of franchise agreements.

The OEB agrees with ENGLP and OEB staff that clause 4 (a) is more appropriate in the current circumstances. This is a greenfield project and ENGLP has not yet had a franchise agreement with the municipalities.

6 ORDER

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. EPCOR Natural Gas Limited Partnership is granted leave, pursuant to section 90(1) of the OEB Act, to construct approximately 60 kilometres of steel NPS 8 pipeline, approximately 15 kilometres of steel NPS 6 pipeline and approximately 45 kilometres of MDPE NPS 6 pipeline to serve the Municipality of Arran-Elderslie, the Municipality of Kincardine and the Township of Huron-Kinloss, as described in its application.
2. The OEB approves the proposed forms of easement agreement that EPCOR Natural Gas Limited Partnership has offered or will offer to each owner of land affected by the approved pipeline route for the Proposed Project.
3. Leave to construct is subject to EPCOR Natural Gas Limited Partnership complying with the Conditions of Approval set forth in Schedule B.
4. A certificate of public convenience and necessity, attached as Schedule C to this Decision and Order, is granted to EPCOR Natural Gas Limited Partnership to construct pipeline facilities in the Township of Chatsworth to supply natural gas to the Municipality of Arran-Elderslie, Municipality of Kincardine and the Township of Huron-Kinloss. A map of the pipeline route traversing the Township of Chatsworth is attached as Schedule D.
5. A certificate of public convenience and necessity, attached as Schedule E to this Decision and Order, is granted to EPCOR Natural Gas Limited Partnership to construct pipeline facilities in the Municipality of West Grey to supply natural gas to the Municipality of Arran-Elderslie, Municipality of Kincardine and the Township of Huron-Kinloss. A map of the pipeline route traversing the Municipality of West Grey is attached as Schedule F.
6. A certificate of public convenience and necessity, attached as Schedule G to this Decision and Order, is granted to EPCOR Natural Gas Limited Partnership to construct pipeline facilities in the Municipality of Brockton to supply natural gas to the Municipality of Arran-Elderslie, Municipality of Kincardine and the Township of Huron-Kinloss. A map of the pipeline route traversing the Municipality of Brockton is attached as Schedule H.
7. The terms and conditions upon which, and the period for which, the Municipality of Arran-Elderslie has, by by-law, granted to EPCOR Natural Gas Limited Partnership the right to construct and operate works for the distribution, transmission and storage of natural gas, and the right to extend and add to the works, in the municipality, as set out in the municipal franchise agreement attached as Schedule I,

are approved. A current map of the Municipality of Arran-Elderslie is attached as Schedule J.

8. The terms and conditions upon which, and the period for which, the Municipality of Kincardine has, by by-law, granted to EPCOR Natural Gas Limited Partnership the right to construct and operate works for the distribution, transmission and storage of natural gas, and the right to extend and add to the works, in the municipality, as set out in the municipal franchise agreement attached as Schedule K, are approved. A current map of the Municipality of Kincardine is attached as Schedule L.
9. The terms and conditions upon which, and the period for which, the Township of Huron-Kinloss has, by by-law, granted to EPCOR Natural Gas Limited Partnership the right to construct and operate works for the distribution, transmission and storage of natural gas, and the right to extend and add to the works, in the municipality, as set out in the municipal franchise agreement attached as Schedule M, are approved. A current map of the Township of Huron-Kinloss is attached as Schedule N.
10. The terms and conditions upon which, and the period for which, the County of Bruce has, by by-law, granted to EPCOR Natural Gas Limited Partnership the right to construct and operate works for the distribution, transmission and storage of natural gas, and the right to extend and add to the works, in the municipality, as set out in the municipal franchise agreement attached as Schedule O, are approved. A current map of the County of Bruce is attached as Schedule P.
11. The assent of the municipal electors to each of the abovementioned by-laws is not necessary.
12. Eligible intervenors shall file with the OEB and forward to EPCOR Natural Gas Limited Partnership their respective cost claims in accordance with the OEB's *Practice Direction on Cost Awards* on or before July 25, 2019.
13. EPCOR Natural Gas Limited Partnership shall file with the OEB and forward to intervenors any objections to the claimed costs of the intervenors on or before August 8, 2019.
14. If EPCOR Natural Gas Limited Partnership objects to the intervenor costs, intervenors shall file with the OEB and forward to EPCOR Natural Gas Limited Partnership any responses to any objections for cost claims on or before August 22, 2019.
15. EPCOR Natural Gas Limited Partnership shall pay the OEB's costs incidental to this proceeding upon receipt of the OEB's invoice.

DATED at Toronto July 11, 2019

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary

SCHEDULE A
DECISION AND ORDER
EPCOR NATURAL GAS LIMITED PARTNERSHIP
EB-2018-0263
JULY 11, 2019

SCHEDULE B
DECISION AND ORDER
EPCOR NATURAL GAS LIMITED PARTNERSHIP
EB-2018-0263
JULY 11, 2019

SCHEDULE B – CONDITIONS OF APPROVAL
Application under Section 90 of the OEB Act
EPCOR Natural Gas Limited Partnership
EB-2018-0263

1. EPCOR Natural Gas Limited Partnership (ENGLP) shall construct the facilities and restore the land in accordance with the OEB's Decision and Order in EB-2018-0263 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) ENGLP shall give the OEB notice in writing:
 - i. of the commencement of construction, as soon as 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; and
 - iv. of the in-service date, no later than 10 days after the facilities go into service.
3. ENGLP 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. Authorization for leave to construct on the portions of the project route requiring further archaeological assessment is granted conditional of ENGLP filing with the OEB a clearance letter from the Ministry of Tourism, Culture and Sport for those portions requiring further assessment prior to the commencement of construction.
5. ENGLP shall advise the OEB of any proposed change to OEB-approved construction or restoration procedures. Except in an emergency, ENGLP 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.
6. ENGLP shall file a Post Construction Financial Report, which shall provide a variance analysis of project cost, schedule and scope compared to the estimates filed in this proceeding, including the extent to which the project contingency was utilized, as part of its next rate application upon project completion.

7. Both during and after construction, ENGLP 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 ENGLP's adherence to Condition 1;
 - ii. describe any impacts and outstanding concerns identified during construction;
 - iii. describe the actions taken or planned to be taken to prevent or mitigate any identified impacts of construction;
 - iv. include a log of all complaints received by ENGLP, 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; and
 - 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 ENGLP's adherence to Condition 3;
 - ii. describe the condition of any rehabilitated land;
 - iii. describe the effectiveness of any actions taken to prevent or mitigate any identified impacts of construction;
 - iv. include the results of analyses and monitoring programs and any recommendations arising therefrom; and
 - v. include a log of all complaints received by ENGLP, 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.
8. ENGLP shall designate one of its employees as project manager who will be responsible for the fulfillment of these conditions, shall provide the employee's name and contact information to the OEB and to all the appropriate landowners, and shall clearly post the project manager's contact information in a prominent place at the construction site.

The OEB's designated representative for the purpose of these Conditions of Approval shall be the OEB's Manager of Supply and Infrastructure (or the Manager of any OEB successor department that oversees leave to construct applications).

SCHEDULE C
DECISION AND ORDER
EPCOR NATURAL GAS LIMITED PARTNERSHIP
EB-2018-0263
JULY 11, 2019

Certificate of Public Convenience and Necessity

The Ontario Energy Board grants

EPCOR Natural Gas Limited Partnership

approval under section 8 of the *Municipal Franchises Act*, R.S.O. 1990, c. M.55, as amended, limited to constructing pipeline facilities along

- Grey Road 25, starting at the Dornoch Meter and Regulator Station and ending at Grey Road 3; and
- continuing along Bentinck Sullivan Townline and ending at Grey Road 10, all within the

Township of Chatsworth

as it is constituted on the date of this Decision and Order, in order to supply gas to the Municipality of Arran-Elderslie, the Municipality of Kincardine and the Township of Huron-Kinloss.

