



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

June 3, 2024

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

Dear Ms. Marconi:

**Re: Enbridge Gas Inc.
Eganville Community Expansion Project Leave to Construct
Franchise Agreement and CPCN – Township of Bonnechere Valley
Ontario Energy Board File No. EB-2023-0201**

In accordance with instructions set out by the Ontario Energy Board's Letter of Direction dated May 30, 2024, enclosed is my Affidavit of Service related to the Decision and Order in regard to the above-noted proceeding.

Yours truly,

Patrick McMahon
Technical Manager
Regulatory Research and Records
patrick.mcmahon@enbridge.com
(519) 436-5325

Encl.

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Schedule B; and in particular sections 90(1) and 97 thereof;

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 granting leave to construct natural gas distribution pipelines and ancillary facilities that make up a Community Expansion Project to provide access to natural gas within the Townships of Admaston/Bromley, North-Algona Wilberforce and Bonnechere Valley in the County of Renfrew;

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 Corporation of the Township of Bonnechere Valley 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 Township of Bonnechere Valley;

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 Township of Bonnechere Valley to the by-law is not necessary;

AND IN THE MATTER OF an Application by Enbridge Gas Inc. for an Order granting a Certificate of Public Convenience and Necessity to construct works to supply natural gas in the Township of Bonnechere Valley;

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 Corporation of North Algona Wilberforce Township 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 Township of North Algona Wilberforce;

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 Township of North Algona Wilberforce to the by-law is not necessary;

AND IN THE MATTER OF an Application by Enbridge Gas Inc. for an Order granting a Certificate of Public Convenience and Necessity to construct works to supply natural gas in the Township of North Algona Wilberforce.

AFFIDAVIT OF SERVICE

I, Patrick McMahon, of the Municipality of Chatham-Kent, in the Province of Ontario, make oath and say as follows:

1. I am an employee in the Chatham Office of Enbridge Gas Inc., the Applicant in the matter referred to in the preamble to this my Affidavit and I have personal knowledge of the matters herein deposed to.
2. By Courier, at Chatham, Ontario, on May 31, 2024, I did cause to be sent to the Township of Bonnechere Valley a true copy of the Decision and Order issued by the Ontario Energy Board on May 30, 2024, to the above preamble and a covering letter, attached hereto as Exhibit "A".

3. The courier bill of lading is attached hereto as Exhibit "B".
4. I make this Affidavit in good faith and for no improper purpose.

SWORN BEFORE ME, at the)
City of Toronto in the Province)
of Ontario this 3rd day of)
June, 2024.)

Patrick McMahon

A Commissioner, etc.



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

May 31, 2024

Exhibit A

Annette Gilchrist, Chief Administrative Officer
Township of Bonnechere Valley
49 Bonnechere Street East
Eganville, ON K0J 1T0

This is Exhibit "A" to the Affidavit of
Patrick McMahon sworn before me
this 3rd day of June, 2024.

Dear Ms. Gilchrist:

A Commissioner, etc.

**Re: Enbridge Gas Inc.
Approval of Franchise Agreement and CPCN – Township of Bonnechere Valley
Ontario Energy Board File No. EB-2023-0201**

In accordance with instructions set out by the Ontario Energy Board's Letter of Direction dated May 30, 2024, Enbridge Gas now serves upon you a copy of the Decision and Order approving leave to construct for the Eganville community expansion project as well as the Franchise Agreement between Enbridge Gas and the Township of Bonnechere Valley and a new Certificate of Public Convenience and Necessity.

Enclosed are four (4) copies of the Franchise Agreement and four (4) copies of the associated draft By-law previously provided by the municipality.

We ask that you enter the date of the Ontario Energy Board's Decision and Order (May 30, 2024) into the 2nd paragraph of each of the By-law documents and request that your Council give the bylaw final reading. The effective date of the new franchise agreement will be the date your by-law is passed by council.

Please return all four executed (signed and sealed) copies of the Franchise Agreement and four signed and sealed By-law documents to my attention.

The Ontario Energy Board requires certified copies of bylaws and resolutions for their records. As a result, we request that you stamp each of the four copies of the final Bylaw as a certified true copy before sending them back to me with the signed franchise agreements.

Upon receipt of the above, Enbridge Gas will execute the Franchise Agreement and return one fully executed copy of the Franchise Agreement and corresponding By-law to your attention.

Thank you for your ongoing co-operation in this matter. Please contact me directly if you have any questions about the remaining steps to establishing the franchise agreement.

Yours truly,

[Original Signed By]

Patrick McMahon
Technical Manager
Regulatory Research and Records
patrick.mcmahon@enbridge.com
(519) 436-5325

Encl.



Ontario
Energy
Board | Commission
de l'énergie
de l'Ontario

DECISION AND ORDER

EB-2023-0201

ENBRIDGE GAS INC.

**Application for Leave to Construct Eganville Community
Expansion Project**

BEFORE: Robert Dodds
Presiding Commissioner

Michael Janigan
Commissioner

David Sword
Commissioner

May 30, 2024



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1 INTRODUCTION AND SUMMARY

Enbridge Gas Inc. (Enbridge Gas) filed an application with the Ontario Energy Board (OEB) under section 90 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, (Schedule B) (OEB Act), for an order granting leave to construct approximately 22 kilometres of natural gas pipeline and associated facilities in the Townships of Admaston/Bromley, North Algona Wilberforce and Bonnechere Valley (including Eganville).

The proposed natural gas pipelines (Project) consist of:

Phase 1:

- 11 kilometres of Nominal Pipe Size (NPS) 8-inch polyethylene (PE) distribution pipeline
- 50 metres of a combination of NPS 6-inch and NPS 8-inch steel distribution pipeline

Phase 2:

- 11 kilometres of NPS 8-inch PE distribution pipeline

According to Enbridge Gas, the Project is needed to supply natural gas to approximately 723 forecasted customers who currently do not have access to natural gas service. The Project was selected as eligible to receive funding from Phase 2 of the Ontario Government's Natural Gas Expansion Program (NGEP).¹

Enbridge Gas also applied under section 97 of the OEB Act to the OEB for approval of the form of land-use agreements it offers to landowners affected by the routing or location of the Project.

Enbridge Gas is also seeking approval of new municipal franchise agreements with, and certificates of public convenience and necessity for, the Townships of North Algona Wilberforce and Bonnechere Valley. In terms of other OEB approvals required for the Project, Enbridge Gas has a franchise agreement² and holds a certificate³ for the Township of Admaston/Bromley which allows Enbridge Gas to construct, operate and add to the natural gas distribution system within all parts of the municipality.

¹ Ontario Regulation 24/19: Expansion of Natural Gas Distribution Systems, under Ontario Energy Board Act, 1998, S.O. 1998, c. 15 Sched B, current June 8, 2021

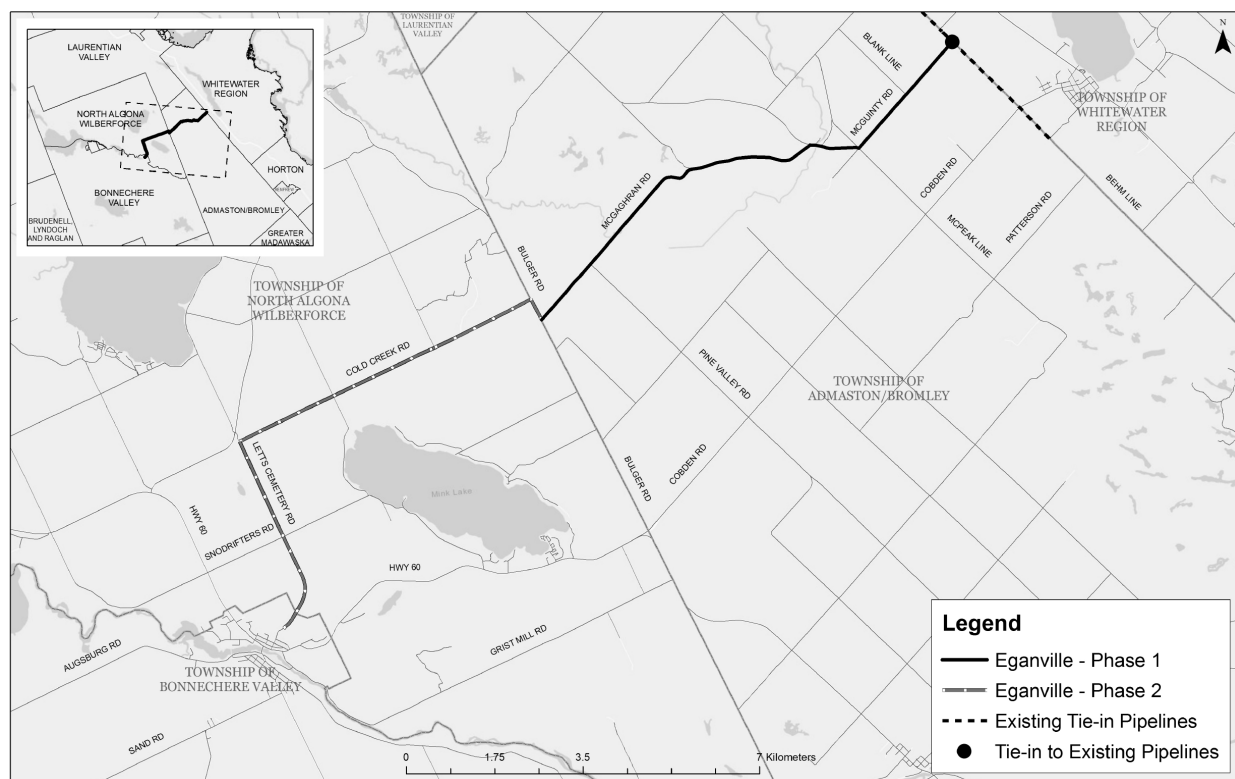
² EB-2018-0238 (expiring December 20, 2038)

³ EB-2018-0238 (dated September 13, 2018)

Enbridge Gas advised that construction is planned to commence in August 2024 and it expects to place Phase 1 of the Project in service in December 2024 and Phase 2 of the Project in service in June 2025.⁴

The general location of the Project is shown on the map below:

Eganville Community Expansion Project



The OEB approves Enbridge Gas's leave to construct application, subject to the conditions of approval contained in Schedule A of this Decision.

The OEB also provides its findings with respect to the appropriate treatment of the Project during the Rate Stability Period (RSP) and at the time of the rebasing following the conclusion of the RSP.

The OEB approves the forms of easement agreement and temporary working area agreement proposed by Enbridge Gas.

⁴ Exhibit D, Tab 1, Schedule 1, p. 8

The OEB also approves Enbridge Gas's requests for new municipal franchise agreements with, and certificates of public convenience and necessity for, the Townships of North Algona Wilberforce and Bonnechere Valley.

2 THE PROCESS

The OEB issued a Notice of Hearing on October 16, 2023, after Enbridge Gas filed its application on September 21, 2023.

Environmental Defence and Pollution Probe applied for intervenor status and cost eligibility, and the OEB granted those requests.

In its request for intervenor status, Environmental Defence stated that it wished to file evidence related to the cost effectiveness of heat pumps relative to natural gas (heat pump evidence). Environmental Defence also stated that it may request that the OEB provide for a technical conference after the receipt of interrogatory responses.

In Procedural Order No. 1, issued November 22, 2023, the OEB stated that it would decide on Environmental Defence's request to file evidence, and make its determination on the request for a technical conference after the responses to interrogatories were filed. The OEB provided for the filing of interrogatories and responses, and for the filing of comments on the need for a technical conference.

