



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

September 17, 2024

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

Dear Ms. Marconi:

**Re: Enbridge Gas Inc.
Application for Approval of Franchise Agreement
County of Dufferin**

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

Should you have any questions on this application, please do not hesitate to contact me. I look forward to the receipt of your instructions.

Yours truly,

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

Encl.

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Municipal Franchises Act*, R.S.O. 1990, c.M.55, as amended;

AND IN THE MATTER OF an Application by Enbridge Gas Inc. for an Order approving the terms and conditions upon which, and the period for which, the Corporation of the County of Dufferin 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 County of Dufferin;

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 County of Dufferin to the by-law is not necessary.

APPLICATION

1. Enbridge Gas Inc. (Enbridge Gas), a regulated public utility, is a corporation incorporated under the laws of the Province of Ontario, with its offices in the City of Toronto and the Municipality of Chatham-Kent.
2. The Corporation of the County of Dufferin (Municipality) is a municipal corporation incorporated under the laws of the Province of Ontario. Attached hereto and marked as Schedule "A" is a map showing the geographical location of the Municipality and a customer density representation of Enbridge Gas' service area. Enbridge Gas currently serves approximately 17,100 customers in the lower-tier municipalities within the County of Dufferin, and approximately 190 customers along roads under the jurisdiction of the County of Dufferin.
3. The County of Dufferin is an upper-tier regional municipality comprised of eight municipalities - the Township of Amaranth, the Township of East Garafraxa, the Town of Grand Valley, the Township of Melancthon, the Town of Mono, the Township of Mulmur, the Town of Orangeville and the Town of Shelburne. Enbridge Gas has Franchise Agreements with and Certificates of Public Convenience and Necessity for each of these lower-tier municipalities.
4. While over the years Enbridge Gas has constructed part of its gas distribution system within road allowances under the jurisdiction of the County of Dufferin, a formal franchise agreement has not been put in place. Prior to the establishment of the first Model Franchise Agreement in 1987, the County of Dufferin was of the opinion that upper-tier municipalities did not have the authority to approve municipal franchise agreements for gas distribution believing that this was a function assigned to lower-tier municipalities under the *Municipal Franchises Act*. The County of Dufferin believed that upper-tier municipalities could enter into a "user rights" agreement to install and maintain a distribution system on the road allowances under its jurisdiction. See Schedule "B" attached. Until now, the *Public Service Works on Highways Act* and municipal consent permits have been used to address work in road allowances under the jurisdiction of the County and to allocate related costs when there was no franchise agreement in place.

5. Given a proposed pipeline within the current County Road 109 right-of way to serve a new development, Enbridge Gas applied to the Council of the County of Dufferin for approval of an initial franchise agreement permitting Enbridge Gas to construct and operate works for the distribution, transmission and storage of natural gas and the right to extend and add to the works in the County of Dufferin.
6. On August 22, 2024, the Council of the Municipality gave approval to the form of a Franchise Agreement in favour of Enbridge Gas and authorized Enbridge Gas to apply to the Ontario Energy Board for approval of the terms and conditions upon which and the period for which the franchise agreement is proposed to be granted.
7. Attached hereto as Schedule "C" is a copy of the Resolution of the Council of the Municipality approving the form of the draft by-law and franchise agreement, authorizing this submission to the Ontario Energy Board, and requesting an Order declaring and directing that the assent of the municipal electors to the by-law and franchise agreement is not necessary. The Resolution was in response to a Director of Public Works Staff Report (also attached) on the proposed franchise agreement.
8. Attached hereto as Schedule "D" is a copy of By-law 2024-32 and the proposed franchise agreement. The County of Dufferin has provided first and second readings of its by-law.
9. Enbridge Gas has franchise agreements with and Certificates of Public Convenience and Necessity for the Township of Adjala-Tosorontio, the Town of Caledon, the Township of Centre Wellington, the Township of Clearview, the Town of Erin, the Municipality of Grey Highlands, the Township of Southgate and the Township of Wellington North, which are immediately adjacent to the County of Dufferin. Enbridge Gas is not aware of any other natural gas distributor operating in the area.
10. The proposed franchise agreement is in the form of the 2000 Model Franchise Agreement with no amendments and is for a term of twenty (20) years.
11. The address of the Municipality is as follows:

County of Dufferin
30 Centre Street
Orangeville, ON L9W 2X1
Attention: Michelle Dunne, Clerk
Telephone: (519) 941-2816 ext. 2504
Email: clerk@dufferincounty.ca

The address for Enbridge Gas' regional operations office is:

Enbridge Gas Inc.
6 Colony Court
Brampton, ON L6T 4E4
Attention: David Edwards, Director, Regional Operations
Email: david.edwards@enbridge.com

