



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

April 19, 2024

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
District Municipality of Muskoka**

Attached is an Application by Enbridge Gas Inc. for Orders of the Ontario Energy Board with respect to a Franchise Agreement with the District Municipality of Muskoka. An agreement has been reached between Enbridge Gas Inc. and the District Municipality of Muskoka with regards to the terms and conditions of the proposed Franchise Agreement.

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
patrick.mcmahon@enbridge.com
(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 the terms and conditions upon which, and the period for
which, the District Municipality of Muskoka is, by by-law, to grant to Enbridge
Gas Inc. the right to construct and operate works for the distribution,
transmission and storage of natural gas and the right to extend and add to the
works in the District Municipality of Muskoka;

AND IN THE MATTER OF an Application by Enbridge Gas Inc. for an
Order directing and declaring that the assent of the municipal electors of the
District Municipality of Muskoka to the by-law is not necessary.

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 District Municipality of Muskoka (Municipality) is a municipal corporation incorporated under the laws of the Province of Ontario. Attached hereto and marked as Schedule "A" is a map showing the geographical location of the Municipality and a customer density representation of Enbridge Gas' service area. Enbridge Gas currently serves approximately 11,680 customers in the Municipality. Enbridge Gas and its predecessors have been providing gas distribution services within the District Municipality of Muskoka since approximately 1956.
3. The District Municipality of Muskoka is an upper-tier regional municipality comprised of six municipalities - the Town of Bracebridge, the Township of Georgian Bay, the Town of Gravenhurst, the Town of Huntsville, the Township of Lake of Bays and the Township of Muskoka Lakes. Enbridge Gas has franchise agreements with and Certificates of Public Convenience and Necessity for the Town of Bracebridge, the Town of Gravenhurst and the Town of Huntsville.
4. Enbridge Gas has an existing franchise agreement with the District Municipality of Muskoka (RP-2001-0067 / EB-2001-0833) effective May 6, 2003 which is attached as Schedule "B".
5. Enbridge Gas has a Certificate of Public Convenience and Necessity for the District Municipality of Muskoka (EB-2014-0133), dated July 3, 2014 which is attached as Schedule "C".
6. Regarding the timing of this application, paragraph 4(c) of the current franchise agreement allows for the extension of the current terms and conditions until a new franchise agreement is executed as long as renewal discussions had been initiated prior to the expiry date. The District Municipality of Muskoka was initially contacted by Enbridge Gas in January 2023 by email regarding the need to renew the existing franchise agreement (see attached Schedule "D").

7. At that time, the clerk of the municipality was provided with details of the franchise agreement renewal process as well as copies of the proposed franchise agreement, a draft resolution and draft bylaw for consideration.
8. Enbridge Gas applied to the Council of the Municipality for a franchise agreement permitting Enbridge Gas to construct and operate works for the distribution, transmission and storage of natural gas and the right to extend and add to the works in the District Municipality of Muskoka.
9. On December 18, 2023, the Council of the Municipality gave approval to the form of a Franchise Agreement in favour of Enbridge Gas and authorized Enbridge Gas to apply to the Ontario Energy Board for approval of the terms and conditions upon which and the period for which the franchise agreement is proposed to be granted.
10. Attached hereto as Schedule "E" is a copy of Resolution 201 / 2023 of the Council of the Municipality approving the form of the draft by-law and franchise agreement, authorizing this submission to the Ontario Energy Board, and requesting an Order declaring and directing that the assent of the municipal electors to the by-law and franchise agreement is not necessary.
11. Attached hereto as Schedule "F" is a copy of By-law 2023-69 and the proposed franchise agreement. The District Municipality of Muskoka has enacted and passed its by-law subject to updating the bylaw with the date of the decision and order associated with this application.
12. Enbridge Gas has franchise agreements with and Certificates of Public Convenience and Necessity for the City of Kawartha Lakes, the Township of McMurrich/Montieth, the Township of Perry, the Township of Ramara, the Township of Seguin and the Township of Severn, which are immediately adjacent to the Municipality. There is no other natural gas distributor in the area.
13. The proposed franchise agreement is in the form of the 2000 Model Franchise Agreement with no amendments and is for a term of twenty (20) years.
14. The address of the Municipality is as follows:

District Municipality of Muskoka
70 Pine Street
Bracebridge, ON P1L 1N3
Attention: Amy Back, District Clerk
Telephone: (705) 645-2100
Email: clerk@muskoka.on.ca

The address for Enbridge Gas' regional operations office is:

Enbridge Gas Inc.
400 Coventry Road
Ottawa, ON K1K 2C7
Attention: Nicole Lehto, Director, Regional Operations
Email: nicole.lehto@enbridge.com

15. In recognition of the changes to OEB Notices of Hearing and Related Processes issued on September 28, 2023, Enbridge Gas believes that publishing the Notice in the local newspaper, on the OEB web site, on the Enbridge Gas' web site and on the municipality's web site will provide a broad awareness of this application. The newspaper used by the Municipality for its notices is *The Muskoka Sun*.
16. Enbridge Gas now applies to the Ontario Energy Board for:
 - (a) an Order under s.9(3) approving the terms and conditions upon which, and the period for which, the District Municipality of Muskoka is, by by-law, to grant Enbridge Gas the right to construct and operate works for the distribution, transmission and storage of natural gas and the right to extend and add to the works; and
 - (b) an Order pursuant to s.9(4) directing and declaring that the assent of the municipal electors of the District Municipality of Muskoka is not necessary for the proposed franchise agreement by-law under the circumstances.

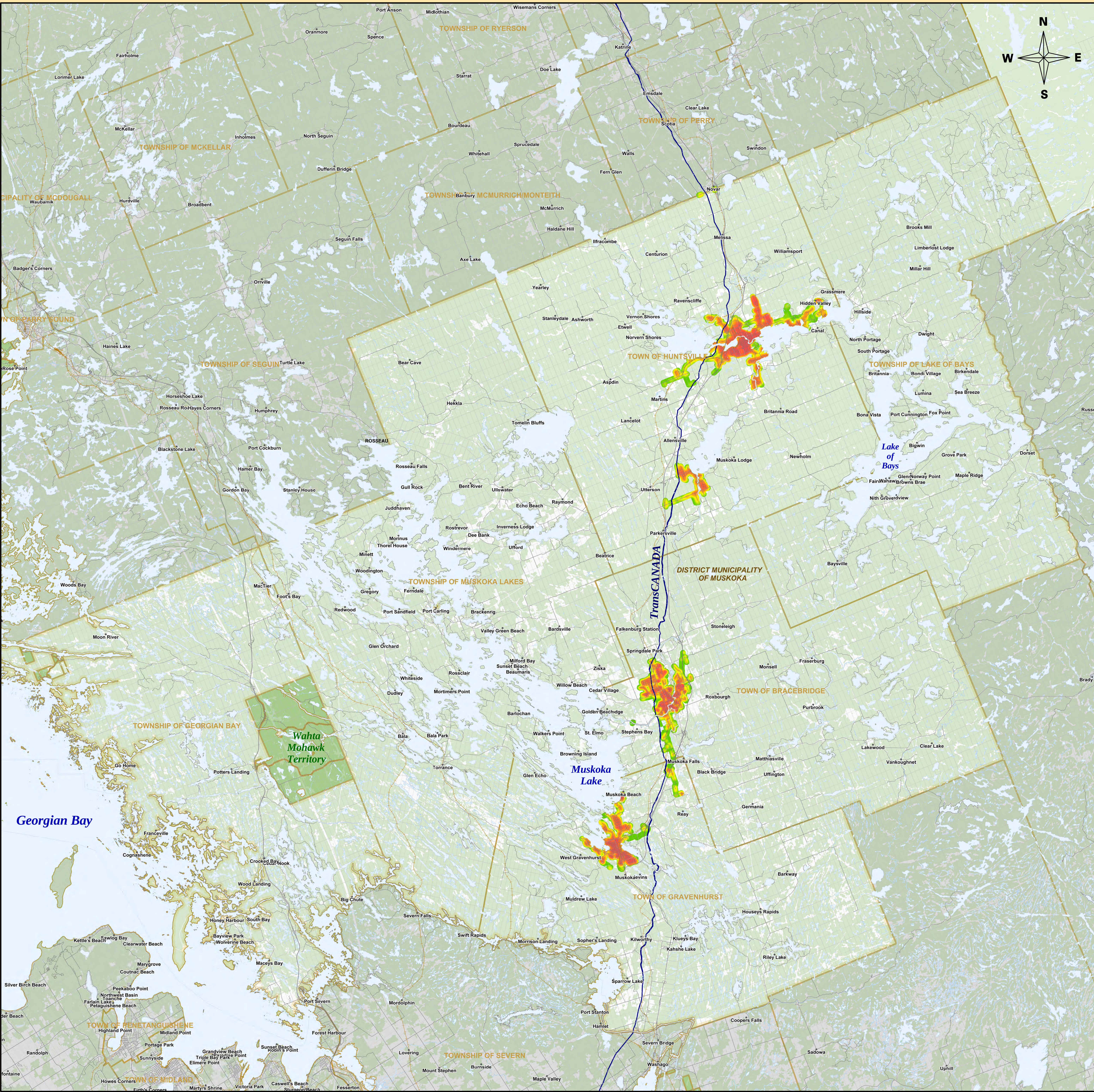
DATED at the Municipality of Chatham-Kent, in the Province of Ontario this 19th day of April, 2024.

