

May 27, 2025

Mr. Ritchie Murray
Acting Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Mr. Murray:

**Re: Enbridge Gas Inc.
Application for Renewal of Franchise Agreement – County of Wellington
Ontario Energy Board (OEB) File No. EB-2025-0126**

In response to the OEB's Notice of Hearing published on April 24, 2025 for the above-noted application, a letter of comment was submitted by the Clean Air Partnership on May 6, 2025 to the public record of the proceeding.

Pursuant to Rule 23.03 of the OEB's *Rules of Practice and Procedure*, before the record of this proceeding is closed, Enbridge Gas is filing this letter to address the issues raised in the letter of comment. For the reasons set out below, the issues raised in the Clean Air Partnership's letter are beyond the scope of this review of a franchise agreement renewal application, and thus do not necessarily warrant a substantive rebuttal in the context of this proceeding. Nevertheless, Enbridge Gas wishes to outline certain facts and context so that some of Clean Air Partnership's problematic assertions / premises do not go uncorrected on the public record.

Clean Air Partnership Letter of Comment Not Relevant

As a threshold point, it is unclear who exactly constitutes the Clean Air Partnership or how this organization has a demonstrable interest specific to the review of the renewal of a franchise agreement between Enbridge Gas and the County of Wellington. In its letter of comment, the only contact information made available for the Clean Air Partnership is an email address and [web site link](#) which indicates that the Clean Air Partnership is located in Toronto.

In its letter of comment, the Clean Air Partnership states that municipalities outside of Ontario are compensated for utilities' use of their right-of-way lands. What happens outside of Ontario under completely different regulatory and legislative regimes is not only irrelevant to the review of a franchise agreement renewal in Ontario (where such fees and charges are not permitted by statute), but the Clean Air Partnership has no authority to speak for the County of Wellington regarding municipal fees and charges or the use of public highways for utility services.

Municipal Support for Model Franchise Agreement

As is well documented in the Application and supporting evidence, the County of Wellington is in full agreement with the terms and conditions of the proposed franchise agreement, which is for the renewal of a long-standing franchise relationship that has been in place with the County of

Wellington since approximately 1956. Today, Enbridge Gas serves approximately 23,900 customers in the lower-tier municipalities within the County of Wellington with approximately 2,800 of these customers located along roads under the jurisdiction of the County of Wellington.

Local governments in Ontario are the responsible level of government to make determinations in the best interests of their constituents. The meetings of local governments are, as required by law, open to the public to make deputations and submit delegations on issues of local importance. The issues are then publicly debated by members of Council who make an informed decision on behalf of the community.

Here, the franchise agreement was brought before a local council, both at the committee level and at a public council meeting, supported by a detailed staff report. The public had full rights of participation at those meetings of Council and this would have been the appropriate time for interested parties to make submissions to Council for its determination. The Clean Air Partnership made no submission and no delegation to local Council at the appropriate point in time for the determination of this issue.

Prior to the County of Wellington's public meetings on this issue on February 18, 2025¹ and February 27, 2025,² agendas and supporting staff reports were prepared and posted on the County's website³. These meetings took place both in person and electronically via Zoom. The Clerk's department prepared and posted a positive staff report recommending the terms and conditions contained in the model franchise agreement. No contrary material was filed by staff or any members of the public. Issues debated at committee and municipal council are often contentious. Tellingly, in this case, there was no ambiguity or dispute. Rather, the vote at Council was carried unanimously in favour of the terms and conditions of the franchise agreement, thereby dispensing with an unnecessary and costly assent of electors referendum.

The resolution passed by County of Wellington council and submitted at Schedule D of the Application attests to Council's agreement with the proposed franchise agreement to ensure that natural gas is made available to the citizens of the County of Wellington uninterrupted.

It is respectfully submitted that the OEB ought to defer to the unequivocal and unanimous decision of the local government in this matter. The issue was presented at Council and interested parties were afforded a full opportunity to make whatever submissions they deemed important and necessary. Ultimately, there were no questions or debate on the matter, and it was unanimously supported by Council.

