ENBRIDGE

Richard Wathy
Technical Manager
Regulatory Applications
Regulatory Affairs

Cell: 519-365-5376
Email: Richard.wathy@enbridge.com
EGIRegulatoryProceedings@enbridge.com

Enbridge Gas Inc.
P.O. Box 2001
50 Keil Drive N.
Chatham, Ontario, N7M 5M1
Canada

VIA RESS and EMAIL

February 23, 2024

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

Dear Nancy Marconi:

Re: EB-2022-0094 – Ontario Energy Board (OEB)
System Access Proceeding - Joint Settlement Proposal

In accordance with the OEB's Procedural Order No. 10, enclosed please find the joint settlement proposal and associated connection procedures as agreed to by Ontario Petroleum Institute, Canadian Biogas Association and Enbridge Gas Inc, in the above noted proceeding.

Should you have any questions on this matter please contact the undersigned.

Sincerely,

Richard Wathy
Digitally signed by Richard Wathy
Date: 2024.02.23 15:08:41 -05'00'

Richard Wathy
Technical Manager, Regulatory Applications

cc: David Stevens, Aird & Berlis LLP
Tania Persad, Enbridge Gas
EB-2022-0094 Intervenors

SETTLEMENT PROPOSAL

System Access Proceeding related to Enbridge Gas

February 23, 2024

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PREAMBLE

This Settlement Proposal is filed with the Ontario Energy Board (OEB) in connection with a hearing convened by the OEB to consider issues relevant to natural gas producers in Ontario (Producers) who transport their gas with Enbridge Gas Inc. (Enbridge Gas, or the Company). In its Decision and Procedural Order No. 8, the OEB directed that Enbridge Gas should document its connection procedures for Producers, along with other items relevant to Producers such as shut-in procedures and information sharing about available market capacity. The OEB provided for a Settlement Conference to resolve the content of the connection procedures document. The OEB indicated that the participants in the Settlement Conference should include the Producer representatives, Ontario Petroleum Institute (OPI) and the Canadian Biogas Association (CBA). The OEB also invited other interested parties to request to participate in the Settlement Conference. No other party made such a request.

As directed by the OEB, Enbridge Gas provided its draft connections procedures document in December 2023 (referred to as the Connection Procedures Document).

A Settlement Conference was held on January 9 and 12, 2024. Further sessions were held on January 17 and 22, 2024. A settlement in principle was reached at the Settlement Conference and discussions continued after that time for the purposes of recording the settlement in this Settlement Proposal. Sarah Daitch acted as facilitator for the Settlement Conference. This Settlement Proposal arises from the Settlement Conference.

Enbridge Gas, CBA and OPI as well as Ontario Energy Board technical staff (OEB Staff), participated in the Settlement Conference and subsequent discussions. In this Settlement Proposal, Enbridge Gas, CBA and OPI are referred to as “the parties”.

OEB Staff are not a party to the Settlement Proposal. Although not a party to the Settlement Proposal, once the Settlement Proposal is filed, OEB Staff may file a submission commenting on the Settlement Proposal. Also, as noted in the Practice Direction on Settlement Conferences, OEB Staff who participated in the Settlement Conference are bound by the same confidentiality and privilege rules that apply to the parties to the proceeding.

The OEB’s Decision and Procedural Order No. 8 directed Enbridge Gas to address several items in its documented connection procedures. Each of those items was included in the draft Connection Procedures Document. The parties discussed each item during the Settlement Conference, and collaboratively prepared the Connection Procedures Document that is attached at Appendix “A” to this Settlement Proposal. The parties agree that this Connection Procedures Document addresses all items stipulated in the OEB’s Decision and Procedural Order No. 8. As such, the parties agree that they

have reached a “complete settlement” on all items that are in scope for the Settlement Conference.

This document is called a “Settlement Proposal” because it is a proposal by the parties to the OEB to settle the issues in this proceeding. It is termed a proposal as between the parties and the OEB. However, as between the parties, and subject only to the OEB’s approval of this Settlement Proposal, this document is intended to be a legal agreement, creating mutual obligations, and is binding and enforceable in accordance with its terms. As set forth below, this Settlement Proposal is subject to a condition subsequent, that if it is not accepted by the OEB in its entirety, then unless amended by the parties it is null and void and of no further effect. In entering into this agreement, the parties understand and agree that, pursuant to the *Ontario Energy Board Act*, *1998*, the OEB has exclusive jurisdiction with respect to the interpretation or enforcement of the terms hereof.

None of the parties can withdraw from the Settlement Proposal except in accordance with Rule 30 of the *Ontario Energy Board Rules of Practice and Procedure*. Further, unless stated otherwise, a settlement of any particular issue in this proceeding is without prejudice to the positions parties might take with respect to the same issue in future proceedings.