DATED at Toronto, July 11, 2019

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary

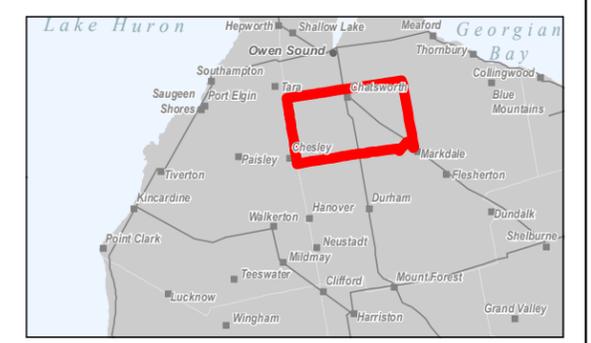
SCHEDULE D
DECISION AND ORDER
EPCOR NATURAL GAS LIMITED PARTNERSHIP
EB-2018-0263
JULY 11, 2019



- Legend**
-  Dornoch Meter and Regulator Station
 -  Pipeline Route
 -  Expressway / Highway
 -  Major Road
 -  Minor Road
 -  Enbridge Gas Pipeline (Approximately)
 -  Watercourse
 -  Municipal Boundary - Lower Tier
 -  Wooded Area
 -  Waterbody



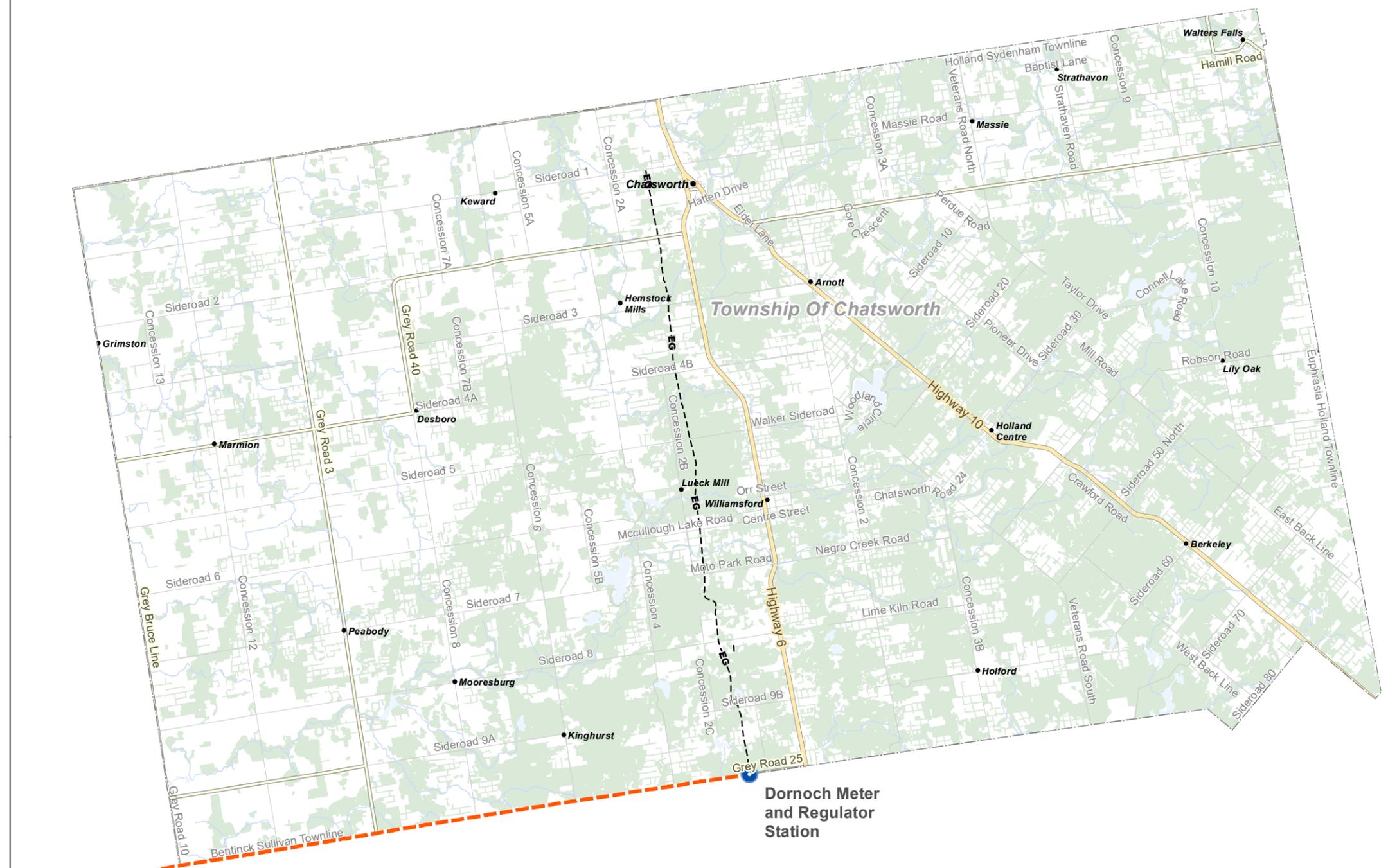
- Notes**
1. Coordinate System: NAD 1983 UTM Zone 17N
 2. Base features produced under license with the Ontario Ministry of Natural Resources and Forestry © Queen's Printer for Ontario, 2019.



Project Location: Counties Of Bruce, Grey and Huron
 Prepared by SPE on 2019-07-03
 Technical Review by BCC on 2019-07-03

Client/Project: EPCOR NATURAL GAS LIMITED PARTNERSHIP (ENGLP) NATURAL GAS SERVICE SOUTHERN BRUCE

Figure No. **1**
 Title: **Township of Chatsworth**



\\cd\1215-01\work_group\01\09\active\160950831\ubonina_nadrowna\XXID\Client_Requests\LIC_CPCN\160951129_LIC_CPCN_Epnl_Chatsworth.mxd Revised: 2019-07-03 by: sceddes

SCHEDULE E
DECISION AND ORDER
EPCOR NATURAL GAS LIMITED PARTNERSHIP
EB-2018-0263
JULY 11, 2019

Certificate of Public Convenience and Necessity

The Ontario Energy Board grants

EPCOR Natural Gas Limited Partnership

approval under section 8 of the *Municipal Franchises Act*, R.S.O. 1990, c. M.55, as amended, limited to constructing pipeline facilities along

- Grey Road 25, starting at the Dornoch Meter and Regulator Station and ending at Grey Road 3; and
- continuing along Bentinck Sullivan Townline and ending at Grey Road 10, all within the

Municipality of West Grey

as it is constituted on the date of this Decision and Order, in order to supply gas to the Municipality of Arran-Elderslie, the Municipality of Kincardine and the Township of Huron-Kinloss.