OEB staff and intervenors filed interrogatories by December 8, 2023 and Enbridge Gas filed its interrogatory responses on January 12, 2024. OEB staff and intervenors filed comments on the need for a technical conference by January 18, 2024 and Enbridge Gas filed a response to these comments on January 22, 2024.

On September 27, 2023, Environmental Defence filed a Motion to Review⁵ the OEB's decisions (relating to the admissibility of intervenor evidence and to the merits of the applications) in the proceedings for the following Enbridge Gas community expansion projects: Selwyn; Mohawks of the Bay of Quinte and Shannonville; and Hidden Valley.⁶

On December 4, 2023, Environmental Defence withdrew the part of its motion relating to the Mohawks of the Bay of Quinte and Shannonville project and the OEB confirmed withdrawal of this portion of the motion.

The OEB issued a decision⁷ on December 13, 2023 denying the remainder of Environmental Defence's motion with respect to the other two community expansion

⁵ EB-2023-0313 Motion to Review and Vary OEB Decisions in EB-2022-0156/EB-2022-0248/EB-2022-0249

⁶ EB-2022-0156 – Selwyn Community Expansion Project; EB-2022-0248 – Mohawks of the Bay of Quinte and Shannonville Community Expansion Project; EB-2022-0249 – Hidden Valley Community Expansion Project

⁷ EB-2023-0313 Decision on Motion to Review and Vary OEB Decisions in EB-2022-0156/EB-2022-0248/EB-2022-0249

projects noting that the OEB's orders approving the three projects remain in full force and effect.

On December 14, 2023, Environmental Defence filed a letter with respect to the Enbridge Gas community expansion applications being heard by the OEB at that time (Bobcaygeon, Sandford, Eganville, Neustadt) and the EPCOR Natural Gas Limited Partnership (EPCOR) Brockton application (that application has been withdrawn by EPCOR), proposing that:

- The OEB consolidate the hearing of these natural gas expansion projects given the overlap in the issues and evidence
- A joint technical conference for these projects be convened
- Environmental Defence be allowed to file evidence with respect to the Enbridge Gas natural gas expansion projects based on community surveys that it will conduct (survey evidence)

Enbridge Gas filed a response on December 21, 2023 stating that the OEB should reject Environmental Defence's proposals.

On December 28, 2023, the OEB issued a letter seeking clarification and further information from Environmental Defence, by January 11, 2024, on the evidence it is proposing.

Environmental Defence filed responses to the OEB's questions on January 11, 2024. Between January 11, 2024 and February 2, 2024, Environmental Defence and Enbridge Gas filed several letters regarding Environmental Defence's proposed evidence.

The OEB issued a Decision and Procedural Order No. 2 on February 29, 2024 denying the Environmental Defence and Pollution Probe requests for the filing of evidence and further discovery on the application. On March 27, 2024, Enbridge Gas filed its argument-in-chief. OEB staff and intervenors filed their submissions by April 10, 2024, and Enbridge Gas filed its reply submission on April 24, 2024.

On April 8, 2024, Enbridge Gas filed an update to the application to include the Ministry of Energy's Letter of Opinion.

On March 11, 2024, Environmental Defence filed a motion to review and vary the OEB's Decisions on Intervenor Evidence in the Enbridge Gas leave to construct community expansion applications currently before the OEB (Current Applications).⁸ Environmental

⁸ EB-2022-0111 (Bobcaygeon) dated February 20, 2024; and EB-2023-0200 (Sandford), EB-2023-0201 (Eganville), and EB-2023-0261 (Neustadt) dated February 29, 2024. These files have been referred to here as the "Current Applications".

Defence contested the OEB's decisions to deny intervenors an opportunity to file evidence and allow further discovery in these proceedings.

Enbridge Gas filed a letter on March 19, 2024, arguing that the OEB should dismiss Environmental Defence's motion without a hearing, and that if the motion is heard it should be dealt with before the OEB issues decisions on the Current Applications.

In a letter issued on April 11, 2024, the OEB noted that Environmental Defence's motion to review is based on an interlocutory decision by the hearing panel to deny the filing of evidence and is based on an alleged procedural error in advance of the hearing panel making its final decisions on the Current Applications. In the same letter, the OEB determined that the appropriate time to consider a motion to review is once the hearing panel has made its final decisions in the Current Applications, at which time the impact of the alleged error on the final decision can be assessed.

3 REQUEST FOR LEAVE TO CONSTRUCT

The OEB's decision is structured to address the following issues:

1. Need for the Project
2. Proposed Facilities and Alternatives
3. Project Cost and Economics
4. Environmental Matters
5. Land Matters
6. Indigenous Consultation
7. Conditions of Approval

3.1 Need for the Project

In 2019, the Minister of Energy sought advice from the OEB in respect of projects that could be candidates to receive government funding under Phase 2 of the NGEP. The Project was one of 210 proposals for community expansion projects, including four economic development projects, submitted by natural gas utilities to the OEB for consideration in this regard, and included in the *OEB's Report to the Minister of Energy, Northern Development and Mines and to the Associate Minister of Energy: Potential Projects to Expand Access to Natural Gas Distribution*.⁹

The Project is one of 28 projects across 43 communities selected by the Government to be eligible to receive funding as part of Phase 2 of the NGEP, as specified in the Expansion of Natural Gas Distribution System Regulation.¹⁰

The NGEP provides funding to Ontario natural gas distributors to support the expansion of natural gas to communities that are not currently connected to the natural gas system. NGEP funding acts in a manner similar to a contribution in aid of construction and is designed to bring projects that would otherwise be uneconomic to a Profitability Index (PI) of 1.0 (i.e., make them economic under the OEB's test under E.B.O. 188).

The Expansion of Natural Gas Distribution Systems Regulation sets out the funding mechanism¹¹ and includes the projects selected to receive the Government funding as well as the amount of funding allocated to each project. Enbridge Gas noted that

⁹ EB-2019-0255, *OEB's Report to the Minister of Energy, Northern Development and Mines and the Associate Minister of Energy: Potential Projects to Expand Access to Natural Gas Distribution*, December 10, 2020

¹⁰ Ontario Regulation 24/19 – Expansion of Natural Gas Distribution Systems, Schedule 2

¹¹ The Expansion of Natural Gas Distribution Systems Regulation sets the mechanism for sourcing the funding of the eligible expansion projects by requiring that rate-regulated natural gas distributors charge each of their customers \$1 per month.

the Project supports the Government's efforts to help expand access to natural gas in Ontario to areas that do not currently have access to the natural gas system.¹²

Enbridge Gas stated that the need for the Project is supported by its ten-year forecast of customer attachments as shown in Table 1 below:

Table 1
Forecasted Customer Attachments for the Project

Project Year	1	2	3	4	5	6	7	8	9	10	Total
Residential Units (Singles)	56	140	111	56	56	28	28	28	28	28	559
Residential Multi-Units (Semis, Towns, Apartments)	0	22	19	20	19	5	3	3	3	3	97
Commercial/ Industrial Units	7	16	14	14	7	3	2	2	2	0	67
Total	63	178	144	90	82	36	33	33	33	31	723

Enbridge Gas stated that its forecast of customer attachments is based on the results of multiple methods to acquire information on the interest for natural gas service in the community: surveys (which included letters, online follow-up and computer assisted telephone interviews) and in-person surveys of potential commercial/industrial customers.¹³

Enbridge Gas stated that at the end of the ten-year period, the overall assumed capture rate for the Project is approximately 81%.¹⁴ Enbridge Gas also stated that in 2024, and throughout the Project lifecycle, it would begin customer outreach activities which will include customer information sessions, digital and social marketing campaigns, and one-on-one conversations at the request of residents.¹⁵

Enbridge Gas noted that the need for the Project is directly supported by the community's municipal government through its request for natural gas for its constituents. The Township of Bonnechere Valley first indicated its support in a letter dated July 17, 2020.¹⁶ Each of the Townships of Admaston/Bromley, Bonnechere Valley and North Algona Wilberforce have since emphasized their support for the Project

¹² Argument-in-Chief, p.7

¹³ Application, Exhibit B, Tab 1, Schedule 1, Attachment 6 and paragraph 11

¹⁴ Exhibit I.STAFF-5 (d)

¹⁵ Exhibit I.STAFF-5 (f)

¹⁶ Exhibit B, Tab 1, Schedule 1, Attachment 2

through letters dated August 4, 2023¹⁷, August 8, 2023¹⁸ and September 2, 2023¹⁹, respectively.

Environmental Defence submitted that Enbridge Gas's survey results are biased and unreliable. Environmental Defence stated that the surveys failed to provide key information before asking customers whether they were likely to connect to the gas system (for example, not setting out, in detail, various government incentives to install electric heat pumps, not providing customers with an estimate of the savings from installing a heat pump versus a gas furnace). Environmental Defence argued that Enbridge Gas has failed to provide a reliable revenue forecast that prudently considers and accounts for the likely take-up rate for electric heat pumps as an alternative to gas.²⁰

Environmental Defence also submitted that for previous community expansion projects, Enbridge Gas did not achieve its forecast number of customer connections in each year for the past four years (2020-2023). More specifically, Environmental Defence stated that actual connections in the past two years were 50% and 66% of the forecasted connections.²¹

Pollution Probe submitted that Enbridge Gas's survey result was based on a passive survey that reflected poor, incomplete and biased consumer education and did not provide information on other energy options (e.g., OEB-approved demand side management (DSM) programs, Independent Electricity System Operator (IESO) electricity conservation programs, etc.) and the incentives that support them. Pollution Probe argued that the percentage of customers choosing a different energy option than natural gas will increase once consumers decide to make an equipment change after educating themselves on the options available (and the related incentives offered).²²

Pollution Probe noted that Enbridge Gas identified that there is a total population of 893 customers in this community that could be considered for natural gas connections. A total of 195 surveys were completed from a list of 934 homeowners, representing a 21% response rate from those surveyed. Pollution Probe asserted that the survey response rate is low for an expansion project and demonstrates a lack of consumer interest.²³

¹⁷ Exhibit B, Tab 1, Schedule 1, Attachment 3

¹⁸ Exhibit B, Tab 1, Schedule 1, Attachment 4

¹⁹ Exhibit B, Tab 1, Schedule 1, Attachment 5

²⁰ Environmental Defence submission, pp.6,9

²¹ Environmental Defence submission, p. 6

²² Pollution Probe submission, p. 11

²³ Pollution Probe submission, p.12

OEB staff submitted that Enbridge Gas has established the need for the Project, noting that availability of NGEF funding to enable the provision of natural gas service in unserved communities is an important consideration in the determination of the public interest, as it is designed to make projects economic that would otherwise be uneconomic based on the OEB's test under the E.B.O. 188 guidelines. OEB staff noted that the OEB, in its decisions²⁴ on previous community expansion projects, underscored the importance of the genesis of community expansion projects in its assessment of project need, specifically noting that these proposed projects obtain their potential viability because of the passage of *Access to Natural Gas Act, 2018*.

OEB staff also submitted that the need for the Project is supported by Enbridge Gas's survey results, although OEB staff noted that there is certainly a risk that over the ten-year customer attachment period, some of the customers that are forecast to attach may not actually do so.

Enbridge Gas argued that the submissions of Environmental Defence and Pollution Probe are premised on the incorrect notion that electric heat pumps are more cost effective than natural gas service in every and all customer circumstances both technically and financially and that any assertion to the contrary is an expression of bias and not fact.²⁵ Enbridge Gas submitted that the OEB should reject the submissions of Environmental Defence and Pollution Probe since the premise on which they rely is ill-conceived and, if accepted, requires the OEB to adopt an abstract over-simplification of energy conversion that is neither representative of the actual energy choices or energy preferences customers expressed in response to Enbridge Gas's attachment surveys.²⁶

Enbridge Gas noted that Environmental Defence's submissions are a combination of arguments that relate to four distinct leave to construct applications.²⁷ Enbridge Gas submitted that any Environmental Defence argument made and justified based on evidence from the unrelated proceedings should be rejected by the OEB and given no weight. Enbridge Gas stated that this is particularly an issue in relation to Environmental Defence's assertions regarding Enbridge Gas's customer attachment survey.

