



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

June 20, 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
City of St. Thomas**

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

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

Yours truly,

Patrick McMahon
Technical Manager
Regulatory Research and Records
patrick.mcmahon@enbridge.com
(519) 436-5325

Encl.

ONTARIO ENERGY BOARD

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

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

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

APPLICATION

1. Enbridge Gas Inc. (Enbridge Gas), a regulated public utility, is a corporation incorporated under the laws of the Province of Ontario, with its offices in the City of Toronto and the Municipality of Chatham-Kent.
2. The Corporation of the City of St. Thomas (Municipality) is a municipal corporation incorporated under the laws of the Province of Ontario. Attached hereto and marked as Schedule "A" is a map showing the geographical location of the Municipality and a customer density representation of Enbridge Gas' service area. Enbridge Gas currently serves approximately 18,370 customers in the Municipality.
3. The City of St. Thomas is a single-tier municipality located in the County of Elgin. While the City of St. Thomas is geographically within the boundaries of the County of Elgin and part of the Elgin census division, it is separated from county administration.
4. Enbridge Gas has a Certificate of Public Convenience and Necessity for the City of St. Thomas (FBC 259) dated March 17, 1959, which is attached as Schedule "B".
5. Enbridge Gas applied to the Council of the Municipality for a franchise agreement permitting Enbridge Gas to construct and operate works for the distribution, transmission and storage of natural gas and the right to extend and add to the works in the City of St. Thomas.
6. On June 6, 2022, the Council of the Municipality gave approval to the form of a Franchise Agreement in favour of Enbridge Gas and authorized Enbridge Gas to apply to the Ontario Energy Board for approval of the terms and conditions upon which and the period for which the franchise agreement is proposed to be granted.

7. Attached hereto as Schedule "C" is a copy of the Resolution of the Council of the Municipality approving the form of the draft by-law and franchise agreement, authorizing this submission to the Ontario Energy Board, and requesting an Order declaring and directing that the assent of the municipal electors to the by-law and franchise agreement is not necessary. The Environmental Services Department Report ADM-19-22 referenced in the Resolution is attached as an addendum.
8. Attached hereto as Schedule "D" is a copy of the By-law and the proposed franchise agreement. The City of St. Thomas has provided first and second readings of its by-law.
9. Enbridge Gas has franchise agreements with and Certificates of Public Convenience and Necessity for the Municipality of Central Elgin and the Township of Southwold which are immediately adjacent to the Municipality. The nearest natural gas distributor, other than Enbridge Gas, is EPCOR Natural Gas Limited Partnership.
10. The proposed franchise agreement is in the form of the 2000 Model Franchise Agreement with no amendments and is for a term of twenty (20) years.
11. The address of the Municipality is as follows:

City of St. Thomas
545 Talbot St
St. Thomas, ON N5P 3V7
Attention: Maria Konefal, City Clerk
Telephone: (519) 631-1680 ext. 4123
Email: mkonefal@stthomas.ca

The address for Enbridge Gas' regional operations office is:

Enbridge Gas Inc.
109 Commissioners Road
London, ON N6A 4P1
Attention: Steven Jelich, Director, Southwest Region Operations
Telephone: (519) 667-4109
Email: steven.jelich@enbridge.com

12. The newspaper having the highest circulation in the City of St. Thomas is the *St. Thomas Times-Journal*. This is the newspaper used by the Municipality for its notices.

13. Enbridge Gas now applies to the Ontario Energy Board for:
- (a) an Order under s.9(3) approving the terms and conditions upon which, and the period for which, the City of St. Thomas is, by by-law, to grant Enbridge Gas the right to construct and operate works for the distribution, transmission and storage of natural gas and the right to extend and add to the works; and
 - (b) an Order pursuant to s.9(4) directing and declaring that the assent of the municipal electors of the City of St. Thomas is not necessary for the proposed franchise agreement by-law under the circumstances.