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
patrick.mcmahon@enbridge.com
Telephone: (519) 436-5325



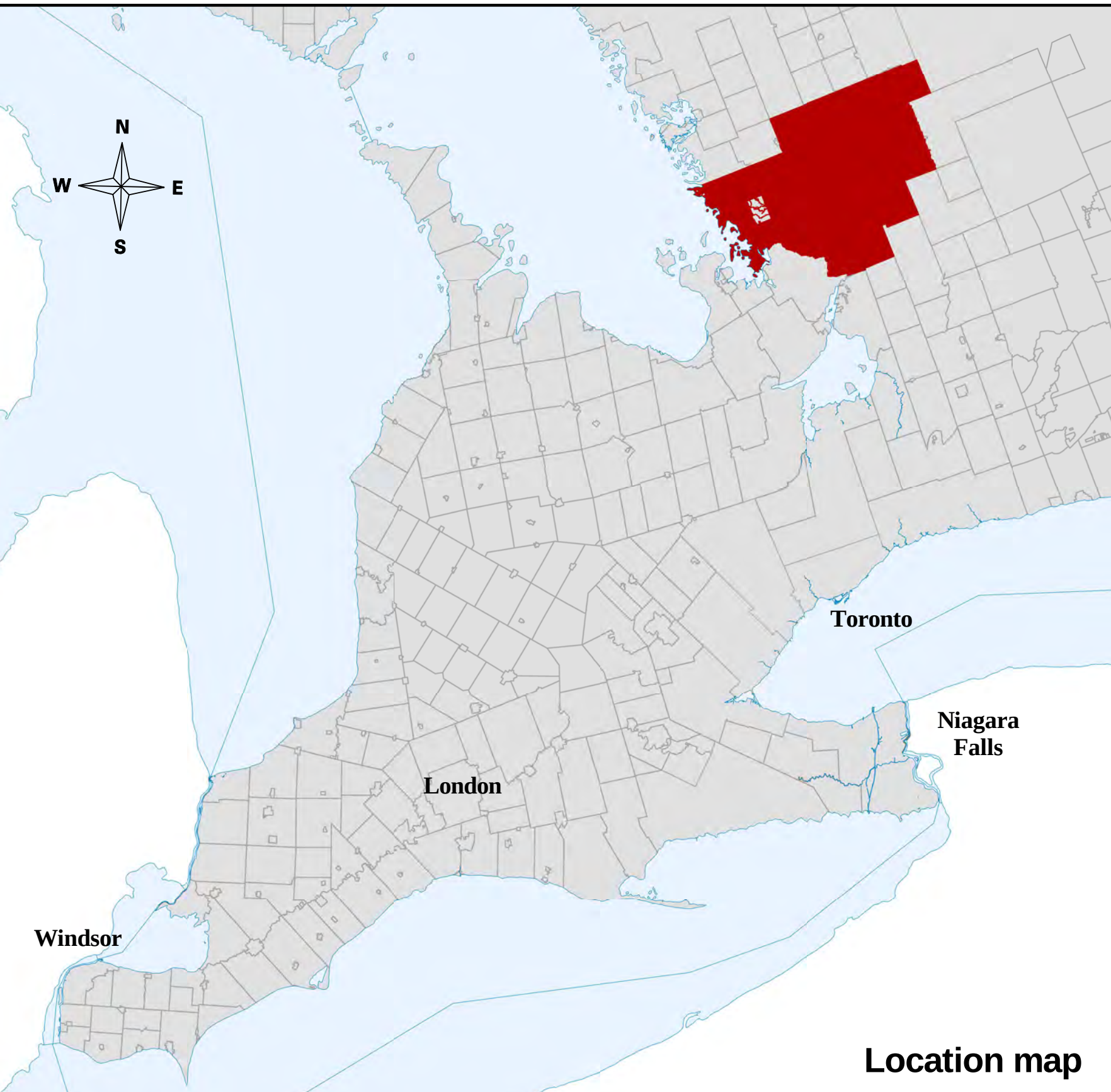
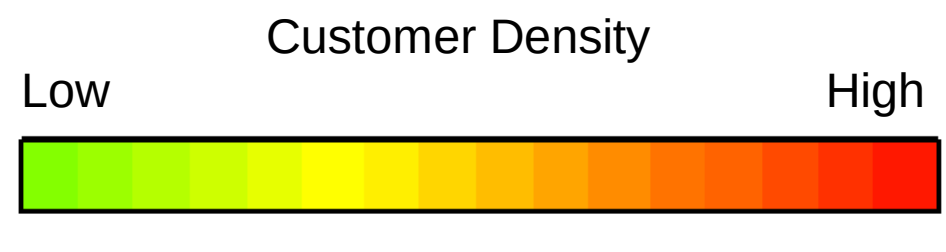
District Municipality of Muskoka

Legend

- Enbridge Gas Pipeline Coverage Area
- District Municipality of Muskoka
- Trans Canada Pipeline
- Roads
- Railways
- Municipal and Township Boundaries
- First Nation Boundaries



Disclaimer:
The map is provided with no warranty express or Implied and is subject to change at any time. Any Person using the Density Map shall do so at its own Risk and the Density Map is not intended in any way As a tool to locate underground infrastructure for the purposes of excavation



THE DISTRICT MUNICIPALITY OF MUSKOKA

BY-LAW NUMBER 2002-74

A by-law to authorize a Franchise Agreement
between Muskoka and Union Gas Limited

WHEREAS by by-law 81-45, the Council of The District Municipality of Muskoka authorized a franchise agreement between Muskoka and Central Gas Corporation Limited;

