

EB-2025-0058

City of Guelph Franchise Agreement Interrogatories of eMERGE Guelph

Interrogatory #EMG-1

Reference: EGI Application, paras. 9-11

Preamble: The following questions are raised in relation to the Motion passed by Council of the City of Guelph, on November 26, 2024, which stated:

3. That Council direct staff, to the satisfaction of the DCAO of IDE, to negotiate a Franchise Agreement with the gas distribution company that:
 - a. will allow the City of Guelph to charge fees for use of public property if and when Ontario Regulation 584/06 is amended to allow such charges,
 - b. will ensure that the City of Guelph is not liable to pay for any gas infrastructure relocations needed due to conflicts with municipal infrastructure, and
 - c. will ensure future charges for use of municipal property is not passed on to Guelph customers of the gas distribution company.

Question(s):

- (a) For each of the three proposed terms noted above, please explain the basis for Enbridge's objection.

Interrogatory #EMG-2

Reference: Proposed agreement

Question(s):

- (a) The procedural order in this proceeding raised the possibility of a generic proceeding to update the Model Franchise Agreement. Please provide Enbridge's position on such a generic proceeding.
- (b) If a generic hearing is to be held, would Enbridge consent to a shorter franchise renewal agreement with the City of Guelph (e.g. 1-2 years) while that generic proceeding takes place?

Interrogatory #EMG-3

Reference: Proposed agreement

Question(s):

- (a) Please describe what would occur if the current franchise agreement with Guelph were to reach the end of the term.
- (b) Would Enbridge agree to allow the current franchise agreement to expire such that its terms would continue without Guelph being locked in for 20 years? If not, why (i.e. what harm would result)?

Interrogatory #EMG-4

Reference: Proposed agreement

Question(s):

- (a) Please provide a copy of all correspondence with the City of Guelph regarding the franchise agreement.
- (b) Please provide any notes or minutes from any meetings with the City of Guelph regarding the franchise agreement.
- (c) Please explain why Enbridge would not entertain any of Guelph's proposals to deviate from the Model Franchise Agreement.
- (d) Was Enbridge willing to consider potential deviations from the Model Franchise Agreement that do not arise from circumstances that are unique to Guelph? Please explain why or why not.
- (e) Was Enbridge willing to consider potential deviations from the Model Franchise Agreement that do not arise from circumstances that are unique to Guelph and instead arise from changed circumstances since the Model Franchise Agreement was developed 25 years ago? Please explain why or why not.

Interrogatory #EMG-5

Reference: EGI Application

Question(s):

- (a) Please provide a list of all payments, including amounts made from the City of Guelph to Enbridge to relocate gas pipelines that conflict with municipal works, and a total of all payments, over the term of the existing franchise agreement.
- (b) Please provide a list of all payments made from parties other than the City of Guelph to Enbridge to relocate gas pipelines within the City of Guelph that conflict with other works, and a total of all payments, over the term of the existing franchise agreement.

Interrogatory #EMG-6

Reference: EGI Application

Preamble: The intervenor is seeking to understand the total value of costs paid by municipalities and other parties to Enbridge for the relocation of gas pipelines due to conflict with other works. We ask that Enbridge make best efforts to provide the following information.

Question(s):

- (a) Please provide the amount of annual total payments made by municipalities to Enbridge to relocate gas pipelines that conflict with other works in Ontario for the most recent five-year period.
- (b) Please provide the amount of annual total payments made by other parties to Enbridge to relocate gas pipelines that conflict with other works in Ontario for the most recent five-year period.

Interrogatory #EMG-7

Reference: Proposed agreement

Question(s):

- (a) Please describe and provide a copy of Bill 219, "No Free Ride for Fossil Fuels Act, 2024".
- (b) Please provide Enbridge's position on Bill 219.
- (c) Please confirm that the MPP for Guelph intends to reintroduce Bill 219.