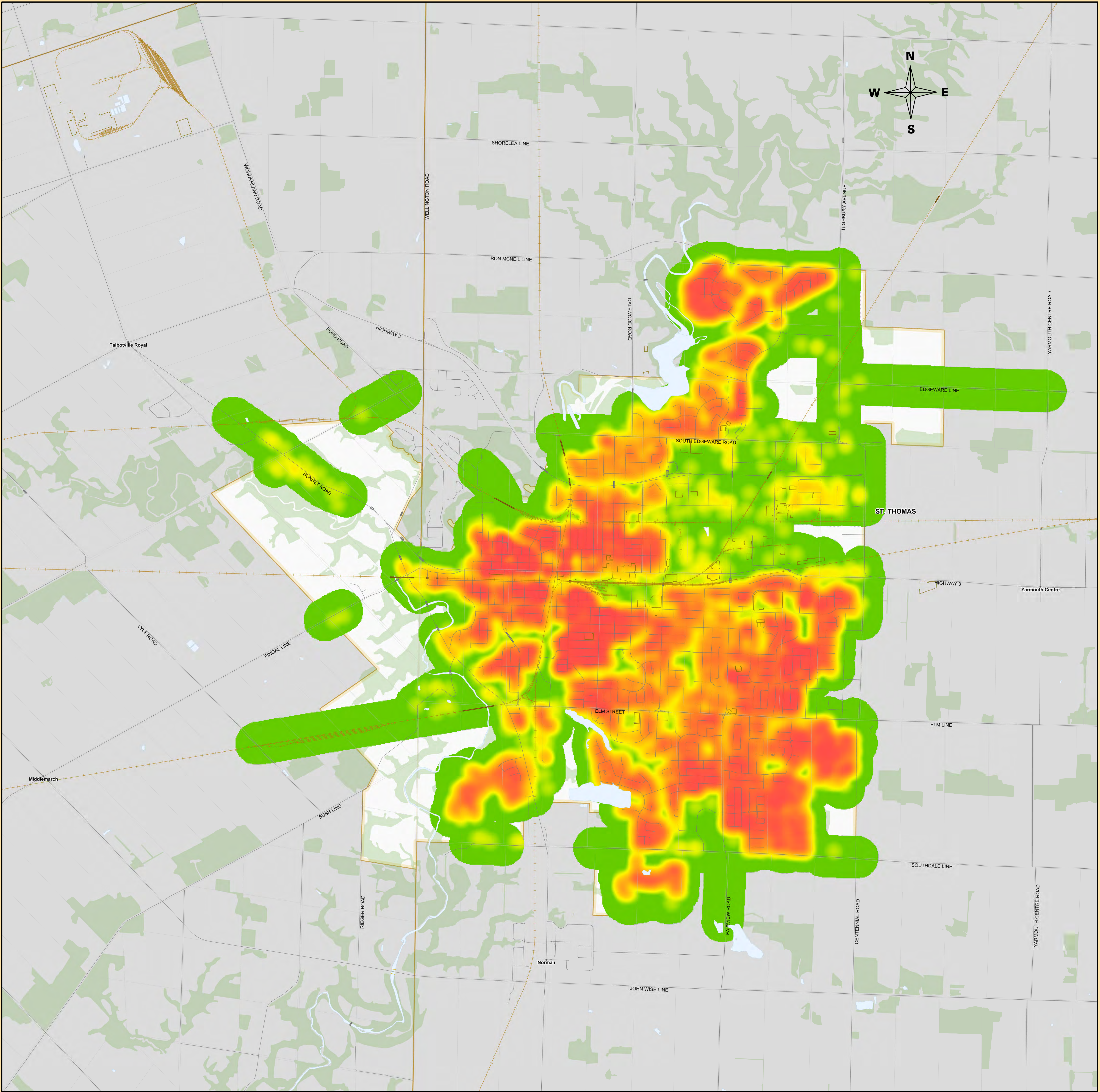
DATED at the Municipality of Chatham-Kent, in the Province of Ontario this 20th day of June, 2022.