The parties acknowledge that all data, documents or information provided and any discussions, including negotiations, admissions, concessions, offers and counter-offers occurring during the course of the Settlement Conference (settlement information), including subsequent related discussions, are privileged and confidential and without prejudice in accordance with (and subject to the exceptions set out in) the OEB’s *Practice Direction on Settlement Conferences* (see pages 4-5 of the OEB’s *Practice Direction on Settlement Conferences*, as revised February 17, 2021).

It is fundamental to the agreement of the parties that none of the provisions of this Settlement Proposal, including the provisions of the Connection Procedures Document, are severable. If the OEB does not accept the provisions of the Settlement Proposal in their entirety, there is no Settlement Proposal (unless the parties agree that any portion of the Settlement Proposal that the OEB does accept may continue as a valid Settlement Proposal).

OVERVIEW AND GUIDING PRINCIPLES

The Connection Procedures Document found at Appendix "A" sets out a defined process through which Enbridge Gas will work with Producers to connect to the Enbridge Gas distribution system. Enbridge Gas will provide information about available capacity for connections, and will work with the Producer to review options where constraints exist. Through a prescribed step-by-step connection process, Enbridge Gas will work to connect the Producer in an efficient and timely manner. Producers will have the option to construct part of the connection assets (the meter station), following Enbridge Gas's design specifications and construction and materials standards. This will permit the Producers to have greater influence on timing and costs of the connection. Where the Producer chooses this approach (referred to as "contestability"), then the meter station will be transferred to Enbridge Gas at the time that the connection is put into service. Enbridge Gas will enhance its communications when a shut-in is necessary for a Producer.

In implementing, applying and interpreting the Connection Procedures Document, the parties agree that the following guiding principles shall apply.

- Enbridge Gas will work collaboratively with Producers throughout the connection process, from the capacity availability review through to the completion of the connection.

- The parties will aim to find efficiencies in the connection process to reduce the timelines where possible, through initiatives such as standard station design documents and allowance for Producers to undertake contestable meter station work.

- The aims of collaboration and efficiency do not require Enbridge Gas to take extraordinary steps to accommodate Producer timelines or requests in a manner different than Enbridge Gas deals with other customers.

- The Connection Procedures Document and associated process are new, and opportunities for improvement may emerge over time. The parties support having an opportunity to revisit the Connection Procedures Document after it has been in place for two years.

BACKGROUND

In a Notice of Proceeding issued on February 7, 2022, the OEB initiated a proceeding to address a number of items relevant to Enbridge Gas and its dealings with Producers.

After a preliminary process, the OEB determined in its Decision and Procedural Order No. 3 that the proceeding would be limited to the issue of fair and transparent access by Producers to Enbridge Gas's system.

Through subsequent procedural steps, OPI filed evidence that was responsive and additional to the Enbridge Gas evidence, and then the parties exchanged submissions about whether Enbridge Gas's current approach to Producer connections is appropriate and sufficient.

In its Decision and Procedural Order No. 8, the OEB determined that "Enbridge Gas Inc.'s connection procedures, applicable to natural gas and renewable natural gas producers in Ontario, should be documented for inclusion in its transportation contract rates and gas purchase agreements."

The OEB specifically directed that the following items be included / addressed in the connection procedures:

- A granular process for Producer connections, including timelines;
- A contestability option which includes the opportunity for a Producer to construct certain portions of the connection facilities (the meter station);
- A process for providing information to Producers about market capacity for connections at their proposed location; and
- More complete and timely information provision to Producers about shut-ins.

The OEB directed Enbridge Gas to prepare a draft connection procedures document addressing the items listed above, and provide that to the Producer representatives (CBA and OPI). The OEB further directed that Enbridge Gas, the Producer representatives and OEB staff (along with any other interested parties) participate in a Settlement Conference to try to settle upon connection procedures that are acceptable to all.

Through the Settlement Conference process, the parties have agreed to the Connection Procedures Document attached at Appendix "A".

PRODUCER CONNECTION PROCESS

The Connection Procedures Document attached at Appendix "A" addresses each of the items stipulated by the OEB. The document is organized such that it first includes an annotated timeline for the connection process, and then includes further details relevant to certain of the steps within the connection process. At the end of the Connection Procedures document, details are set out about Enbridge Gas communications with Producers regarding shut-ins. The timelines set out in Table 1 of the Connection Procedures Document include a range in some instances – the expectation is that where the Producer chooses a "contestable work" option, the actual timing will be at the shorter end of the range.

Enbridge Gas will post the Connection Procedures Document on its website, along with information about how a Producer can make a connection application.

One item that is included in the Connection Procedures Document is the option for the Producer to choose "contestable work" and construct the meter station for the connection project. In that instance, the Parties have agreed that Enbridge Gas will be responsible for the design of the meter station, and will produce and make available standard station design drawings and an associated bill of materials to Producers at no cost. Enbridge Gas will initially prepare four different standard station designs, and it is anticipated that these will accommodate the large majority of Producer requirements. Standard designs will incorporate components with appropriate pressure ratings and flow capacities for a range of typical requirements, aligned with standard component pressure ratings including 1210kPa and 4960kPa. Where a non-standard design is required (such as for a very large connection), then the Producer will be responsible for Enbridge Gas's incremental design costs. The Parties anticipate that the time needed for non-standard design work may decline over time as new, non-standard designs are developed and are used by Enbridge Gas as a basis for future non-standard station designs.