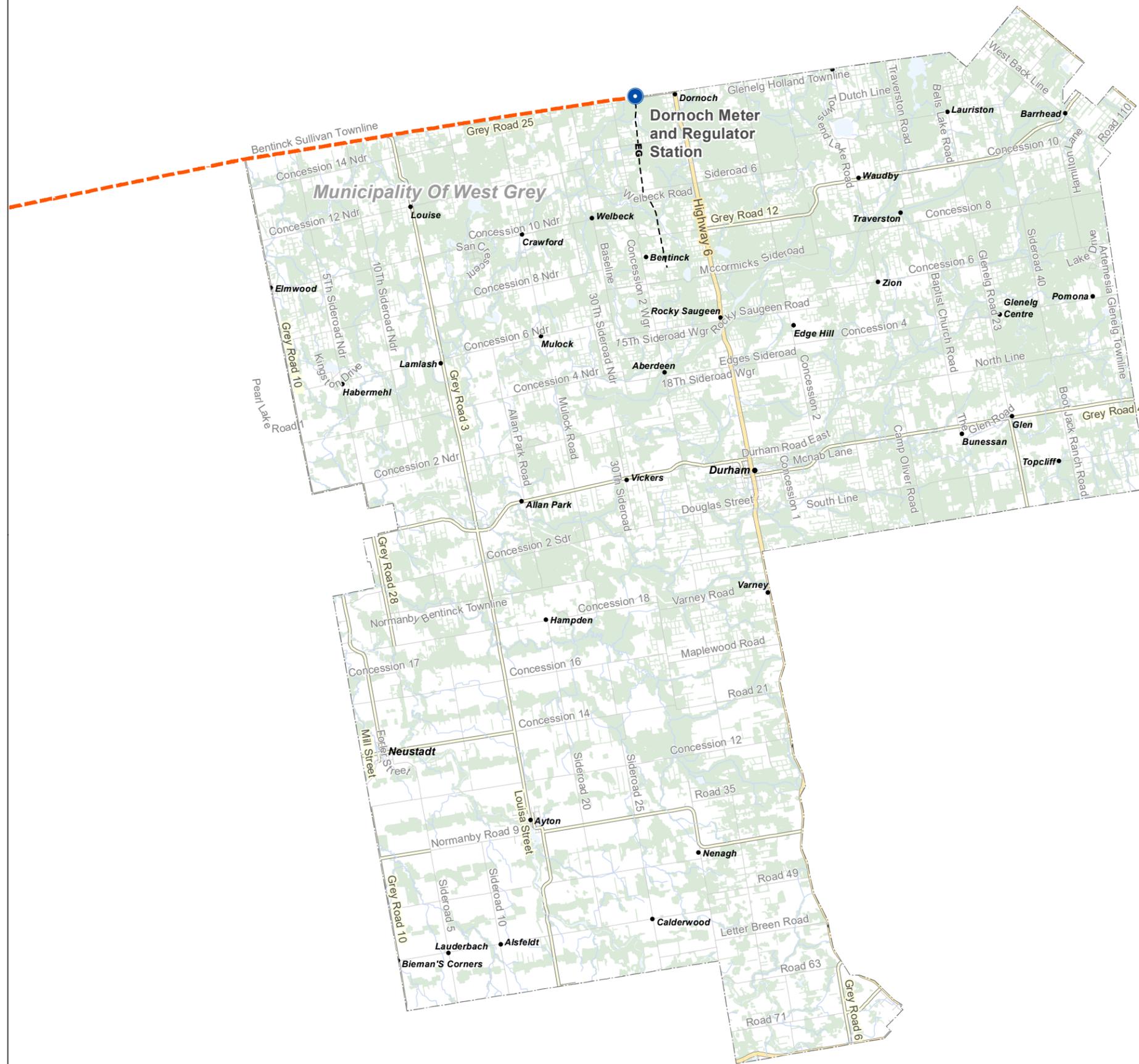
DATED at Toronto, July 11, 2019

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary

SCHEDULE F
DECISION AND ORDER
EPCOR NATURAL GAS LIMITED PARTNERSHIP
EB-2018-0263
JULY 11, 2019

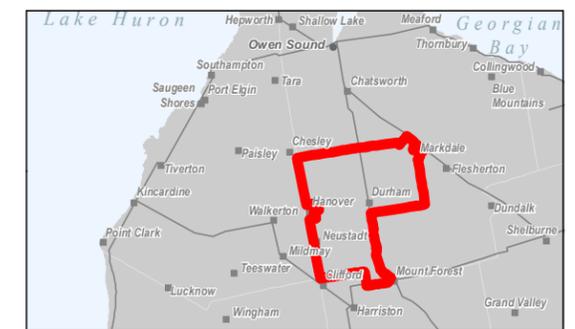


Legend

- Dornoch Meter and Regulator Station
- Pipeline Route
- Expressway / Highway
- Major Road
- Minor Road
- EG-- Enbridge Gas Pipeline (Approximately)
- Watercourse
- Municipal Boundary - Lower Tier
- Wooded Area
- Waterbody



- Notes**
1. Coordinate System: NAD 1983 UTM Zone 17N
 2. Base features produced under license with the Ontario Ministry of Natural Resources and Forestry © Queen's Printer for Ontario, 2019.



Project Location: Counties Of Bruce, Grey and Huron
 Prepared by SPE on 2019-07-03
 Technical Review by BCC on 2019-07-03

Client/Project: EPCOR NATURAL GAS LIMITED PARTNERSHIP (ENGLP) NATURAL GAS SERVICE SOUTHERN BRUCE

Figure No. **1**
 Title: **Municipality Of West Grey-CPCN Map**

C:\Users\j15801\work_group\016097\activa\16095129\CPCN_Ego1_West_Grey.mxd
 Revised: 2019-07-03 10:30:00 AM
 Request: \\C:\Users\j15801\work_group\016097\activa\16095129\CPCN_Ego1_West_Grey.mxd

SCHEDULE G
DECISION AND ORDER
EPCOR NATURAL GAS LIMITED PARTNERSHIP
EB-2018-0263
JULY 11, 2019

Certificate of Public Convenience and Necessity

The Ontario Energy Board grants

EPCOR Natural Gas Limited Partnership

approval under section 8 of the *Municipal Franchises Act*, R.S.O. 1990, c. M.55, as amended, limited to constructing pipeline facilities along

- Bruce Road 19 starting at Grey Road 10 and ending at Sideroad 15 South;
- continuing along Brant-Elderslie, starting at Sideroad 15 South and ending at the intersection of Greenock Elderslie and Greenock Brant;
- continuing along Concession 18, starting at the intersection of Greenock Elderslie and Greenock Brant and ending at Bruce Road 1; and
- continuing along Bruce Road 1, starting at Concession 18 and ending at Bruce Road 20, all within the

Municipality of Brockton

as it is constituted on the date of this Decision and Order, in order to supply gas to the Municipality of Arran-Elderslie, the Municipality of Kincardine and the Township of Huron-Kinloss.

DATED at Toronto, July 11, 2019

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary

SCHEDULE H
DECISION AND ORDER
EPCOR NATURAL GAS LIMITED PARTNERSHIP
EB-2018-0263
JULY 11, 2019

SCHEDULE I
DECISION AND ORDER
EPCOR NATURAL GAS LIMITED PARTNERSHIP
EB-2018-0263
JULY 11, 2019

Model Franchise Agreement

THIS AGREEMENT effective this _____ day of July, 2018.

BETWEEN:

THE CORPORATION OF THE MUNICIPALITY OF ARRAN-ELDERSLIE
hereinafter called the "Corporation"

- and -

EPCOR NATURAL GAS LIMITED PARTNERSHIP,
by its general partner EPCOR ONTARIO UTILITIES INC.
hereinafter called the "Gas Company"

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

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

THEREFORE the Corporation and the Gas Company agree as follows:

Part I - Definitions

1. In this Agreement:

- a. "decommissioned" and "decommissions" when used in connection with parts of the gas system, mean any parts of the gas system taken out of active use and purged in accordance with the applicable CSA standards and in no way affects the use of the term 'abandoned' pipeline for the purposes of the *Assessment Act*;
- b. "Engineer/Road Superintendent" means the most senior individual employed by the Corporation with responsibilities for highways within the Municipality or the person designated by such senior employee or such other person as may from time to time be designated by the Council of the Corporation;
- c. "gas" means natural gas, manufactured gas, synthetic natural gas, liquefied petroleum gas or propane-air gas, or a mixture of any of them, but does not include a liquefied petroleum gas that is distributed by means other than a pipeline;
- d. "gas system" means such mains, plants, pipes, conduits, services, valves, regulators, curb boxes, stations, drips or such other equipment as the Gas Company may require or deem desirable for the distribution, storage and transmission of gas in or through the Municipality;
- e. "highway" means all common and public highways and shall include any bridge, viaduct or structure forming part of a highway, and any public square, road allowance or walkway and shall include not only the travelled portion of such highway, but also ditches, driveways, sidewalks, and sodded areas forming part of the road allowance now or at any time during the term hereof under the jurisdiction of the Corporation;

- f. "Model Franchise Agreement" means the form of agreement which the Ontario Energy Board uses as a standard when considering applications under the *Municipal Franchises Act*. The Model Franchise Agreement may be changed from time to time by the Ontario Energy Board;
- g. "Municipality" means the territorial limits of the Corporation on the date when this Agreement takes effect, and any territory which may thereafter be brought within the jurisdiction of the Corporation;
- h. "Plan" means the plan described in Paragraph 5 of this Agreement required to be filed by the Gas Company with the Engineer/Road Superintendent prior to commencement of work on the gas system; and
- i. whenever the singular, masculine or feminine is used in this Agreement, it shall be considered as if the plural, feminine or masculine has been used where the context of the Agreement so requires.

