

May 8, 2017

Mayor Anne Eadie
Municipality of Kincardine
1475 Concession 5
Kincardine, Ontario N2Z 2X6

Mayor Paul Eagleson
Municipality of Arran-Elderslie
P.O. Box 70
1925 Bruce Road 10
Chesley, Ontario N0G 1L0

Mayor Mitch Twolan
Township of Huron-Kinloss
21 Queen Street
P.O. Box 130
Ripley, Ontario N0G 2R0

RECEIVED

MAY 10 2017

ONTARIO ENERGY BOARD

Dear Mayors Eagleson, Eadie, and Twolan:

I am writing this letter as a follow up to the April 24, 2017 letter that I sent to each of you. In my April 24, 2017 letter (attached), I requested a joint meeting with all of you, myself and several members of my executive team. As stated in the letter, Union Gas is committed to filing an application with the Ontario Energy Board under **EB-2016-0137/0138/0139** to compete for the privilege of providing service to your communities.

In my letter, I noted that Mark Isherwood, Vice President, Sales, Marketing and Customer Care, would call you to propose meeting dates and find a time that was convenient to meet. He called and left a voice mail with each of you offering three potential dates and suggested if the dates did not work, we would do our best to find a date that would work.

Mayor Eadie, I am now in receipt of your note advising (on behalf of all three Mayors) that based on your relationship with EPCOR, you are unable to meet with Union Gas (letter attached). As you can appreciate we are disappointed by this response. We are also disappointed by the Phase 1 response to the OEB EB-2016-0137/0138/0139 that was filed by EPCOR and the Southern Bruce Municipalities in that it seems contrary to the process recently established by the OEB to allow for competition related to new Community Expansion in Ontario. We will be responding to the submissions made last week in a separate letter to the OEB.

Union Gas remains committed to developing a project to serve the Southern Bruce Municipalities with natural gas. We intend to file both an application requesting approval of Franchise Agreements/Certificates of Public Convenience and Necessity and distribution rates with the OEB, at a time to be determined by the OEB, and will file a Grant Application with the Government of Ontario prior to the deadline of July 31,

2017. We continue to believe that we should work together on these two critical filings to serve the best interests of the residents and industries of the Southern Bruce Municipalities. We remain committed to serving your communities and remain committed to meet with you and your teams at your earliest convenience.

Regards,

A handwritten signature in blue ink, appearing to read 'Steve Baker', with a stylized flourish at the end.

Steve Baker

Enclosure (2)

cc: Ms. Kristen Walli, Board Secretary, Ontario Energy Board
Hon. Bob Chiarelli, Minister of Infrastructure
Adam Redish, Assistant Deputy Minister, Infrastructure Policy Division

April 24, 2017

Mayor Anne Eadie
Municipality of Kincardine
1475 Concession 5
Kincardine, Ontario N2Z 2X6

Mayor Paul Eagleson
Municipality of Arran-Elderslie
P.O. Box 70
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Mayor Mitch Twolan
21 Queen Street
P.O. Box 130
Ripley, Ontario N0G 2R0

Dear Mayors Eagleson, Eadie, and Twolan:

I write today on behalf of myself and Union Gas to request your consideration of a meeting in the coming weeks.

As you are aware, Union Gas remains committed to preparing a filing to the OEB that will allow us to apply to compete for the privilege of providing natural gas service to your communities. Over the past number of years, a significant amount of hard work and focus has been demonstrated by your municipal councils, the Ontario Energy Board (OEB) and natural gas utilities related to community expansion. Throughout these efforts, all parties have shared a common goal; increasing access to natural gas in rural and underserved communities in Ontario.

Union Gas remains committed to expanding access to natural gas in rural, remote and First Nations communities across Ontario. It remains our focus to be a valued provider of natural gas throughout the areas we serve, while providing a reliable, safe delivery system that customers expect. It is very important to us to build strong relationships and partnerships with local communities.

In closing, I would appreciate the opportunity to meet with you in the very near future with a couple of members of my executive team. I have asked Union's Vice-President of Sales and Marketing, Mark Isherwood, accountable for the new community expansion program, to follow-up and reach out to see if there is a date in the near future that would be convenient for us all to meet.

Regards,



Steve Baker

► May 3, 2017

Union Gas Limited
50 Keil Drive North
Chatham, ON
N7M 5M1

Attention: Steve Baker, President

► Dear Mr. Baker:

This is in reply to your letter of April 24, 2017 requesting a meeting with myself and Mayors Twolan and Eagleson to discuss the initiative to bring natural gas to our South Bruce communities.

In the circumstances, given our partnership with Epcor, and the recently-announced provincial natural gas grant program, and after consulting with Mayors Twolan and Eagleson, we feel it would not be appropriate to meet with your team members at this time.

Sincerely,



Anne Eadie, Mayor

cc: Mayors Twolan and Eagleson



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