

May 5, 2023

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 – County of Lanark
Ontario Energy Board File No. EB-2023-0105**

Further to the April 19, 2023 direction of Ontario Energy Board staff, the following is Enbridge Gas' response to the email / letter of comment (Letter) submitted by Louise McDiarmid dated April 15, 2023.

Enbridge Gas makes the following specific comments on the Letter.

Ms. McDiarmid Comments:

"Fossil fuels are a major source of the greenhouse gases causing global warming. The latest IPCC report calls for us to move away from fossil fuels and invest in renewable energy. As we are increasingly aware, global warming is already bringing us severe weather events, melting of the icecaps and sea-level rise, as well as flooding in some areas and desertification in others. My children and grandchildren face a threatening future, due to our failure to arrest global warming, and it will only get worse the longer we delay in taking serious action. Expanding fossil fuel production and transmission is akin to sentencing our children and grandchildren to a world of chaos, starvation, societal breakdown and armed conflict. Please don't make the problem worse by approving the EB-2023-0105 application by Enbridge to expand its activity in Lanark County. And please deny them to go ahead without consulting the electors. The politicians we elect make promises and voice attitudes they don't always live up to once they are in office."

To clarify, the present application is seeking an approval of the renewal of the franchise agreement currently in place with the County of Lanark in accordance with the Ontario Energy Board's approved form of Model Franchise Agreement that is standard across Ontario. Renewal of the existing franchise agreement is necessary in order for Enbridge Gas to continue providing gas distribution services to residents and businesses within the County of Lanark.

Enbridge Gas has a statutory duty to provide gas distribution services subject to certain conditions, such as a written request and complying with certain safety standards and terms and conditions of service approved by the Ontario Energy Board. It is important to note, however, that a franchise agreement, in and of itself, does not authorize the construction of facilities. Such construction is only permitted after a utility has obtained other required permits and approvals from the municipality, the Ontario Energy Board and other authorities. Enbridge Gas is not seeking approval to construct facilities as part of this application.

Enbridge Gas and its predecessors have been providing access to gas distribution services to customers within the lower-tier municipalities in the County of Lanark since approximately 1958. The franchise agreements that have been in place with the County of Lanark itself over the past several decades provide the County of Lanark's consent to Enbridge Gas distributing, storing and transmitting gas in and through the County of Lanark and to the inhabitants of those local or lower tier municipalities within the County of Lanark from which Enbridge Gas has a valid franchise agreement for that purpose.

As is noted in the application, the council of the County of Lanark has accepted the 20-year term for the franchise agreement renewal, and as representatives of the County's residents and beneficiaries of the gas distribution services provided under the franchise agreement, the County of Lanark has requested that the Ontario Energy Board make an Order declaring and directing that the assent of the municipal electors to the County's by-law and franchise agreement is not necessary pursuant to the *Municipal Franchises Act*.

The required "assent" refers to Section 3 of the *Municipal Franchises Act* which provides that a municipal bylaw granting, extending or renewing a right to construct or operate a public utility (i.e., a franchise agreement) must set forth the terms and conditions upon which and the period for which such right is to be granted, and that the bylaw must receive the assent of the electors:

3. (1) A municipal corporation shall not grant to any person nor shall any person acquire the right to use or occupy any of the highways of the municipality for a public utility or to construct or operate any part of a public utility in the municipality unless a by-law setting forth the terms and conditions upon which and the period for which such right is to be granted or acquired has been assented to by the municipal electors.

However, Section 9(4) of the *Municipal Franchises Act* allows the Ontario Energy Board to approve the franchise agreement without having to go to the electors for their assent:

9(4) The 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.

Enbridge Gas has 340 franchise agreements in place with lower, single and upper-tier municipalities within Ontario and we are not aware of any of the approvals of these franchise agreements ever requiring a process through which assent of municipal electors was obtained. All municipalities have agreed to waive the assent requirement and assume that council acts on behalf of the electors to make decisions such as with respect to the franchise agreement.

To support the transition to a lower carbon economy, Enbridge Gas has committed to net zero GHG emissions by 2050 with an interim target to reduce GHG emissions intensity 35% by 2030. Enbridge Gas has set industry-leading emissions reduction targets and prioritized decarbonizing our existing assets while continuing to invest in new, lower-carbon infrastructure. Enbridge Gas' commitment to sustainability is a commitment for a better future for our planet, our communities and our business.

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 are greening the gas supply through renewable natural gas and hydrogen. More can be learned at enbridgegas.com/sustainability.

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

Yours truly,

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