It is the intention of the Parties that the Connection Procedures Document will prevail when there is a conflict with Enbridge Gas' contracts with Producers. Accordingly, where applicable, Enbridge Gas will update its contracts for Rates 401 and M13, as well as its Gas Purchase Agreement (applicable to conventional and renewable natural gas producers), to note and incorporate by reference the relevant provisions and expectations of the Connection Procedures Document. The general terms and conditions applicable to the Rate M13 contract will be referenced in the rate schedule for Rate M13 included in the Company's Rate Handbook (the Rate 401 contract and gas purchase agreement are not part of the Rate Handbook). The parties believe that this approach meets the OEB's expectation from Decision and Procedural Order No. 8 that the new process will be OEB-approved and enforceable.

IMPLEMENTATION

The parties agree that it is appropriate for the provisions of the Connections Procedures Document to come into effect as of August 1, 2024. This will provide Enbridge Gas with the time necessary to get all related requirements in place, including the standard station design documents, the Producer information package, updates to the Company's website, and the preparation of the form of Contestable Work Agreement that a Producer would sign where applicable.

The parties further agree that it would be appropriate to revisit the updated connection procedures set out in the Connections Procedures Document, after having some experience with how they work in practice. The parties request that the OEB make provision for a one-day stakeholder session in the Fall of 2026, in order for the parties and OEB staff to discuss whether any changes should be made to the connection procedures on a prospective basis. Following the stakeholder session, the parties would advise the OEB as to whether further process is required.

OTHER PROCEEDINGS

Two additional items were discussed during the Settlement Conference that are not addressed in the Connection Procedures Document.

- Producers raised questions about rate treatment for customers whose service is interrupted. Enbridge Gas did not agree with the Producers's position. Further, Enbridge Gas took the position that this is a rate-related issue that, based on the OEB's direction in its Decision and Procedural Order No. 4 (see page 1), is appropriately addressed in the context of the EB-2022-0200 rates proceeding.

- Producers also raised questions about the transfer and/or salvage value of any contestable work facilities that remain at the time that the Producer ceases to receive service from Enbridge Gas. Enbridge Gas did not agree with the Producers's position, and again took the position that this is not an appropriate forum for such items to be addressed.

Enbridge Gas acknowledges that the Producers may raise these items within Phase 2 or 3 of the EB-2022-0200 rates proceeding, where relevant issues of rate design are being considered. Each of the parties may take any position they choose at that time, though Enbridge Gas will not object to the Producers raising issues about interruptible rates within the appropriate issue in Phase 2 or 3 of the EB-2022-0200 proceeding.

APPENDIX A – CONNECTION PROCEDURES DOCUMENT

PROCEDURE FOR CONNECTING AN ONTARIO GAS PRODUCER TO ENBRIDGE GAS INC.'s PIPELINE SYSTEM

Enbridge Gas Inc.

February 23, 2024

ENBRIDGE

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1. Producer Connection Process

In response to the OEB's direction in the EB-2022-0094 proceeding, EGI has codified a connection process for Producers, including timelines and a contestability option. The process is described below and will be used for new Producer connection requests starting August 1, 2024. The Connection Process may be updated from time to time in conjunction with Producers and will be posted on the EGI website.

When a Producer requests to connect to the EGI Pipeline System, EGI Engineering assesses the request to determine the Pipeline System requirements to connect and the ability to accept injection volumes. Subject to the contestability options available to the Producer, EGI then prepares a design of the Pipeline System assets required for the proposed connection and prepares a cost estimate which is provided to the Producer. At such time in the Connection Process that EGI determines it will be providing confidential proprietary information to Producer, Producer will sign a confidentiality agreement with EGI ahead of delivery of any such confidential information.

A Producer initiates contact with EGI through the Company's website.

The Producer is provided a Producer Connection Information Package which includes:

a) the process for construction of a Meter Station for injection into EGI's Pipeline System, including the information required by EGI from the Producer;
b) the description of the types of injection services EGI provides to Producers relevant to that Producer;
c) the Company Specifications and gas quality requirements for being connected to EGI's Pipeline System;
d) the standard contractual terms and conditions for being connected to EGI's Pipeline System relevant to that Producer; and
e) the name, telephone number and e-mail address of the EGI Account Manager for inquiries relating to the connection of a Meter Station for injection of natural gas.

Producer connection requests must include the following minimum information before EGI can initiate the Connection Process:

- Company name
- Mailing address
- Primary contact
- Telephone number of primary contact
- Email address of primary contact
- Type of service requested (Rate M13, Rate 401, or GPA) if known at the time but subject to dialogue
- Type of gas to be injected
- Site location (a complete address or GPS coordinates) including a map
- Injection volume stated in both hour (m^3/hr) and day (m^3/day) adjusted for standard atmospheric pressure and temperature
- Seasonal or other variations in injection volume
- Anticipated start date of injection and ramp up schedule, if applicable

To the extent any of the requested information is not available, the Producer shall explain why the

information cannot be provided and provide the best alternative information. If more information is needed, EGI will follow up with the Producer.