Part II - Rights Granted

2. To provide gas service:

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

3. To Use Highways

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

4. Duration of Agreement and Renewal Procedures.

- a. If the Corporation has not previously received gas distribution services, the rights hereby given and granted shall be for a term of 20 years from the date of final passing of the By-law.
- b. At any time within two years prior to the expiration of this Agreement, either party may give notice to the other that it desires to enter into negotiations for a renewed franchise upon such terms and conditions as may be agreed upon. Until such renewal has been settled, the terms and conditions of this Agreement shall continue, notwithstanding the expiration of this Agreement. This shall not preclude either party from applying to the Ontario Energy Board for a renewal of the Agreement pursuant to section 10 of the *Municipal Franchises Act*.

Part III - Conditions

5. Approval of Construction

- a. The Gas Company shall not undertake any excavation, opening or work which will disturb or interfere with the surface of the travelled portion of any highway unless a permit therefor has first been obtained from the Engineer/Road Superintendent and all work done by the Gas Company shall be to his satisfaction.

- b. Prior to the commencement of work on the gas system, or any extensions or changes to it (except service laterals which do not interfere with municipal works in the highway), the Gas Company shall file with the Engineer/Road Superintendent a Plan, satisfactory to the Engineer/Road Superintendent, drawn to scale and of sufficient detail considering the complexity of the specific locations involved, showing the highways in which it proposes to lay its gas system and the particular parts thereof it proposes to occupy.
 - c. The Plan filed by the Gas Company shall include geodetic information for a particular location:
 - i. where circumstances are complex, in order to facilitate known projects, including projects which are reasonably anticipated by the Engineer/Road Superintendent, or
 - ii. when requested, where the Corporation has geodetic information for its own services and all others at the same location.
 - d. The Engineer/Road Superintendent may require sections of the gas system to be laid at greater depth than required by the latest CSA standard for gas pipeline systems to facilitate known projects or to correct known highway deficiencies.
 - e. Prior to the commencement of work on the gas system, the Engineer/Road Superintendent must approve the location of the work as shown on the Plan filed by the Gas Company, the timing of the work and any terms and conditions relating to the installation of the work.
 - f. In addition to the requirements of this Agreement, if the Gas Company proposes to affix any part of the gas system to a bridge, viaduct or other structure, if the Engineer/Road Superintendent approves this proposal, he may require the Gas Company to comply with special conditions or to enter into a separate agreement as a condition of the approval of this part of the construction of the gas system.
 - g. Where the gas system may affect a municipal drain, the Gas Company shall also file a copy of the Plan with the Corporation's Drainage Superintendent for purposes of the *Drainage Act*, or such other person designated by the Corporation as responsible for the drain.
 - h. The Gas Company shall not deviate from the approved location for any part of the gas system unless the prior approval of the Engineer/Road Superintendent to do so is received.
 - i. The Engineer/Road Superintendent's approval, where required throughout this Paragraph, shall not be unreasonably withheld.
 - j. The approval of the Engineer/Road Superintendent is not a representation or warranty as to the state of repair of the highway or the suitability of the highway for the gas system.
6. As Built Drawings.

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

Engineer/Road Superintendent, the Gas Company shall provide one copy of the drawings in an electronic format and one copy as a hard copy drawing.

7. Emergencies

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

8. Restoration

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

9. Indemnification

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

10. Insurance

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

11. Alternative Easement

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

12. Pipeline Relocation

- a. If in the course of constructing, reconstructing, changing, altering or improving any highway or any municipal works, the Corporation deems that it is necessary to take up, remove or change the location of any part of the gas system, the Gas Company shall, upon notice to do so, remove and/or relocate within a reasonable period of time such part of the gas system to a location approved by the Engineer/Road Superintendent.
- b. Where any part of the gas system relocated in accordance with this Paragraph is located on a bridge, viaduct or structure, the Gas Company shall alter or relocate that part of the gas system at its sole expense.
- c. Where any part of the gas system relocated in accordance with this Paragraph is located other than on a bridge, viaduct or structure, the costs of relocation shall be shared between the Corporation and the Gas Company on the basis of the total relocation costs, excluding the value of any upgrading of the gas system, and deducting any contribution paid to the Gas Company by others in respect to such relocation; and for these purposes, the total relocation costs shall be the aggregate of the following:
 - i. the amount paid to Gas Company employees up to and including field supervisors for the hours worked on the project plus the current cost of fringe benefits for these employees,
 - ii. the amount paid for rental equipment while in use on the project and an amount, charged at the unit rate, for Gas Company equipment while in use on the project,
 - iii. the amount paid by the Gas Company to contractors for work related to the project,
 - iv. the cost to the Gas Company for materials used in connection with the project, and
 - v. a reasonable amount for project engineering and project administrative costs which shall be 22.5% of the aggregate of the amounts determined in items (i), (ii), (iii) and (iv) above.
- d. The total relocation costs as calculated above shall be paid 35% by the Corporation and 65% by the Gas Company, except where the part of the gas system required to be moved is located in an unassumed road or in an unopened road allowance and the Corporation has not approved its location, in which case the Gas Company shall pay 100% of the relocation costs.

Part IV - Procedural and Other Matters

13. Municipal By-laws of General Application

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

14. Giving Notice

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

15. Disposition of Gas System

- a. If the Gas Company decommissions part of its gas system affixed to a bridge, viaduct or structure, the Gas Company shall, at its sole expense, remove the part of its gas system affixed to the bridge, viaduct or structure.
- b. If the Gas Company decommissions any other part of its gas system, it shall have the right, but is not required, to remove that part of its gas system. It may exercise its right to remove the decommissioned parts of its gas system by giving notice of its intention to do so by filing a Plan as required by Paragraph 5 of this Agreement for approval by the Engineer/Road Superintendent. If the Gas Company does not remove the part of the gas system it has decommissioned and the Corporation requires the removal of all or any part of the decommissioned gas system for the purpose of altering or improving a highway or in order to facilitate the construction of utility or other works in any highway, the Corporation may remove and dispose of so much of the decommissioned gas system as the Corporation may require for such purposes and neither party shall have recourse against the other for any loss, cost, expense or damage occasioned thereby. If the Gas Company has not removed the part of the gas system it has decommissioned and the Corporation requires the removal of all or any part of the decommissioned gas system for the purpose of altering or improving a highway or in order to facilitate the construction of utility or other works in a highway, the Gas Company may elect to relocate the decommissioned gas system and in that event Paragraph 12 applies to the cost of relocation.

16. Use of Decommissioned Gas System

- a. The Gas Company shall provide promptly to the Corporation, to the extent such information is known:
 - i. the names and addresses of all third parties who use decommissioned parts of the gas system for purposes other than the transmission or distribution of gas; and
 - ii. the location of all proposed and existing decommissioned parts of the gas system used for purposes other than the transmission or distribution of gas.
- b. The Gas Company may allow a third party to use a decommissioned part of the gas system for purposes other than the transmission or distribution of gas and may charge a fee for that third party use, provided
 - i. the third party has entered into a municipal access agreement with the Corporation; and

- ii. the Gas Company does not charge a fee for the third party's right of access to the highways.
- c. Decommissioned parts of the gas system used for purposes other than the transmission or distribution of gas are not subject to the provisions of this Agreement. For decommissioned parts of the gas system used for purposes other than the transmission and distribution of gas, issues such as relocation costs will be governed by the relevant municipal access agreement.

