

November 4, 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 Approval of Franchise Agreement - Regional Municipality of Halton
Ontario Energy Board File No. EB-2022-0238**

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

Staff Question-1

Reference: EB-2022-0238, Application, Schedule D, Report No. PW-24-22, Page 2
EB-2022-0207, Enbridge Gas IR Responses, Exhibit B-Staff 4, Page 1

Preamble:

The Regional Municipality of Halton was created in 1973 from the former County of Halton and encompasses the City of Burlington, the Town of Halton Hills, the Town of Milton and the Town of Oakville. Enbridge Gas holds a franchise agreement with the Regional Municipality of Halton dated June 25, 2003.¹ Enbridge Gas is requesting orders under section 9(3) and 9(4) of the *Municipal Franchise Act* for approval of a franchise agreement.

In Enbridge Gas's interrogatory responses in the County of Essex Franchise proceeding², Enbridge Gas stated the following:

Enbridge Gas currently has an application (pursuant to Section 9(3) of the Municipal Franchises Act) being reviewed by the OEB with respect to a franchise agreement with the Regional Municipality of Halton (EB-2022-0238). This application is to replace two franchise agreements – one with the Regional Municipality of Halton related to distribution and storage only and a perpetual agreement with the former County of Halton related to transmission facilities.

Question:

- a) Please clarify whether Enbridge Gas is requesting a franchise renewal or a new franchise agreement. If a new franchise agreement is being requested, please confirm whether the new agreement will replace both franchise agreements that Enbridge Gas holds with the Regional Municipality of Halton (i.e., franchise agreement with the Regional Municipality of

¹ RP-2002-0132/EB-2002-0378

² EB-2022-0207, Enbridge Gas IR Responses, Exhibit B-Staff 4, Page 1

Halton for distribution and storage and the perpetual franchise agreement with the former County of Halton for transmission).

Response:

- a) Enbridge Gas has applied for an Order under s.9(3) of the *Municipal Franchises Act* approving the terms and conditions upon which, and the period for which, the Regional Municipality of Halton 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. The new franchise agreement will replace both franchise agreements that Enbridge Gas currently holds with the Regional Municipality of Halton.

When Enbridge Gas initially approached the Regional Municipality of Halton with respect to a new franchise agreement, the municipality was informed that Enbridge Gas currently has two franchise agreements in place with the Regional Municipality of Halton – one that relates to distribution and storage only (approved by the OEB) and a perpetual agreement related to transmission facilities (no OEB approval required). The municipality was informed that since the Model Franchise Agreement relates to distribution, transmission and storage, Enbridge Gas was proposing to replace both of the current franchise agreements with the Model Franchise Agreement. See email sent to the Regional Municipality of Halton on December 9, 2021 (without attachments) in Attachment 1 to this response.

Enbridge Gas assumes that the municipality provided its approval to move forward to secure approval of a new franchise agreement on this basis when its council passed its resolution on July 13, 2022.

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

Yours truly,

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

Attachment 1

From: Brian Lennie <Brian.Lennie@enbridge.com>
Sent: Thursday, December 9, 2021 2:00 PM
To: Yerxa, Kelly G. <KellyG.Yerxa@halton.ca>
Cc: Keir Johnston <keir.johnston@enbridge.com>
Subject: Follow-up: Enbridge Gas franchise agreement

Hi Kelly,

To follow-up on our discussions, below and attached please find all details and documents for the Enbridge Gas franchise agreement renewal.

As of January 1, Keir Johnston (cc'ed) will be taking over my role in Halton Region.

Going forward, please include Keir on any emails/correspondence to me. Keir and I will work on this together from our side to see it through.

Please let me know if you have any questions on any of the material, happy to have a call if you wish.

On June 25, 2023, the current franchise agreement between the Regional Municipality of Halton and the former Union Gas Limited will expire.

Provincial legislation requires a franchise agreement between the municipal corporation and the gas company serving that municipality.

The Ontario Energy Board has directed that the current 2000 Model Franchise Agreement be used as the model for such agreements.

Enbridge Gas currently has two franchise agreements in place with the Regional Municipality of Halton – one that relates to distribution and storage only (approved by the OEB) and a perpetual agreement related to transmission facilities (no OEB approval required).

Since the Model Franchise Agreement relates to distribution, transmission and storage, we are proposing to replace both of the current franchise agreements with the Model Franchise Agreement.

As a result, Enbridge Gas and the Regional Municipality of Halton need to commence the process to renew a 20-year franchise agreement using the approved model.

To assist you in this matter, I am enclosing the following documents:

1. Franchise Agreement Renewal Documents:
 - Guidelines to Municipalities Respecting the Renewal of Franchise Agreements
 - Draft Resolution of the municipality
 - Draft By-Law of the municipality
 - 2000 Model Franchise Agreement with Enbridge Gas Inc.
2. Historical Background:
 - a copy of the current By-Law #91-03 (passed on June 25, 2003) and the current Franchise Agreement effective June 25, 2003
 - a copy of the Certificate of Public Convenience and Necessity that Enbridge Gas holds for the Regional Municipality of Halton (EBC 32)
 - a copy of the perpetual transmission agreement (dated April 13, 1954) between the former County of Halton and the former Union Gas Company

3. Reference Document:
- a copy of the Gas Franchise Handbook (an explanatory supplement to the 2000 Model Franchise Agreement)

Thanks,
Brian

Brian Lennie

Senior Advisor, Municipal and Stakeholder Engagement – Ontario South/West

ENBRIDGE GAS INC.

OFFICE: 519-436-4527 | CELL: 226-229-2692 | EMAIL: brian.lennie@enbridge.com
50 Keil Drive North, Chatham, ON N7M5M1

enbridge.com

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