AND WHEREAS the said agreement was for a period of twenty (20) years;

AND WHEREAS it is desirable to enter into a new franchise agreement;

AND WHEREAS Union Gas Limited is the successor to Central Gas Company Limited;

AND WHEREAS the Ontario Energy Board by its Order issued pursuant to The Municipal Franchises Act on the 6th day of May, 2003 m.w. has approved the terms and conditions upon which and the period for which the franchise provided in the Franchise Agreement is proposed to be granted, and has declared and directed that the assent of the municipal electors in respect of this by-law is not necessary;

NOW THEREFORE the Council of The District Municipality of Muskoka ENACTS AS FOLLOWS:

1. The Franchise Agreement between The District Municipality of Muskoka and Union Gas Limited, attached hereto as Schedule "A" as defined and clarified in correspondence from Union Gas Limited dated November 14, 2002 attached hereto as Schedule "B", both of which Schedules form part of this by-law, is hereby authorized and the franchise provided for therein is hereby granted.
2. The Chair and the Clerk shall be and are hereby authorized to execute the said franchise agreement on behalf of Muskoka.
3. By-law number 81-45 shall be and is hereby repealed.
4. This by-law shall come into force and take effect on third reading thereof.

READ A FIRST TIME: December 2, 2002

READ A SECOND TIME: December 2, 2002

THE DISTRICT MUNICIPALITY OF MUSKOKA
Per:

[Original Signed by Gord Adams]

Chair

[Original Signed By Maureen Wylie]

Clerk

READ A THIRD TIME

AND FINALLY PASSED: December 2, 2002

THE DISTRICT MUNICIPALITY OF MUSKOKA
Per:

[Original Signed by Gord Adams]

Chair

[Original Signed By Maureen Wylie]

Clerk

2000 Model Franchise Agreement

THIS AGREEMENT effective this 6 day of May, 2003.
BETWEEN:

~~THE CORPORATION OF~~ THE DISTRICT MUNICIPALITY OF MUSKOKA

hereinafter called the "Corporation"

- and -



uniongas

LIMITED

hereinafter called the "Gas Company"

WHEREAS the Gas Company desires to distribute, store and transmit gas in the Municipality upon the terms and conditions of this Agreement;

AND WHEREAS by by-law passed by the Council of the Corporation (the "By-law"), the duly authorized officers have been authorized and directed to execute this Agreement on behalf of the Corporation;

THEREFORE the Corporation and the Gas Company agree as follows:

Part I - Definitions

1. In this Agreement

- (a) "decommissioned" and "decommissions" when used in connection with parts of the gas system, mean any parts of the gas system taken out of active use and purged in accordance with the applicable CSA standards and in no way affects the use of the term 'abandoned' pipeline for the purposes of the *Assessment Act*;

- (b) "Engineer/Road Superintendent" means the most senior individual employed by the Corporation with responsibilities for highways within the Municipality or the person designated by such senior employee or such other person as may from time to time be designated by the Council of the Corporation;
- (c) "gas" means natural gas, manufactured gas, synthetic natural gas, liquefied petroleum gas or propane-air gas, or a mixture of any of them, but does not include a liquefied petroleum gas that is distributed by means other than a pipeline;
- (d) "gas system" means such mains, plants, pipes, conduits, services, valves, regulators, curb boxes, stations, drips or such other equipment as the Gas Company may require or deem desirable for the distribution, storage and transmission of gas in or through the Municipality;
- (e) "highway" means all common and public highways and shall include any bridge, viaduct or structure forming part of a highway, and any public square, road allowance or walkway and shall include not only the travelled portion of such highway, but also ditches, driveways, sidewalks, and sodded areas forming part of the road allowance now or at any time during the term hereof under the jurisdiction of the Corporation;
- (f) "Model Franchise Agreement" means the form of agreement which the Ontario Energy Board uses as a standard when considering applications under the *Municipal Franchises Act*. The Model Franchise Agreement may be changed from time to time by the Ontario Energy Board;
- (g) "Municipality" means the territorial limits of the Corporation on the date when this Agreement takes effect, and any territory which may thereafter be brought within the jurisdiction of the Corporation;
- (h) "Plan" means the plan described in Paragraph 5 of this Agreement required to be filed by the Gas Company with the Engineer/Road Superintendent prior to commencement of work on the gas system; and
- (i) whenever the singular, masculine or feminine is used in this Agreement, it shall be considered as if the plural, feminine or masculine has been used where the context of the Agreement so requires.

Part II - Rights Granted

2. To provide gas service

The consent of the Corporation is hereby given and granted to the Gas Company to distribute, store and transmit gas in and through the Municipality to the Corporation and to the inhabitants of the Municipality.

3. To Use Highways

Subject to the terms and conditions of this Agreement the consent of the Corporation is hereby given and granted to the Gas Company to enter upon all highways now or at any time hereafter under the jurisdiction of the Corporation and to lay, construct, maintain, replace, remove, operate and repair a gas system for the distribution, storage and transmission of gas in and through the Municipality.

4. Duration of Agreement and Renewal Procedures

- (a) If the Corporation has not previously received gas distribution services, the rights hereby given and granted shall be for a term of 20 years from the date of final passing of the By-law.

or

- (b) If the Corporation has previously received gas distribution services, the rights hereby given and granted shall be for a term of 20 years from the date of final passing of the By-law provided that, if during the 20 year term of this Agreement, the Model Franchise Agreement is changed, then on the 7th anniversary and on the 14th anniversary of the date of the passing of the By-law, this Agreement shall be deemed to be amended to incorporate any changes in the Model Franchise Agreement in effect on such anniversary dates. Such deemed amendments shall not apply to alter the 20 year term.
- (c) At any time within two years prior to the expiration of this Agreement, either party may give notice to the other that it desires to enter into negotiations for a renewed franchise upon such terms and conditions as may be agreed upon. Until such renewal has been settled, the terms and conditions of this Agreement shall continue, notwithstanding the expiration of this Agreement. This shall not preclude either party from applying to the Ontario Energy Board for a renewal of the Agreement pursuant to section 10 of the *Municipal Franchises Act*.

Part III – Conditions

5. Approval of Construction

- (a) The Gas Company shall not undertake any excavation, opening or work which will disturb or interfere with the surface of the travelled portion of any highway unless a permit therefore has first been obtained from the Engineer/Road Superintendent and all work done by the Gas Company shall be to his satisfaction.
- (b) Prior to the commencement of work on the gas system, or any extensions or changes to it (except service laterals which do not interfere with municipal works in the highway), the Gas Company shall file with the Engineer/Road Superintendent a Plan, satisfactory to the Engineer/Road Superintendent, drawn to scale and of sufficient detail considering the complexity of the specific locations involved, showing the highways in which it proposes to lay its gas system and the particular parts thereof it proposes to occupy.
- (c) The Plan filed by the Gas Company shall include geodetic information for a particular location:
 - (i) where circumstances are complex, in order to facilitate known projects, including projects which are reasonably anticipated by the Engineer/Road Superintendent, or
 - (ii) when requested, where the Corporation has geodetic information for its own services and all others at the same location.
- (d) The Engineer/Road Superintendent may require sections of the gas system to be laid at greater depth than required by the latest CSA standard for gas pipeline systems to facilitate known projects or to correct known highway deficiencies.
- (e) Prior to the commencement of work on the gas system, the Engineer/Road Superintendent must approve the location of the work as shown on the Plan filed by the Gas Company, the timing of the work and any terms and conditions relating to the installation of the work.
- (f) In addition to the requirements of this Agreement, if the Gas Company proposes to affix any part of the gas system to a bridge, viaduct or other structure, if the Engineer/Road Superintendent approves this proposal, he may require the Gas Company to comply with special conditions or to enter into a separate agreement as a condition of the approval of this part of the construction of the gas system.