17. Franchise Handbook

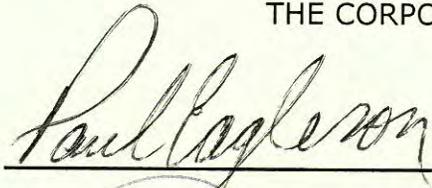
The Parties acknowledge that operating decisions sometimes require a greater level of detail than that which is appropriately included in this Agreement. The Parties agree to look for guidance on such matters to the Franchise Handbook prepared by the Association of Municipalities of Ontario and the gas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

18. Agreement Binding Parties

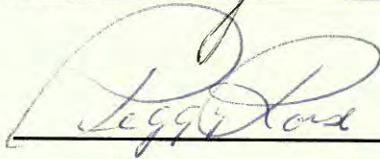
This Agreement shall extend to, benefit and bind the parties thereto, their successors and assigns, respectively.

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

THE CORPORATION OF THE MUNICIPALITY
OF ARRAN-ELDERSLIE



Paul Eagleson, MAYOR

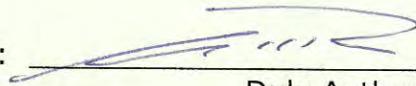


Peggy Rouse, CLERK

We have the authority to bind the corporation

EPCOR NATURAL GAS LIMITED PARTNERSHIP,
by its general partner, EPCOR ONTARIO UTILITIES INC.

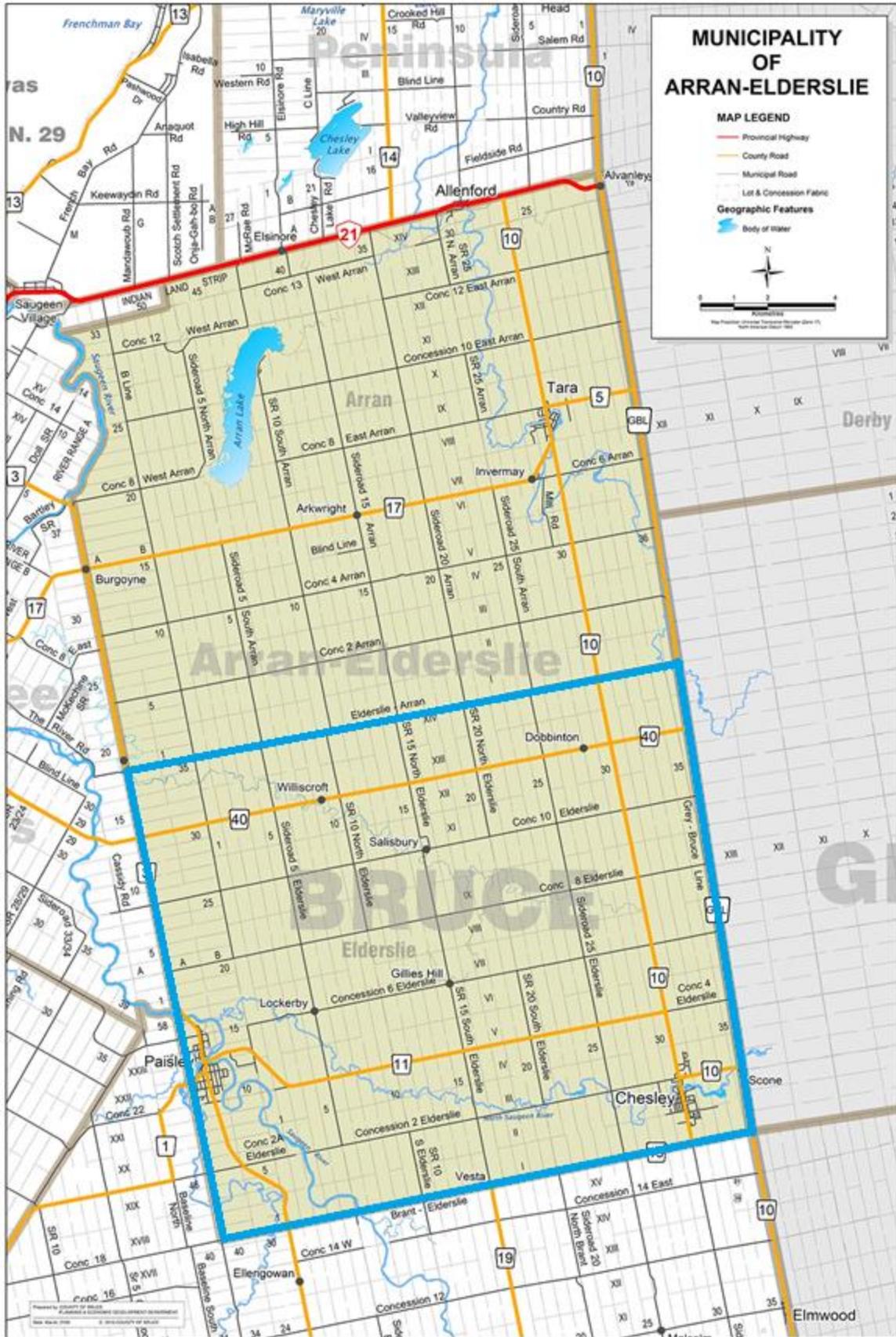
By: _____



Duly Authorized Officer

S.K. Robinson

SCHEDULE J
DECISION AND ORDER
EPCOR NATURAL GAS LIMITED PARTNERSHIP
EB-2018-0263
JULY 11, 2019



SCHEDULE K
DECISION AND ORDER
EPCOR NATURAL GAS LIMITED PARTNERSHIP
EB-2018-0263
JULY 11, 2019

Model Franchise Agreement

THIS AGREEMENT effective this ____ day of July, 2018.

BETWEEN:

THE CORPORATION OF THE MUNICIPALITY OF KINCARDINE
hereinafter called the "Corporation"

- and -

EPCOR NATURAL GAS LIMITED PARTNERSHIP,
by its general partner EPCOR ONTARIO UTILITIES INC.
hereinafter called the "Gas Company"

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

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

THEREFORE the Corporation and the Gas Company agree as follows:

Part I - Definitions

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

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

Part II - Rights Granted

2. To provide gas service:

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

3. To Use Highways

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

4. Duration of Agreement and Renewal Procedures.

- a. If the Corporation has not previously received gas distribution services, the rights hereby given and granted shall be for a term of 20 years from the date of final passing of the By-law.
- b. At any time within two years prior to the expiration of this Agreement, either party may give notice to the other that it desires to enter into negotiations for a renewed franchise upon such terms and conditions as may be agreed upon. Until such renewal has been settled, the terms and conditions of this Agreement shall continue, notwithstanding the expiration of this Agreement. This shall not preclude either party from applying to the Ontario Energy Board for a renewal of the Agreement pursuant to section 10 of the *Municipal Franchises Act*.

Part III - Conditions

5. Approval of Construction

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

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

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

6. As Built Drawings.

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

7. Emergencies

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

8. Restoration

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

9. Indemnification

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

10. Insurance

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

11. Alternative Easement

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

12. Pipeline Relocation

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

- b. Where any part of the gas system relocated in accordance with this Paragraph is located on a bridge, viaduct or structure, the Gas Company shall alter or relocate that part of the gas system at its sole expense.
- c. Where any part of the gas system relocated in accordance with this Paragraph is located other than on a bridge, viaduct or structure, the costs of relocation shall be shared between the Corporation and the Gas Company on the basis of the total relocation costs, excluding the value of any upgrading of the gas system, and deducting any contribution paid to the Gas Company by others in respect to such relocation; and for these purposes, the total relocation costs shall be the aggregate of the following:
 - i. the amount paid to Gas Company employees up to and including field supervisors for the hours worked on the project plus the current cost of fringe benefits for these employees,
 - ii. the amount paid for rental equipment while in use on the project and an amount, charged at the unit rate, for Gas Company equipment while in use on the project,
 - iii. the amount paid by the Gas Company to contractors for work related to the project,
 - iv. the cost to the Gas Company for materials used in connection with the project, and
 - v. a reasonable amount for project engineering and project administrative costs which shall be 22.5% of the aggregate of the amounts determined in items (i), (ii), (iii) and (iv) above.
- d. The total relocation costs as calculated above shall be paid 35% by the Corporation and 65% by the Gas Company, except where the part of the gas system required to be moved is located in an unassumed road or in an unopened road allowance and the Corporation has not approved its location, in which case the Gas Company shall pay 100% of the relocation costs.