²⁴ EB-2022-0248 Decision, pp. 12,13; EB-2022-0156 Decision, pp. 12,13; EB-2022-0249 Decision, pp. 12,13

²⁵ Reply submission, p. 7

²⁶ Reply submission, p. 4

²⁷ Bobcaygeon Community Expansion Project (EB-2022-0111), Sandford Community Expansion Project (EB-2023-0200), Eganville Community Expansion Project (EB-2023-0201), and Neustadt Community Expansion Project (EB-2023-0261)

In its reply submission, Enbridge Gas reiterated that it has provided an attachment forecast based on extensive consultation with the community and its representative municipal government. Enbridge Gas further stated that the survey results represent the energy interests expressed by actual residents and business-owners within the Project area, which intrinsically incorporates all factors including financial and non-financial considerations.²⁸

Environmental Defence filed a letter on April 20, 2024 clarifying that it did not ignore the OEB's decision to not consolidate Enbridge Gas's community expansion proceedings as Enbridge Gas has alleged but did so to avoid the time that would have been wasted by the OEB, and other parties, if it had submitted four separate submissions with almost identical content. Environmental Defence stated that, in its view, it was more efficient for the OEB to be able to review the unique aspects of the individual applications in the tables provided in its submission, which included the relevant data for all cases. Environmental Defence also stated that its arguments on the customer survey apply to all four proceedings, reiterating that none of the surveys provided key information to survey recipients that would be necessary to adequately forecast whether customers will likely convert to gas.²⁹

Findings

The OEB's findings on project need are similar to the findings made by the OEB in previous Decisions on community expansion projects that are to be accomplished through the NGEF program.³⁰ The OEB finds that Enbridge Gas has established the need for the Project.

The OEB acknowledges that support for the Project has been expressed by the community's municipal government. As well, Enbridge Gas's forecast regarding the potential percentage take-up of natural gas service in the community, which was based on the market surveys filed with this application, has assisted the OEB with its findings. While no survey can provide an unassailable prediction of customer take up of natural gas, they provide some additional support for the OEB's conclusion regarding the need for the Project.

Of particular importance to the assessment of project need is the genesis of this community expansion project, as well as other community expansion projects that are being proposed to enable natural gas service to unserved communities. These

²⁸ Reply Submission, p. 7

²⁹ Environmental Defence letter, April 20, 2024

³⁰ EB-2022-0248 Decision, pp. 12,13; EB-2022-0156 Decision, pp. 12,13; EB-2022-0249 Decision, pp. 11-13, EB-2022-0111 Decision, pp. 12-14, EB-2023-0261 Decision, pp. 10-12

proposed projects obtain their potential viability because of the passage of *Access to Natural Gas Act, 2018*, provisions of which are incorporated in section 36.2 of the OEB Act.

Traditional utility regulatory principles provide that costs should be allocated proportionately to customers that have caused the costs to occur. This is reflected in the OEB's decision in the Generic Proceeding on Community Expansion³¹ and, more specifically, in the rejection of a proposed approach that would result in existing customers subsidizing an uneconomic community expansion:

The chief measure proposed to enable more expansions was a subsidy from existing customers. The OEB has determined that this is not appropriate. As noted above, the economic benefits of expansion to many communities are much greater than the costs. This approach would also distort the market to the detriment of existing energy services that compete with gas, such as propane, and new gas distributors who do not have an existing customer base. Under these circumstances, it would not be appropriate to require existing customers to pay for a portion of any expansion. The communities that receive the benefit will be the ones paying the costs.³²

The Access to Natural Gas Act, 2018 and O. Reg. 24/19 that was promulgated following its passage enabled an exception to the established regulatory principles as cited above. This exception advanced the goal of rate protection for customers in communities where the gas distributor has made a qualifying investment providing those customers with a rate reduction for natural gas service, which was designed to ensure that the revenues of the project would match the costs of the project (net of the grant) and thereby avoid any cross-subsidization from existing customers.

The gas distributor, in this case Enbridge Gas, would then be compensated for such rate reduction by way of a payment from the IESO in the amounts set out in O. Reg. 24/19, and funded from a surcharge to all natural gas customer accounts in the amount of \$1 per month added to the fixed monthly customer charge. The payment to the gas distributor operates in a similar manner to a contribution in aid of construction in specific project amounts administered by the IESO.

In addressing the question of need that is integral to a finding of the Project's advancement of the public interest, the OEB notes the importance assigned to the issue

³¹ EB-2016-0004

³² EB-2016-0004, Decision with Reasons, November 17, 2016, page 4

of the expansion of natural gas service to unserved communities that is demonstrated by the passage and promulgation of legislation³³ that enables it to occur.

This importance is shown in the necessity of the departure from the traditional principle against cost subsidization by utility customers that did not cause the costs to be incurred by the gas distributor. The OEB must conclude that the Ontario government has identified a public need and, provided that a project is shown to be economic within the financial parameters set out in the legislation, meets the requirements of the public interest criterion in section 96(1) of the OEB Act.

The OEB accepts Enbridge Gas's customer forecast and associated revenues and is satisfied that, with support from Natural Gas Expansion Program funding as well as the System Expansion Surcharge (SES), the project can achieve a PI of 1.0 and is economic. However, even if the actual customer connections do not meet the forecast, then as discussed in greater detail in the Project Costs and Economics section below, the ten-year RSP places the responsibility on Enbridge Gas for any shortfall in revenues needed to meet its revenue requirement.

This provides some insulation against possible under-achievement of its customer sign-up estimates or projected natural gas consumption. Beyond the ten-year RSP period, there is no guarantee that Enbridge Gas will be permitted to recover any post-RSP revenue shortfalls. Enbridge Gas is not guaranteed total cost recovery if actual capital costs and revenues result in an actual PI below 1.0. Accordingly, while the forecasts are relevant to the application, the OEB is satisfied that the Project has the support of the municipalities to which service would be extended, and that protection is available to existing natural gas customers in the event that the connection forecast is not met.

3.2 Proposed Facilities and Alternatives

Enbridge Gas stated that the Project was selected for funding by the Government of Ontario as part of Phase 2 of the NGEP based on a description of the Project (including preliminary facility design and estimated Project costs) that was reviewed and approved by the Government of Ontario and the OEB. Accordingly, Enbridge Gas did not assess other facility alternatives. However, Enbridge Gas did assess routing alternatives.³⁴

Regarding non-facility alternatives, Enbridge Gas applied the IRP Binary Screening Criteria and determined that the Project meets the definition of a community

³³ *Access to Natural Gas Act 2018* and O. Reg. 24/19

³⁴ Application, Environmental Report, section 2

expansion project as defined in the IRP Framework; accordingly, no IRP evaluation is required for a community expansion project.³⁵

OEB staff submitted that as the Project is a NGEP-related community expansion project, no IRP evaluation is required, and Enbridge Gas is not required to consider alternatives to infrastructure facilities to meet the need. OEB staff also agreed with Enbridge Gas that the proposed route is appropriate.

Findings

Based on Enbridge Gas's evidence, the OEB finds that the Project as proposed is appropriate to meet the need established elsewhere in this Decision. This conclusion is supported by several factors.

The Project is enabled by the NGEP, a program that was established by legislation as discussed in the OEB's earlier findings in this Decision. The NGEP is directed to providing funding for the extension of natural gas services to communities that would otherwise be uneconomic to serve. The OEB's implementation of the NGEP has been responsive to the ambit of the program.

In Enbridge Gas's IRP Framework proceeding,³⁶ the OEB approved an IRP process for Enbridge Gas that required an evaluation and comparison of options to meet energy supply needs.

To meet the Ontario Government's NGEP objective of bringing service to unserved communities, the OEB provided that the consideration of such IRP options or alternatives was not required for NGEP approved projects that have been designated in O. Reg. 24/19. The OEB's decision in this proceeding is in accordance with its approved IRP process.

3.3 Project Cost and Economics

The total Project cost estimate is approximately \$35.5 million (\$12.7 million total pipeline costs and \$22.8 million total ancillary costs). The Project cost estimate includes a 10% contingency applied to all direct capital costs. Enbridge Gas stated that the contingency amount is consistent with the level of contingency set for other projects it proposed for the NGEP funding.

³⁵ EB-2020-0091, Decision and Order, Enbridge Gas Inc. Integrated Resource Framework Proposal, July 22, 2021, Appendix A. and page 48. The IRP Framework states that, "If a facility project has been driven by government legislation or policy with related funding explicitly aimed at delivering natural gas into communities, then an IRP evaluation is not required."

³⁶ EB-2020-0091

The total Project cost estimate is lower than the estimate provided in Enbridge Gas's project proposal under Phase 2 of the NGEP by approximately \$1.2 million as shown in Table 2³⁷.

Table 2
Updated Project Cost Estimate vs. EB-2019-0255 Proposal

Item No.	Description	Table 1 Project Costs (\$CAD)				Project Proposal (EB-2019-0255) (\$CAD)			
		Pipeline Costs – Phase 1	Pipeline Costs – Phase 2	Ancillary	Total	Pipeline Costs – Phase 1	Pipeline Costs – Phase 2	Ancillary	Total
1.0	Material	457,414	473,021	755,777	1,686,212	195,266	159,763	1,450,924	1,805,954
2.0	Labour and Construction	4,265,244	3,645,643	15,913,154	23,824,042	1,957,699	1,601,754	22,338,532	25,897,985
3.0	Outside Services	1,264,728	798,785	3,401,641	5,465,153	187,420	153,344	2,070,921	2,411,685
4.0	Lands, Permits, Approvals and Consultations	48,349	3,684	99,013	151,046	11,124	9,102	122,919	143,145
5.0	Direct Overheads	135,238	84,712	266,934	486,885	32,898	26,917	363,515	423,330
6.0	Contingency	596,684	470,303	1,826,673	2,893,661	447,010	365,736	4,939,297	5,752,043
7.0	Sub-Total	6,767,657	5,476,149	22,263,193	34,506,998	2,831,418	2,316,615	31,286,108	36,434,141
8.0	Interest During Construction	281,943	182,412	538,269	1,002,624	25,117	20,550	277,536	323,204
		-	-	-	-	-	-	-	-
9.0	Total Project Costs	7,049,600	5,658,561	22,801,462	35,509,622	2,856,535	2,337,165	31,563,642	36,757,345

Enbridge Gas stated that the original NGEP Phase 2 project proposal was based on high-level desktop information available at the time.³⁸ Upon receiving approval for NGEP funding for the Project, Enbridge Gas refined the Project scope and associated cost estimate by conducting site-specific investigations including site visits, field surveys, environmental studies, and consultation efforts with permitting agencies. Enbridge Gas explained that the sources of significant variances include: (a) the reduction of a steel pipe at the supply lateral tie from 1 km to 50 m; (b) the refinement of the route to encounter less rock; and (c) reduced contingency amount due to the maturity of project planning.