Interrogatory #EMG-8

Reference: Proposed agreement

Question(s):

- (a) For the most recent year, please provide details of the municipal taxes paid to the City of Guelph, including the value of the property on which those taxes were paid, a breakdown of the property by address, type (e.g. pipelines vs. buildings), size and value, and the rates paid.
- (b) Does Enbridge agree that there is a difference between property taxes and the payment of fees to use public lands? Please explain the answer.

Interrogatory #EMG-9

Reference: Proposed agreement

Question(s):

- (a) Please confirm that the proceeding that developed the Model Franchise Agreement did not involve consideration of the impacts of the energy transition. If Enbridge believes otherwise, please provide excerpts from the materials in that proceeding to justify its position.
- (b) Please confirm that the proceeding that developed the Model Franchise Agreement did not involve consideration of whether the provision of access to public lands for gas pipelines constitutes a fossil fuel subsidy. If Enbridge believes otherwise, please provide excerpts from the materials in that proceeding to justify its position.
- (c) Please describe the factors that drove the recent change to Enbridge's equity thickness and whether those factors are ones that can validly be considered in relation to potential deviations from the Model Franchise Agreement.

Interrogatory #EMG-10

Reference: Proposed agreement

Question(s):

- (a) How many metres of pipelines does Enbridge own in the City of Guelph?
- (b) How many more metres of pipelines does Enbridge expect to construct in the City of Guelph over the term of the proposed franchise agreement (or as close to that period as possible)?
- (c) Please list all infrastructure owned by Enbridge in the City of Guelph, with descriptions by type, size and use.

Interrogatory #EMG-11

Reference: Proposed agreement

Question(s):

- (a) How many metres of pipelines does Enbridge have in the City of Guelph that are NOT located on a municipal highway but are located on City of Guelph property (excluding the service lines directly serving City of Guelph buildings)?
- (b) How many metres of pipelines does Enbridge have in the City of Guelph that are NOT located on a municipal highway but are located on private property (excluding the service lines directly serving individual customers)?
- (c) What land-based fees does Enbridge pay for (a) and (b)?

- (d) Does Enbridge ever pay landowners to put pipelines under their property? If yes, please provide the approximate range that Enbridge pays per metre, including the average, the highest, and the lowest price paid.
- (e) What, if any, infrastructure other than pipelines, does Enbridge have under municipal and privately-owned property in the City of Guelph? For each, please list their use and size.

Interrogatory #EMG-12

Reference: Proposed Agreement, para. 3

Preamble: Section 9 of O. Reg. 548/06 reads as follows:

9. A municipality and a local board do not have power under the Act to impose a fee or charge on a generator, transmitter, distributor or retailer, as these terms are defined in section 2 of the Electricity Act, 1998, or on a producer, gas distributor, gas transmitter or storage company, as these terms are defined in section 3 of the Ontario Energy Board Act, 1998, for services or activities, costs payable or the use of property with respect to wires, cables, poles, conduits, pipes, equipment, machinery or other works that,

- (a) are or will be located on a municipal highway; and
- (b) are or will be used as part of the business of the generator, transmitter, distributor, retailer, producer, gas distributor, gas transmitter or storage company, as the case may be.

Question(s):

- (a) The section prohibits fees for works that are or will be located “on” a municipal highway. The section does not prohibit fees for works that are or will be located under a municipal highway. Please provide Enbridge’s position on the meaning of this section and whether it prohibits fees for use of a municipal highway for pipelines under a municipal highway. Please provide any support for Enbridge’s position, including any case law or documents tracing the development of the section.
- (b) Please file submissions that Enbridge and its predecessor corporations provided to government officials regarding the passage of O. Reg. 548/06.

Interrogatory #EMG-13

Reference: Proposed Agreement, para. 3

Question(s):

- (a) Please provide Enbridge’s understanding of paragraph 3 of the proposed franchise agreement.
- (b) If the province were to amend s. 9 of O. Reg. 548/06 to remove any potential prohibition on municipalities charging fees to gas distributors for use of a municipal highway during

the term of the proposed franchise agreement, would the City of Guelph be able to charge fees for Enbridge to locate works on a municipal highway despite s. 3 of the proposed agreement?

