

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

May 18, 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 Certificate of Public Convenience and Necessity City of Sarnia

Attached is an application by Enbridge Gas Inc. for Orders of the Ontario Energy Board with respect to a Certificate of Public Convenience and Necessity for the City of Sarnia.

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 <u>patrick.mcmahon@enbridge.com</u> (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 a Certificate of Public Convenience and Necessity to construct works to supply natural gas in the City of Sarnia.

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 Sarnia is a municipal corporation incorporated under the laws of the Province of Ontario which is located within Lambton County. Attached hereto and marked as Schedule "A" is a map showing the geographical location of the City of Sarnia and a customer density representation of Enbridge Gas' service area. Enbridge Gas currently serves approximately 26,400 customers in the City of Sarnia.
- 3. Enbridge Gas (Sarnia Gas Company) began providing gas distribution services within the former Town of Sarnia in approximately 1878. Enbridge Gas (Union Gas Company of Canada) began providing gas distribution services within the former Township of Sarnia in approximately 1935.
- 4. On May 7, 1914, the former Town of Sarnia was incorporated as the City of Sarnia. The municipal boundaries at that time appeared to have been the current Highway 16 to the north, the current Highway 25 (Confederation Street) to the south, and the current Highway 29 to the east. See Schedule "B" attached for a map of the municipality at that time.
- 5. The City of Sarnia has been enlarged several times through annexations in 1945 and the early 1950s including gradual annexation of the Indian Reserve to the south, and annexation of parts of the former Township of Sarnia to the north and the east.
- 6. Based on information available in documents published by the former Dominion Bureau of Statistics (now Statistics Canada):
 - in 1945, part of the former Township of Sarnia was annexed to the Village of Point Edward;
 - in 1950, part of the Village of Point Edward was annexed to the former Township of Sarnia; and
 - on March 1, 1951, part of the former Township of Sarnia and part of the Village of Point Edward were annexed to the former City of Sarnia.

- 7. On January 1, 1991, the former City of Sarnia and the former Town of Clearwater (formerly the Township of Sarnia) were amalgamated as the new City of Sarnia-Clearwater. The amalgamation was originally slated to include the Village of Point Edward, but that village's residents resisted and were eventually permitted to remain independent of the City of Sarnia-Clearwater. On January 1, 1992, the municipality reverted to the name City of Sarnia.
- 8. Enbridge Gas has a franchise agreement (EB-2012-0216) with the City of Sarnia but there has not been any previous effort to acquire a new Certificate of Public Convenience and Necessity (CPCN) for the City of Sarnia because of an exemption contained within the *Municipal Franchises Act*.
- 9. Section 8 of the *Municipal Franchises Act* dealing with the requirement to have a CPCN prior to constructing any works to supply natural gas in any municipality was added to the *Municipal Franchises Act* in 1933. Section 8 of the *Municipal Franchises Act* indicates that no CPCN is required for a municipality which was being supplied with natural gas prior to April 1, 1933.
- 10. On June 22, 1950, the Ontario Municipal Board issued a CPCN (PFC 2970) to the Union Gas Company of Canada for the former Township of Sarnia pursuant to section 8 of the *Municipal Franchises Act*. See Schedule "C" attached. There are no records of a CPCN being issued for the former Township of Sarnia prior to PFC 2970.
- 11. The Natural Gas Facilities Handbook (issued March 31, 2022) states the following:

3.6.2 Municipal Changes that do not affect another Person's Certificate Rights

If the boundaries of a person's existing certificate are affected by a municipal amalgamation or annexation, and no other person holds a certificate for any part of the newly amalgamated or annexed municipal territories, then the person should notify the OEB within 90 days of the date that the change takes effect to have the certificate amended to reflect the change. The OEB will not as a matter of course amend the territory covered by the person's existing certificate to include any additional service area that was added to the municipality through the amalgamation or annexation. The certificate would be amended to include the metes and bounds of the person's existing certificate. However, the certificate holder could also apply for a new certificate that would include any additional service area within the newly amalgamated territories.