ENBRIDGE GAS INC.

Patrick McMahon
Technical Manager
Regulatory Research and Records

Comments respecting this Application should be directed to:

Mr. Patrick McMahon
Technical Manager, Regulatory Research and Records
Enbridge Gas Inc.
50 Keil Drive North
Chatham, ON N7M 5M1
patrick.mcmahon@enbridge.com
Telephone: (519) 436-5325

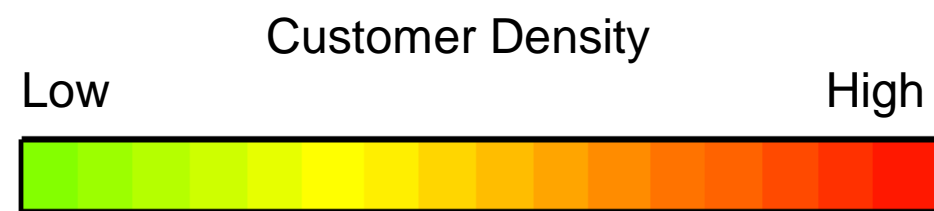


City of St. Thomas



Legend

- Enbridge Gas Pipeline Coverage Area
- City of St. Thomas
- Roads
- Railways
- Municipal and Township Boundaries
- First Nation Boundaries



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



F.B.C. 259

ONTARIO FUEL BOARD

IN THE MATTER OF The Municipal Franchises
Act, R.S.O. 1950, Chapter 249, as amended;

AND IN THE MATTER OF an Application by
Union Gas Company of Canada, Limited to
the Ontario Fuel Board for approval of
the Board to construct works to supply
and/or to supply gas in the under-mentioned
Municipalities.

B E F O R E:

A. R. Crozier, Esquire, Chairman, and	} Tuesday, the
D. M. Treadgold, Esquire, Q.C., and	
J. J. Wingfelder, Esquire, Commissioners	
	} 10th day of
	} June, A.D. 1958.

B E T W E E N:

UNION GAS COMPANY OF CANADA, LIMITED

- and -

City of Brantford,	Township of Dereham,
City of Galt,	Township of Dunn,
City of St. Thomas,	Township of Dunwich,
City of Woodstock,	Township of East Oxford,
Town of Delhi,	Township of Glanford,
Town of Dunnville,	Township of Gosfield North,
Town of Hespeler,	Township of Gosfield South,
Town of Ingersoll,	Township of Houghton,
Town of Kingsville,	Township of Mersea,
Town of Leamington,	Township of Middleton,
Town of Paris,	Township of Moulton,
Town of Port Dover,	Township of North Cayuga,
Town of Preston,	Township of North Dorchester,
Town of Simcoe,	Township of North Dumfries,
Town of Tillsonburg,	Township of North Walsingham,
Village of Caledonia,	Township of Oneida,
Village of Cayuga,	Township of Onondaga,
Village of Cottam,	Township of Orford,
Village of Dorchester,	Township of Rainham,
Village of Dutton,	Township of Seneca,
Village of Fingal,	Township of Sherbrooke,
Village of Hagersville,	Township of South Cayuga,
Village of Highgate,	Township of South Dumfries,
Village of Jarvis,	Township of South Walsingham,
Village of Lambeth,	Township of Southwold,
Village of Port Rowan,	Township of Townsend,
Village of Port Stanley,	Township of Walpole,
Village of Rodney,	Township of Westminster,
Village of Shedden,	Township of West Oxford,
Village of Waterford,	Township of Windham,
Village of West Lorne,	Township of Woodhouse,
Village of Wheatley,	Township of Yarmouth,
Township of Aldborough,	County of Brant,
Township of Ancaster,	County of Elgin,
Township of Barton,	County of Haldimand,
Township of Bayham,	County of Middlesex,
Township of Binbrook,	County of Norfolk,
Township of Brantford,	County of Oxford,
Township of Burford,	County of Waterloo,
Township of Canboro,	County of Wentworth.
Township of Charlotteville,	