- (g) Where the gas system may affect a municipal drain, the Gas Company shall also file a copy of the Plan with the Corporation's Drainage Superintendent for purposes of the *Drainage Act*, or such other person designated by the Corporation as responsible for the drain.
- (h) The Gas Company shall not deviate from the approved location for any part of the gas system unless the prior approval of the Engineer/Road Superintendent to do so is received.
- (i) The Engineer/Road Superintendent's approval, where required throughout this Paragraph, shall not be unreasonably withheld.
- (j) The approval of the Engineer/Road Superintendent is not a representation or warranty as to the state of repair of the highway or the suitability of the highway for the gas system.

6. As Built Drawings

The Gas Company shall, within six months of completing the installation of any part of the gas system, provide two copies of "as built" drawings to the Engineer/Road Superintendent. These drawings must be sufficient to accurately establish the location, depth (measurement between the top of the gas system and the ground surface at the time of installation) and distance of the gas system. The "as built" drawings shall be of the same quality as the Plan and, if the approved pre-construction plan included elevations that were geodetically referenced, the "as built" drawings shall similarly include elevations that are geodetically referenced. Upon the request of the Engineer/Road Superintendent, the Gas Company shall provide one copy of the drawings in an electronic format and one copy as a hard copy drawing.

7. Emergencies

In the event of an emergency involving the gas system, the Gas Company shall proceed with the work required to deal with the emergency, and in any instance where prior approval of the Engineer/Road Superintendent is normally required for the work, the Gas Company shall use its best efforts to immediately notify the Engineer/Road Superintendent of the location and nature of the emergency and the work being done and, if it deems appropriate, notify the police force, fire or other emergency services having jurisdiction. The Gas Company shall provide the Engineer/Road Superintendent with at least one 24 hour emergency contact for the Gas Company and shall ensure the contacts are current.

8. Restoration

The Gas Company shall well and sufficiently restore, to the reasonable satisfaction of the Engineer/Road Superintendent, all highways, municipal works or improvements which it may excavate or interfere with in the course of laying, constructing, repairing or removing its gas system, and shall make good any settling or subsidence thereafter caused by such excavation or interference. If the Gas Company fails at any time to do any work required by this Paragraph within a reasonable period of time, the Corporation may do or cause such work to be done and the Gas Company shall, on demand, pay the Corporation's reasonably incurred costs, as certified by the Engineer/Road Superintendent.

9. Indemnification

The Gas Company shall, at all times, indemnify and save harmless the Corporation from and against all claims, including costs related thereto, for all damages or injuries including death to any person or persons and for damage to any property, arising out of the Gas Company operating, constructing, and maintaining its gas system in the Municipality, or utilizing its gas system for the carriage of gas owned by others. Provided that the Gas Company shall not be required to indemnify or save harmless the Corporation from and against claims, including costs related thereto, which it may incur by reason of damages or injuries including death to any person or persons and for damage to any property, resulting from the negligence or wrongful act of the Corporation, its servants, agents or employees.

10. Insurance

- (a) The Gas Company shall maintain Comprehensive General Liability Insurance in sufficient amount and description as shall protect the Gas Company and the Corporation from claims for which the Gas Company is obliged to indemnify the Corporation under Paragraph 9. The insurance policy shall identify the Corporation as an additional named insured, but only with respect to the operation of the named insured (the Gas Company). The insurance policy shall not lapse or be cancelled without sixty (60) days' prior written notice to the Corporation by the Gas Company.
- (b) The issuance of an insurance policy as provided in this Paragraph shall not be construed as relieving the Gas Company of liability not covered by such insurance or in excess of the policy limits of such insurance.
- (c) Upon request by the Corporation, the Gas Company shall confirm that premiums for such insurance have been paid and that such insurance is in full force and effect.

11. Alternative Easement

The Corporation agrees, in the event of the proposed sale or closing of any highway or any part of a highway where there is a gas line in existence, to give the Gas Company reasonable notice of such proposed sale or closing and, if it is feasible, to provide the Gas Company with easements over that part of the highway proposed to be sold or closed sufficient to allow the Gas Company to preserve any part of the gas system in its then existing location. In the event that such easements cannot be provided, the Corporation and the Gas Company shall share the cost of relocating or altering the gas system to facilitate continuity of gas service, as provided for in Paragraph 12 of this Agreement.

12. Pipeline Relocation

- (a) If in the course of constructing, reconstructing, changing, altering or improving any highway or any municipal works, the Corporation deems that it is necessary to take up, remove or change the location of any part of the gas system, the Gas Company shall, upon notice to do so, remove and/or relocate within a reasonable period of time such part of the gas system to a location approved by the Engineer/Road Superintendent.
- (b) Where any part of the gas system relocated in accordance with this Paragraph is located on a bridge, viaduct or structure, the Gas Company shall alter or relocate that part of the gas system at its sole expense.
- (c) Where any part of the gas system relocated in accordance with this Paragraph is located other than on a bridge, viaduct or structure, the costs of relocation shall be shared between the Corporation and the Gas Company on the basis of the total relocation costs, excluding the value of any upgrading of the gas system, and deducting any contribution paid to the Gas Company by others in respect to such relocation; and for these purposes, the total relocation costs shall be the aggregate of the following:
 - (i) the amount paid to Gas Company employees up to and including field supervisors for the hours worked on the project plus the current cost of fringe benefits for these employees,
 - (ii) the amount paid for rental equipment while in use on the project and an amount, charged at the unit rate, for Gas Company equipment while in use on the project,
 - (iii) the amount paid by the Gas Company to contractors for work related to the project,

- (iv) the cost to the Gas Company for materials used in connection with the project, and
 - (v) a reasonable amount for project engineering and project administrative costs which shall be 22.5% of the aggregate of the amounts determined in items (i), (ii), (iii) and (iv) above.
- (d) The total relocation costs as calculated above shall be paid 35% by the Corporation and 65% by the Gas Company, except where the part of the gas system required to be moved is located in an unassumed road or in an unopened road allowance and the Corporation has not approved its location, in which case the Gas Company shall pay 100% of the relocation costs.

Part IV - Procedural And Other Matters

13. Municipal By-laws of General Application

The Agreement is subject to the provisions of all regulating statutes and all municipal by-laws of general application, except by-laws which have the effect of amending this Agreement.

14. Giving Notice

Notices may be delivered to, sent by facsimile or mailed by prepaid registered post to the Gas Company at its head office or to the authorized officers of the Corporation at its municipal offices, as the case may be.

15. Disposition of Gas System

- (a) If the Gas Company decommissions part of its gas system affixed to a bridge, viaduct or structure, the Gas Company shall, at its sole expense, remove the part of its gas system affixed to the bridge, viaduct or structure.
- (b) If the Gas Company decommissions any other part of its gas system, it shall have the right, but is not required, to remove that part of its gas system. It may exercise its right to remove the decommissioned parts of its gas system by giving notice of its intention to do so by filing a Plan as required by Paragraph 5 of this Agreement for approval by the Engineer/Road Superintendent. If the Gas Company does not remove the part of the gas system it has decommissioned and the Corporation requires the removal of all or any part of the decommissioned gas system for the purpose of altering or improving a highway or in order to facilitate the construction of utility or other works in any highway, the Corporation may remove and dispose of so much of the decommissioned gas system as the Corporation may require for such purposes and neither party shall have recourse against the other for any

loss, cost, expense or damage occasioned thereby. If the Gas Company has not removed the part of the gas system it has decommissioned and the Corporation requires the removal of all or any part of the decommissioned gas system for the purpose of altering or improving a highway or in order to facilitate the construction of utility or other works in a highway, the Gas Company may elect to relocate the decommissioned gas system and in that event Paragraph 12 applies to the cost of relocation.