The NGEP funding provided for the Project is approximately \$26.2 million.³⁹ The NGEP funding is treated similarly to a contribution in aid of construction. Therefore, the total capital cost of the Project, net of NGEP funding, is approximately \$9.3 million. In addition to NGEP funding, Enbridge Gas intends to charge a SES of \$0.23/m³ to the

³⁷ Exhibit I.STAFF-7 (a)

³⁸ *Ibid.*

³⁹ Ontario Regulation 24/19, Expansion of Natural Gas Distribution Systems, Schedule 2

customers attaching to the Project for a term of 40 years to assist with the economic feasibility of the Project, which is consistent with Enbridge Gas's application for a harmonized SES (Harmonized SES Proceeding).⁴⁰

According to Enbridge Gas, the Project is economically feasible, having a Profitability Index (PI) of 1.0. Enbridge Gas indicated that without the NGEP funding and SES, the PI for the Project is 0.21, and with the inclusion of the SES the PI is 0.37.⁴¹ The PI of 1.0 is based on the most up-to-date estimated capital costs and forecasted revenues and is inclusive of the NGEP funding and revenues associated with SES charges. The original PI of the Project as filed in the OEB's proceeding on Potential Projects for NGEP Funding was also 1.0 (inclusive of NGEP funding and SES revenues).⁴²

Enbridge Gas stated that, consistent with the OEB's findings in the Harmonized SES proceeding,⁴³ after the Project is placed into service, Enbridge Gas will apply a ten-year RSP during which Enbridge Gas will bear the risk of the Project customer attachment and capital expenditure forecast. Enbridge Gas confirmed that the appropriate net capital to be included in rate base will be addressed in its next rebasing application (following the 2024 rebasing).⁴⁴ Enbridge Gas stated that at the time of the rebasing, following the conclusion of the RSP, it will file the actual costs and revenues of the Project with the OEB for consideration of inclusion in rates.

Environmental Defence requested that the OEB not make findings accepting Enbridge Gas's evidence on the customer connection and revenue forecasts as adequate or reasonable, which could be used in the future by Enbridge Gas to seek to put revenue shortfalls on the existing customer base.⁴⁵

Environmental Defence submitted that the ten-year RSP does not address the financial risks for existing customers arising from possible revenue shortfalls. In the first rebasing case following the conclusion of the RSP, Enbridge Gas will file the actual costs and revenues of the Project with the OEB for consideration of inclusion in rates in the rebasing application. Environmental Defence submitted that as Enbridge Gas will be seeking to recover any shortfalls in the revenue forecast that arise in the first ten years at that stage, the ten-year RSP does not insulate existing customers from revenue shortfalls arising in the first ten years but simply delays the time at which Enbridge Gas can seek to recover those costs from existing customers. Environmental Defence

⁴⁰ EB-2020-0094

⁴¹ Application, Exhibit E, Tab 1, Schedule 1, Attachment 1

⁴² EB-2019-0255, Enbridge Gas Community Expansion Project Proposal, Schedule H2, Table 7.1

⁴³ EB-2020-0094, Decision and Order, November 5, 2020, pp. 8,9

⁴⁴ Exhibit I.STAFF-7 (b)

⁴⁵ Environmental Defence submission, p.15

further submitted that as the bulk of the risk for these projects arises in the 30 years beyond the RSP, over 80% of the revenue needed for the Project to break even is forecast to be collected after the end of the RSP.⁴⁶

Environmental Defence asserted that although the OEB will have an opportunity to disallow full recovery, it will be constrained by the legal principles of energy regulation that allow recovery of investments that were prudent at the time they were made, judged without hindsight. Environmental Defence stated that if the OEB grants leave to construct now under the normal regulatory construct and accepts Enbridge Gas's evidence on the project economics, it will be difficult for a future OEB panel to disallow any costs in the future. Environmental Defence submitted that the only way to fully protect existing customers is to explicitly require that Enbridge Gas bear the revenue forecasting risk through a condition of approval.⁴⁷

Environmental Defence stated that under E.B.O. 188, Enbridge Gas must establish that the present value of the stream of revenue from new customers will totally offset the present value of the incremental costs arising from the Project. This requires a reliable forecast of the revenue that will be generated from new customers attaching to the gas system. In the present case, the E.B.O. 188 analysis is conducted after subtracting the NGEPS subsidy from the capital costs. Environmental Defence submitted that the forecast connection rate is questionable as it is based on a flawed customer connection survey and because customers have a strong financial incentive to install electric heat pumps instead of switching to gas, even if customers do switch to methane gas initially.⁴⁸

Environmental Defence and Pollution Probe submitted that Enbridge Gas did not conduct analysis on the possibility that customers who select natural gas would subsequently leave the natural gas system before the end of the 40-year revenue horizon.⁴⁹ Environmental Defence asserted that failure to analyze and account for the possibility of subsequent disconnections undermines the reliability of Enbridge Gas's revenue forecast. Pollution Probe argued that providing more robust information on the incentives and options available with respect to non-gas options would increase the reliability of the estimate for which customers will actually connect to natural gas to support a PI of 1.0.

⁴⁶ Environmental Defence submission, p.13

⁴⁷ Environmental Defence submission, p.14

⁴⁸ Environmental Defence submission, pp.5-6

⁴⁹ Environmental Defence submission, p.12, Pollution Probe submission, p.6

Environmental Defence also submitted that Enbridge Gas has assumed that newly connected customers in Eganville would consume more gas annually than the average Enbridge Gas customer and more than average consumption in gas expansion communities so far. Environmental Defence stated that these assumptions have inflated the assumed revenue generated per customer, making the Project appear more cost-effective than it would be based on Enbridge Gas consumption averages.

Environmental Defence argued that if the average gas consumption is lower than forecast, existing customers bear the financial risk of a shortfall.⁵⁰

Environmental Defence asserted that Enbridge Gas excluded normalized reinforcement costs which is not in accordance with E.B.O. 188, and that Enbridge Gas did not provide justification for having excluded them. Environmental Defence argued that excluding these costs makes the projects appear more cost-effective than they actually are. Environmental Defence submitted that Enbridge Gas's capital plan includes various distribution and transmission reinforcement projects upstream of these communities which will add incremental demand, and thus some of the costs of those upstream projects are attributable to this gas expansion.⁵¹

Environmental Defence requested that the OEB take stronger measures to protect existing customers than it did in the recent decisions in the Selwyn, Hidden Valley, and Mohawks of the Bay of Quinte First Nation community expansion proceedings.

Environmental Defence submitted that stronger measures are justified as the four community expansion projects (Bobcaygeon, Sandford, Eganville and Neustadt) are approximately ten times larger than the Selwyn, Hidden Valley, and Mohawks of the Bay of Quinte First Nation projects in terms of capital costs. Environmental Defence noted that the OEB's decision on the review motion emphasized that they were "small projects" twice in its decision and argued that the OEB may not come to the same conclusion for the far larger projects at issue here.⁵²

Environmental Defence requested that the OEB decline to grant leave to construct because Enbridge Gas has not submitted adequate evidence in support of the project economics, such that existing customers are sufficiently protected from providing an even greater subsidy beyond that set by the NGEF program. Environmental Defence stated that alternatively, if the Project is approved, Enbridge Gas should be required to assume all of the revenue forecast risk for these projects as a condition of approval.⁵³

⁵⁰ Environmental Defence submission, pp.12-13

⁵¹ Environmental Defence submission, p.13

⁵² Environmental Defence submission, p.16

⁵³ Environmental Defence submission, p.17

Pollution Probe made similar submissions to those of Environmental Defence, stating that the OEB should consider declining leave to construct on the basis that the evidence is insufficient to validate the economic assumptions and to confirm that the actual NGEP grant will result in a PI of 1.0. Pollution Probe also submitted that, in the alternative, the OEB could grant leave to construct and require Enbridge Gas to retain the risk should the PI be less than 1.0, if the Project costs exceed those placed in evidence and/or revenues are less than those indicated in evidence. Pollution Probe submitted that this should apply to the entire Project-related capital costs (the Supply Lateral, Reinforcement and Ancillary Facilities).⁵⁴

Pollution Probe also submitted that Enbridge Gas incorrectly adjusted the NGEP funding in the economic analysis to recalculate the Project with a PI of 1.0. Pollution Probe submitted that the OEB should require Enbridge Gas to file documentation confirming the NGEP funding amount approved for the Project and documentation supporting the variation from the approved NGEP funding amount.

OEB staff submitted that the Project, with the inclusion of NGEP funding and revenues associated with SES charges, is forecast to be economically feasible with a projected PI of 1.0. OEB staff noted that Enbridge Gas's proposal to charge the SES to newly attached customers over a term of 40 years is in accordance with the OEB's findings in the Harmonized SES proceeding.⁵⁵ OEB staff also submitted that the OEB's decision on Enbridge Gas's 2024 rebasing application recognized NGEP projects as distinct from other expansion projects, acknowledging that the applicability of the 40-year revenue horizon to NGEP projects was appropriate.⁵⁶

OEB staff submitted that Enbridge Gas should bear the risk of any revenue shortfall during the ten-year RSP associated with the customer attachment and capital cost forecasts as this approach is in accordance with the OEB's findings in the Harmonized SES proceeding.⁵⁷ OEB staff noted that, after the RSP, the OEB will have the opportunity to review the actual project costs and revenues and determine what amount should be recognized in rates. OEB staff submitted that all options will be available to the OEB in the rebasing following the conclusion of the RSP with respect to the appropriate rate treatment of potential capital cost overruns and/or lower than forecast customer attachments/volumes (and associated revenues). OEB staff argued that Enbridge Gas is not guaranteed total cost recovery if actual capital costs and revenues result in an actual PI below 1.0.

⁵⁴ Pollution Probe submission, p. 7

⁵⁵ EB-2020-0094, Decision and Order, November 5, 2020

⁵⁶ OEB-2022-0200, Decision and Order, December 21, 2023, pp.30,31

⁵⁷ EB-2020-0094, Decision and Order, November 5, 2020

OEB staff submitted that as the original capital cost of the Project is higher than the current net capital cost, it may not be appropriate to include the original capital cost of the Project that underpinned the NGEF funding proposal in its rebasing application for the year that the Project is forecast to go into service, and instead, use the updated capital cost. OEB staff stated that it reserves the right to argue which capital cost forecast (i.e., original or current) should be included, in the next rebasing proceeding and also stated that the next rebasing proceeding is the appropriate place to make such an argument.

OEB staff noted that the allocation of risk, between ratepayers and Enbridge Gas, beyond the term of the RSP for the Project has not been determined at this time. OEB staff stated that Enbridge Gas is relying on its forecast of capital costs and customer attachments to underpin the need for the Project. OEB staff commented while the customer attachment forecast supports the need for the Project, there is a risk that the customer attachments will not materialize as forecasted.

Enbridge Gas responded to the submissions of Environmental Defence and Pollution Probe asserting that Enbridge Gas did not conduct analysis on the possibility that customers who select natural gas would subsequently leave the natural gas system before the end of the 40-year revenue horizon. Enbridge Gas submitted that Environmental Defence and Pollution Probe's views are narrowly focused on the absolute cost-effectiveness of electric heat pumps now and into the future which disregards the many variables and uncertainties that are at play as energy transition evolves. Enbridge Gas argued that policy changes, growing electricity costs to modernize and renew the grid and build out supply, technological change, and economic cycles could change the economic relationship between electric heat pumps and natural gas in the future.⁵⁸

In response to Environmental Defence's submissions that average annual consumption is overestimated, Enbridge Gas stated that, in response to interrogatories, it specified that the weighted average residential use for Eganville is consistent with the Enbridge Gas Distribution rate zone for a residential customer.⁵⁹

In response to Environmental Defence's submissions on the exclusion of normalized reinforcement costs in determining the cost-effectiveness of the Project, Enbridge Gas stated that it had already indicated in interrogatory responses that normalized system reinforcement costs are not applicable to community expansion projects and that all reinforcement costs associated with the Project are directly applied to the Project in the

⁵⁸ Reply Submission, p.13

⁵⁹ Reply submission, p.14; Exhibit I.ED.25 h)

discounted cashflow analysis. Enbridge Gas added that the costs of reinforcement required for community expansion projects are separate, and not included within calculations of normalized system reinforcement costs.⁶⁰

In response to Pollution Probe's submission on the appropriate NGEF funding amount for the Project, Enbridge Gas stated that its evidence and interrogatory responses state that the Project is eligible to receive funding up to \$26.2 million, which Enbridge Gas noted is consistent with the submissions of OEB staff and Environmental Defence.