- 12. Based on a review of existing CPCNs, Enbridge Gas believes that there is a need to ensure that all areas of municipalities that were partially served prior to April 1, 1933 are sufficiently covered by a CPCN.
- 13. Enbridge Gas submits that it is reasonable to conclude that because a municipality is defined by a geographic area (according to its definition in the *Municipal Act*), the pre-April 1933 exemption for a CPCN in section 8(1) of the *Municipal Franchises Act* would likely only apply to that geographic area of the current City of Sarnia that constituted the former City of Sarnia prior to April 1, 1933.

- 14. Given the uncertainty regarding the areas covered by the pre-1933 exemption provided for the former City of Sarnia, the limited CPCN rights Enbridge Gas holds for the former Township of Sarnia and the extensive level of facilities located throughout the current City of Sarnia, Enbridge Gas is proposing to expand its existing CPCN rights to cover all of the current City of Sarnia. Enbridge Gas is not aware of any other gas distributor in the area.
- 15. Over the last several decades, Enbridge Gas (and its predecessors) have expanded the areas within the City of Sarnia to which access to gas distribution services are being provided. While there is a CPCN in place for the former Township of Sarnia (Town of Clearwater) and a CPCN exemption associated with the former City of Sarnia, other areas that now make up the current City of Sarnia (e.g., areas of an Indian Reserve that were annexed) do not appear to be covered by a CPCN, although facilities are in place.
- 16. A map showing the location of Enbridge Gas' existing facilities within the City of Sarnia will be submitted confidentially under a separate cover. This map includes specific details of the location of Enbridge Gas' facilities located within the current municipal boundaries of the City of Sarnia. Enbridge Gas submits that this map and the information it captures needs to be kept confidential because the public disclosure of specific locations of existing gas distribution and transmission facilities poses both safety and security risks. Public access to this kind of information may allow third parties to determine gas system configurations and points of sensitivity or vulnerability that may expose Enbridge Gas to security risks. Further, persons planning developments or excavation projects may attempt to use the facilities information obtained from other sources in substitution for required facilities locates, notwithstanding the fact that obtaining locates is required by law.
- 17. Enbridge Gas has franchise agreements with and Certificates of Public Convenience and Necessity for the Village of Point Edward, the Town of Plympton-Wyoming, the Township of St. Clair, and the Township of Enniskillen which are immediately adjacent to the City of Sarnia. There is no other natural gas distributor in the area.
- 18. The address for Enbridge Gas' regional operations office is:

Enbridge Gas Inc. 3840 Rhodes Drive Windsor, ON N9A 6N7 Attention: Andrea Seguin, Director, Southwest Region Operations Email: <u>andrea.seguin@enbridge.com</u>

19. Enbridge Gas now applies to the Ontario Energy Board for an Order pursuant to Section 8 of the *Municipal Franchises Act* approving a Certificate of Public Convenience and Necessity for the City of Sarnia.

DATED at the Municipality of Chatham-Kent, in the Province of Ontario this 18th day of May, 2023.