16. Use of Decommissioned Gas System

- (a) The Gas Company shall provide promptly to the Corporation, to the extent such information is known:
 - (i) the names and addresses of all third parties who use decommissioned parts of the gas system for purposes other than the transmission or distribution of gas; and
 - (ii) the location of all proposed and existing decommissioned parts of the gas system used for purposes other than the transmission or distribution of gas.
- (b) The Gas Company may allow a third party to use a decommissioned part of the gas system for purposes other than the transmission or distribution of gas and may charge a fee for that third party use, provided
 - (i) the third party has entered into a municipal access agreement with the Corporation; and
 - (ii) the Gas Company does not charge a fee for the third party's right of access to the highways.
- (c) Decommissioned parts of the gas system used for purposes other than the transmission or distribution of gas are not subject to the provisions of this Agreement. For decommissioned parts of the gas system used for purposes other than the transmission and distribution of gas, issues such as relocation costs will be governed by the relevant municipal access agreement.

17. Franchise Handbook

The Parties acknowledge that operating decisions sometimes require a greater level of detail than that which is appropriately included in this Agreement. The Parties agree to look for guidance on such matters to the Franchise Handbook prepared by the Association of Municipalities of Ontario and the gas utility companies, as may be amended from time to time.

18. Other Conditions

None.

19. **Agreement Binding Parties**

This Agreement shall extend to, benefit and bind the parties thereto, their successors and assigns, respectively.

IN WITNESS WHEREOF the parties have executed this Agreement effective from the date written above.

~~THE CORPORATION OF THE~~
DISTRICT MUNICIPALITY OF MUSKOKA

Per: *[Original Signed By Gord Adams]*

~~Bill G. Adams, Chair Administration Officer~~
G. Adams - Chair

Per: *[Original Signed By Maureen Wylie]*

Maureen Wylie, Clerk

UNION GAS LIMITED

Per: *[Original Signed By Christine Jackson]*

(Authorized Signing Officer)

Christine Jackson
Assistant Secretary

**uniongas**

A Duke Energy Company

Legal Department

Fax (519) 436-5218

Dan Jones, Solicitor for Union Gas Limited

Direct Line: (519) 436-5396

(800) 571-8446 Ext. 5396

Email: dxjones1@duke-energy.com**Mary Jane Patrick, Legal Assistant**

Direct Line: (519) 436-4578

e-mail: mpatrick@duke-energy.comNovember 14th, 2002

The District Municipality of Muskoka,
70 Pine Street,
Bracebridge, Ontario.
P1L 1N3

Attention: Mr. David Royston, Solicitor

Dear David:

Re: Natural Gas Franchise Agreement with Union Gas Limited

The 2000 Model Agreement which has been proposed, is a model developed and refined by the Ontario Energy Board as a modification of the 1987 Model Franchise Agreement. The existing 1982 Agreement is a non-model agreement used in many former Centra/Northern & Central areas.

It is Union's stated preference to use the 2000 Model Agreement in its current form, and where necessary create a "specific side agreement" to clarify the nature of some of the terms of the 2000 Model or to allow for local or regional needs. The OEB has indicated that it will contemplate the approval of a "specific side agreement" or similar document as part of its function in an application under Section 9 of the *Municipal Franchises Act*, if the spirit and intent of the 2000 Model is adhered to. While the 1982 and 2000 agreement formats are different, it appears that the parties were able to agree on the intent of the clauses in question and thus we offer the following as our understanding of those clauses which we discussed, listed by reference to Agreement and Clause number.

1. 1982, Clause 4

As in a few other clauses, the Municipality notes the lack of positive covenant to accompany the process orientation inherent in 2000, Clause 5. Nevertheless, Union agrees that the location of all pipes and works on the highways of the District shall be at the discretion of the District and that Union will avoid all unnecessary interference with traffic.

2. 1982, Clause 6

Notwithstanding the addition of the word "reasonably" in 2000, Clause 8, Line 8, Union commits to paying invoices submitted to it under the same terms as would have been applicable to the payment of those invoices under 1982, Clause 6.

3. 1982, Clause 7.

Union agrees that except in the case of emergency, that no excavation should disturb the surface of any highway unless the District Engineer has approved, in writing, the location plan.

4. 1982, Clause 8

There is no wording excluding consequential damages in the agreement and it was not intended that liability for consequential damages be eliminated.

5. 1982, Clause 9

Union shall use its best efforts to minimize the interference with public travel and the operation of other public utilities while carrying out its duties.

6. 1982, Clause 10

Union shall, at all times use proper and practical means to prevent the escape or exchange of gas from its mains, laterals, pipes and works and the causing of any damage or injury therefrom to any persons or property.

7. 2000, Clause 5(b)

If municipal works is to be defined, it should be left to the reasonable discretion of the municipality.

8. 2000 Clause 5(f)

Union submits that the existing 5(f) allows the Municipality the right of approving or disapproving the installation of pipe on bridges. Union has no inherent right to exist on any structure, unless and only except to the extent that a municipality has granted permission to it to do so.

9. 2000, Clause 13

To further explain Union's position, we offer the following: The collection of fees associated with the grant of franchise rights has been made illegal by virtue of O/Reg 61/01 and O/Reg 244/02. Union believes that the current wording of Clause 13 was

created by the Ontario Energy Board in response to the passing of O/Reg 61/01. If at any time during the term of a renewed Franchise Agreement based on the 2000 Model and this side-letter, Ontario law changes to permit the collection of fees associated with the grant of franchise rights (whether by the revocation of O/Reg 61/01 and/or O/Reg 244/02 or otherwise), then Union will pay such fees to all municipalities which charge them on a going forward basis, provided that the payment of fees shall not detract from Union's legal rights to require that the fees charged be reasonably required in conjunction with the grant of the franchise right.

Union does not wish to amend the proposed Clause 13 since on the issue of permit fees it will need to be consistent with all municipalities which are signatory to the 2000 Model Agreement.

Yours ~~very~~ truly.

[Original Signed By Dan Jones]

Dan Jones,
Solicitor for Union Gas Limited
:mjp
Encl.

EB-2014-0133

Certificate of Public Convenience and Necessity

The Ontario Energy Board grants

Union Gas Limited

approval under section 8 of the *Municipal Franchises Act*, R.S.O. 1990, c. M.55, as amended, to construct works to supply gas to the

District Municipality of Muskoka

DATED at Toronto, July 03, 2014

ONTARIO ENERGY BOARD

Original Signed By

Pascale Duguay
Manager, Natural Gas Applications

From: Kristen Oliver
Sent: Monday, January 30, 2023 10:20 AM
To: amy.back@muskoka.on.ca
Subject: Franchise Agreement Renewal – District Municipality of Muskoka

Good Morning Amy,

I am Kristen Oliver, Municipal Advisor at Enbridge Gas. The Municipal Franchise Agreement that the District Municipality of Muskoka had with Union Gas is expiring in May. As such, we need to have another agreement signed. Below are all the details but we can meet virtually should you require assistance. As these agreements can take months to complete, we are hoping to get this in front of your elected officials as soon as possible.