Interrogatory #EMG-14

Reference: Proposed Agreement, para. 3

Question(s):

- (a) Please confirm that municipalities are allowed to charge for use of municipal highways for the pipes involved in district energy (e.g. distributed geothermal). If the team responding to this interrogatory is unsure, we ask that they confer with staff involved with the Enbridge Sustain program.
- (b) Please confirm that some municipalities do charge for this.

Interrogatory #EMG-15

Reference: Proposed Agreement

Preamble: For each of the questions below, please assume that the City is agreeable to the proposed term.

Question(s):

- (a) Would Enbridge agree to the following term for the City's franchise agreement:
 - 3.1 If O. Reg. 548/06 is amended to remove the prohibition on municipalities charging fees to gas distributors for the use of property with respect to pipes or works that are or will be located on a municipal highway, the Corporation may charge fees for the use of highways and may apply to the Ontario Energy Board (or an alternative body if so required by law) to set those fees.
- (b) Would Enbridge agree to the following term for the City's franchise agreement:
 - 3.1 If O. Reg. 548/06 is amended to remove the prohibition on municipalities charging fees to gas distributors for the use of property with respect to pipes or works that are or will be located on a municipal highway, the Gas Company shall pay any such fees duly enacted by the Corporation but may terminate its agreement accordingly.
- (c) If Enbridge would not agree to either of the above terms, would it agree to alternative terms that would avoid the possibility that the City would be unable to charge fees for use of the highways due to the franchise agreement even if O. Reg. 548/06 was amended? If Enbridge believes that no such term would be warranted, please explain why.

Interrogatory #EMG-16

Reference: Proposed Agreement, para. 12

Question(s):

- (a) Please explain why the City of Guelph should pay 35% of the costs to relocate Enbridge pipelines if they conflict with municipal works even though Enbridge pays no land-based fees to use the land under highways?
- (b) Please explain why taxpayers should pay 100% of the costs to relocate Enbridge pipelines if they conflict with public works that are not municipal works even though Enbridge pays no land-based fees to use the land under highways?
- (c) Would Enbridge agree to a term that would make the payment terms set out in the paragraph 12 of the agreement apply to all public works, with the level of government constructing said works paying the 35% contribution? Please explain.
- (d) Would Enbridge agree to a term that would make the payment terms set out in paragraph 12 of the agreement apply to all public works, with taxpayers not needing to pay any contribution?

Interrogatory #EMG-17

Reference: Proposed Agreement, para. 3

Question(s):

- (a) Please confirm that the combustion of natural gas creates approximately one-third of Ontario's greenhouse gas emissions.
- (b) Please confirm that upstream emissions add over 40% in additional emissions on top of the combustion emissions for fossil methane gas based on the default value for the Clean Fuel Standard.¹
- (c) Please confirm that a tonne of methane is estimated to have 84 times the warming power of carbon dioxide over a 20-year period.²

¹ *Clean Fuel Regulations*, SOR/2022-140, Schedule 6, s. 8(d) ([link](#), PDF p. 170); Exhibit L, p. 11 ([link](#)); EB-2020-0066, Exhibit JT1.7 ([link](#), PDF p. 398); The default carbon intensity is 68 gCO₂e/MJ for natural gas, this number can be broken out further to 48 gCO₂e/GJ for emissions from end-use combustion, and 20 gCO₂e/MJ related to upstream extraction, processing, transportation and distribution.

² Environment and Climate Change Canada ([link](#), Ex. K2.2, PDF p. 302).

Interrogatory #EMG-18

Reference: EGI Application, paras. 11-12

Question(s):

- (a) Please provide a table listing all municipal franchise agreements entered into since 2000 that have any wording that differs from the Model Franchise Agreement. Please include a column showing the difference in redline.
- (b) Does Enbridge believe there would be some benefit to reviewing the Model Franchise Agreement seeing as the generic hearing that set the terms for the current version of the Model Agreement took place approximately 25 years ago?