Table 1 provides an overview of the Connection Process and the expected timeline for applicable steps. A timeline is provided for steps where EGI is preparing information to provide back to the Producer. A timeline is not provided for steps where EGI and the Producer are in an information exchange as the timeline is dependent upon the response from the Producer. The timelines in Table 1 are similar to the timelines for large volume distribution customer connection requests, where applicable.

Table 1: Connection Process Overview

	Process Steps	Timeline[(1)]
1	Request for Connection • The Producer initiates contact with EGI by submitting a request for connection through the Company's website. • EGI assigns the request to an Account Manager. • The Account Manager contacts the Producer.	5 days
2	Detailed Producer Information • The Account Manager provides the Producer with a Producer Connection Information Package. • The Producer provides the required information to the Account Manager.	
3	System Capacity Assessment • The Account Manager requests that EGI system planners conduct a System Capacity assessment (i.e., ability of the EGI Pipeline System to accept volumes under Design Condition and Summer Low Condition). • A System Capacity assessment is completed and provided to the Producer.	15 days
4	System Capacity Assessment Review Meeting(s) with Producer • At the request from the Producer, the Account Manager and one or more EGI system planners reviews the results of the System Capacity assessment, including any new Pipeline System facilities that may be required, in a meeting with the Producer. • Based on the System Capacity assessment results and gas quality requirements, the Producer may request EGI to proceed with a High-Level Cost Estimate for the construction of any assets required to provide injection services to the Producer. • The Producer may indicate to EGI whether it intends to elect the option to perform Contestable Work.	20 days from the time a Producer requests a meeting to review the provided System Capacity Assessment.
5	High-Level Cost Estimate • The Account Manager initiates a High-Level Cost Estimate based on System Capacity assessment.	35-55 days[(2)]

	• EGI Engineering determines the preliminary design requirements for the Meter Station and Pipeline System. • A High-Level Cost Estimate is prepared based on the preliminary design requirements. • If the Producer has elected to perform Contestable Work, the High-Level Cost Estimate prepared by EGI will not include costs associated with the Contestable Work to be performed by the Producer. • If the Producer has elected to perform Contestable Work, EGI provides the Producer with the standard station design drawings and associated bill of materials, if applicable, as soon as available and without waiting for the completion of the full cost estimate so as to allow Producers to begin procuring materials and planning construction. If the Contestable Work cannot be completed with a standard station design, EGI will provide the Producer with non-standard station design drawings as part of the Design and Procurement Level Cost Estimate at Step 7 below.	
6	<u>High-Level Cost Estimate Review Meeting(s) with Producer</u> • The Account Manager reviews the High-Level Cost Estimate with the Producer. • Based on the High-Level Cost Estimate results, the Producer confirms in writing whether to proceed with a Design and Procurement Level Cost Estimate for the construction of any assets required to provide injection services to the Producer. • If not previously communicated, the Producer may indicate to EGI whether it intends to elect the option to perform Contestable Work. • Where the Producer indicates it wants to proceed with a Design and Procurement Level Cost Estimate an indemnification agreement shall be executed with EGI.	
7	<u>Design and Procurement Level Cost Estimate</u> • EGI system planners assign System Capacity for the Producer in system design models and confirms detailed design requirements for the Meter Station and Pipeline System. • A Design and Procurement Level Cost Estimate is prepared based on the detailed design requirements. • If the Producer has elected to perform Contestable Work, the Design and Procurement Level Cost Estimate prepared by EGI will not include costs associated with the Contestable Work to be performed by the Producer. • If the Producer has elected to perform Contestable Work, and if it has not already been provided at an earlier step, EGI will provide the Producer with standard or non-standard station design drawings and associated bill of materials, if applicable, as soon as available and without waiting for the completion of the full cost estimate so as to allow Producers to begin procuring materials and planning construction.	35-70 days[(2)]