12. Enbridge Gas believes that publishing the Notice in the local newspaper, on the OEB web site, on the Enbridge Gas' web site and on the municipality's web site will provide a broad awareness of this application. The newspaper used by the Municipality for its notices is the *Orangeville Banner*.
13. Given the urgency to address active applications for service that require construction along roads under the jurisdiction of the County of Dufferin, Enbridge Gas now applies to the Ontario Energy Board for:
 - (a) an Order under s.9(3) approving the terms and conditions upon which, and the period for which, the County of Dufferin is, by by-law, to grant Enbridge Gas the right to construct and operate works for the distribution, transmission and storage of natural gas and the right to extend and add to the works; and
 - (b) an Order pursuant to s.9(4) directing and declaring that the assent of the municipal electors of the County of Dufferin is not necessary for the proposed franchise agreement by-law under the circumstances.

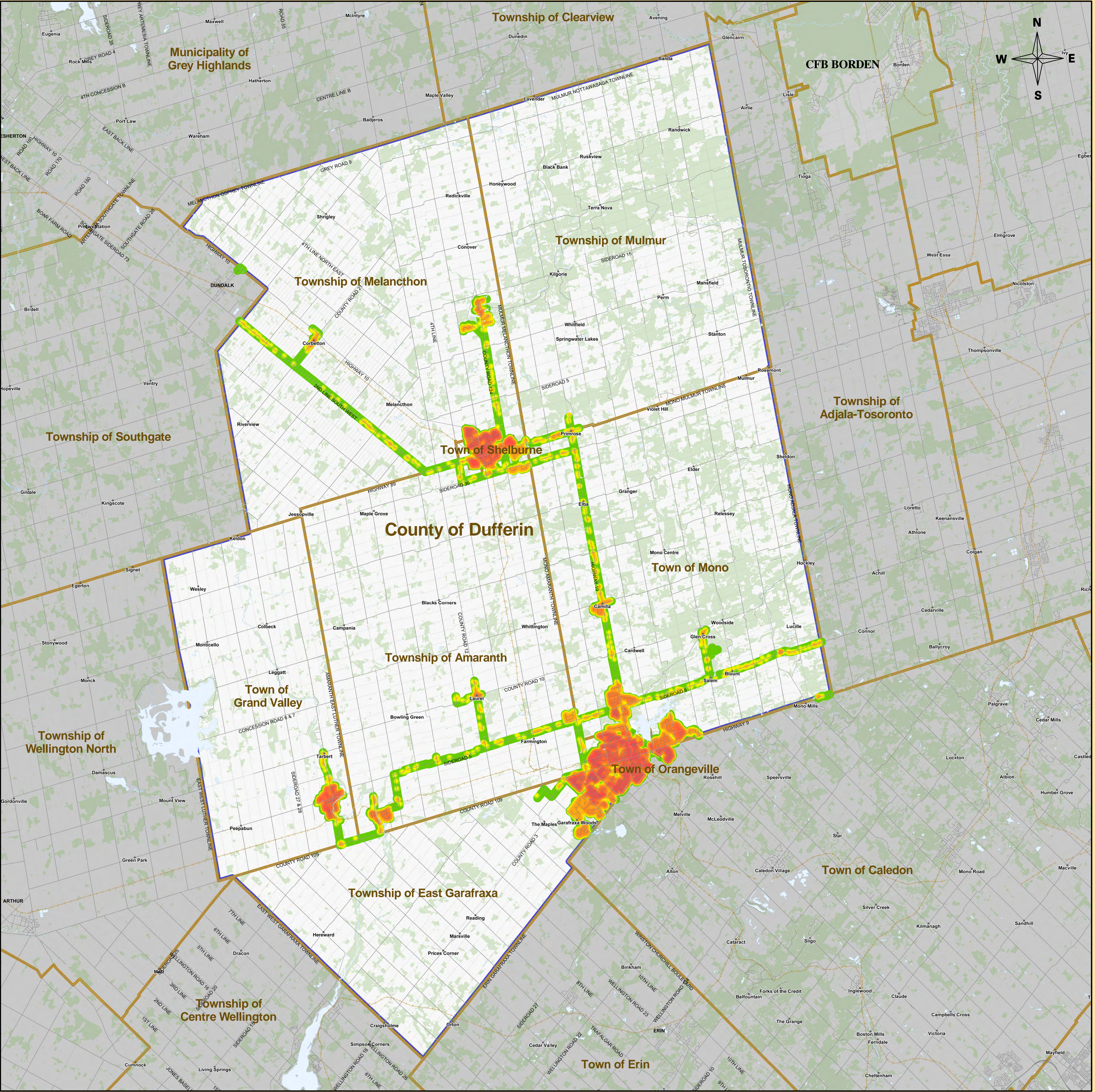
DATED at the Municipality of Chatham-Kent, in the Province of Ontario this 17th day of September, 2024.