Interrogatory #EMG-

Reference: EGI Application, para. 12

Question(s):

- (a) Does Enbridge take the position that any changes to the Model Franchise Agreement in the City of Guelph will be binding on future franchise renewal agreements entered into with other municipalities under the *Municipal Franchises Act*?
- (b) If not, please explain the concerns raised in paragraph 12 of the Application.
- (c) What does Enbridge believe is the correct forum to raise compelling reasons for deviation from the Model Franchise Agreement if not as part of an application to the Board under the *Municipal Franchises Act*?

Interrogatory #EMG-19

Reference: Proposed Agreement, para. 3

City of Toronto Staff Report, *Impact of Bill 165 & Gas Utility Use of Public Property in Toronto*, May 13, 2024

Question(s):

- (a) Please confirm if Enbridge agrees or disagrees with the following statements from the above-referenced City of Toronto report. Please explain the response:
 - (i) “Municipalities outside Ontario can and do charge gas utilities for use of the right of way (including Edmonton, Calgary and Regina) generating revenue between \$24 and \$97 per capita annually.” (p. 2)
 - (ii) “Were the Province to amend its regulation and City Council decided to apply a land-based charge to Enbridge’s use of the right of way, it could generate between \$73 million and \$293 million in total annual revenue based on the range of currently observed charges elsewhere.” (p. 2)

- (iii) “Applying a land-based charge could align with the need to transition away from fossil fuels and move toward lower carbon energy like electricity from Ontario’s relatively clean grid and local renewable generation.” (p. 3)
- (iv) “Space in the right of way is limited, both above ground and below ground as this space is used to convey services like water, telecommunications, electricity, natural gas and for transit infrastructure. A key difference between the use of the right of way for natural gas and all other uses is that natural gas is a fossil fuel that causes climate change.” (p. 8)
- (v) “If widespread adoption of electric heating occurs in buildings sector and a number of customers disconnect from the natural gas grid, there could be an increase in the number of abandoned pipelines within Toronto.” (p. 9)
- (vi) “...cities in provinces outside Ontario are charging gas utilities for use of the right of way and gaining significant revenue by doing so.” (p. 10)

Interrogatory #EMG-20

Reference: Proposed Agreement, para. 3

Question(s):

- (a) Please confirm that the City of Toronto passed a motion to “request the Minister of Municipal Affairs and Housing to amend Ontario Regulation 595/06, FEES AND CHARGES, to allow the City to charge gas utilities for their use of public lands as Edmonton, Calgary, Regina and Winnipeg do, in order to fund infrastructure resilience against the impacts of climate change.” If not, please explain why not.³
- (b) Please confirm that the City of Ottawa has made a similar request.⁴
- (c) Please confirm that there is an equivalent regulation under the *Municipal Act* regarding fees for use of public land.⁵
- (d) Is Enbridge aware of any other similar requests being made?
- (e) Does Enbridge oppose the request by the City of Toronto?
- (f) Does Enbridge have any information to suggest whether or not the City of Toronto’s request will be granted? If yes, please file that information.

Interrogatory #EMG-21

Reference: EGI Application

City of Toronto Staff Report, *Impact of Bill 165 & Gas Utility Use of Public Property in Toronto*, May 13, 2024

³ <https://secure.toronto.ca/council/agenda-item.do?item=2024.IE14.9>

⁴ https://documents.ottawa.ca/sites/documents/files/jimwatsonletter_toddsmith_en.pdf

⁵ <https://www.ontario.ca/laws/regulation/060584>, s. 9.

Question(s):

- (a) Please review the factual statements regarding fees for use of public property for gas infrastructure on pages 2 to 3 and 8 to 12 of the above-reference City of Toronto report and advise if Enbridge disagrees with any such statements. If yes, please provide a table with an excerpt of the statement and an explanation of why Enbridge disagrees.
- (b) Does Enbridge believe that the City of Toronto is a trustworthy source of information on fees for use of municipal highways?
- (c) Does Enbridge believe that the City of Toronto is an authoritative source of information on fees for use of municipal highways?