8	<u>Design and Procurement Level Cost Estimate review meeting(s) with Producer</u> • The Account Manager reviews the Design, Procurement Level Cost Estimate with the Producer and provides an estimate of EGI's timeline to fabricate and install the station. • If applicable, the Producer confirms in writing the election to perform Contestable Work. This is the final stage at which Contestable Work can be requested by the Producer. (see: Contestability Procedure).	
9	<u>Injection Contract Drafted & Signed</u> • The Account Manager obtains engineering, credit, and financial approval. • The Injection Contract applicable to the Producer is drafted. • A Contestable Work Agreement applicable to the Producer is drafted. • The Account Manager reviews the Injection Contract with the Producer. • The Producer signs the Injection Contract within 45 days of receiving the Design and Procurement Level Cost Estimate. Following 45 days, the Design and Procurement Level Cost Estimate is invalid without an approved extension. • The Producer pays any applicable contribution payments to EGI. • If applicable, the Producer signs the Contestable Work Agreement.	40 days
10	<u>Contestable Work, if applicable</u> • The Producer executes a Contestable Work Agreement with EGI. • The Producer notifies EGI of contractor selected for Contestable Work.	
11	<u>Contestable Work Contractor Verification, if applicable</u> • EGI verifies the Producer selected contractor meets the requirements for an EGI Qualified Contractor.	10 days
12	<u>Construction</u> • Construction is carried out, including Contestable Work, if applicable.	Project specific
13	<u>Meter Station Commissioning</u> • If applicable, EGI reviews and approves the work completed by the Producer pursuant to the Contestability Procedure. Any changes/modifications required by EGI (see: Contestability Procedure) must be completed by the Producer prior to proceeding with Meter Station Commissioning. • EGI works with the Producer to commission the Meter Station. • If there are deficiencies identified after commissioning, EGI may defer transfer of the Meter Station until such deficiencies have been remedied by the Producer. • If applicable, the Producer transfers Meter Station to EGI, after commissioning.	Project specific

14	Final Invoice • EGI provides final invoice to the Producer to true-up costs and payment is made or refund provided in accordance with the applicable Injection Contract.	90 days

(1) Timelines are in business days and are subject to completion of previous task and may require commitment from the Producer before proceeding.

(2) Contestable Work initiated by the Producer that can be completed with a standard station design will reduce the time required towards the lower end of the range provided. Additional time may be necessary for complex connection requests. EGI will notify the Producer if additional time is required for a particular step due to such complexity.

2. System Capacity Assessment

2.1. As part of the Connection Process, EGI will conduct the System Capacity assessment and communicate its findings to the Producer. EGI will evaluate each injection request based on the specific requirements and the needs of the local Pipeline System at the time of assessment. The capacity assessment will include Low Hourly (m3/hr), High Hourly (m3/hr), Average Daily (m3/day) for the three conditions below:

- Summer Condition (0 HDD)
- Intercept
- Design Condition

The Injection Contracts provide that injection conducted thereunder is interruptible in nature and subordinate to any and all firm services provided by EGI.

2.2. EGI notes that a range of variables affect the availability of System Capacity, and seasonal Demand volumes used for the assessment at a point in time are not a guarantee of future volumes. The Pipeline System's ability to accept the injection of Producer gas can vary significantly at different locations and over time, as it is highly dependent on the specific system configuration, the amount and types of local Demand, and the location of injection. Additionally, EGI's Pipeline System is a complex and interconnected system with cascading pressures and subsystems. Injection on one subsystem does not necessarily allow for access to other subsystems or systems upstream, thus limiting the ability to accept injection. With those caveats, EGI will work with the Producer to determine whether there are any measures that EGI can reasonably take to maximize the injection capacity that is made available to the Producer.

2.3. EGI will work with Producers to adjust regulator settings on Producer stations and will make adjustments on EGI's system to optimize locally-produced volumes.

2.4. If there is insufficient System Capacity on the local Pipeline System to meet the injection capacity requirements of the Producer, additional pipeline facilities may be proposed by EGI and included in cost estimates, and EGI will provide information as to the location of the nearest system with a market large enough to accommodate the Producer request. EGI will also provide the amount of injection capacity that would be available without additional facilities or other markets for the Producer's consideration.

3. Design and Engineering

3.1. In accordance with the Connection Process, EGI will begin detailed design of the Pipeline System facilities required to connect the Producer Facilities to the EGI Pipeline System after the Producer provides written acceptance of the High-Level Cost Estimate. Where the EGI Pipeline System pressure and Producer injection volumes align with EGI's standard Producer Meter Station designs, a standard design will be used.

3.2. All Pipeline System assets to be operated by EGI must be designed in accordance with Company Specifications and all drawings that are required will be produced by EGI in accordance with Company Specifications. No alternates or substitutions will be permitted without explicit written consent by EGI Engineering. EGI will work in good faith and collaboratively with the Producer to review acceptable alternatives. EGI will provide its rationale if approval is withheld.

3.3. Project Estimates reflect industry standards for estimate classes and progress from low level definition to higher definition as the project scope is progressively defined. Initial business cases are typically based on high-level estimates, and then refined further to a design and procurement level prior to initiating the contract process. Cost estimating is conducted in two steps of the process outlined in the Connection Process Table 1.