Findings

Project Costs

The OEB finds that the updated total estimated cost of the Project is reasonable and in accordance with the application of the regulatory framework established for the NGEF program. In particular, the capital requirements have been adjusted to accommodate new research and information obtained by Enbridge Gas since the original proposal in Phase 2 of the NGEF process. The provision of a 10% contingency embedded in estimated costs is consistent with that set for other NGEF projects. The OEB also accepts Enbridge Gas's submission that all Project reinforcement costs have been directly applied in the discounted cashflow analysis that has been submitted.

Economics

In addressing the issue of need, the OEB notes that the evidence inquiries and submissions in this proceeding have dealt extensively with the impact of the possible installation of electric heat pumps. This impact has centered upon potential cost savings associated with their adoption by the customers of the communities to be served by Enbridge Gas. Such take-up might occur either before or after the extension of the natural gas service to the communities. In turn, the effect of such take-up is addressed as a potential risk to project viability.

The OEB has itself recognized the potential customer energy savings associated with the installation of such heat pumps and their favourable impact on lowering the consumption of natural gas. The OEB notes that its Decision regarding Enbridge Gas's DSM program that made Enbridge Gas, in cooperation with the federal government's Greener Homes Initiative, the principal delivery agent for an incentivized installation of heat pumps.⁶¹

⁶⁰ Reply submission, pp. 14-15 and Exhibit I.ED.22

⁶¹ Decision and Order, EB-2021-0002, Enbridge Gas Inc. Application for Multi-Year Natural Gas Demand Side Management Plan (2022 to 2027), November 15, 2022, page 28

The approval of the leave to construct requested in this application does not restrict customers in these communities from obtaining heat pumps either before or after an extension of natural gas service to these communities. Nor does it remove Enbridge Gas's DSM program responsibilities in these communities.

The OEB notes Enbridge Gas's evidence supporting the economic viability of the Project is also supported by a positive response to its outreach and solicitation provided by the market survey results. The extrapolation of such results to the financial metrics of the proposed expansion is a key factor in that requisite economic assessment.

The OEB acknowledges that OEB staff noted the risk to the economic viability of the Project if the projected customer attachments do not occur and that Environmental Defence and Pollution Probe drew attention to the possible effects of DSM, fuel switching or the broader energy transition over the 40-year revenue horizon.

However, the OEB agrees with Enbridge Gas's assertion that the decisions of individual customers, now and in the future, to connect and maintain natural gas service must take into consideration more than the current cost effectiveness of electric heat pumps and factor in other variables and uncertainties associated with the evolution of any energy transition that transpires. Additionally, the OEB notes that at the same time, any survey is unlikely to capture all aspects of the likely take-up and continuance of natural gas service with complete accuracy in a changing environment of new energy efficient modes and programs, government policies and prices.

The policy determination that chosen communities should receive NGEP-based financial assistance for the provision of natural gas service is a government prerogative supported by legislation. It provides the foundation for the OEB's finding of the NGEP program fulfills a need that has been so deemed to be in the public interest. The existence of potential changes in the delivery of energy and its impact on natural gas systems is well known to Enbridge Gas who must be prepared to be competitive to maintain its viability with customers.

The OEB, in approving Enbridge Gas's application of leave to construct, must ensure that the interests of all Enbridge Gas's customers are also protected. One pillar of that protection is the existence of the ten-year RSP in which Enbridge Gas is responsible for any shortfall in revenues to meet its revenue requirement. This provides some insulation against possible under achievement of its customer sign-up estimates or projected natural gas consumption.

In the first rebasing following the expiration of the RSP, the OEB will review the actual project costs and revenues and determine what amount should be recognized in rates. The subsidy or contribution to the expansion of service provided in O. Reg. 24/19 is

specific and limited and does not abrogate the general principles of utility cost allocation going forward.

All options will be available to the OEB in the rebasing following the conclusion of the RSP with respect to the appropriate rate treatment of potential capital cost overruns and/or lower than forecast customer attachments/volumes (and associated revenues). Enbridge Gas is not guaranteed total cost recovery if actual capital costs and revenues result in an actual PI below 1.0.

The OEB cannot bind a future panel determining that application to be made by Enbridge Gas post-RSP. However, the OEB notes that if Enbridge Gas's estimate of customers likely to take up natural gas service is correct, existing natural gas customers will have already contributed approximately \$35,700 per customer served by the Project to assist in the expansion of gas in this community. There is a clear and reasonable expectation that such customers will not be called upon to provide a further subsidy to compensate for post-RSP revenue shortfalls.

The OEB does not agree with Environmental Defence's proposition that any attribution of revenue shortfalls to the OEB after the expiration of the RSP will be constrained by the legal principles of energy regulation that allow recovery of investments that were prudent at the time they were made, judged without hindsight. The NGEP program addresses the provision of natural gas service to communities that would otherwise be uneconomic to serve.

Any OEB finding of prudence for a NGEP project proposal and its accordance with the public interest is entirely dependent on the framework of the NGEP and its implementation as set out in the legislation and the OEB decisions. This includes the acceptance of customer attachment and continuance of service projections by Enbridge Gas. The OEB's future scrutiny of revenue shortfalls for the Project post-RSP will be informed by the OEB's expectations at the time of Project approval concerning the provision of further subsidies by all Enbridge Gas consumers.

The OEB also notes that the NGEP funding amount of \$26.2 million included by Enbridge Gas in its economic analysis for the Project is consistent with the eligible funding amount for the Project set out in O. Reg. 24/19.

3.4 Environmental Matters

Enbridge Gas retained Stantec Consulting Ltd. to complete an Environmental Report. The Environmental Report and the consultation process were conducted in accordance with the OEB's *Environmental Guidelines for the Location, Construction and Operation of Hydrocarbon Pipelines and Facilities in Ontario* (Environmental Guidelines). The

Environmental Report assessed the existing bio-physical and socio-economic environment in the study area, the alternative routes, the preferred route, conducted public consultation, conducted impacts assessment and proposed mitigation measures to minimize the impacts.

Enbridge Gas stated that the Environmental Report was circulated to the Ontario Pipeline Coordinating Committee (OPCC), Indigenous communities, municipalities and conservation authorities and Enbridge Gas filed the comments received on the Environmental Report as part of its evidence.⁶²

Enbridge Gas stated it would prepare an Environmental Protection Plan (EPP) prior to construction of the Project. The EPP will incorporate the recommended mitigation measures identified in the Environmental Report and received in the consultation from agencies for the environmental issues associated with the Project.

Enbridge Gas stated that using the mitigation measures and monitoring and contingency plans found within the Environmental Report, EPP and additional mitigation measures provided by regulatory agencies through the permitting and approval process, construction of this Project will have negligible impacts on the environment.⁶³

Enbridge Gas stated that it anticipated submitting a report for Stage 2 Archaeological Assessment (AA) work completed in 2023 to the Ministry of Citizenship and Multiculturalism (MCM) in March 2024 and the remaining Stage 2 AA work is expected to be submitted to the MCM by early summer 2024.⁶⁴ Enbridge Gas also stated that the Cultural Heritage Report was anticipated to be submitted to the MCM in February 2024.⁶⁵

The application identified potential environmental/land permits and approvals from federal, provincial and municipal agencies that Enbridge Gas requires to construct the Project.

OEB staff submitted that Enbridge Gas has completed the Environmental Report in accordance with the OEB's Environmental Guidelines (7th Edition).⁶⁶ OEB staff expressed no concerns with the environmental aspects of the Project, based on Enbridge Gas's commitment to implement the mitigation measures set out in the Environmental Report and to complete the EPP prior to the start of construction. OEB

⁶² Application, Exhibit F, Tab 1, Schedule 1, Attachments 2 and 3

⁶³ Application, Exhibit F, Tab 1, Schedule 1, p.4

⁶⁴ Exhibit I.STAFF-9 (b)

⁶⁵ Exhibit I.STAFF-9 (a)

⁶⁶ The OEB released the 8th Edition of the Guidelines in March 2023 after the initiation, consultation and finalization of the Project and associated Environmental Report.

staff submitted that Enbridge Gas's compliance with the conditions of approval outlined in Schedule A of its submission will ensure that impacts of pipeline construction are mitigated and monitored. OEB staff noted that the conditions of approval also require Enbridge Gas to obtain all necessary approvals, permits, licences, and certificates needed to construct, operate and maintain the Project.

Pollution Probe submitted that Enbridge Gas would be at risk for schedule impacts and cost overruns related to encountered bedrock during construction, particularly during the crossing of watercourses. Pollution Probe submitted that these encounters have caused previous projects approved by the OEB to be significantly over budget.⁶⁷

Enbridge Gas submitted that based on test digs in the area, 15% of bedrock is expected along the proposed route and that it applied an increased cost of 15% to the construction work to account for the presence of bedrock.⁶⁸

Findings

The OEB finds that Enbridge Gas completed the Environmental Report in accordance with the OEB's Environmental Guidelines and has committed to implement the mitigation measures set out in the Environmental Report. Enbridge Gas will also complete the EPP prior to the start of construction. As such, the OEB is satisfied with the environmental aspects of the Project.

The OEB also notes that the standard conditions of approval for leave to construct require Enbridge Gas to obtain all necessary approvals, permits, licences, and certificates needed to construct, operate and maintain the proposed Project.

3.5 Land Matters

Enbridge Gas stated that the Project will be largely located in the public road allowance. Temporary working areas may be required along the preferred route where the road allowance is too narrow or confined to facilitate construction. Enbridge Gas stated that there are specific segments of the proposed route on McGaghran Road in the Township of Admaston/Bromley that are owned by the Township and other segments are a "forced road", which were deeded to private landowners and partially maintained by the Township as a public highway. Enbridge Gas will work with the Township and private landowners to determine if a municipal permit or permanent easement will be required on these segments.

⁶⁷ Pollution Probe submission, p.19

⁶⁸ Reply submission, p. 15

Enbridge Gas stated that permanent easements are not currently expected for the pipeline facility but that there is potential for a permanent easement or land acquisition at the station location, however, exact requirements have not been finalized.⁶⁹ Enbridge Gas also stated that no concerns have been raised by landowners.

Enbridge Gas filed the forms of temporary working area agreement and easement agreement that it intends to provide to affected landowners. Enbridge Gas stated that the temporary land use agreement is the same as that approved for use in Enbridge Gas's Haldimand Shores Community Expansion Project⁷⁰ and the easement agreement is the same as that approved for use in Enbridge Gas's Kennedy Station Relocation Project⁷¹.

OEB staff submitted that the OEB should approve the proposed forms of easement agreement and temporary working area agreement as both were previously approved by the OEB.

Findings

The OEB approves the proposed forms of permanent easement and temporary land use agreements.

The OEB notes that while it is not expected that permanent easements will be required for the Project, the approved form of permanent easement agreement provides Enbridge Gas sufficient flexibility should a permanent easement later be required.