Please let me know if you have any questions.

Thanks,
Kristen

Kristen Oliver, She/Her

Senior Advisor, Municipal & Stakeholder Engagement, Northern Ontario

ENBRIDGE GAS INC.
CELL: 807-252-8417 | Kristen.Oliver@enbridge.com
1211 Amber Dr. Thunder Bay, ON P7B 6M4
enbridge.com
Safety. Integrity. Respect. Inclusion.

My working day may not be the same as your working day. Please do not feel obligated to read or reply to this email outside of your normal working hours.

On May 6, 2023, the current franchise agreement between the District Municipality of Muskoka and the former Union Gas Limited will expire. Based on the most recent customer count report, we currently provide service to approximately 11,680 customers within the lower-tier municipalities in the District Municipality of Muskoka.

Provincial legislation requires a franchise agreement between the municipal corporation and the gas company serving that municipality. The Ontario Energy Board has directed that the current 2000 Model Franchise Agreement be used as the model for such agreements.

As a result, Enbridge Gas and the District Municipality of Muskoka need to commence the process to renew a 20-year franchise agreement using the approved model.

To assist you in this matter, I am enclosing the following documents for discussions with the District Municipality of Muskoka:

1. Franchise Agreement Renewal Documents:

- Guidelines to Municipalities Respecting the Renewal of Franchise Agreements
- Draft Resolution of the municipality
- Draft By-Law of the municipality
- 2000 Model Franchise Agreement with Enbridge Gas Inc.



2022 05 16 -
Updated Guideli...



Draft Resolution -
District Mu...



Draft Bylaw -
District Municip...



Model Franchise
Agreement - Di...

2. Historical Background:

- a copy of the current By-law No. 2002-74 (passed on December 2, 2002) and the current Franchise Agreement effective May 6, 2003 with legacy Union Gas Limited
- a copy of the Certificate of Public Convenience and Necessity that Enbridge Gas holds for the District Municipality of Muskoka (EB-2014-0133)



Bylaw and
Franchise Agree...



EB-2014-0133 -
Certificate - D...

3. Reference Documents:

- a copy of the Gas Franchise Handbook (an explanatory supplement to the 2000 Model Franchise Agreement)
- customer density map for areas served within the District Municipality of Muskoka



Gas Franchise
Handbook (May...



MA3605 - CD
District Municip...

This entire process to get a franchise agreement approved by the Ontario Energy Board can be quite lengthy and may take up to eight months.

Please review the *Guidelines to Municipalities Respecting the Renewal of Franchise Agreements* with the District Municipality of Muskoka and arrange to have a Resolution passed by Council in a timely manner so that the regulatory approval process can commence.

It will be important to ensure that the municipality has 4 original copies of the franchise agreement and by-law signed off at the end of this process. Once that is completed, please send 4 original copies to:

Patrick McMahon

Technical Manager, Regulatory Research and Records

ENBRIDGE GAS INC.

50 Keil Drive North,

Chatham, ON

N7M 5M1

Tel: 519-436-5325

I would appreciate being notified when the District Municipality of Muskoka is expected to review the proposed franchise agreement renewal at a council meeting.

Feel free to contact me if you have any questions about this material or need additional background information related to the District Municipality of Muskoka.

210/2023
Muskoka District Council
December 18, 2023

The District Municipality of Muskoka

Moved by: D. Smith

Seconded by: B. Stone

WHEREAS The District Municipality of Muskoka entered into a 2000 Model Franchise Agreement with Union Gas Limited on May 6, 2003, which had a 20-year term;

AND WHEREAS Enbridge Gas Ltd. has requested that District Council consider entering into a new 2000 Model Franchise Agreement for a further 20-year term and take certain actions in accordance with the *Municipal Franchise Act*, R.S.O. 1990, c.M.55.

NOW THEREFORE BE IT RESOLVED that District Council approve the form of the draft by-law and the 2000 Model Franchise Agreement between The District Municipality of Muskoka and Enbridge Gas Ltd ("Enbridge") attached to Report 22(2023)-2 and that these be submitted to the Ontario Energy Board for approval pursuant to the provisions of the *Municipal Franchise Act*, R.S.O. 1990, c. M.55;

AND THAT the District Council request that the Ontario Energy Board issue an Order declaring and directing that the assent of the municipal electors, ie., the voting public, to the attached By-law and 2000 Model Franchise Agreement pertaining to The District Municipality of Muskoka is not necessary pursuant to the *Municipal Franchises Act*.;

AND THAT the District Chair and District Clerk be authorized to execute any and all agreements and ancillary documents relating to the model franchise agreement, attached to Report 22(2023)-2 following receipt of the necessary approval by the Ontario Energy Board, and that once the Ontario Energy Approval is received, the by-law be placed on District Council agenda for enactment.

Carried [Original Initialed By Jeff Lehman]

Defeated

CERTIFIED TRUE COPY

[Original Signed By Amy Back]

CLERK Amy Back
The District Municipality of Muskoka

THE DISTRICT MUNICIPALITY OF MUSKOKA

BY-LAW 2023-69

Being a by-law to Authorize a Franchise Agreement
between The District Municipality of Muskoka and
Enbridge Gas Inc.

WHEREAS the Council of the District Municipality of Muskoka deems it expedient to enter into the attached franchise agreement (the "Franchise Agreement") with Enbridge Gas Inc.;

AND WHEREAS the Ontario Energy Board by its Order issued pursuant to the Municipal Franchises Act on the day of , 2023 has approved the terms and conditions upon which and the period for which the franchise provided in the Franchise Agreement is proposed to be granted, and has declared and directed that the assent of the municipal electors in respect of this By-Law is not necessary:

NOW THEREFORE the Council of the District Municipality of Muskoka ENACTS AS FOLLOWS:

1. THAT the Franchise Agreement between The District Municipality of Muskoka and Enbridge Gas Inc. attached hereto and forming part of this by-law, is hereby authorized and the franchise provided for therein is hereby granted.
2. THAT the District Chair and District Clerk shall be and they are hereby authorized and instructed on behalf of the District Municipality of Muskoka to enter into and execute under its corporate seal and deliver the Franchise Agreement, which is hereby incorporated into and forming part of this By-Law.
3. THAT By-law 2002-74 shall be and is hereby repealed.

Enacted and Passed this 18th day of December, 2023.