3.3.1. High Level Cost Estimate: Estimate used for quick turnaround requests or to determine if a project is viable. Typically consists of:

- High-level scope, with map, showing the connection points
- Proposed pipe size, material, and pressure
- Aerial maps, GIS maps, no drawings
- High level permitting requirements
- Top-down cost estimating using historical costs and estimating tools
- Major equipment list to advance procurement of long lead time items

3.3.2. Design and Procurement Level Cost Estimate: Estimate used for budget authorization. May be used as control budget for less complex projects. Typically consists of:

- Single scenario
- Preliminary Drawings (30/60%)
- Route Design
- Long lead time materials
- Station Requirements
- Bottom-Up cost estimate with preliminary field estimates and contractor quotes
- Material and vendor quotes

4. Contestability Procedure

4.1. This Contestability Procedure identifies the requirements to be followed if the Producer requests in writing, as part of the Connection Process, to initiate the procedure to construct Contestable Work. EGI and the Producer will execute a Contestable Work Agreement confirming the specific terms and conditions associated with the Contestable Work, including compliance with the Company Specifications, timelines and items set out in section 4.6 below.

4.2. If the Producer elects to perform contestable work, they shall be responsible for the procurement of materials, fabrication, and installation of the Meter Station only , which shall be transferred to EGI as further described below.

4.3. Commissioning of the Meter Station and the design, fabrication, installation, and commissioning of any other EGI Pipeline System facilities required to connect the Producer to EGI's Pipeline System are not eligible for Contestable Work.

4.4. The following requirements shall apply to Producer performed Contestable Work:

4.4.1. EGI shall prepare the Meter Station design. EGI shall provide the IFC Drawings, all applicable Company Specifications, and an Inspection and Test Plan to the Producer.

4.4.2. The Producer shall be responsible for, among other things: (i) the selection and hiring of

qualified contractor(s), who must meet the list of qualifications and be approved by EGI in accordance with EGI's Company Specifications, (ii) administration of its contracts with contractor(s), (iii) payment of the contractor(s) costs, and (iv) assumption of full liability for the Contestable Work until the end of the warranty period excluding deficiencies in the Contestable Work directly resulting from Producer's adherence to Company Specifications.

4.4.3. The Producer shall not source materials outside of EGI approved materials. EGI will provide a list of approved materials and their design specifications. Producers may submit alternate materials for approval where those materials meet EGI's Company Specifications, and EGI will work in good faith and collaboratively with the Producer to review acceptable alternatives. EGI will provide its rationale if approval is withheld.

4.4.4. EGI shall supply the meter for the Meter Station, to be installed by the Producer.

4.4.5. The construction of the Meter Station, including but not limited to handling, fabrication, installation, coating, and testing activities, must be completed under the supervision of an inspector(s) that holds a valid Gas Pipeline Inspector certificate or a Professional Engineer that meets the requirements of O.Reg.215/01, s.3(4). Prior to the start of construction, the Producer must provide to EGI a detailed construction schedule for the purposes of coordinating Inspection(s) by EGI. EGI has the right to conduct such level of inspection as EGI determines is appropriate pursuant to Company standards, as identified in the Inspection and Test Plan. The level of inspection provided by EGI to the construction will be comparable to the level of inspection that EGI provides over construction that is completed by EGI's contractors and will be aligned with the timing in the construction schedule.

4.4.6. The Producer shall ensure that the Contestable Work is completed in accordance with the requirements of the TSSA, CSA, and Company Specifications.

4.4.7. The Producer shall be responsible for obtaining all necessary permits, licenses, and/or land rights required to fabricate and install the Meter Station and shall assume all compliance obligations and liabilities associated with these activities, including worker protection and site safety requirements and measures to protect the public and the environment.

4.4.8. All documentation and records, as required by Company Specifications, shall be transferred to EGI prior to commissioning.

4.4.9. Prior to the commencement of any work required by EGI to support the Contestable Work, the Producer must make all applicable payments as required by the Contestable Work Agreement, including the EGI direct and overhead costs (including labour and administration) to review the Contestable Work.

4.5. Following completion of construction of the Contestable Work, and prior to commissioning, the Producer shall seek inspection and verification by EGI that all applicable requirements of EGI have been met (including conformance with Company Specifications). EGI shall identify issues that must be addressed prior to the Meter Station undergoing commissioning. EGI shall identify deficiencies discovered during commissioning. Any necessary changes or modifications required as a result of deficiencies discovered shall be completed at the cost of the Producer. Upon successful completion and correction of all identified deficiencies, EGI shall commission the station. Once all identified

efficiencies have been addressed, EGI will provide confirmation in writing that all requirements have been met and the meter station shall be transferred to EGI.

4.6. In addition to the above items, the Contestable Work Agreement shall include terms and conditions that substantially reflect the following:

4.6.1. Prior to EGI work commencing, the Producer is required to provide to EGI (i) payment of EGI's estimated direct and overhead costs (including labour and administration) related to the Contestable Work and other EGI work required to connect the Producer Facilities to EGI's Pipeline System, subject to true-up following commissioning and transfer of Meter Station based on EGI's actual direct and overhead costs, and, in EGI's discretion (ii) a deposit equivalent to 10% of the estimated cost of the Contestable Work to be held and used by EGI for warranty purposes pursuant to paragraph 4.6.5 below, with any amount not applied against warranty work to be returned to the Producer no later than 2 years after the date EGI takes title to the Meter Station. The aforementioned estimated costs shall be as set out in the Design and Procurement Level Cost Estimate.

