

October 15, 2018

Ms. Kirsten Walli
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON N4P 1E4

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ONTARIO ENERGY BOARD

Dear Ms. Walli:

Re: Union Gas Limited Chatham-Kent Rural Project (EB-2018-0188)

Union Gas Limited has regretfully informed the Municipality of Chatham-Kent that the Natural Gas Grant Program ("NGGP") funding through the Ministry of Infrastructure is no longer available for the Chatham-Kent Rural Project.

The lack of natural gas infrastructure in rural areas of Chatham-Kent is of serious concern as it limits economic development in both the industrial and agricultural sectors. As with many communities, economic growth and job creation is a direct function of the accessibility to natural gas infrastructure. Having limited access to natural gas puts Chatham-Kent at a distinct competitive disadvantage, as it is difficult to attract new businesses to the community where basic energy expenses will be double, simply because the infrastructure is either undersized or is completely lacking.

Chatham-Kent has identified opportunities to grow the greenhouse and food processing sectors given our strategic location to global markets and farm gate. Costs involved to extend proper size natural gas infrastructure areas that are conducive to hosting these types of employment generators, often make the development financially impossible.

In the past 24 months, Chatham-Kent has lost approximately \$300 million in greenhouse construction development due to the costs to extend natural gas to the preferred sites being prohibitive. Using the multiplier of four jobs created for every acre of greenhouse developed, this means 1,200 jobs were not created and much needed municipal tax dollars will not be realized.

The Chatham-Kent Rural Pipeline Expansion Project could provide up to 75,000 m³/hour of additional capacity to serve new and existing business customers in these rural, underserved areas, depending upon location. Assuming an average capacity need of less than 100 m³/hour per acre of greenhouse, the potential project could meet the gas needs of an equivalent of over 750 acres of new greenhouse demand. The potential of 750 acres of greenhouses being built in

the area of the proposed pipeline would generate an additional \$225,000 in the municipal portion of property taxes.

The Municipality of Chatham-Kent, therefore respectfully requests that the Ontario Energy Board proceed with issuing notice on this project in order to preserve the November 1, 2019 in service date. Chatham-Kent has made contractual and financial commitments that are reliant on that in service date.

Should you have any questions on the above, please contact me at 519.360.1998 ext. 3800.

Sincerely,

A handwritten signature in black ink, appearing to read 'John Norton', with a stylized flourish at the end.

John Norton
General Manager, Community Development
Municipality of Chatham-Kent
Email: johnn@chatham-kent.ca

JN/ddb

c.c. Karen Hockin, Union Gas Limited