Part IV - Procedural and Other Matters

13. Municipal By-laws of General Application

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

14. Giving Notice

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

15. Disposition of Gas System

- a. If the Gas Company decommissions part of its gas system affixed to a bridge, viaduct or structure, the Gas Company shall, at its sole expense, remove the part of its gas system affixed to the bridge, viaduct or structure.

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

16. Use of Decommissioned Gas System

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

17. Franchise Handbook

The Parties acknowledge that operating decisions sometimes require a greater level of detail than that which is appropriately included in this Agreement. The Parties agree to look for guidance on

such matters to the Franchise Handbook prepared by the Association of Municipalities of Ontario and the gas utility companies, as may be amended from time to time.

18. Agreement Binding Parties

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

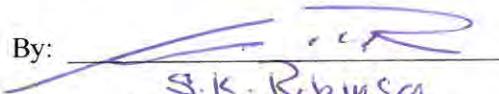
IN WITNESS WHEREOF the parties have executed this Agreement effective from the date written above.

THE CORPORATION OF THE MUNICIPALITY OF KINCARDINE

By:  x. 

Duly Authorized Officer

EPCOR NATURAL GAS LIMITED PARTNERSHIP,
by its general partner, EPCOR ONTARIO UTILITIES INC.

By: 
S.K. Robinson
Duly Authorized Officer

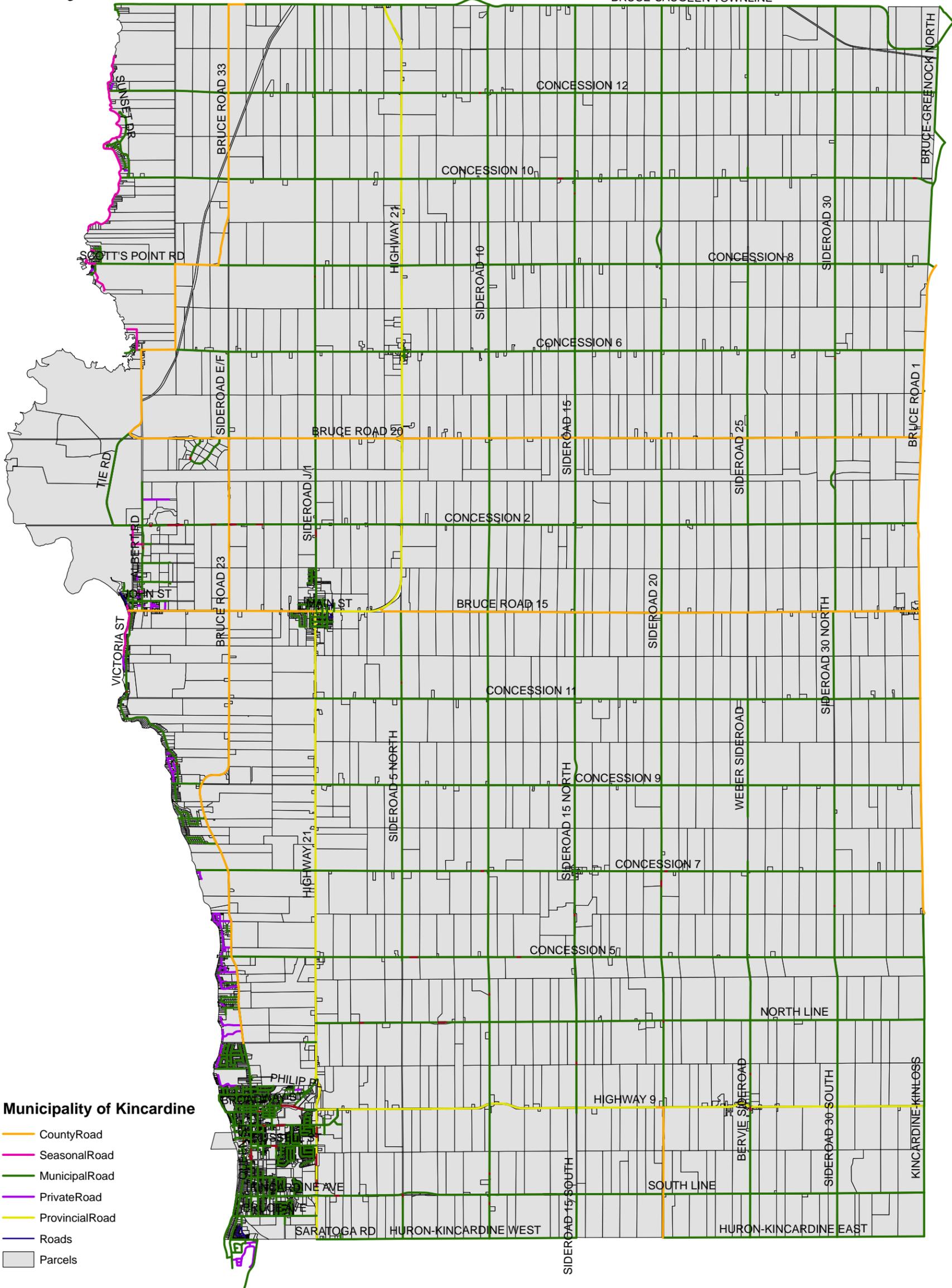
SCHEDULE L
DECISION AND ORDER
EPCOR NATURAL GAS LIMITED PARTNERSHIP
EB-2018-0263
JULY 11, 2019



Municipality of Kincardine



BRUCE-SAUGEEN TOWNLINE



Municipality of Kincardine

- County Road
- Seasonal Road
- Municipal Road
- Private Road
- Provincial Road
- Roads
- Parcels

SCHEDULE M
DECISION AND ORDER
EPCOR NATURAL GAS LIMITED PARTNERSHIP
EB-2018-0263
JULY 11, 2019

Model Franchise Agreement

THIS AGREEMENT effective this 16th day of July, 2018.

BETWEEN:

THE CORPORATION OF THE TOWNSHIP OF HURON-KINLOSS
hereinafter called the "Corporation"

- and -

EPCOR NATURAL GAS LIMITED PARTNERSHIP,
by its general partner EPCOR ONTARIO UTILITIES INC.
hereinafter called the "Gas Company"

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

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

THEREFORE the Corporation and the Gas Company agree as follows:

Part I - Definitions

- I. 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.
- b. At any time within two years prior to the expiration of this Agreement, either party may give notice to the other that it desires to enter into negotiations for a renewed franchise upon such terms and conditions as may be agreed upon. Until such renewal has been settled, the terms and conditions of this Agreement shall continue, notwithstanding the expiration of this Agreement. This shall not preclude either party from applying to the Ontario Energy Board for a renewal of the Agreement pursuant to section 10 of the *Municipal Franchises Act*.

Part III - Conditions

5. Approval of Construction

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

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

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

6. As Built Drawings.

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

7. Emergencies

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

8. Restoration

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

9. Indemnification

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

10. Insurance

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

11. Alternative Easement

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

12. Pipeline Relocation

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

- b. Where any part of the gas system relocated in accordance with this Paragraph is located on a bridge, viaduct or structure, the Gas Company shall alter or relocate that part of the gas system at its sole expense.
- c. Where any part of the gas system relocated in accordance with this Paragraph is located other than on a bridge, viaduct or structure, the costs of relocation shall be shared between the Corporation and the Gas Company on the basis of the total relocation costs, excluding the value of any upgrading of the gas system, and deducting any contribution paid to the Gas Company by others in respect to such relocation; and for these purposes, the total relocation costs shall be the aggregate of the following:
 - i. the amount paid to Gas Company employees up to and including field supervisors for the hours worked on the project plus the current cost of fringe benefits for these employees,
 - ii. the amount paid for rental equipment while in use on the project and an amount, charged at the unit rate, for Gas Company equipment while in use on the project,
 - iii. the amount paid by the Gas Company to contractors for work related to the project,
 - iv. the cost to the Gas Company for materials used in connection with the project, and
 - v. a reasonable amount for project engineering and project administrative costs which shall be 22.5% of the aggregate of the amounts determined in items (i), (ii), (iii) and (iv) above.
- d. The total relocation costs as calculated above shall be paid 35% by the Corporation and 65% by the Gas Company, except where the part of the gas system required to be moved is located in an unassumed road or in an unopened road allowance and the Corporation has not approved its location, in which case the Gas Company shall pay 100% of the relocation costs.