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

UPON Application of Union Gas Company of Canada, Limited

to the Ontario Fuel Board pursuant to Section 8 of The Municipal Franchises Act, R.S.O. 1950, Chapter 249, as amended, for approval of the said Board to construct works to supply and to supply gas in each of the Municipalities above mentioned; upon the hearing of such Application by the Board at its Offices, 4 Richmond Street East, in the City of Toronto and Province of Ontario on the 10th day of June, 1958, after due Notice of such hearing had been given as directed by the Board; in the presence of Counsel for the Applicant, Counsel for Central Pipeline Company Limited and United Development Company Limited, Counsel for the City of Galt, Counsel for the Town of Kingsville and the Townships of Gosfield South and Mersea and Counsel for S. J. Putman, Esquire of Kingsville; upon hearing the evidence adduced, the exhibits filed and Counsel aforesaid;

THIS BOARD DOTH CERTIFY, pursuant to Section 8 of The Municipal Franchises Act, R.S.O. 1950, Chapter 249, as amended, that public convenience and necessity appear to require that approval of the Ontario Fuel Board shall be and the same is hereby given to Union Gas Company of Canada, Limited to construct works to supply and to supply gas in each and all of the Municipalities above named, except in those certain areas and to those certain persons more particularly set forth in Schedule "A" hereto.

AND THIS BOARD DOTH FURTHER ORDER that the costs of this Application fixed at the sum of \$250.00 be paid forthwith to the Board by the Applicant.

DATED at Toronto, Ontario, this 17th day of March, A.D. 1959.

ONTARIO FUEL BOARD

"A. R. Crozier"

Chairman

"D. M. Treadgold"

Commissioner

"J. J. Wingfelder"

Commissioner

THIS IS SCHEDULE "A" TO THE WITHIN
CERTIFICATE OF PUBLIC CONVENIENCE
AND NECESSITY DATED THE DAY
OF , 1959.

A. TOWNSHIP OF WESTMINSTER

- (i) All of Lot 1 in Concession B.
- (ii) The north half of Lot 1 in Concession 1.
- (iii) Those persons in the south half of Lot 1 in Concession 1 and in the north half of Lot 1 in Concession 2 receiving natural gas from any person other than Union Gas Company of Canada, Limited on the date of this Certificate.
- (iv) The south half of Lot 1 in Concession 2.
- (v) All of Lots 1, 2 and 3 in Concessions 3, 4, 5 and 6.
- (vi) All of Lots 1, 2, 3, 4 and 5 in Concession 7.
- (vii) All of Lots 3, 4 and 5 in Concession 8.

B. TOWNSHIP OF NORTH DORCHESTER

- (i) All of Lot 24 in Concession A.
- (ii) The north half of Lot 24 in Concession B.
- (iii) Those persons in the south half of Lot 24 in Concession B and in the north half of Lot 24 in Concession 1 receiving natural gas from any other person than Union Gas Company of Canada, Limited on the date of this Certificate.
- (iv) The south halves of Lots 21, 22, 23 and 24 in Concession 1.
- (v) All of Lots 21, 22, 23 and 24 in Concessions 2, 3, 4, 5 and 6.
- (vi) Those persons in the south halves of Lots 8 and 9 in Concession B and in the north halves of Lots 8 and 9 in Concession 1 receiving natural gas from any other person than Union Gas Company of Canada, Limited on the date of this Certificate.
- (vii) The south halves of Lots 6, 7, 8, 9 and 10 in Concession 1.
- (viii) All of Lots 6, 7, 8, 9 and 10 in Concessions 2, 3, 4, 5 and 6.

