

July 19, 2022

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

Dear Ms. Marconi:

**Re: Enbridge Gas Inc.
Renewal of Franchise Agreement with the County of Northumberland
Ontario Energy Board File No. EB-2022-0159**

Further to OEB Staff's questions related to the above-noted application, Enbridge Gas provides the following response.

Staff Question-1

Reference: (i) Schedule B(2), Public Works Committee Report 2021-141, page 2
(ii) Schedule C(1), By-law 27-2021, page 1

Preamble:

Enbridge Gas has two existing natural gas franchise agreements in place with the County of Northumberland under legacy Union Gas Limited (Union Gas) (expired on June 26, 2022) and legacy Enbridge Gas Distribution Inc. (EGD) (expiring on March 28, 2027).

Enbridge Gas has applied for the renewal of its franchise agreement with the County of Northumberland as a result of the expired legacy Union Gas franchise agreement.

At reference (i), the Public Works Committee Report states that the "new franchise agreement will replace the existing franchise agreements in place with legacy Union Gas Limited and legacy Enbridge Gas Distribution".

Question(s):

Please confirm that Enbridge Gas seeks to render the existing legacy EGD franchise agreement inoperative upon any new franchise agreement with the County of Northumberland taking effect.

If Enbridge Gas does not seek to cancel its legacy EGD franchise agreement, please explain why it is necessary for Enbridge Gas to renew its legacy Union Gas franchise agreement with the County of Northumberland.

Response:

Enbridge Gas confirms that the intent of this application is to replace the existing franchise agreements held by both legacy EGD and legacy Union Gas with the County of Northumberland with a new franchise agreement between Enbridge Gas and the County of Northumberland.

In support of this position, By-law 27-2021 that has been passed by the County of Northumberland specifically refers to repealing By-law No. 69-01 (approving the current legacy Union Gas franchise agreement) and By-law No. 16-07 (approving the current legacy EGD franchise agreement).

Given that both of the current franchise agreements are based on the current Model Franchise Agreement, the same franchise agreement terms and conditions will continue to apply within the County of Northumberland.

Regarding the current legacy Union Gas franchise agreement, while it has now been just over 20 years since its effective date and the term of the agreement was 20 years, franchise agreement renewal discussions were initiated with the County of Northumberland well in advance of the end of the franchise agreement term. As a result, paragraph 4(c) of the Model Franchise Agreement extends the application of the existing terms and conditions until a new franchise agreement is executed:

“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.”

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

Yours truly,

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