Part IV - Procedural and Other Matters

13. Municipal By-laws of General Application

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

14. Giving Notice

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

15. Disposition of Gas System

- a. If the Gas Company decommissions part of its gas system affixed to a bridge, viaduct or structure, the Gas Company shall, at its sole expense, remove the part of its gas system affixed to the bridge, viaduct or structure.

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

16. Use of Decommissioned Gas System

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

17. Franchise Handbook

The Parties acknowledge that operating decisions sometimes require a greater level of detail than that which is appropriately included in this Agreement. The Parties agree to look for guidance on

such matters to the Franchise Handbook prepared by the Association of Municipalities of Ontario and the gas utility companies, as may be amended from time to time.

18. Agreement Binding Parties

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

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

THE CORPORATION OF THE TOWNSHIP OF HURON-KINLOSS

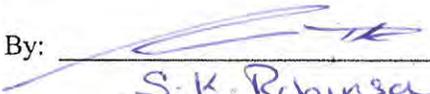
By: 

Mitch Twolan, Mayor

By: 

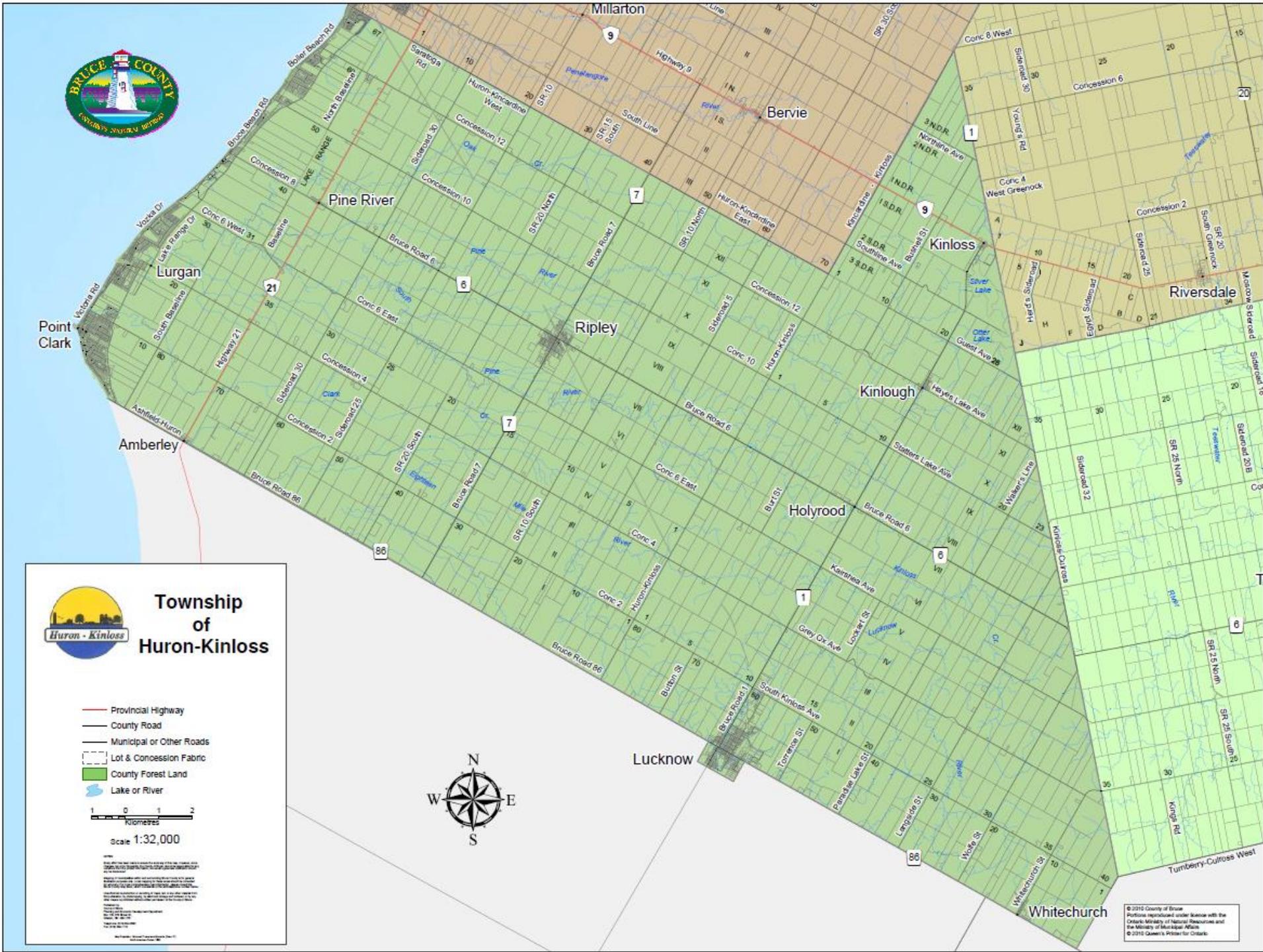
Emily Dance, Clerk

EPCOR NATURAL GAS LIMITED PARTNERSHIP,
by its general partner, EPCOR ONTARIO UTILITIES INC.

By: 

S.K. Robinson
Duly Authorized Officer

SCHEDULE N
DECISION AND ORDER
EPCOR NATURAL GAS LIMITED PARTNERSHIP
EB-2018-0263
JULY 11, 2019



Township of Huron-Kinloss

-  Provincial Highway
-  County Road
-  Municipal or Other Roads
-  Lot & Concession Fabric
-  County Forest Land
-  Lake or River



Scale 1:32,000



© 2010 County of Bruce
Portions reproduced under license with the
Ontario Ministry of Natural Resources and
the Ministry of Municipal Affairs
© 2010 Queen's Printer for Ontario

SCHEDULE O
DECISION AND ORDER
EPCOR NATURAL GAS LIMITED PARTNERSHIP
EB-2018-0263
JULY 11, 2019

20- Year Franchise Agreement

THIS AGREEMENT effective this 6 day of September, 2018.

BETWEEN:

THE CORPORATION OF THE COUNTY OF BRUCE
hereinafter called the "Corporation"

- and -

EPCOR NATURAL GAS LIMITED PARTNERSHIP,
by its general partner EPCOR ONTARIO UTILITIES INC.
hereinafter called the "Gas Company"

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

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

THEREFORE the Corporation and the Gas Company agree as follows:

Part I - Definitions

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

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

Part II - Rights Granted

2. To provide gas service:

The consent of the Corporation is hereby given and granted to the Gas Company to distribute, store and transmit gas in and through the Corporation and to the inhabitants of those local or lower tier municipalities within the Municipality from which the Gas Company has a valid franchise agreement for that purpose.

3. To Use Highways

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

4. Duration of Agreement and Renewal Procedures.

- a. If the Corporation has not previously received gas distribution services, the rights hereby given and granted shall be for a term of 20 years from the date of final passing of the By-law.
- b. At any time within two years prior to the expiration of this Agreement, either party may give notice to the other that it desires to enter into negotiations for a renewed franchise upon such terms and conditions as may be agreed upon. Until such renewal has been settled, the terms and conditions of this Agreement shall continue, notwithstanding the expiration of this Agreement. This shall not preclude either party from applying to the Ontario Energy Board for a renewal of the Agreement pursuant to section 10 of the *Municipal Franchises Act*.