C. TOWNSHIP OF YARMOUTH

- (i) All of Lots 14, 15, 16 and 17 in Concession 15.
- (ii) All of Lots 13, 14, 15, 16 and 17 in Concession 14.
- (iii) All of Lots 19, 20, 21, 22, 23 and 24 in Concession 10, in Range II North of Edgeware Road, in Range I North of Edgeware Road and in Range I South of Edgeware Road.

- (iv) All of Lots 67, 68, 69, 70, 71, 72 and 73 in Concession 9 (North Talbot Road) and in Concession 8 (South Talbot Road).
- (v) All of Lots 22, 23, 24, 25, 26, 27 and 28 in Concessions 7, 6 and 5.
- (vi) All of Lots 21, 22, 23, 24, 25, 26, 27 and 28 in Concessions 4, 3, 2 and 1.

D. TOWNSHIP OF DEREHAM

- (i) All of Lots 15 to 24 both inclusive in Concession 1.
- (ii) All of Lots 15 to 28 both inclusive in Concessions 2 to 12 both inclusive.

E. TOWNSHIP OF BAYHAM

- All of the Municipality except,
 - (i) All of Lots 15, 16, 17, 18, 19, 20 and 21 in Concession 11.
 - (ii) All of Lots 20, 21, 22, 23, 24 and 25 in Concession 10.
 - (iii) All of Lots 20, 21, 22, 23, 24, 25, 26, 27 and 28 in Concession 9.
 - (iv) The north half of Lot 20 in Concession 8.
 - (v) All that part of Lot 21 in Concession 8 lying north of the most southerly point of intersection of The Canadian Pacific Railway right-of-way with King's Highway No. 19.
 - (vi) All that part of Lot 21 in Concession 8 lying between the southerly limit of King's Highway No. 19 and the location on the date of this Certificate of a 4" gas main of Union Gas Company of Canada, Limited which runs in a general easterly direction from King's Highway No. 19 to the easterly limit of such Lot.
 - (vii) All those parts of Lots 22, 23, and 24 in Concession 8 lying north of the road which runs in a general easterly and westerly direction through such Lots.
 - (viii) The south halves of Lots 22, 23 and 24 and the south six-tenths of Lots 25 and 26, all in Concession 8 but reserving however to any other person supplying natural gas therein on the date of this Certificate the right to continue to supply to the consumers receiving such gas on the date of this Certificate.
 - (ix) All of Lot 28 in Concession 8.

F. TOWNSHIP OF HOUGHTON

- All of the Municipality except,
 - (i) All of Gore Lot "A".
 - (ii) The north half of Gore Lot "B".

G. TOWNSHIP OF MIDDLETON

- (i) The south quarters of Lots 1 and 2 in Concession 1, North Talbot Road.
- (ii) All of Lots 1 and 2 in Concessions 1 and 2, South Talbot Road.

H. TOWNSHIP OF NORTH WALSINGHAM

- (i) All of Lots 1 in Concessions 13 and 14.
- (ii) All of Lots 1 to 5 both inclusive in Concessions 7 and 8.

I. TOWNSHIP OF SOUTH WALSINGHAM

- (i) Marsh Lot in front of Gore Lot A in Range B.
 - (ii) Gore Lot A in Range B.
 - (iii) Gore Lot B in Range A.
 - (iv) Gore Lot C in Concession 1.
 - (v) Gore Lot D in Concession 2.
 - (vi) Gore Lot E in Concession 3.
 - (vii) Marsh Lots 1, 2, 3, 4 and 5 in front of Lots 1, 2, 3, 4 and 5 respectively in Range B.
 - (viii) Lots 1 to 5 both inclusive in each of Ranges A and B.
 - (ix) Lots 1 to 5 both inclusive in Concessions 1 to 6 both inclusive.
-



OFFICE OF THE CITY CLERK
Maria Konefal, City Clerk
t. (519) 631.1680 x4123 f. (519) 633.9019
e. mkonefal@stthomas.ca
545 Talbot St., P.O. Box 520, City Hall
St. Thomas, Ontario, N5P 3V7

I, Maria Konefal, City Clerk of the Corporation of the City of St. Thomas do hereby certify that this is a true copy of a resolution passed by the Council of the said Corporation on the 6th day of June, 2022.