THE DISTRICT MUNICIPALITY OF MUSKOKA

Per:

[Original Signed By Jeff Lehman]

~~District Chair~~ J. Lehman

[Original Signed By Amy Back]

~~District Clerk~~ A. Back

CERTIFIED TRUE COPY

CLERK Amy Back
The District Municipality of Muskoka

2000 Model Franchise Agreement

THIS AGREEMENT effective this day of , 2024

BETWEEN:

THE DISTRICT MUNICIPALITY OF MUSKOKA

hereinafter called the "Corporation"

- and -

ENBRIDGE GAS INC.

hereinafter called the "Gas Company"

WHEREAS the Gas Company desires to distribute, store and transmit gas in the Municipality upon the terms and conditions of this Agreement;

AND WHEREAS by by-law passed by the Council of the Corporation (the "By-law"), the duly authorized officers have been authorized and directed to execute this Agreement on behalf of the Corporation;

THEREFORE the Corporation and the Gas Company agree as follows:

Part I - Definitions

1. In this Agreement

- (a) "decommissioned" and "decommissions" when used in connection with parts of the gas system, mean any parts of the gas system taken out of active use and purged in accordance with the applicable CSA standards and in no way affects the use of the term 'abandoned' pipeline for the purposes of the *Assessment Act*;
- (b) "Engineer/Road Superintendent" means the most senior individual employed by the Corporation with responsibilities for highways within the Municipality or the person designated by such senior employee or such other person as may from time to time be designated by the Council of the Corporation;
- (c) "gas" means natural gas, manufactured gas, synthetic natural gas, liquefied petroleum gas or propane-air gas, or a mixture of any of them, but does not

include a liquefied petroleum gas that is distributed by means other than a pipeline;

- (d) "gas system" means such mains, plants, pipes, conduits, services, valves, regulators, curb boxes, stations, drips or such other equipment as the Gas Company may require or deem desirable for the distribution, storage and transmission of gas in or through the Municipality;
- (e) "highway" means all common and public highways and shall include any bridge, viaduct or structure forming part of a highway, and any public square, road allowance or walkway and shall include not only the travelled portion of such highway, but also ditches, driveways, sidewalks, and sodded areas forming part of the road allowance now or at any time during the term hereof under the jurisdiction of the Corporation;
- (f) "Model Franchise Agreement" means the form of agreement which the Ontario Energy Board uses as a standard when considering applications under the *Municipal Franchises Act*. The Model Franchise Agreement may be changed from time to time by the Ontario Energy Board;
- (g) "Municipality" means the territorial limits of the Corporation on the date when this Agreement takes effect, and any territory which may thereafter be brought within the jurisdiction of the Corporation;
- (h) "Plan" means the plan described in Paragraph 5 of this Agreement required to be filed by the Gas Company with the Engineer/Road Superintendent prior to commencement of work on the gas system; and
- (i) whenever the singular, masculine or feminine is used in this Agreement, it shall be considered as if the plural, feminine or masculine has been used where the context of the Agreement so requires.

Part II - Rights Granted

2. To provide gas service

The consent of the Corporation is hereby given and granted to the Gas Company to distribute, store and transmit gas in and through the Corporation and to the inhabitants of those local or lower tier municipalities within the Municipality from which the Gas Company has a valid franchise agreement for that purpose.

3. To Use Highways

Subject to the terms and conditions of this Agreement the consent of the Corporation is hereby given and granted to the Gas Company to enter upon all highways now or at any time hereafter under the jurisdiction of the Corporation and to lay, construct, maintain, replace, remove, operate and repair a gas system for the distribution, storage and transmission of gas in and through the Municipality.

4. Duration of Agreement and Renewal Procedures

- (a) If the Corporation has not previously received gas distribution services, the rights hereby given and granted shall be for a term of 20 years from the date of final passing of the By-law.

or

- (b) If the Corporation has previously received gas distribution services, the rights hereby given and granted shall be for a term of 20 years from the date of final passing of the By-law provided that, if during the 20 year term of this Agreement, the Model Franchise Agreement is changed, then on the 7th anniversary and on the 14th anniversary of the date of the passing of the By-law, this Agreement shall be deemed to be amended to incorporate any changes in the Model Franchise Agreement in effect on such anniversary dates. Such deemed amendments shall not apply to alter the 20 year term.
- (c) At any time within two years prior to the expiration of this Agreement, either party may give notice to the other that it desires to enter into negotiations for a renewed franchise upon such terms and conditions as may be agreed upon. Until such renewal has been settled, the terms and conditions of this Agreement shall continue, notwithstanding the expiration of this Agreement. This shall not preclude either party from applying to the Ontario Energy Board for a renewal of the Agreement pursuant to section 10 of the *Municipal Franchises Act*.

Part III – Conditions

5. Approval of Construction

- (a) The Gas Company shall not undertake any excavation, opening or work which will disturb or interfere with the surface of the travelled portion of any highway unless a permit therefor has first been obtained from the Engineer/Road Superintendent and all work done by the Gas Company shall be to his satisfaction.
- (b) Prior to the commencement of work on the gas system, or any extensions or changes to it (except service laterals which do not interfere with municipal works in the highway), the Gas Company shall file with the Engineer/Road Superintendent a Plan, satisfactory to the Engineer/Road Superintendent, drawn to scale and of sufficient detail considering the complexity of the specific locations involved, showing the highways in which it proposes to lay its gas system and the particular parts thereof it proposes to occupy.
- (c) The Plan filed by the Gas Company shall include geodetic information for a particular location:
 - (i) where circumstances are complex, in order to facilitate known projects, including projects which are reasonably anticipated by the Engineer/Road Superintendent, or
 - (ii) when requested, where the Corporation has geodetic information for its own services and all others at the same location.
- (d) The Engineer/Road Superintendent may require sections of the gas system to be laid at greater depth than required by the latest CSA standard for gas pipeline systems to facilitate known projects or to correct known highway deficiencies.
- (e) Prior to the commencement of work on the gas system, the Engineer/Road Superintendent must approve the location of the work as shown on the Plan filed by the Gas Company, the timing of the work and any terms and conditions relating to the installation of the work.
- (f) In addition to the requirements of this Agreement, if the Gas Company proposes to affix any part of the gas system to a bridge, viaduct or other structure, if the Engineer/Road Superintendent approves this proposal, he may require the Gas Company to comply with special conditions or to enter into a separate agreement as a condition of the approval of this part of the construction of the gas system.

- (g) Where the gas system may affect a municipal drain, the Gas Company shall also file a copy of the Plan with the Corporation's Drainage Superintendent for purposes of the *Drainage Act*, or such other person designated by the Corporation as responsible for the drain.
- (h) The Gas Company shall not deviate from the approved location for any part of the gas system unless the prior approval of the Engineer/Road Superintendent to do so is received.
- (i) The Engineer/Road Superintendent's approval, where required throughout this Paragraph, shall not be unreasonably withheld.
- (j) The approval of the Engineer/Road Superintendent is not a representation or warranty as to the state of repair of the highway or the suitability of the highway for the gas system.

6. **As Built Drawings**

The Gas Company shall, within six months of completing the installation of any part of the gas system, provide two copies of "as built" drawings to the Engineer/Road Superintendent. These drawings must be sufficient to accurately establish the location, depth (measurement between the top of the gas system and the ground surface at the time of installation) and distance of the gas system. The "as built" drawings shall be of the same quality as the Plan and, if the approved pre-construction plan included elevations that were geodetically referenced, the "as built" drawings shall similarly include elevations that are geodetically referenced. Upon the request of the Engineer/Road Superintendent, the Gas Company shall provide one copy of the drawings in an electronic format and one copy as a hard copy drawing.

7. **Emergencies**

In the event of an emergency involving the gas system, the Gas Company shall proceed with the work required to deal with the emergency, and in any instance where prior approval of the Engineer/Road Superintendent is normally required for the work, the Gas Company shall use its best efforts to immediately notify the Engineer/Road Superintendent of the location and nature of the emergency and the work being done and, if it deems appropriate, notify the police force, fire or other emergency services having jurisdiction. The Gas Company shall provide the Engineer/Road Superintendent with at least one 24 hour emergency contact for the Gas Company and shall ensure the contacts are current.