ENBRIDGE GAS INC.

Patrick McMahon
Technical Manager
Regulatory Research and Records

Comments respecting this Application should be directed to:

Mr. Patrick McMahon
Technical Manager, Regulatory Research and Records
Enbridge Gas Inc.
50 Keil Drive North
Chatham, ON N7M 5M1
patrick.mcmahon@enbridge.com
Telephone: (519) 436-5325





COUNTY OF DUFFERIN ROADS DEPARTMENT

COURT HOUSE, 51 ZINA ST.
ORANGEVILLE - ONTARIO
L9W 1E5
TELEPHONE 519-941-2775

October 22nd, 1985

Consumers' Gas
350 Burhamthorpe Rd. W.
Mississauga, Ontario
L5C 3B4

RECEIVED

OCT 23 1985

GENERAL MANAGER
WESTERN REGION

Attention: Mr. Wm. Smith
General Manager

Reference: Franchise Agreement

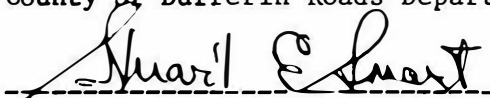
Dear Sir,

I have been discussing this matter with my colleagues from other municipalities. I have learned that;

- a) Counties and Regions do not have the authority to grant municipal franchises for gas distribution within a county area. This is a function assigned to local municipalities under the Municipal Franchises Act.
- b) Counties and Regions can enter into a "user rights" agreement to install and maintain a distribution system on the road allowances.
- c) public hearings will be conducted in Toronto beginning November 13th to review the forms of gas agreements and to review the form of Certificates of Public Convenience and Necessity.
- d) there are municipalities that will be making recommendations at this hearing.

At this point in time the County of Dufferin does not wish to enter into an agreement with Consumers' Gas but wishes to wait for the outcome of the hearing.

Yours truly
County of Dufferin Roads Department



Stuart E. Smart P.Eng.,
County Engineer

SES/ch

*Copy sent
R. F. 10.80
23.10.85*

AUGUST 22, 2024

30 Centre Street, Orangeville, ON L9W 2X1 dufferincounty.ca



A community that grows together

Report To: Warden White and Members of County Council

Meeting Date: August 22, 2024

Subject: Enbridge Gas Inc. – Model Franchise Agreement

From: Scott Burns, Director of Public Works/County Engineer

Recommendation

THAT the Report, Enbridge Gas Inc. – Model Franchise Agreement, dated August 22, 2024, from the Director of Public Works/County Engineer, be received;

AND THAT Council approves the form of draft by-law and the Model Franchise Agreement hereto and authorizes the submission thereof to Ontario Energy Board for approval pursuant to the provisions of Section 9 of the Municipal Franchises Act;

AND THAT Council requests that the Ontario Energy Board make an Order declaring and directing that the assent of the municipal electors to the attached draft by-law and franchise agreement pertaining to the Corporation of the County of Dufferin is not necessary pursuant to the provisions of Section 9(4) of the Municipal Franchises Act.

Executive Summary

Enbridge Gas Inc. must enter 20-year Franchise Agreements with municipalities, including upper-tiers. These agreements formalize the relationship between the two parties and allow for the installation and operation of Enbridge Gas Inc. infrastructure within County lands. Enbridge provided a draft agreement on April 29, 2024, for review and comment with staff intending to seek Council approval in fall 2024. Following Council approval, the agreement requires final ratification by the Ontario Energy Board, which will occur over a period of eight-to-nine-months.

Since receiving the original draft agreement, Enbridge Gas Inc. informed staff that they cannot perform any further installations within County lands without the fully executed

agreement. This has the potential to create challenges for ongoing developments and staff therefore seek approval of the Model Franchise Agreement (attached).

Background & Discussion

Following correspondence received on April 29, 2024, staff learned that Enbridge Gas Inc. must enter 20-year Franchise Agreements with upper-tier municipalities, including Dufferin County. These agreements formalize the relationship between the two parties and allow for the installation and operation of Enbridge Gas Inc. infrastructure within County lands. Staff subsequently began review of the draft documents, including input from legal, with the intention of seeking Council approval in fall 2024. Following Council approval, the Ontario Energy Board must ratify the agreement over a period of eight-to-nine-months.