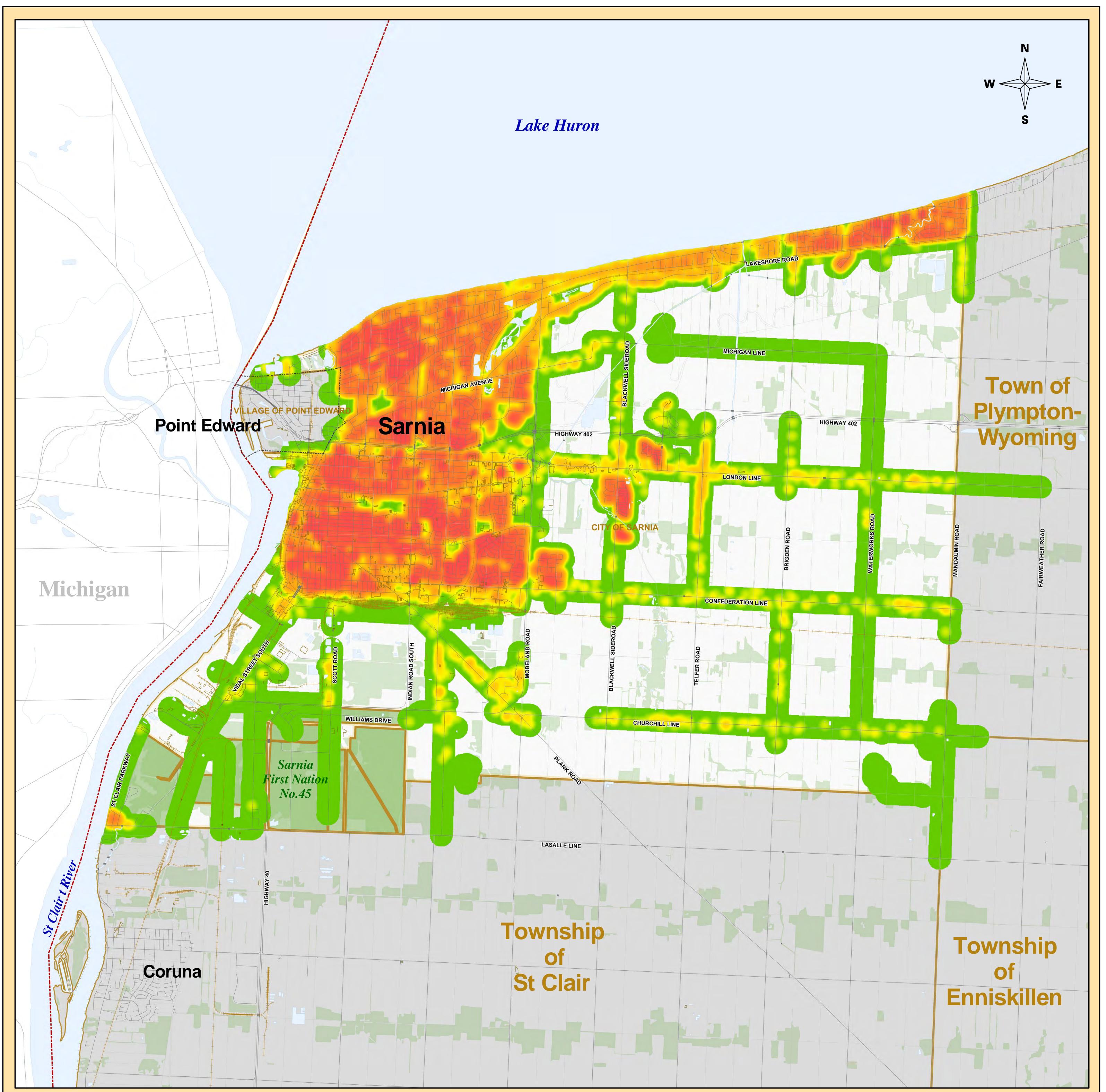
ENBRIDGE GAS INC.

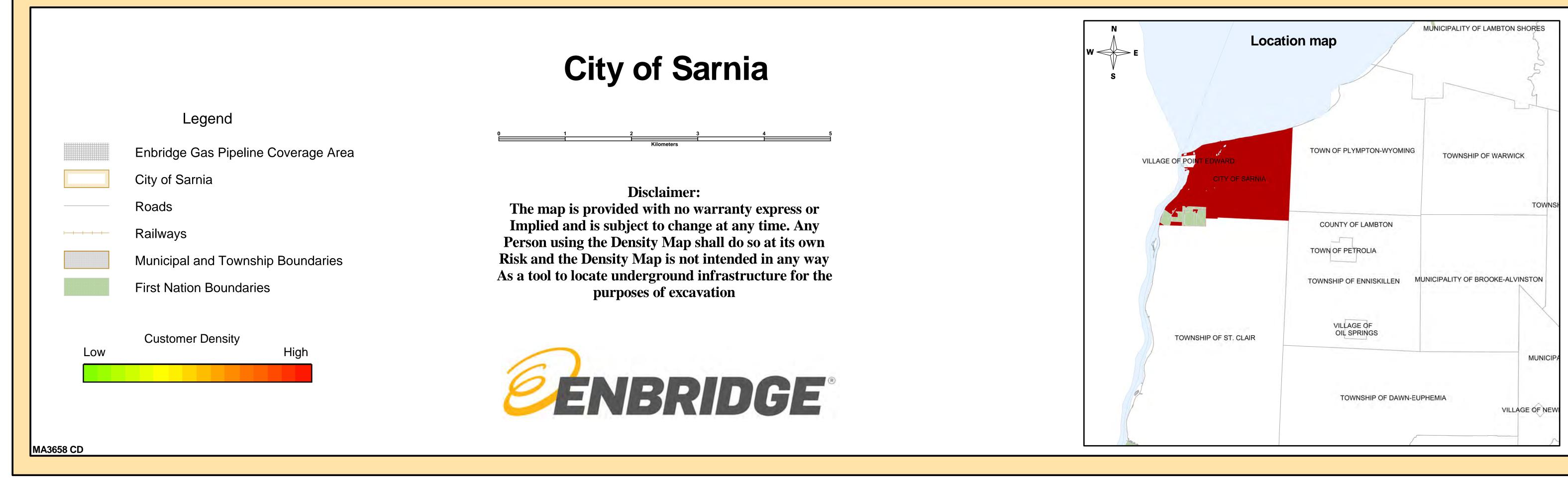
Patrick McMahon Technical Manager Regulatory Research and Records