4.6.2. In addition to facilities and land access and rights required by EGI that the Producer shall provide at the location of the Producer Facilities pursuant to the Injection Contract, the Producer shall also extend to EGI any land access and rights obtained by the Producer for the Contestable Work.

4.6.3. The Producer agrees that the ownership of the Contestable Work shall be transferred to EGI, at no cost, effective upon EGI's delivery of written confirmation pursuant to paragraph 4.5(i) above.

4.6.4. The Producer shall provide representations and warranties to EGI regarding the workmanship, quality and fitness for purpose of the Contestable Work and conformance of same with applicable requirements (including Company Specifications). The Producer shall assign and transfer to EGI all assignable warranties it receives from its vendors and manufacturers and shall enforce on EGI's behalf any unassignable warranties.

4.6.5. The representations and warranties shall survive until the Contestable Work is placed into service by EGI pursuant to the Injection Contract and thereafter, the Injection Contract will govern Producer's responsibility to reimburse EGI for any actual costs reasonably incurred by EGI for any repair, replacement, relocation, or upgrading of the Contestable Work, or as required by law, or by duly constituted regulatory body, or through good engineering practice. EGI will be responsible for any costs incurred by EGI to correct an error made by EGI.

5. Construction

5.1. EGI is obligated by the TSSA and other provincial, federal and industry regulatory standards, to ensure the safe and reliable operation of its Pipeline System assets and cannot delegate this authority. EGI must ensure the competency of work performed by its employees and contractors. The design, fabrication, installation, testing, record retention, and maintenance of EGI's Pipeline System must meet these requirements.

5.2. As part of the Connection Process, Enbridge Gas provides cost estimates for the necessary Meter Station and Pipeline System facilities required to accept the Producer's proposed injection volume and connect Producer Facilities to EGI' Pipeline System. Unless the Contestability Procedure is requested by the Producer prior to initiating the High-Level Cost Estimate, EGI will provide a cost estimate based upon EGI designing and constructing all Pipeline System assets required downstream of the Producer Facilities in order to accept gas from the Producer, in accordance with the Injection Contract.

6. Shut in Procedure

6.1. In the event of a shut-in, which will be limited to justifiable operational reasons, EGI will follow the outlined procedures to provide information and transparency to the Producer. EGI will ensure the service curtailment provisions in the Injection Contract do not conflict with these procedures.

6.2. EGI shall provide at least 72 hours verbal notice before a planned shut-in, 24 hours verbal notice for unplanned shut-ins or where unplanned changes are required to a planned shut-in, and, as much notice as possible for emergency shut-ins based on the circumstances requiring the shut-in, followed promptly in each case by written notice. The verbal and written notices will provide the reason for the shut-in and estimated duration. Any changes to the estimated duration shall result in EGI providing supplementary notice(s) regarding the revised estimated duration.

6.3. EGI shall make all reasonable efforts to minimize the duration of any planned or unplanned shut-ins. Both EGI and the Producer will work together to minimize the duration of any shut-in, where possible, in a commercially reasonable manner, which will include consideration of what would be reasonable activity for the Producer to undertake to restore their service as well as consideration of options that rely on resources not provided directly by EGI.

6.4. In the event EGI undertakes any reconstruction or modification of its Pipeline System which may permanently or temporarily reduce the System Capacity available to receive the Producer's gas or the Producer's ability to deliver gas to EGI, EGI shall provide notice to the Producer according to the timeline specified in the applicable Injection Contract, setting out the reason for the modification, estimated impact to the ability to accept supply from the Producer, estimated duration of the impact resulting from the modification and discuss if any alternatives exist to facilitate continued production. EGI shall provide supplementary notice(s) regarding changes to the information provided in the original notice, as appropriate. In instances where the shut-in will last more than 30 days, EGI will ensure the Producer is updated on a monthly basis with any additional information.

6.5. In the event EGI experiences a Force Majeure that results in a shut-in of a Producer, as defined in the underlying Injection Contract, EGI shall provide notice to the Producer according to the timeline specified in the applicable Injection Contract. Where available and subject to confidentiality requirements, EGI will share the reason for the Force Majeure, estimated impact to the ability to accept supply from the Producer, estimated duration of the impact resulting from the modification and discuss if any alternatives exist to facilitate continued production. EGI shall provide supplementary notice(s) regarding changes to the information provided in the original notice, as appropriate. In instances where the shut-in caused by the Force Majeure will last more than 30 days, Enbridge Gas will ensure the Producer is updated on a monthly basis with any additional information.