Part III - Conditions

5. Approval of Construction

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

Superintendent approves this proposal, he may require the Gas Company to comply with special conditions or to enter into a separate agreement as a condition of the approval of this part of the construction of the gas system.

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

6. As Built Drawings.

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

7. Emergencies

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

8. Restoration

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

Company shall, on demand, pay the Corporation's reasonably incurred costs, as certified by the Engineer/Road Superintendent.

9. Indemnification

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

10. Insurance

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

11. Alternative Easement

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

12. Pipeline Relocation

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

- b. Where any part of the gas system relocated in accordance with this Paragraph is located on a bridge, viaduct or structure, the Gas Company shall alter or relocate that part of the gas system at its sole expense.
- c. Where any part of the gas system relocated in accordance with this Paragraph is located other than on a bridge, viaduct or structure, the costs of relocation shall be shared between the Corporation and the Gas Company on the basis of the total relocation costs, excluding the value of any upgrading of the gas system, and deducting any contribution paid to the Gas Company by others in respect to such relocation; and for these purposes, the total relocation costs shall be the aggregate of the following:
 - i. the amount paid to Gas Company employees up to and including field supervisors for the hours worked on the project plus the current cost of fringe benefits for these employees,
 - ii. the amount paid for rental equipment while in use on the project and an amount, charged at the unit rate, for Gas Company equipment while in use on the project,
 - iii. the amount paid by the Gas Company to contractors for work related to the project,
 - iv. the cost to the Gas Company for materials used in connection with the project, and
 - v. a reasonable amount for project engineering and project administrative costs which shall be 22.5% of the aggregate of the amounts determined in items (i), (ii), (iii) and (iv) above.
- d. The total relocation costs as calculated above shall be paid 35% by the Corporation and 65% by the Gas Company, except where the part of the gas system required to be moved is located in an unassumed road or in an unopened road allowance and the Corporation has not approved its location, in which case the Gas Company shall pay 100% of the relocation costs.

Part IV - Procedural and Other Matters

13. Municipal By-laws of General Application

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

14. Giving Notice

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

15. Disposition of Gas System

- a. If the Gas Company decommissions part of its gas system affixed to a bridge, viaduct or structure, the Gas Company shall, at its sole expense, remove the part of its gas system affixed to the bridge, viaduct or structure.

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

16. Use of Decommissioned Gas System

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

17. Franchise Handbook

The Parties acknowledge that operating decisions sometimes require a greater level of detail than that which is appropriately included in this Agreement. The Parties agree to look for guidance on

such matters to the Franchise Handbook prepared by the Association of Municipalities of Ontario and the gas utility companies, as may be amended from time to time.

18. Agreement Binding Parties

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

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

THE CORPORATION OF THE COUNTY OF BRUCE

By: Paul Eagleson

Warden, Paul Eagleson

By: Donna Van Wyck

Clerk, Donna Van Wyck

We have the authority to bind the Corporation

EPCOR NATURAL GAS LIMITED PARTNERSHIP,
by its general partner, EPCOR ONTARIO UTILITIES INC.

By: [Signature]

Duly Authorized Officer

S K Robinson

VP, Ontario Region

SCHEDULE P
DECISION AND ORDER
EPCOR NATURAL GAS LIMITED PARTNERSHIP
EB-2018-0263
JULY 11, 2019

Legend

-  Dornoch Meter and Regulator Station
-  Pipeline Route
-  Expressway / Highway
-  Major Road
-  CPCN required
-  Municipal Boundary - Lower Tier
-  Municipal Boundary - Upper Tier
-  Waterbody



- Notes**
1. Coordinate System: NAD 1983 UTM Zone 17N
 2. Base features produced under license with the Ontario Ministry of Natural Resources and Forestry © Queen's Printer for Ontario, 2019.

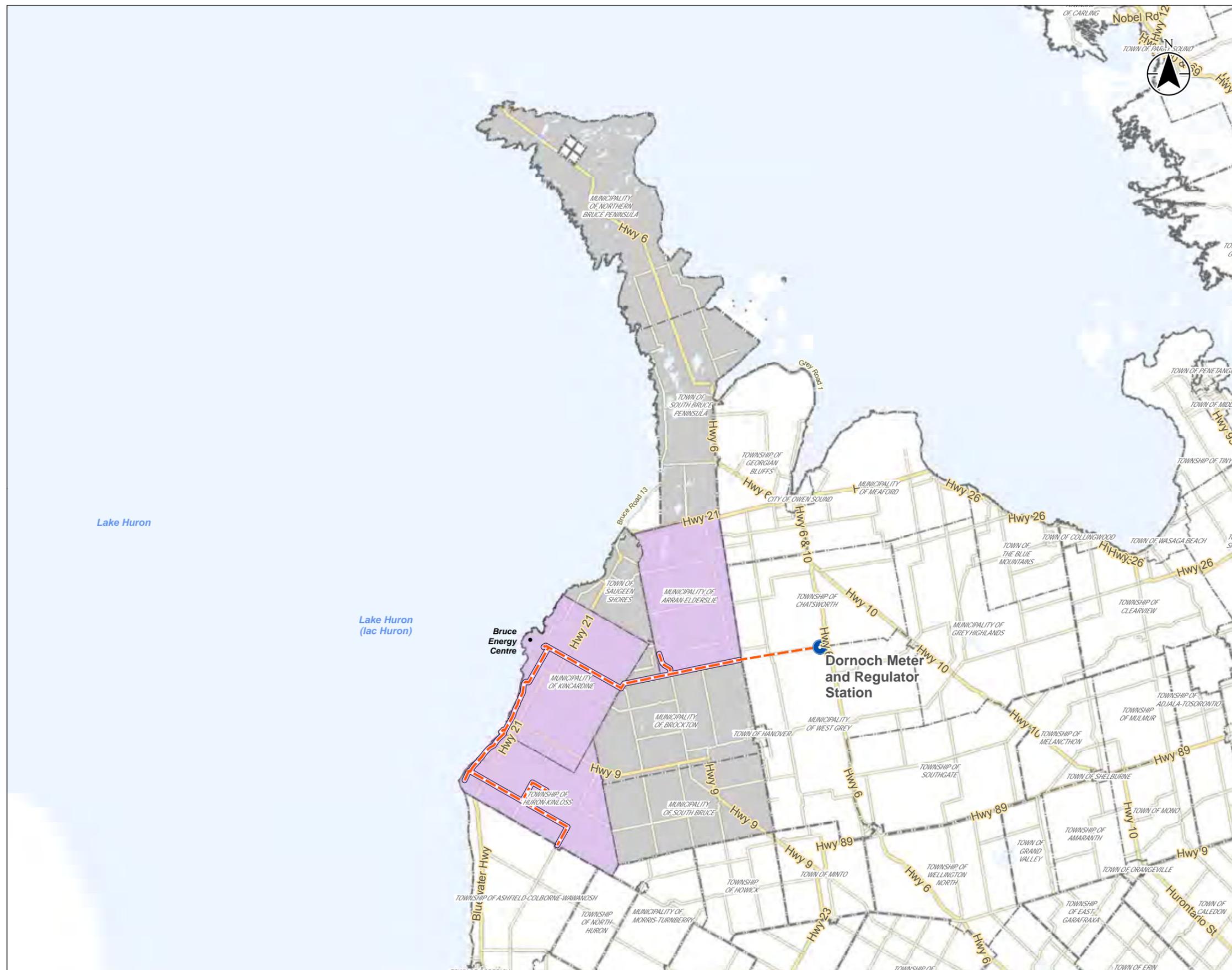


Project Location: Counties Of Bruce, Grey and Huron
 Prepared by SPE on 2019-02-25
 Technical Review by BCC on 2018-06-14

Client/Project: EPCOR NATURAL GAS LIMITED PARTNERSHIP (ENGLP)
 NATURAL GAS SERVICE SOUTHERN BRUCE

Figure No. 1

Title: Map - County Of Bruce



\\cd1215-01\work_group\01609\active\160951105\160951105_Eg01_Service_Area_mapbook_Bruce_Grey.mxd Revised: 2019-02-25 Bx-leades