Over the past weeks staff and Enbridge Gas Inc. have been working to investigate potential interim solutions to allow installations within County roads to continue. Several scenarios have been considered by Enbridge during this time. Following this effort, on August 9, 2024, Enbridge Gas Inc. legal representatives concluded that further installations within County lands will not proceed without a fully executed agreement. This has the potential to create challenges for ongoing development projects that require Enbridge infrastructure within County lands.

Staff have reviewed the document with support from legal and recommend approval.

Financial, Staffing, Legal, or IT Considerations

Enbridge Gas Inc. legal has advised that an executed Franchise Agreement must be in place to allow any further installations within County lands.

Dufferin County legal has reviewed the document and is satisfied.

In Support of Strategic Plan Priorities and Objectives

Governance - identify opportunities to improve governance and service delivery/
improve the County's internal and external communication

Respectfully Submitted By:

Scott Burns, P.Eng, C.E.T.

Director of Public Works and County Engineer

Attachment: Enbridge Gas Inc. Model Franchise Agreement

Reviewed by: Sonya Pritchard, Chief Administrative Officer

CORPORATION OF THE COUNTY OF DUFFERIN

BY-LAW NUMBER 2024-32

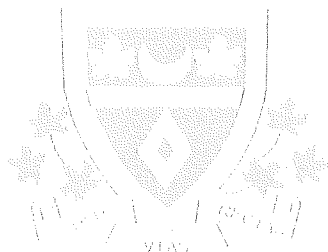
A BY-LAW TO AUTHORIZE THE WARDEN AND THE CLERK TO EXECUTE A FRANCHISE AGREEMENT BETWEEN THE CORPORATION OF THE COUNTY OF DUFFERIN AND ENBRIDGE GAS INC. (Model Franchise Agreement)

WHEREAS the Council of the Corporation of the County of Dufferin 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 , 2024 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 BE IT ENACTED BY THE MUNICIPAL COUNCIL OF THE CORPORATION OF THE COUNTY OF DUFFERIN AS FOLLOWS:

1. THAT the Franchise Agreement between the Corporation of the County of Dufferin 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 Warden and Clerk are hereby authorized and instructed on behalf of the Corporation of the County of Dufferin 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 third time and finally passed this ____ day of _____, 2024.

Darren White, Warden

Michelle Dunne, Clerk

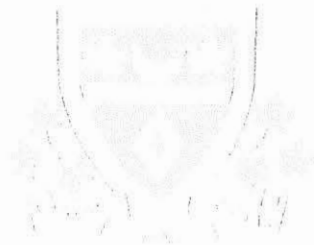
READ a first and second time this 22nd day of August, 2024.

[Original Signed By Darren White]

Darren White, Warden

[Original Signed By Michelle Dunne]

Michelle Dunne, Clerk



2000 Model Franchise Agreement

THIS AGREEMENT effective this day of , 2024

BETWEEN:

THE CORPORATION OF THE COUNTY OF DUFFERIN

hereinafter called the "Corporation"

- and -

ENBRIDGE GAS INC.

hereinafter called the "Gas Company"

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

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

THEREFORE the Corporation and the Gas Company agree as follows:

Part I - Definitions

1. In this Agreement

- (a) "decommissioned" and "decommissions" when used in connection with parts of the gas system, mean any parts of the gas system taken out of active use and purged in accordance with the applicable CSA standards and in no way affects the use of the term 'abandoned' pipeline for the purposes of the *Assessment Act*;
- (b) "Engineer/Road Superintendent" means the most senior individual employed by the Corporation with responsibilities for highways within the Municipality or the person designated by such senior employee or such other person as may from time to time be designated by the Council of the Corporation;

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

Part II - Rights Granted

2. To provide gas service

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

3. To Use Highways

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

4. Duration of Agreement and Renewal Procedures

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

or

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

Part III – Conditions

5. Approval of Construction

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

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

6. As Built Drawings

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

7. Emergencies

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

8. **Restoration**

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

9. **Indemnification**

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

10. **Insurance**

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

11. **Alternative Easement**

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

12. **Pipeline Relocation**

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

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

Part IV - Procedural And Other Matters

13. Municipal By-laws of General Application

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

14. Giving Notice

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

15. Disposition of Gas System

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

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

16. Use of Decommissioned Gas System

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

17. Franchise Handbook

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

18. Other Conditions

None.

19. **Agreement Binding Parties**

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

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

THE CORPORATION OF THE COUNTY OF DUFFERIN

Per: _____
Darren White, Warden

Per: _____
Michelle Dunne, Clerk

ENBRIDGE GAS INC.

Per: _____
Mark Kitchen, Director, Regulatory Affairs

Per: _____
David Edwards, Director, Regional Operations