3.6 Indigenous Consultation

In accordance with the Environmental Guidelines, Enbridge Gas contacted the Ministry of Energy in respect of the Crown's duty to consult related to the Project. The Ministry of Energy, by way of a letter, delegated the procedural aspects of the Crown's duty to consult for the Project to Enbridge Gas (Delegation Letter). In the Delegation Letter, the Ministry of Energy identified the following Indigenous communities that Enbridge Gas should consult with respect to the Project:

- Algonquins of Pikwàkanagàn
- Algonquins of Ontario
- Alderville First Nation
- Curve Lake First Nation

⁶⁹ Exhibit I.STAFF-11 (a)

⁷⁰ EB-2022-0088, Decision and Order, August 18, 2022

⁷¹ EB-2022-0247, Decision and Order, May 9, 2023

-
- Hiawatha First Nation
 - Mississaugas of Scugog Island
 - Beausoleil First Nation
 - Chippewas of Georgina Island First Nation
 - Chippewas of Rama First Nation

Direct notice of the application was provided by Enbridge Gas to all the above-noted Indigenous communities, and none of them sought to intervene or otherwise participate directly in the hearing.

As part of its application, Enbridge Gas filed an Indigenous Consultation Report (ICR) describing and documenting the Indigenous consultation it has been conducting. The ICR is part of Enbridge Gas's evidence in support of the Project. In response to interrogatories, Enbridge Gas provided an update on its Indigenous consultation activities as of December 13, 2023.⁷²

Enbridge Gas also stated that it will continue to engage with each of the nine communities throughout the life of the Project.⁷³

On April 8, 2024, Enbridge Gas filed with the OEB the Ministry of Energy's Letter of Opinion regarding the sufficiency of consultation regarding the Project.⁷⁴ In that letter, the Ministry of Energy expressed its opinion that the procedural aspects of the consultation undertaken by Enbridge Gas to date for the Project were satisfactory.

OEB staff submitted that Enbridge Gas appears to have made efforts to engage with the potentially affected Indigenous groups identified by the Ministry of Energy.

Findings

The OEB is satisfied that Enbridge Gas followed the OEB's Environmental Guidelines with respect to Indigenous Consultation and finds that the duty to consult has been adequately discharged.

This finding is supported by the evidence on the record of the proceeding, as well as the Ministry of Energy's Letter of Opinion, dated April 5, 2024, stating that it is satisfied that Enbridge Gas's efforts to date are satisfactory to discharge the Crown's Duty to Consult with respect to the Project.

⁷² Exhibit I. STAFF-13 (a)

⁷³ *Ibid.*

⁷⁴ Application, Exhibit H, Tab 1, Schedule 1, Attachment 5

The OEB expects that Enbridge Gas will continue its consultation activities with all affected Indigenous communities throughout the life of the Project.

3.7 Conditions of Approval

The OEB has established standard conditions of approval that are typically imposed in leave to construct approvals.⁷⁵ Enbridge Gas stated that it has reviewed these standard conditions and has not identified any additional or revised conditions that it wishes to propose for the Project.

Environmental Defence and Pollution Probe requested that a new condition of approval be added that requires Enbridge Gas to assume all of the revenue forecast risk for the Project.⁷⁶

Environmental Defence and Pollution Probe also requested that the OEB direct Enbridge Gas to include accurate information on the annual operating costs of electric heat pumps versus natural gas in any marketing materials that discuss operating cost savings from natural gas. Environmental Defence and Pollution Probe submitted that this is necessary to protect the interests of new customers and to ensure that they are provided with the information they need to make informed decisions before spending considerable sums to connect to the gas system and convert their heating equipment to gas.⁷⁷

In its submission, OEB staff proposed minor modifications to Conditions 2(b)(ii) and (iv), 7(a), and 7(b) to better reflect the intent of those conditions,⁷⁸ making reference to a letter filed by Enbridge Gas regarding a recently approved project.⁷⁹ OEB staff requested Enbridge Gas to confirm in its reply submission if it agrees with these modifications.

Enbridge Gas submitted that the OEB should reject Environmental Defence's and Pollution Probe's submissions requesting that a condition of approval be added that requires Enbridge Gas to assume all the revenue forecast risk for the Project. Enbridge Gas argued that these submissions are premised on an incorrect understanding regarding the scope of a leave to construct application and a rebasing proceeding. Enbridge Gas noted that Environmental Defence acknowledged that the OEB already

⁷⁵ Natural Gas Facilities Handbook, Appendix D

⁷⁶ Environmental Defence, p.17 and Pollution Probe submission, p. 7

⁷⁷ Environmental Defence, p.16 and Pollution Probe, pp.17-18

⁷⁸ OEB Staff submission, p.17

⁷⁹ Enbridge Gas January 12, 2024 letter providing notification of planned in-service date - Mohawks of the Bay of Quinte Community Expansion Project (EB-2022-0248).

found that it cannot bind a future panel determining a future application to be made by Enbridge Gas post-RSP. Yet, Environmental Defence argued that this is insufficient because the future OEB panel will be constrained in terms of disallowing costs because they will be considered prudent investments at the time given the previous granting of the leave to construct approval. Enbridge Gas submitted that Environmental Defence ignores the OEB's additional rationale for why the OEB's approach is appropriate and Environmental Defence's is not. Enbridge Gas referenced the OEB's statements in the Motion Decision:

These were leave to construct applications, not rate applications. The scope of the two are different. While the original panel could have added conditions of approval or provided other directions on the post-RSP rate treatment, it chose not to do so. It did not make that choice on the basis of a misunderstanding of its jurisdiction; in fact, it specifically invited submissions on the rate treatment question. Rather, it exercised its discretion not to grant what Environmental Defence asked for.

Determining the rate treatment of any shortfalls in the next rebasing proceeding after the ten-year RSP will allow the OEB to consider the issue more broadly in the context of Enbridge Gas's entire franchise area with 3.8 million existing customers, not just the two communities with 217 forecast customers.

There are 28 projects that have been approved in Phase 2 of the NGEP. The OEB strives for procedural efficiency and regulatory consistency. It makes sense to consider questions about rate treatment for such projects on a consolidated basis in a rebasing hearing, rather than on a piecemeal basis in each leave to construct proceeding. In that rebasing hearing, all options will be open, as the original panel said.⁸⁰

Enbridge Gas submitted that the OEB should reject Environmental Defence and Pollution Probe's submissions that Enbridge Gas be directed to provide information on the annual operating cost of electric heat pumps relative to the operating cost of natural gas. Enbridge Gas argued that requiring it to provide consumers with information regarding the annual operating costs of non-natural gas solutions, in particular electric heat pumps, without consideration of those energy solutions' supply-side requirements

⁸⁰ EB-2023-0313, Decision and Order, pp. 18-19

and implications would not be appropriate or valuable. Enbridge Gas asserted that is a role best left to the providers of those non-natural gas energy solutions.⁸¹

Enbridge Gas further submitted that the OEB has ordered Enbridge Gas through the rebasing proceeding to conduct a review of the information it provides to customers regarding energy cost comparisons⁸² and it would be inappropriate to require Enbridge Gas to provide the information in advance of the conclusion of the review and the adjudication of the issue in Phase 2 of the rebasing proceeding.

With respect to OEB staff's proposed minor modifications to Conditions 2(b)(ii) and (iv), 7(a), and 7(b), Enbridge Gas agreed that the OEB should approve the Project subject to the modified conditions of approval as proposed by OEB staff. Enbridge Gas submitted that the Project be approved without any additional conditions or directions proposed by the intervenors.

On April 3, 2024, the OEB issued a letter notifying all natural gas distributors that it has made minor revisions to standard conditions of approval to address the timing of the commencement and conclusion of projects that involve multiple segments.⁸³ These revisions are the same minor modifications proposed by OEB staff in submissions filed in this proceeding.

Findings

The OEB requires and expects Enbridge Gas to provide fair and accurate information concerning its services to its current and potential customers. This includes any representations to customers concerning products and opportunities associated with competitors or the OEB-approved DSM programs.

This does not appear to be an issue that has been bereft of regulatory scrutiny. The OEB, in Phase 1 of Enbridge Gas's 2024 rebasing proceeding, ordered a review of the information that Enbridge Gas provides to customers regarding energy cost comparisons.⁸⁴ As well, a complaint of misleading advertising by Enbridge Gas concerning the provision of competitive energy services is currently being investigated by the federal Competition Bureau. The outcomes of those proceedings may affect Enbridge Gas's future practices in addressing alternative products and opportunities.

⁸¹ Reply submission, p. 18

⁸² EB-2022-0200, Decision and Order, p. 140

⁸³ OEB letter, Minor Modifications to the Standard Conditions of Approval, Natural Gas Leave to Construct Application, dated April 3, 2024

⁸⁴ EB-2022-0200, Decision and Order, p. 140

However, the OEB's insistence on the accuracy of representations and comparisons provided by Enbridge Gas differs from a mandating of the provision of information concerning competitive energy services in preference to its own offering. The OEB is not convinced that the marketplace requires such a mandate as part of the conditions of approval at this time.

The OEB approves the Project subject to Enbridge Gas's compliance with the updated standard conditions of approval attached as Schedule A to this Decision.

4 REQUEST FOR MUNICIPAL FRANCHISE AGREEMENTS AND CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY

Enbridge Gas has a franchise agreement⁸⁵ with, and holds a certificate of public convenience and necessity⁸⁶ for, the Township of Admaston/Bromley. Enbridge Gas does not currently have municipal franchise agreements with the Townships of North Algona Wilberforce and Bonnechere Valley or certificates of public convenience and necessity covering any parts of these municipalities⁸⁷.

Enbridge Gas applied for approval of new municipal franchise agreements with, and new certificates of public convenience and necessity for, the Townships of North Algona Wilberforce and Bonnechere Valley, which would allow Enbridge Gas to construct, operate and add to the natural gas distribution system within all parts of these municipalities.

Enbridge Gas stated that having certificates of public convenience and necessity covering the entire Townships of Bonnechere Valley and North Algona Wilberforce would provide clarity and certainty with respect to service areas and avoid unnecessary delay in responding to requests for natural gas service.⁸⁸

Enbridge Gas stated that it has municipal franchise agreements with, and certificates of public convenience and necessity for, the municipalities immediately adjacent to the Townships of Bonnechere Valley and North Algona Wilberforce and that there are no other natural gas distributors in the area.

OEB staff submitted that the OEB should approve Enbridge Gas's requests for new municipal franchise agreements with, and certificates of public convenience and necessity for, the Townships of North Algona Wilberforce and Bonnechere Valley. OEB staff noted that granting these new certificates of public convenience and necessity do not affect the certificate rights of any other natural gas distributor.

No intervenor provided submissions on Enbridge Gas's requests for municipal franchise agreements and certificates of public convenience and necessity.

⁸⁵ EB-2018-0238 (expiring December 20, 2038)

⁸⁶ EB-2018-0238 (dated September 13, 2018)

⁸⁷ Eganville NGEP Proposal, Exhibit I.STAFF-3, Attachment 1, pp. 6 and 9

⁸⁸ Exhibit I.STAFF-2 (c)

Findings

The OEB finds that it is in the public interest to approve Enbridge Gas's application for new municipal franchise agreements with, and new certificates of public convenience and necessity for, the Townships of North Algona Wilberforce and Bonnechere Valley.

The proposed new municipal franchise agreements (attached as Schedules B and C to this Decision and Order) are in the form of the Model Franchise Agreement, with no amendments, and are for a term of twenty years.

The OEB also notes that granting new certificates of public convenience and necessity to Enbridge Gas for the Townships of North Algona Wilberforce and Bonnechere Valley does not affect the certificate rights of any other natural gas distributor.