8. Restoration

The Gas Company shall well and sufficiently restore, to the reasonable satisfaction of the Engineer/Road Superintendent, all highways, municipal works or improvements which it may excavate or interfere with in the course of laying, constructing, repairing or removing its gas system, and shall make good any settling or subsidence thereafter caused by such excavation or interference. If the Gas Company fails at any time to do any work required by this Paragraph within a reasonable period of time, the Corporation may do or cause such work to be done and the Gas Company shall, on demand, pay the Corporation's reasonably incurred costs, as certified by the Engineer/Road Superintendent.

9. Indemnification

The Gas Company shall, at all times, indemnify and save harmless the Corporation from and against all claims, including costs related thereto, for all damages or injuries including death to any person or persons and for damage to any property, arising out of the Gas Company operating, constructing, and maintaining its gas system in the Municipality, or utilizing its gas system for the carriage of gas owned by others. Provided that the Gas Company shall not be required to indemnify or save harmless the Corporation from and against claims, including costs related thereto, which it may incur by reason of damages or injuries including death to any person or persons and for damage to any property, resulting from the negligence or wrongful act of the Corporation, its servants, agents or employees.

10. Insurance

- (a) The Gas Company shall maintain Comprehensive General Liability Insurance in sufficient amount and description as shall protect the Gas Company and the Corporation from claims for which the Gas Company is obliged to indemnify the Corporation under Paragraph 9. The insurance policy shall identify the Corporation as an additional named insured, but only with respect to the operation of the named insured (the Gas Company). The insurance policy shall not lapse or be cancelled without sixty (60) days' prior written notice to the Corporation by the Gas Company.
- (b) The issuance of an insurance policy as provided in this Paragraph shall not be construed as relieving the Gas Company of liability not covered by such insurance or in excess of the policy limits of such insurance.
- (c) Upon request by the Corporation, the Gas Company shall confirm that premiums for such insurance have been paid and that such insurance is in full force and effect.

11. **Alternative Easement**

The Corporation agrees, in the event of the proposed sale or closing of any highway or any part of a highway where there is a gas line in existence, to give the Gas Company reasonable notice of such proposed sale or closing and, if it is feasible, to provide the Gas Company with easements over that part of the highway proposed to be sold or closed sufficient to allow the Gas Company to preserve any part of the gas system in its then existing location. In the event that such easements cannot be provided, the Corporation and the Gas Company shall share the cost of relocating or altering the gas system to facilitate continuity of gas service, as provided for in Paragraph 12 of this Agreement.

12. **Pipeline Relocation**

- (a) If in the course of constructing, reconstructing, changing, altering or improving any highway or any municipal works, the Corporation deems that it is necessary to take up, remove or change the location of any part of the gas system, the Gas Company shall, upon notice to do so, remove and/or relocate within a reasonable period of time such part of the gas system to a location approved by the Engineer/Road Superintendent.
- (b) Where any part of the gas system relocated in accordance with this Paragraph is located on a bridge, viaduct or structure, the Gas Company shall alter or relocate that part of the gas system at its sole expense.
- (c) Where any part of the gas system relocated in accordance with this Paragraph is located other than on a bridge, viaduct or structure, the costs of relocation shall be shared between the Corporation and the Gas Company on the basis of the total relocation costs, excluding the value of any upgrading of the gas system, and deducting any contribution paid to the Gas Company by others in respect to such relocation; and for these purposes, the total relocation costs shall be the aggregate of the following:
 - (i) the amount paid to Gas Company employees up to and including field supervisors for the hours worked on the project plus the current cost of fringe benefits for these employees,
 - (ii) the amount paid for rental equipment while in use on the project and an amount, charged at the unit rate, for Gas Company equipment while in use on the project,
 - (iii) the amount paid by the Gas Company to contractors for work related to the project,
 - (iv) the cost to the Gas Company for materials used in connection with the project, and

- (v) a reasonable amount for project engineering and project administrative costs which shall be 22.5% of the aggregate of the amounts determined in items (i), (ii), (iii) and (iv) above.
- (d) The total relocation costs as calculated above shall be paid 35% by the Corporation and 65% by the Gas Company, except where the part of the gas system required to be moved is located in an unassumed road or in an unopened road allowance and the Corporation has not approved its location, in which case the Gas Company shall pay 100% of the relocation costs.

Part IV - Procedural And Other Matters

13. Municipal By-laws of General Application

The Agreement is subject to the provisions of all regulating statutes and all municipal by-laws of general application, except by-laws which have the effect of amending this Agreement.

14. Giving Notice

Notices may be delivered to, sent by facsimile or mailed by prepaid registered post to the Gas Company at its head office or to the authorized officers of the Corporation at its municipal offices, as the case may be.

15. Disposition of Gas System

- (a) If the Gas Company decommissions part of its gas system affixed to a bridge, viaduct or structure, the Gas Company shall, at its sole expense, remove the part of its gas system affixed to the bridge, viaduct or structure.
- (b) If the Gas Company decommissions any other part of its gas system, it shall have the right, but is not required, to remove that part of its gas system. It may exercise its right to remove the decommissioned parts of its gas system by giving notice of its intention to do so by filing a Plan as required by Paragraph 5 of this Agreement for approval by the Engineer/Road Superintendent. If the Gas Company does not remove the part of the gas system it has decommissioned and the Corporation requires the removal of all or any part of the decommissioned gas system for the purpose of altering or improving a highway or in order to facilitate the construction of utility or other works in any highway, the Corporation may remove and dispose of so much of the decommissioned gas system as the Corporation may require for such purposes and neither party shall have recourse against the other for any loss, cost, expense or damage occasioned thereby. If the Gas Company has not removed the part of the gas system it has decommissioned and the Corporation requires the removal of all or any part of the decommissioned

gas system for the purpose of altering or improving a highway or in order to facilitate the construction of utility or other works in a highway, the Gas Company may elect to relocate the decommissioned gas system and in that event Paragraph 12 applies to the cost of relocation.

16. Use of Decommissioned Gas System

- (a) The Gas Company shall provide promptly to the Corporation, to the extent such information is known:
 - (i) the names and addresses of all third parties who use decommissioned parts of the gas system for purposes other than the transmission or distribution of gas; and
 - (ii) the location of all proposed and existing decommissioned parts of the gas system used for purposes other than the transmission or distribution of gas.
- (b) The Gas Company may allow a third party to use a decommissioned part of the gas system for purposes other than the transmission or distribution of gas and may charge a fee for that third party use, provided
 - (i) the third party has entered into a municipal access agreement with the Corporation; and
 - (ii) the Gas Company does not charge a fee for the third party's right of access to the highways.
- (c) Decommissioned parts of the gas system used for purposes other than the transmission or distribution of gas are not subject to the provisions of this Agreement. For decommissioned parts of the gas system used for purposes other than the transmission and distribution of gas, issues such as relocation costs will be governed by the relevant municipal access agreement.

17. Franchise Handbook

The Parties acknowledge that operating decisions sometimes require a greater level of detail than that which is appropriately included in this Agreement. The Parties agree to look for guidance on such matters to the Franchise Handbook prepared by the Association of Municipalities of Ontario and the gas utility companies, as may be amended from time to time.

18. Other Conditions

None.

19. **Agreement Binding Parties**

This Agreement shall extend to, benefit and bind the parties thereto, their successors and assigns, respectively.

IN WITNESS WHEREOF the parties have executed this Agreement effective from the date written above.

THE DISTRICT MUNICIPALITY OF MUSKOKA

Per:

Jeff Lehman, District Chair

Per:

Amy Back, District Clerk

ENBRIDGE GAS INC.

Per:

Mark Kitchen, Director, Regulatory Affairs

Per:

Nicole Lehto, Director, Regional Operations