6.6. In the event that, as a result of EGI testing, it appears to EGI that gas quality standards are not being met as required by the Injection Contract and Enbridge Gas Policies such that EGI initiates a shut-in of a Producer, EGI shall provide notice to the Producer according to the timeline specified in the applicable Injection Contract. EGI will work with the Producer to ensure that, following notification from the Producer that the gas quality issue has been remedied, onsite re-testing of gas quality within 2 business days will be conducted by EGI. If the Producer wishes to engage a third party for this testing, it may do so at its own discretion, cost and liability. EGI and the Producer will need to agree on the third party selected to complete the testing, the procedure for how the testing will be completed, and EGI will need to be witness to the testing to consider it valid for determining if gas quality standards have been met. If a collection of gas samples is required the timeline to assess gas quality may be extended up to 14 business days, however EGI will make reasonable efforts to reduce this on a case by case basis where quality assessments can occur on a shorter timeframe. If the re-testing or the completion of sample testing establishes that the Producer's gas complies with the applicable gas quality standards, EGI will restore the Producer's service. In all cases, EGI will not return the Producer to service until EGI's gas quality standards have been met.

Terms and Definitions

Term	Definition
Account Manager	An EGI employee who is responsible for the day-to-day management of a customer account.
Base Temperature	The temperature at which customer demands are anticipated to transition to space heating.
Codes	All codes and standards as adopted by the TSSA including but not limited to CSA Z662, Oil and Gas Pipeline Systems.
Company Specifications	The requirements, conditions, qualifications and instructions governing the Contestable Work as specified by EGI from time to time in a Contestable Work Agreement, to ensure the Contestable Work is designed, constructed and maintained in accordance with relevant codes, regulatory requirements and industry best practices.
Connection Process	The process set out in Section 1 of this document describing the steps EGI follows to connect a Producer to EGI's Pipeline System.
Contestability Procedures	The procedures set out in this document describing how Contestable Work is conducted.
Contestable Work	The components of a Meter Station that EGI specifies a Producer may construct to enable connection of the Producer's Facilities to EGI's Pipeline System in accordance with the Contestability Procedures and a Contestable Work Agreement.
Contestable Work Agreement	The written agreement made between EGI and a Producer that governs construction of Contestable Work.
CSA	Canadian Standards Association
Demand	The volumetric consumption on EGI's Pipeline System in the vicinity of the Producer Facilities.
Design Condition	The highest Demand on EGI's Pipeline System in the vicinity of the Producer Facilities due to heating load at the design temperature.
Design and Procurement Level Cost Estimate	Estimate used for budget authorization. May be used as control budget for less complex projects.
EGI or Company	Enbridge Gas Inc.
GPA	An EGI Ontario Production Gas Purchase Agreement.
HDD	Heating Degree Day is the absolute value of temperature in degrees Celsius below the base temperature minus the base temperature.
High-Level Cost Estimate	Estimate of the costs related to connecting a Producer to EGI's Pipeline System, used for quick turnaround requests or to determine if a project is viable.
Injection Contract	An M13 Contract, GPA or Rate 401 Agreement.

Inspection	Verification that Pipeline System components meet applicable industry codes, Enbridge standards and specifications through visual, pressure testing, and non-destructive testing forms of verification as required on the IFC Drawings.
Inspection and Test Plan	A documented list of activities associated with Meter Station fabrication and installation which require a specified level of inspection by EGI.
Intercept	Intercept HDD is the temperature at which the Producer's requested volume meets the predicted EGI system demand. The intercept is typically located between the Summer Low Condition and the Design Condition.
Issued for Construction (IFC) Drawings	Drawings approved by EGI Engineering providing the layout, materials, and specifications applicable to the construction of Pipeline System assets. IFC Drawings are created for any Meter Station or Pipeline System assets required to connect Producer Facilities to EGI's Pipeline System.
M13 Contract	An EGI M13 Transportation and Producer Balancing Service and Name Change Service Contract.
Meter Station	Pipeline System facilities required to receive and measure the gas produced by the Producer Facilities and to transfer custody to EGI, including without limitation metering, filtration, pressure regulation, odourization, and monitoring equipment. For clarity, the meter station begins at the station inlet valve, located downstream of the Producer Facilities and ends at the station outlet valve which connects to EGI's Pipeline System.
Pipeline System	The pipelines, stations, and other facilities required by EGI for the measurement, processing, storage, gathering, transportation and distribution of natural gas, as defined by CSA Z662.
Producer	The party requesting to inject into EGI's Pipeline System, being either an Ontario producer of natural gas or RNG or other methane production facility.
Producer Facilities	Production and pipeline assets owned and maintained by the Producer to receive services from EGI under an Injection Contract, which may include gas wells, gathering pipelines, piping and components, purification, filtration, and compression equipment.
Qualified Contractor	A pre-approved EGI contractor or a contractor that will satisfactorily complete the EGI approval process.
Rate 401 Agreement	An EGI Biogas Services Agreement for service pursuant to EGI's Rate 401.
RNG	Renewable natural gas or biogas generated from biomass, including without limitation gas generated from landfills and anerobic digesters.

Summer Low Condition	The lowest Demand on EGI's Pipeline System in the vicinity of the Producer Facilities during the warmer summer months, also known as 0 HDD, where space heating is not required.
System Capacity	The volumetric capacity that exists from time to time within EGI's Pipeline System, as determined by EGI in its sole discretion.
TSSA	Technical Standards and Safety Authority