New certificates of public convenience and necessity, attached as Schedules D and E to this Decision and Order, are granted to Enbridge Gas for the Township North Algona Wilberforce and the Township of Bonnechere Valley, respectively.

5 ORDER

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. Enbridge Gas Inc. is granted leave, pursuant to section 90(1) of the OEB Act, to construct the Project in the Townships of Admaston/Bromley, North Algona Wilberforce and Bonnechere Valley (including Eganville) as described in its application.
2. Pursuant to section 97 of the OEB Act, the OEB approves the form of Easement Agreement and Form of Temporary Land Use Agreement that Enbridge Gas Inc. has offered or will offer to each owner of land affected by the Project.
3. Leave to construct is subject to Enbridge Gas Inc. complying with the Conditions of Approval set out in Schedule A.
4. Parties in receipt of confidential information shall either return the subject information to the Registrar and communicate to Enbridge Gas Inc. that they have done so; or destroy and/or expunge the information and execute a Certificate of Destruction, following the end of this proceeding, in accordance with the OEB's *Practice Direction on Confidential Filings*. The Certificate must be filed with the Registrar and a copy sent to Enbridge Gas Inc.
5. The terms and conditions upon which, and the period for which the Township of North Algona Wilberforce and the Township of Bonnechere Valley are each, 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 each respective municipality, as set out in the municipal franchise agreements attached as Schedules B and C, are approved.
6. The assent of the municipal electors of each of the Township of North Algona Wilberforce and the Township of Bonnechere Valley to the by-laws is not necessary.
7. Certificates of public convenience and necessity are granted to Enbridge Gas Inc. to construct works or supply natural gas in the Township of North Algona Wilberforce (attached at Schedule D) and the Township of Bonnechere Valley (attached at Schedule E). Current maps of the Township of North Algona Wilberforce and the Township of Bonnechere Valley are attached as Schedules F and G.

8. Eligible intervenors shall file with the OEB and forward to Enbridge Gas Inc. their respective cost claims in accordance with the OEB's *Practice Direction on Cost Awards* on or before **June 14, 2024**.
9. Enbridge Gas Inc. shall file with the OEB and forward to intervenors any objections to the claimed costs of the intervenors on or before **June 24, 2024**.
10. If Enbridge Gas Inc. objects to any intervenor costs, those intervenors shall file with the OEB and forward to Enbridge Gas Inc. their responses, if any, to the objections to cost claims on or before **July 4, 2024**.
11. Enbridge Gas Inc. shall pay the OEB's costs of and incidental to this proceeding upon receipt of the OEB's invoice.

Parties are responsible for ensuring that any documents they file with the OEB, such as applicant and intervenor evidence, interrogatories and responses to interrogatories or any other type of document, **do not include personal information** (as that phrase is defined in the *Freedom of Information and Protection of Privacy Act*), unless filed in accordance with rule 9A of the OEB's [Rules of Practice and Procedure](#).

Please quote file number, **EB-2023-0201**, for all materials filed and submit them in searchable/unrestricted PDF format with a digital signature through the [OEB's online filing portal](#).


- Filings should clearly state the sender's name, postal address, telephone number and e-mail address.
- Please use the document naming conventions and document submission standards outlined in the [Regulatory Electronic Submission System \(RESS\) Document Guidelines](#) found at the [File documents online page](#) on the OEB's website.
- Parties are encouraged to use RESS. Those who have not yet [set up an account](#), or require assistance using the online filing portal can contact registrar@oeb.ca for assistance.
- Cost claims are filed through the OEB's online filing portal. Please visit the [File documents online page](#) of the OEB's website for more information. All participants shall download a copy of their submitted cost claim and serve it on all required parties as per the [Practice Direction on Cost Awards](#).

All communications should be directed to the attention of the Registrar and be received by end of business, 4:45 p.m., on the required date.

DATED at Toronto May 30, 2024

ONTARIO ENERGY BOARD

Nancy
Marconi

 Digitally signed by Nancy
Marconi
Date: 2024.05.30
15:14:28 -04'00'

Nancy Marconi
Registrar

SCHEDULE A
DECISION AND ORDER
ENBRIDGE GAS INC.
EB-2023-0201
MAY 30, 2024

**Leave to Construct Application under
Section 90 of the OEB Act**

**Enbridge Gas Inc.
EB-2023-0201**

Standard Conditions of Approval

1. Enbridge Gas Inc. shall construct the facilities and restore the land in accordance with the OEB's Decision and Order in EB-2023-0201 and these Conditions of Approval.
2. (a) Authorization for leave to construct shall terminate 12 months after the decision is issued unless construction has commenced prior to that date.

(b) Enbridge Gas Inc. shall give the OEB notice in writing:
 - i. of the commencement of construction, at least 10 days prior to the date construction commences
 - ii. of the planned in-service start date, at least 10 days prior to the date the facilities begin to go into service
 - iii. of the date on which construction was completed, no later than 10 days following the completion of construction
 - iv. of the full project in-service date, no later than 10 days after all the facilities go into service
3. Enbridge Gas Inc. shall obtain all necessary approvals, permits, licences, certificates, agreements and rights required to construct, operate and maintain the Project.
4. Enbridge Gas Inc. shall implement all the recommendations of the Environmental Report filed in the proceeding, and all the recommendations and directives identified by the Ontario Pipeline Coordinating Committee review.
5. Enbridge Gas Inc. shall advise the OEB of any proposed change to OEB-approved construction or restoration procedures. Except in an emergency, Enbridge Gas Inc. shall not make any such change without prior notice to and written approval of the OEB. In the event of an emergency, the OEB shall be informed immediately after the fact.
6. Concurrent with the final monitoring report referred to in Condition 7(b), Enbridge Gas shall file a Post Construction Financial Report, which shall provide a variance analysis of project cost, schedule and scope compared to the estimates filed in this

proceeding, including the extent to which the project contingency was utilized. Enbridge Gas shall also file a copy of the Post Construction Financial Report in the proceeding where the actual capital costs of the project are proposed to be included in rate base or any proceeding where Enbridge Gas proposes to start collecting revenues associated with the Project, whichever is earlier.

7. Both during and after construction, Enbridge Gas Inc. shall monitor the impacts of construction, and shall file with the OEB one electronic (searchable PDF) version of each of the following reports:

(a) A post construction report, within three months of the full project in-service date, which shall:

- i. provide a certification, by a senior executive of the company, of Enbridge Gas Inc.'s adherence to Condition 1
- ii. describe any impacts and outstanding concerns identified during construction
- iii. describe the actions taken or planned to be taken to prevent or mitigate any identified impacts of construction
- iv. include a log of all complaints received by Enbridge Gas Inc., including the date/time the complaint was received, a description of the complaint, any actions taken to address the complaint, the rationale for taking such actions
- v. provide a certification, by a senior executive of the company, that the company has obtained all other approvals, permits, licenses, and certificates required to construct, operate, and maintain the proposed project

(b) A final monitoring report, no later than fifteen months after the full project in-service date, or, where the deadline falls between December 1 and May 31, the following June 1, which shall:

- i. provide a certification, by a senior executive of the company, of Enbridge Gas Inc.'s adherence to Condition 4
- ii. describe the condition of any rehabilitated land
- iii. describe the effectiveness of any actions taken to prevent or mitigate any identified impacts of construction
- iv. include the results of analyses and monitoring programs and any recommendations arising therefrom
- v. include a log of all complaints received by Enbridge Gas Inc., including the date/time the complaint was received; a description of the complaint; any actions taken to address the complaint; and the rationale for taking such actions

8. Enbridge Gas Inc. shall designate one of their employees as project manager who will be the point of contact for these conditions, and shall provide the employee's name and contact information to the OEB and to all affected landowners, and shall clearly post the project manager's contact information in a prominent place at the construction site.

SCHEDULE B
DECISION AND ORDER
ENBRIDGE GAS INC.
EB-2023-0201
MAY 30, 2024

2000 Model Franchise Agreement

THIS AGREEMENT effective this day of , 2024

BETWEEN:

THE CORPORATION OF THE TOWNSHIP OF NORTH ALGONA WILBERFORCE

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 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 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 CORPORATION OF THE TOWNSHIP OF NORTH ALGONA WILBERFORCE

Per: _____
James Brose, Mayor

Per: _____
Michelle Mantifel, Clerk / Treasurer

ENBRIDGE GAS INC.

Per: _____
Mark Kitchen, Director, Regulatory Affairs

Per: _____
Jean-Benoit Trahan, Director, Eastern Region Operations

SCHEDULE C
DECISION AND ORDER
ENBRIDGE GAS INC.
EB-2023-0201
MAY 30, 2024

2000 Model Franchise Agreement

THIS AGREEMENT effective this day of , 2024

BETWEEN:

THE CORPORATION OF THE TOWNSHIP OF BONNECHERE VALLEY

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 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 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 CORPORATION OF THE TOWNSHIP OF BONNECHERE VALLEY

Per: _____
Jennifer Murphy, Mayor

Per: _____
Annette Gilchrist, CAO

ENBRIDGE GAS INC.

Per: _____
Mark Kitchen, Director, Regulatory Affairs

Per: _____
Jean-Benoit Trahan, Director, Eastern Region Operations

SCHEDULE D
DECISION AND ORDER
ENBRIDGE GAS INC.
EB-2023-0201
MAY 30, 2024

Certificate of Public Convenience and Necessity

The Ontario Energy Board grants

Enbridge Gas Inc.

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


Township of North Algona Wilberforce

as it is constituted on the date of this Decision and Order.

DATED at Toronto, May 30, 2024

ONTARIO ENERGY BOARD

Nancy
Marconi

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Marconi
Date: 2024.05.30
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Nancy Marconi
Registrar

SCHEDULE E
DECISION AND ORDER
ENBRIDGE GAS INC.
EB-2023-0201
MAY 30, 2024

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The Ontario Energy Board grants

Enbridge Gas Inc.

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Township of Bonnechere Valley

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DATED at Toronto, May 30, 2024

