

May 17, 2022

Ms. Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Marconi:

**Re: Enbridge Gas Inc.
Application for Renewal of Franchise Agreement – Town of Fort Erie
Ontario Energy Board File No. EB-2022-0127**

Further to the May 5, 2022 direction of Ontario Energy Board (OEB) staff, the following is Enbridge Gas' response to the email / letter of comment (Letter) submitted by Christine Knighton for the 50by30 Niagara group.

Enbridge Gas notes in the first instance that the Letter does not constitute an intervention in this proceeding. The Letter is provided by an individual who purports to be representing an organization by the name of 50by30 Niagara, however there is no basis upon which the OEB can determine the origins, objectives or constitution of this organization, the legitimacy of the purported representation or the interests represented. Unlike the process followed by the OEB pursuant to section 22 of its Rules of Practice and Procedure (Rule), a person filing a letter of comment does not submit to the test of satisfying the OEB that they have a substantial interest in the proceeding, nor do they provide further information on their mandate and objectives, membership, etc. as required by the Rule for intervenors. Further, the Letter appears to amount to only a few opinions stated by the submitter, unsubstantiated by any facts and not subject to testing by Enbridge Gas or OEB staff. As such, the OEB should ascribe very little, if any, weight to the Letter. In any event, Enbridge Gas makes the following specific comments on the Letter.

50by30 Niagara Comment:

“Regarding item 4 a) of the 2000 Model Franchise agreement; in light of the urgent need to reduce GHG emission and current reemergence of low emission home heating modalities a twenty year agreement seems excessively long. We will need to make rapid changes in the way we do things in the near future and this type of contract may no longer be appropriate. Ten years seems more reasonable.”

The OEB, in consultation with the Association of Municipalities of Ontario (AMO) and the natural gas utilities of the day, determined the clauses and terminology in the 2000 Model Franchise Agreement which the Town of Fort Erie and all other municipalities are subject to currently and going forward. The OEB has directed that the current 2000 Model Franchise Agreement be used as the model for all franchise agreements between Enbridge Gas and municipalities. It was the OEB's determination that the renewal term for all franchise agreements be the same term length of 20 years.

Indeed, a term of at least 20 years for franchise agreements makes sense in the context of the typically long duration of gas services provided to municipalities. For residential customers, Enbridge Gas conducts its EBO 188 compliant feasibility analysis based on a 40-year service time horizon. Enbridge Gas currently has franchise agreements in place with 312 single/lower-tier municipalities and 24 upper-tier municipalities, all currently on the 2000 Model Franchise Agreement with 20-year terms.

In the normal course, the OEB is reticent to approve any modifications to the long-established 2000 Model Franchise Agreement, given it was the subject of extensive negotiation and examination amongst multiple stakeholders. There is no need for the OEB to deviate from that practice in this case.

It is especially important to note that, in this case, the council of the Town of Fort Erie has accepted the 20-year term for the franchise agreement renewal, and the council represents the municipality's residents and beneficiaries of the gas distribution services provided under the franchise agreement. As noted, Enbridge Gas does not know who the author of the Letter represents.

50by30 Niagara Comment:

"The Enbridge NetZero by 2050 paper, published in March 2022 states:

Enbridge plans to report on our progress in our annual sustainability report including disclosure of our Scope 1 and Scope 2 absolute emissions, intensity metrics and progress against our 2030 and 2050 targets. We will also provide supplementary metrics and other GHG related information.

Disclosure of these emissions at the municipal level, here in Fort Erie should be included in the franchise agreement renewal."

Enbridge Inc.'s (Enbridge) annual sustainability reports, and related suite of publications, represent Enbridge's ongoing commitment to the transparency and disclosure of environmental, social and governance (ESG) factors relevant to its business and stakeholders. Enbridge remains accountable by engaging with its stakeholders, addressing key topics and providing a balanced view of its performance. The sustainability reports are developed with guidance from the Global Reporting Initiative (GRI) Standards: Core option and include disclosure of sustainability data using the Sustainability Accounting Standards Board (SASB) standards for Oil and Gas - Midstream, and Gas Utilities & Distributors. The scope of these reports includes all businesses, assets and joint ventures that are owned and operated by Enbridge.

Enbridge Gas provides natural gas consumption data to municipalities upon request. We share the goal of reaching net zero and have set the goal of eliminating greenhouse gas (GHG) emissions from our own operations on a net basis by 2050 with an interim goal to reduce the intensity of GHG emissions from our operations by 35% by 2030.

As an energy delivery company, Enbridge Gas is also working with municipalities to advance their carbon reduction targets through energy conservation programs, advancing low and zero carbon technologies for heating and transportation like hybrid heating, solar PV, and geothermal and renewable natural gas for municipal fleets, and we're greening the gas supply through renewable natural gas and hydrogen. Learn more here: enbridgegas.com/sustainability.

Despite these initiatives, Enbridge Gas is not in a position to support the request to include the reporting of GHG emissions as a component of the franchise agreement with the Town of Fort Erie for the reasons cited above regarding the long-established and extensively used format of the 2000 Model Franchise Agreement established by the OEB.

Should you have any questions on this submission, please do not hesitate to contact me.

Yours truly,

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