“THAT: Report ADM-19-22 relating to the Franchise Renewal Agreement with Enbridge Gas Inc., be received for information; and,

THAT: Council approves the form of draft by-law and franchise agreement as attached to Report ADM-19-22 and authorizes its submission to the Ontario Energy Board for approval, pursuant to the provisions of Section 9 of the Municipal Franchises Act; and further,

THAT: Council requests that the Ontario Energy Board make an Order declaring and directing that the assent of the municipal electors to the draft by-law and franchise agreement pertaining to the Corporation of the City of St. Thomas is not necessary pursuant to the provisions of Section 9 (4) of the Municipal Franchises Act; and further,

THAT: Council authorizes 1st and 2nd reading of the by-law; and further,

THAT: Council direct the forwarding of confirmation of Council’s actions, including the 1st and 2nd reading of the draft by-law to Enbridge Gas.”

[Original Signed By]

Maria Konefal



Report No.
ADM-19-22

File No.

Directed to: Mayor Joe Preston and Members of City Council

Date Authored:
May 30, 2022
Meeting Date:
June 6, 2022

Department: Environmental Services

Attachments

Prepared By: Sandra Datars Bere

Draft By-law
Draft Franchise Renewal
Agreement (2023)

Subject: Franchise Renewal Agreement with Enbridge Gas Inc.

Recommendation:

- THAT: Report No. ADM-19-22 relating to the Franchise Renewal Agreement with Enbridge Gas Inc., be received for information; and,
- THAT: Council approves the form of draft by-law and franchise agreement as attached and authorizes its submission to the Ontario Energy Board for approval, pursuant to the provisions of Section 9 of the *Municipal Franchises Act*; and,
- THAT: Council requests that the Ontario Energy Board make an Order declaring and directing that the assent of the municipal electors to the attached draft by-law and franchise agreement pertaining to the Corporation of the City of St. Thomas is not necessarily pursuant to the provisions of Section 9 (4) of the *Municipal Franchises Act*
- THAT: Council authorizes 1st and 2nd reading of the by-law; and,
- THAT: Council direct the forwarding of confirmation of Council’s actions, including the 1st and 2nd reading of the draft by-law to Enbridge Gas.

Background:

Enbridge Gas, formerly known as Union Gas, has an agreement with each City in which it provides services. The agreement is consistent across Ontario and dictates standard terms of providing natural gas to private customers through City right of ways. The gas infrastructure is owned and maintained by Enbridge.

The City’s current agreement for gas infrastructure is with the former Union Gas for a 20 year period beginning January 13, 2003. Enbridge, as the new entity, is now seeking to renew this agreement for an additional 20 year period beginning January, 2023.

Review of Agreement:

- A review of the agreement and relevant legislation has been completed by both staff and the City’s legal counsel. Based on these reviews and as confirmed by Enbridge, the following information is highlighted:
- Although they are not a party to the proposed agreement between Enbridge and the City, the terms and conditions of the franchise are set and approved by the Ontario Energy Board (OEB)
 - The OEB has deemed the 2000 model franchise to be the approved model agreement for franchises and has indicated no deviations from that model template are generally accepted.
 - The City’s current Franchise agreement (expiring January 2023) is based on the 2000 model template, and Enbridge’s request would be to renew that “as-is” to meet the OEB’s requirements.
 - If Council is supportive of the proposed agreement, it must give First and Second Reading to an execution bylaw, the results of which are then forwarded to Enbridge. Third reading of the bylaw and execution of the agreement will occur once Enbridge receives and advises the City of a decision and order from OEB.
 - Section 9(4) of the *Municipal Franchises Act* (MFA) indicates that a Board, after holding a public hearing upon such notice as the Board may direct and if satisfied that the assent of the municipal electors can properly under all the circumstances be dispensed with, may in any order made under this section declare and direct that the assent of the electors is not necessary. R.S.O. 1990, c. M.55, s. 9 (4).