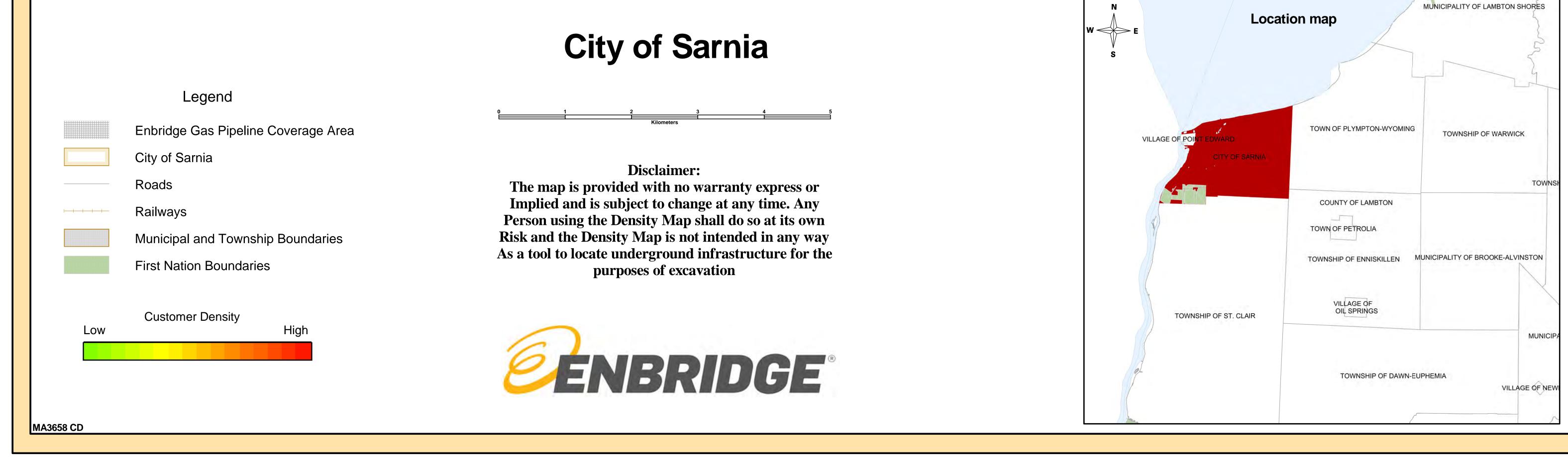
Comments respecting this Application should be directed to:

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

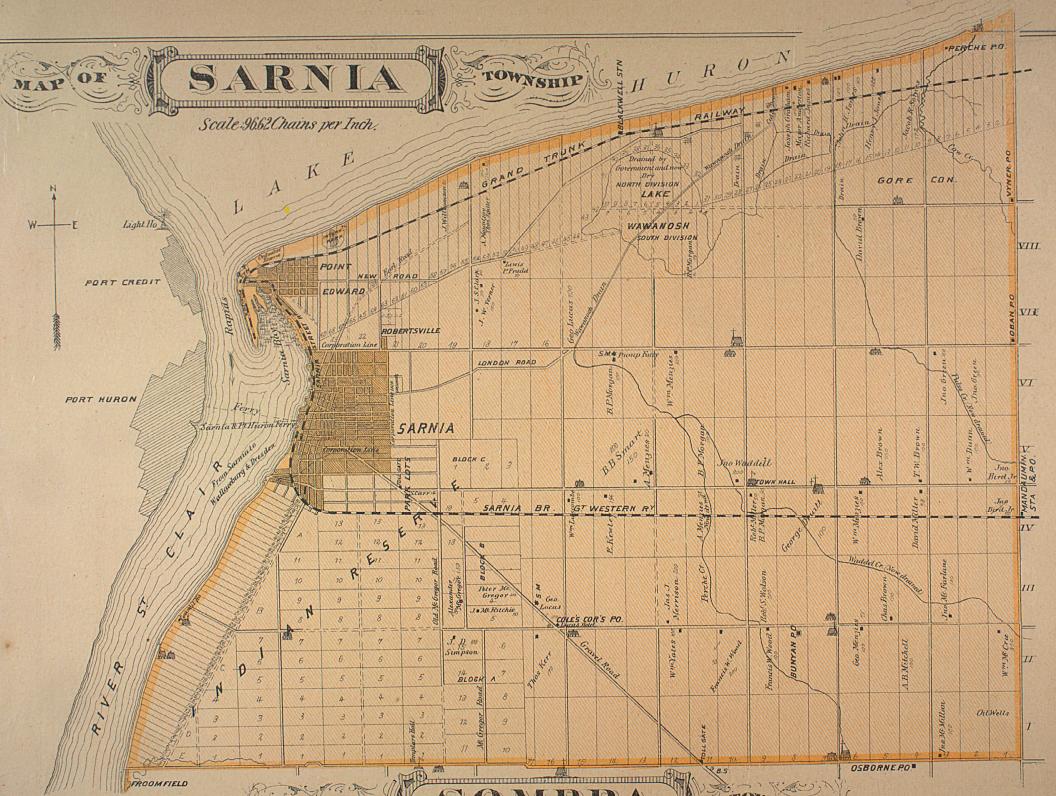
Schedule A







Schedule B



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P.F.C-2970

ONTARIO

THE ONTARIO MUNICIPAL BOARD

Thursday, the twenty-second day of June, A. D., 1950

BEFORE:

L.R.Cumming, M.A.

Chap.

W.P.Near, B.A.Sc.,

Vice Chairman

(IN THE MATTER OF "The Municipal Franchises) Act, R.S.O. 1937, Chapter 277, and

) IN THE MATTER OF an application by the (Union Gas Company of Canada, Limited) for a Certificate of Public Convenience (and Necessity for distribution of gas) within the Township of Sarnia, and

) IN THE MATTER OF By-law #85M of the (Corporation of the Township of Sarnia,) granting to the said Company the right (to bring in, produce, distribute and) sell gas in the Township of Sarnia

TO: HIS HONOUR, THE LIEUTENANT GOVERNOR OF THE PROVINCE OF ONTARIO:

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

UPON THE APPLICATION of Union Gas Company of Canada, Limited, for a Certificate of Public Convenience and Necessity pursuant to Section 8 of "The Municipal Franchises Act", R.S.O. 1937, Chapter 277, and upon consideration of the material filed and the report of the Chairman of the Board who, being duly authorized, attended pursuant to appointment at a public hearing on Friday, second day of June, 1950, at the hour of two o'clock in the afternoon at the Court House in the City of Sarnia, to hear all parties interested in support of or opposing the said application, and upon hearing read the said By-law #85 of the Corporation of the Township of Sarnia and the other material filed and there being no one to oppose the application although Notice of the Appointment had been duly given as directed by the Board as appears by the declaration of Lawrence G. O'Connor, filed, the Board having reserved its decision until the Sixth day of June, A. D. 1950, when approval was granted.

THE BOARD CERTIFIES that public convenience and necessity require that approval or permission be granted to Union Gas Company of Canada, Limited, to construct works to supply gas and to supply gas to the residents of the Township of Sarnia in the County of Lambton and Province of Ontario in accordance with the provisions of the said By-law #85M of the said Corporation of the Township of Sarnia."

> "W.P.NEAR" Vice Chairman

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