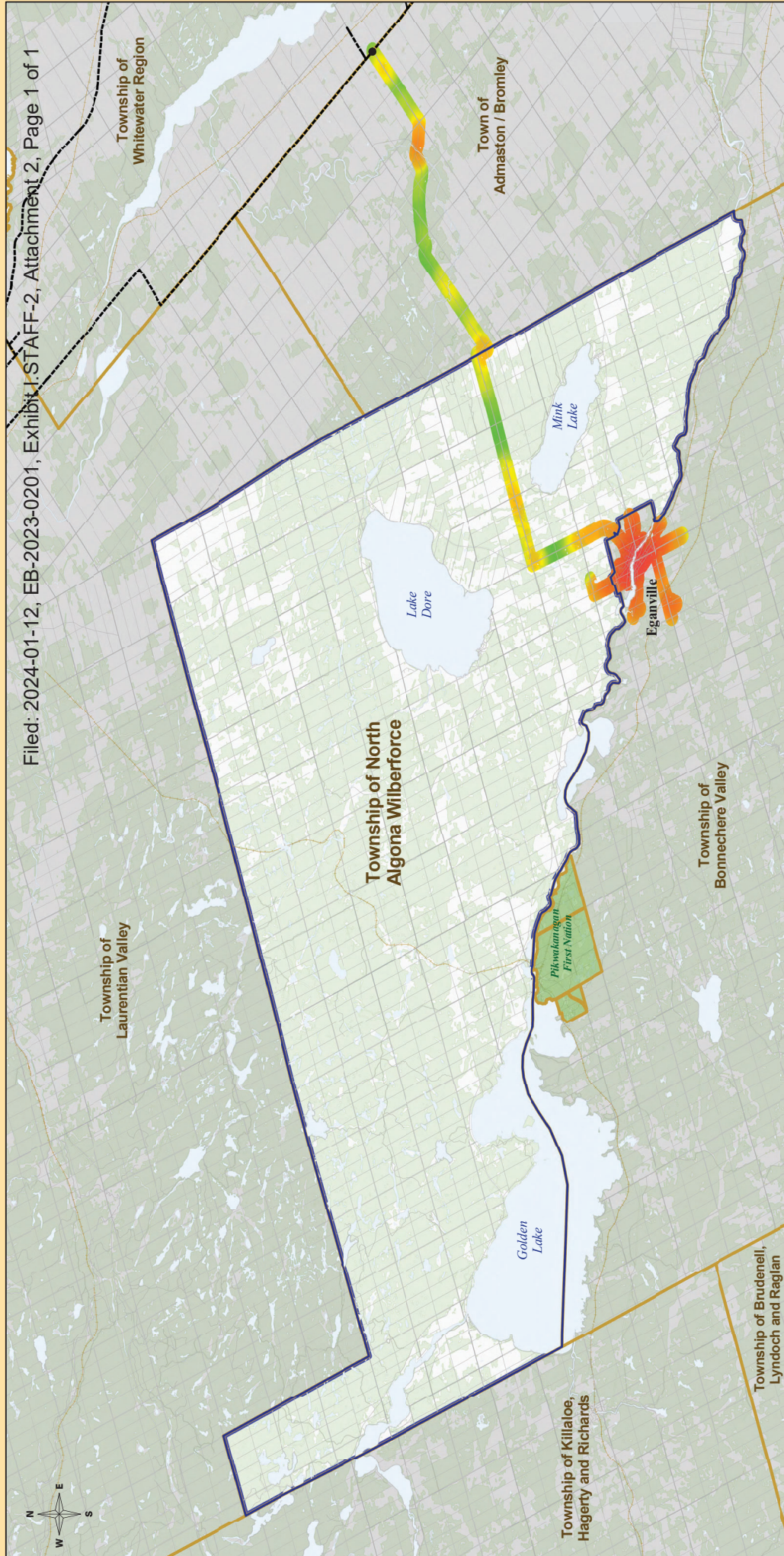
ONTARIO ENERGY BOARD

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Date: 2024.05.30
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Nancy Marconi
Registrar

SCHEDULE F
DECISION AND ORDER
ENBRIDGE GAS INC.
EB-2023-0201
MAY 30, 2024



Township of North Algona Wilberforce (Eganville Community Expansion Proposal Project)

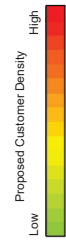


Disclaimer:
The map is provided with no warranty express or implied and is subject to change at any time. Any Person using the Density Map shall do so at its own Risk and the Density Map is not intended in any way As a tool to locate underground infrastructure for the purposes of excavation

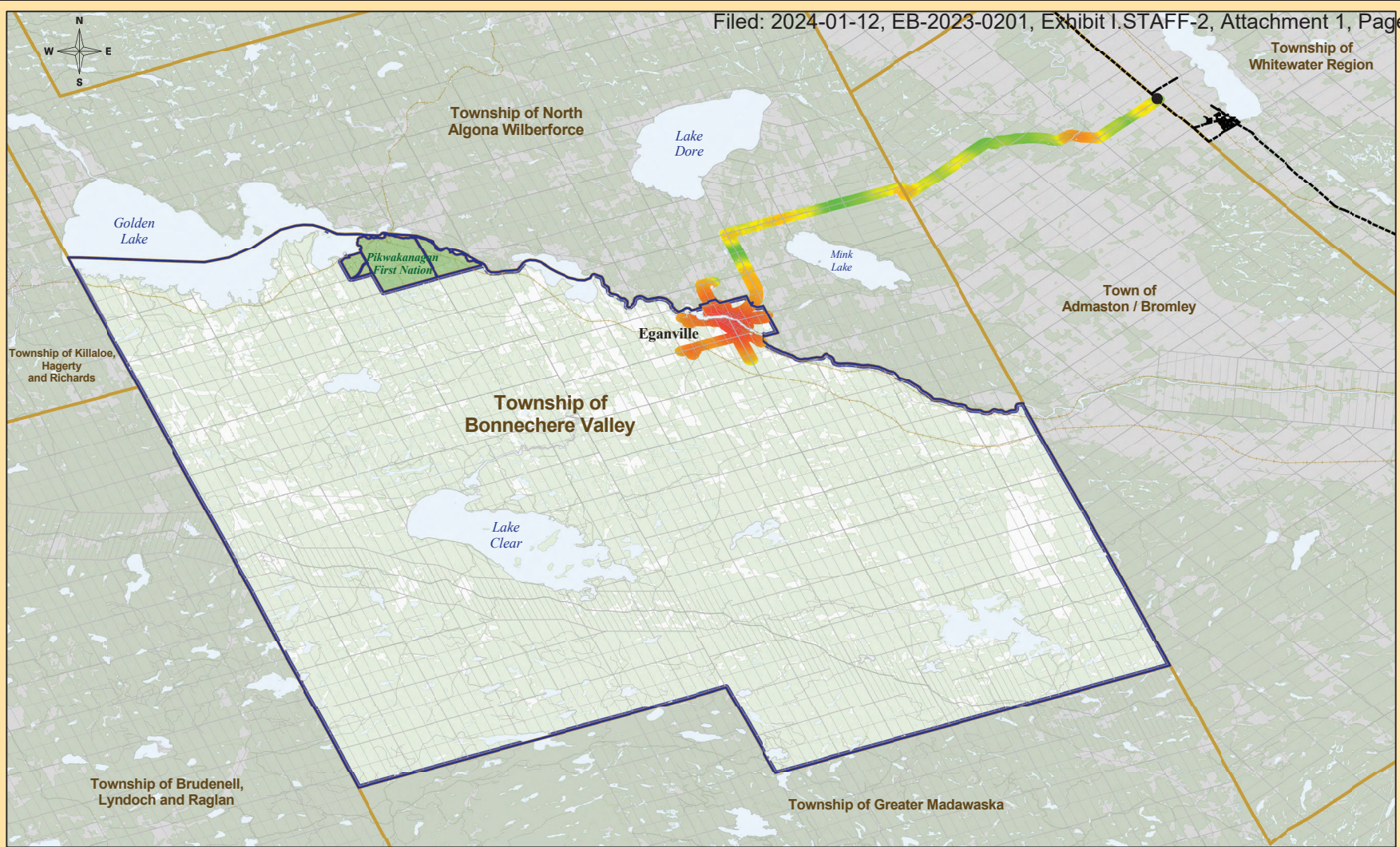


Legend

- Proposed Expansion Corridor
- Proposed Tie-In to Existing Pipeline
- Existing Enbridge Gas Pipelines
- Township of North Algona Wilberforce
- Roads
- Railways
- Municipal and Township Boundaries
- Wooded Areas
- First Nation Boundaries

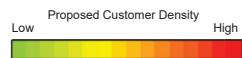


SCHEDULE G
DECISION AND ORDER
ENBRIDGE GAS INC.
EB-2023-0201
MAY 30, 2024



Legend

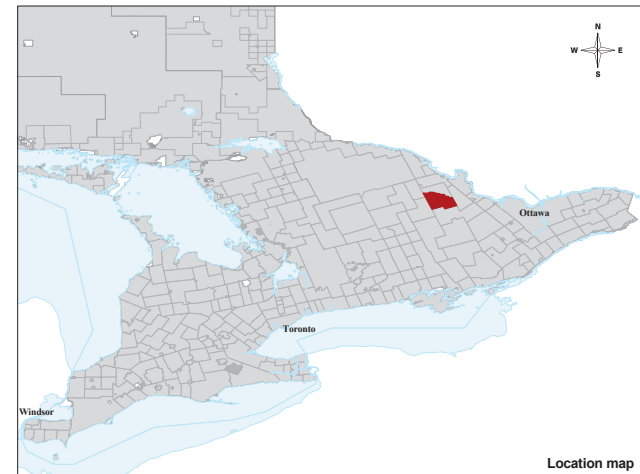
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- Wooded Areas
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Township of Bonnechere Valley (Eganville Community Expansion Proposal Project)



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THE CORPORATION OF THE TOWNSHIP OF BONNECHERE VALLEY

BY-LAW NUMBER _____

A BY-LAW TO AUTHORIZE A FRANCHISE AGREEMENT BETWEEN
THE CORPORATION OF THE TOWNSHIP OF BONNECHERE VALLEY
and
ENBRIDGE GAS INC.

WHEREAS the Council of the Corporation of the Township of Bonnechere Valley 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 _____, 2022 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 Corporation of the Township of Bonnechere Valley enacts as follows:

1. **THAT** the Franchise Agreement between the Corporation of the Township of Bonnechere Valley 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 Mayor and CAO be and they are hereby authorized and instructed on behalf of the Corporation of the Township of Bonnechere Valley 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** this by-law shall come into force and take effect as of the final passing thereof.

Read a first time this _____ day of _____, 2022.

Read a second time this _____ day of _____, 2022.

Read a third time and finally passed this _____ day of _____, 2022.

THE CORPORATION OF THE TOWNSHIP OF BONNECHERE VALLEY

Jennifer Murphy, Mayor

Annette Gilchrist, CAO

2000 Model Franchise Agreement

THIS AGREEMENT effective this day of , 2024

BETWEEN:

THE CORPORATION OF THE TOWNSHIP OF BONNECHERE VALLEY

hereinafter called the "Corporation"

- and -

ENBRIDGE GAS INC.

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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:

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- (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;
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- (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;
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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.

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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*.

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 - (ii) when requested, where the Corporation has geodetic information for its own services and all others at the same location.
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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 TOWNSHIP OF BONNECHERE VALLEY

Per: _____
Jennifer Murphy, Mayor

Per: _____
Annette Gilchrist, CAO

ENBRIDGE GAS INC.

Per: _____
Mark Kitchen, Director, Regulatory Affairs

Per: _____
Nicole Lehto, Director, Regional Operations

Exhibit B

Township of Bonnechere Valley
49 Bonnechere Street East
Eganville, ON K0J 1T0

(613) 628-3101

Attention: Annette Gilchrist
Chief Administrative Officer

This is Exhibit "B" to the Affidavit of
Patrick McMahon sworn before me
this 3rd day of June, 2024.

A Commissioner, etc.

MAILROOM-CHATHAM (519) 436-4600 ENBRIDGE GAS 50 KEIL STREET NORTH CHATHAM ON N7M5M1		1 LBS	1 OF 1
SHIP TO: ANNETTE GILCHRIST 613-628-3101 TOWNSHIP OF BONNECHERE VALLEY 49 BONNECHERE STREET EAST EGANVILLE ON K0J1T0		SHP#: 4R7V 94SZ 9D9 SHP WT: 1 LBS	
	CAN 414 9-00 		
UPS STANDARD TRACKING #: 1Z 4R7 V94 20 9124 8347			
			
BILLING: P/P			
GL ACCT CODE: Input client account info here			
CS 2-1.5.00. WNT NV50 22.0A 05/2021*			

FOLD HERE

Customers with a Daily Pickup:
Your driver will pickup your shipment(s) as usual.

Customers without a Daily Pickup
Ground, 3 Day Select, and Standard to Canada shipments must be dropped off at an authorized UPS location, or handed to a UPS driver. Pickup service is not available for these services. To find the nearest UPS location, select the Drop-off icon from the UPS tool bar.
To schedule a pickup, or to find a UPS location, click on Shipping from the main toolbar and select the Schedule a Pickup or Find Drop-off Locations.