- It is understood that the Ontario Energy Board will assert its right under this section of the MFA and will deem that the outcome of the public hearing will stand as sufficient.
- Because the City has previously received gas distribution services, the rights given and granted within the proposed agreement are for a term of 20 years from the date of final passing of the By-law provided.
- If during the 20 year term of this Agreement, the Model Franchise Agreement is changed, then on the 7th anniversary and on the 14th anniversary of the date of the passing of the By-law, this Agreement shall be deemed to be amended to incorporate any changes in the Model Franchise Agreement in effect on such anniversary dates. Such deemed amendments shall not apply to alter the 20 year term.

The provision of natural gas and related services is required in the community. The proposed agreement, which is a renewal of an existing agreement, provides a full outline of the service provision and the roles and responsibilities of both parties to the agreement (Enbridge and City) as well as the Ontario Energy Board.

It is recommended that the agreement, as presented, be approved. Further, it is recommended that a bylaw be prepared and executed, for 1st and 2nd reading, with 3rd reading and execution of the agreement completed upon the City’s receipt of OEB’s confirmation and approval, which will be provided by Enbridge.

Financial Impact:

The renewal of the Enbridge agreement has no financial impact on the City.

Respectfully Submitted,

[Original Signed By]

Sandra Datars Bere
City Manager

Reviewed By: _____

60
THE CORPORATION OF THE CITY OF ST. THOMAS

BY-LAW NUMBER _____

**A BY-LAW TO AUTHORIZE A FRANCHISE AGREEMENT BETWEEN
THE CORPORATION OF THE CITY OF ST. THOMAS
and
ENBRIDGE GAS INC.**

WHEREAS the Council of the Corporation of the City of St. Thomas deems it expedient to enter into the attached franchise agreement (the "Franchise Agreement") with Enbridge Gas Inc.;

AND WHEREAS the Ontario Energy Board by its Order issued pursuant to the *Municipal Franchises Act* on the _____ day of _____, 2022 has approved the terms and conditions upon which and the period for which the franchise provided in the Franchise Agreement is proposed to be granted, and has declared and directed that the assent of the municipal electors in respect of this By-Law is not necessary:

NOW THEREFORE the Council of the Corporation of the City of St. Thomas enacts as follows:

1. **THAT** the Franchise Agreement between the Corporation of the City of St. Thomas and Enbridge Gas Inc. attached hereto and forming part of this by-law, is hereby authorized and the franchise provided for therein is hereby granted.
2. **THAT** the Mayor and City Clerk be and they are hereby authorized and instructed on behalf of the Corporation of the City of St. Thomas to enter into and execute under its corporate seal and deliver the Franchise Agreement, which is hereby incorporated into and forming part of this By-Law.
3. **THAT** the following by-law be hereby repealed:
 - By-law No. 6-2003 for the Corporation of the City of St. Thomas, passed in Council on the 13th day of January, 2003.
4. **THAT** this by-law shall come into force and take effect as of the final passing thereof.

Read a first time this _____ day of _____, 2022.

Read a second time this _____ day of _____, 2022.

Read a third time and finally passed this _____ day of _____, 2022.

THE CORPORATION OF THE CITY OF ST. THOMAS

Joe Preston, Mayor

Maria Konefal, City Clerk

2000 Model Franchise Agreement

THIS AGREEMENT effective this day of , 2022

BETWEEN:

THE CORPORATION OF THE CITY OF ST. THOMAS

hereinafter called the "Corporation"

- and -

ENBRIDGE GAS INC.

hereinafter called the "Gas Company"

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

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

THEREFORE the Corporation and the Gas Company agree as follows:

Part I - Definitions

1. In this Agreement

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

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

Part II - Rights Granted

2. To provide gas service

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

3. To Use Highways

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

4. Duration of Agreement and Renewal Procedures

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

or

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

Part III – Conditions

5. Approval of Construction

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

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

6. **As Built Drawings**

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

7. **Emergencies**

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

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

9. **Indemnification**

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

10. **Insurance**

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

11. **Alternative Easement**

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

12. **Pipeline Relocation**

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

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

Part IV - Procedural And Other Matters

13. Municipal By-laws of General Application

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

14. Giving Notice

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

15. Disposition of Gas System

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

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

16. Use of Decommissioned Gas System

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

17. Franchise Handbook

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

18. Other Conditions

Notwithstanding the cost sharing arrangements described in Paragraph 12, if any part of the gas system altered or relocated in accordance with Paragraph 12 was constructed or installed prior to January 1, 1981, the Gas Company shall alter or relocate, at its sole expense, such part of the gas system at the point specified, to a location satisfactory to the Engineer/Road Superintendent.

19. Agreement Binding Parties

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

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

**THE CORPORATION OF THE
CITY OF ST. THOMAS**

Per:

Joe Preston, Mayor

Per:

Maria Konefal, City Clerk

ENBRIDGE GAS INC.

Per:

Mark Kitchen, Director
Regulatory Affairs

Per:

Steven Jelich, Director,
Southwest Region Operations

THE CORPORATION OF THE CITY OF ST. THOMAS

BY-LAW NUMBER _____

A BY-LAW TO AUTHORIZE A FRANCHISE AGREEMENT BETWEEN
THE CORPORATION OF THE CITY OF ST. THOMAS
and
ENBRIDGE GAS INC.

WHEREAS the Council of the Corporation of the City of St. Thomas deems it expedient to enter into the attached franchise agreement (the "Franchise Agreement") with Enbridge Gas Inc.;

AND WHEREAS the Ontario Energy Board by its Order issued pursuant to the *Municipal Franchises Act* on the _____ day of _____, 2022 has approved the terms and conditions upon which and the period for which the franchise provided in the Franchise Agreement is proposed to be granted, and has declared and directed that the assent of the municipal electors in respect of this By-Law is not necessary:

NOW THEREFORE the Council of the Corporation of the City of St. Thomas enacts as follows:

1. **THAT** the Franchise Agreement between the Corporation of the City of St. Thomas and Enbridge Gas Inc. attached hereto and forming part of this by-law, is hereby authorized and the franchise provided for therein is hereby granted.
2. **THAT** the Mayor and City Clerk be and they are hereby authorized and instructed on behalf of the Corporation of the City of St. Thomas to enter into and execute under its corporate seal and deliver the Franchise Agreement, which is hereby incorporated into and forming part of this By-Law.
3. **THAT** the following by-law be hereby repealed:
 - By-law No. 6-2003 for the Corporation of the City of St. Thomas, passed in Council on the 13th day of January, 2003.
4. **THAT** this by-law shall come into force and take effect as of the final passing thereof.

Read a first time this 6th day of June , 2022.

Read a second time this 6th day of June, 2022.

Read a third time and finally passed this _____ day of _____, 2022.

THE CORPORATION OF THE CITY OF ST. THOMAS

Joe Preston, Mayor

Maria Konefal, City Clerk

2000 Model Franchise Agreement

THIS AGREEMENT effective this day of , 2022

BETWEEN:

THE CORPORATION OF THE CITY OF ST. THOMAS

hereinafter called the "Corporation"

- and -

ENBRIDGE GAS INC.

hereinafter called the "Gas Company"

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

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

THEREFORE the Corporation and the Gas Company agree as follows:

Part I - Definitions

1. In this Agreement

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

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

Part II - Rights Granted

2. To provide gas service

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

3. To Use Highways

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

4. Duration of Agreement and Renewal Procedures

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

or

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

Part III – Conditions

5. Approval of Construction

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

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

6. As Built Drawings

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

7. Emergencies

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

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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.

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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.

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

12. **Pipeline Relocation**

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