

October 3, 2022

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

Dear Ms. Marconi:

**Re: Enbridge Gas Inc.  
Renewal of Franchise Agreement with the Township of Severn  
Ontario Energy Board File No. EB-2022-0232**

Further to questions submitted by Ontario Energy Board Staff related to the above-noted application, Enbridge Gas provides the following responses.

**Staff Question-1**

**Reference:** (i) Schedule D(1), By-law 2022-46

**Preamble:**

Enbridge Gas has two existing natural gas franchise agreements in place with the Township of Severn under legacy Union Gas Limited (Union Gas) (expiring on May 1, 2023) and legacy Enbridge Gas Distribution Inc. (EGD) (expiring on November 7, 2033).

Enbridge Gas has applied for the renewal of its franchise agreement with the Township of Severn as a result of the expiring legacy Union Gas franchise agreement.

The draft by-law, at reference (i), states that the Township of Severn's existing by-laws authorizing the legacy franchise agreements with Union Gas and EGD will be cancelled upon the new franchise agreement taking effect.

**Questions:**

- a) Please confirm that Enbridge Gas seeks to replace the legacy Union Gas and legacy EGD franchise agreements with a new franchise agreement between Enbridge Gas and the Township of Severn. If not, please explain why not
- b) Please explain why Enbridge Gas does not allow the legacy Union Gas franchise agreement to expire and continue with the legacy EGD franchise agreement in effect until November 7, 2033.

**Responses:**

- a) Confirmed.

- b) Enbridge Gas' practice over the years since the amalgamation of Union Gas and Enbridge Gas Distribution has been to address the renewal of franchise agreements associated with municipalities in which both legacy utilities operated at the time of the earliest franchise agreement expiry date. Consistently replacing two franchise agreements with one reduces the administrative burden somewhat for both Enbridge Gas and the municipalities going forward, especially in those instances where multiple Certificates of Public Convenience and Necessity can be replaced at the same time.

Previous applications addressing jointly served municipalities that have been approved by the OEB:

EB-2021-0270 – Municipality of Brighton  
Decision and Order - November 18, 2021

- This application involved replacing the franchise agreements held by Union Gas (expiring July 15, 2022) and EGD (expiring August 16, 2024).
- The municipal bylaw (#084-2021) repealed and replaced the Municipality of Brighton's existing by-laws authorizing the legacy franchise agreements with Union Gas and EGD.

EB-2022-0159 – County of Northumberland  
Decision and Order – July 21, 2022

- This application involved replacing the franchise agreements held by Union Gas (expiring June 26, 2022) and EGD (expiring March 28, 2027).
- The municipal bylaw (#27-2021) repealed and replaced the County of Northumberland's existing by-laws authorizing the legacy franchise agreements with Union Gas and EGD.

The current application continues this practice which has to date been accepted by the OEB.

## **Staff Question-2**

**Reference:** (i) Application, paragraphs 3-5, 14

### **Preamble:**

Enbridge Gas applied for an order of the OEB canceling and superseding its existing certificates of public convenience and necessity (certificates) for the Township of Severn and the former Township of Orillia and replacing them with a single certificate to construct works to supply gas in the Township of Severn.

Enbridge Gas states that the Township of Severn was formed on January 1, 1994, through the amalgamation of Matchedash Township with the Township of Orillia, the former Village of Coldwater, and portions of the former Township of Medonte and former Township of Tay.

Enbridge Gas currently has an existing certificate for the Township of Severn<sup>1</sup>, dated October 17, 2013, and for the former Township of Orillia<sup>2</sup>, dated July 28, 1958.

### **Questions:**

- a) OEB staff notes that Enbridge Gas's certificate for the Township of Severn was effective prior to the effective date of the formation of the Township of Severn. Please confirm if

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<sup>1</sup> EB-2013-0296

<sup>2</sup> FBC 256

Enbridge Gas's existing certificate for the Township of Severn covers the boundaries of the municipality as it is currently constituted.

If not, please provide a map outlining where Enbridge Gas's authorization to serve the Township of Severn (as it is currently constituted) currently exists.

If yes, please explain why Enbridge Gas did not consider requesting that the OEB cancel Enbridge Gas's certificate for the former Township of Orillia and have Enbridge Gas's existing certificate for the Township of Severn remain in effect? Please confirm if Enbridge Gas would be agreeable to this approach.

**Response:**

- a) As is noted in the application, Enbridge Gas believes that it currently holds two Certificates of Public Convenience and Necessity (CPCNs) for the Township of Severn – EB-2013-0296 and FBC 256.

There is some confusion about whether the EB-2013-0296 CPCN was meant to cover all of the Township of Severn or only those parts covered by the CPCNs that Enbridge Gas Distribution (EGD) held at the time with respect to municipalities that were amalgamated to form the Township of Severn.

On October 17, 2013, when the OEB issued the EB-2013-0296 CPCN to EGD for the Township of Severn, the Decision and Order indicated that the new CPCN was replacing CPCNs that EGD had held for the former Township of Medonte, the former Township of Tay, and the former Village of Coldwater. There was no mention at that time that the CPCN held by Union Gas for the former Township of Orillia was impacted.

Given the OEB's practice of avoiding overlapping CPCNs, it is assumed that those areas of the former Township of Orillia that were annexed into the Township of Severn were still covered by the FBC 256 CPCN held by Union Gas.

During the review of the application to approve a franchise agreement renewal and CPCN for the Township of Oro-Medonte<sup>3</sup>, Union Gas informed the OEB that the former Township of Orillia was split into three parts that ended up annexed into the City of Orillia, the Township of Severn and the Township of Oro-Medonte. As a result, Union Gas submitted that the FBC 256 CPCN should continue to apply for those parts of the former Township of Orillia that were now part of the Township of Severn and the City of Orillia once a new CPCN was issued to Union Gas for the Township of Oro-Medonte. Union Gas submitted that the FBC 256 CPCN should remain in place until applications have been submitted and the OEB has approved new CPCNs for the Township of Severn and the City of Orillia.

On April 6, 2017, the OEB issued its Decision and Order approving a new CPCN for the Township of Oro-Medonte. The OEB agreed not to cancel the FBC 256 CPCN in light of information provided by Union Gas.

A new CPCN for the Township of Severn is being addressed in this current application and a new CPCN will be addressed for the City of Orillia as part of an application to approve the renewal of a franchise agreement with the City of Orillia when it is submitted in 2023.

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<sup>3</sup> EB-2016-0377

While Enbridge Gas' existing EB-2013-0296 CPCN was issued on October 17, 2013, which was 19 years after the formation of the Township of Severn, and Enbridge Gas is not aware of any municipal boundary changes associated with the Township of Severn since the CPCN was issued in 2013, it is assumed that the FBC 256 CPCN is still required to ensure that all of the current Township of Severn is covered.

While Enbridge Gas is now looking to supersede the part of FBC 256 associated with the parts of the former Township of Orillia that were annexed into the Township of Severn, Enbridge Gas believes that the FBC 256 CPCN should continue to remain in place until after a new CPCN is issued for the Township of Severn as part of the current application and after a new CPCN is issued for the City of Orillia in a subsequent application.

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

Yours truly,

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