No Support to Amend O. Reg. 584/06

In its letter of comment, the Clean Air Partnership has recommended that the Province of Ontario update the Model Franchise Agreement and O. Reg. 584/06 (*Fees and Charges*) under the *Municipal Act* to include a provision for municipal access fees to be paid to municipalities for use of their right of way for natural gas distribution infrastructure and other associated pipelines that use the municipal right of way.

In this regard, Clean Air Partnership's assertion that Section 9 of O. Reg. 584/06 provides "an unjustified subsidy to for-profit gas utilities by forcing municipalities to provide them free use of public property" is inaccurate. Enbridge Gas pays property taxes in every municipality in which

¹ [County of Wellington Administration, Finance and Human Resources Committee Meeting – February 18, 2025](#)

² [County of Wellington Council Meeting – February 27, 2025](#)

³ [County of Wellington Council Meeting Agendas and Minutes](#)

it has facilities based on linear infrastructure and it is misleading to state that municipalities are providing free use of lands. Enbridge Gas is also subject to permit fees in several municipalities to cover the administrative costs of those municipalities issuing permits, as municipalities are entitled to charge under O. Reg. 584/06.

The Clean Air Partnership submits that “most provinces in Canada allow municipalities to charge utilities (including natural gas utilities) for access to public lands for their infrastructure” and provides a link to an undated report (by the Clean Air Partnership and Clean Air Council) that identifies five provinces that have made provisions for taxes, access fees or franchise fees associated with utilities. As noted above, different regulatory and legislative regimes of jurisdictions outside of Ontario have no relevance to this proceeding. There is no current proposal moving through the regulation-making process to amend O. Reg. 584/06, and the Clean Air Partnership’s recommendation to the OEB in this regard is irrelevant as the OEB has no authority to amend the regulation.

Inaccurate and Irrelevant Observations

The Clean Air Partnership makes unsubstantiated and inaccurate claims that Enbridge Gas “earns a fixed 9% return on investment through rates based on its infrastructure assets” and that “as decarbonization and electrification of building heating is achieved, it is predicted that the fossil fuel gas infrastructure will be increasingly expensive to maintain, leading to increased abandonment by the utility”. None of these claims are even remotely relevant to the current Application to renew a franchise agreement.

In its letter of comment, the Clean Air Partnership claims that the municipalities of Toronto, Guelph and London have passed council resolutions calling for the Association of Municipalities of Ontario (AMO) and the province to enable municipalities to charge utilities such as Enbridge Gas for use of the municipal right-of-way similar to what occurs in other Canadian jurisdictions. This is not accurate. The letter of comment includes a link to a staff report presented to Toronto’s Infrastructure and Environment Committee for information (not a City of Toronto resolution) which notes that if Toronto’s Council decided to apply a land-based charge, it could also decide to reduce the amount by the amount Enbridge Gas would otherwise pay in property taxes on its gas pipelines in a given year (i.e., shifting the tax revenue burden from taxpayers to natural gas consumers). There is nothing on the public record let alone a resolution at the City of London related to these issues. The resolution passed by Guelph council only addresses what they would like to happen within the franchise agreement if legislation changes allowing for these types of fees to be charged to natural gas utilities.

Conclusion

Enbridge Gas submits the OEB ought to give no consideration to any of the issues raised in the letter of comment by the Clean Air Partnership for the reasons set out above.

If the OEB disagrees with Enbridge Gas and wishes to consider any of the issues raised, Enbridge Gas submits that it would certainly not be appropriate for the OEB to consider changes to the Model Franchise Agreement and other such issues of broad application in an ad hoc and narrow manner as part of the review of this Application. The OEB must carefully consider whether notice to impacted parties (including 339 other Ontario municipalities with which Enbridge Gas has franchise agreements) has been provided and if not, must provide for such notice. The OEB should also conduct an analysis and assessment of the issues raised in accordance with its Generic Hearings Protocol to determine whether there is a broader applicability, which Enbridge Gas submits there likely would be, depending upon how the OEB

decides to scope the issues. If the OEB were to consider such generic issues in relation to the Model Franchise Agreement, such consideration must include an opportunity for other stakeholders to participate, including other municipalities, gas ratepayers and gas distribution utilities at a minimum.

Regarding Clean Air Partnership's request to be added to a list of stakeholders that would like to be kept informed of any discussion related to Enbridge Gas franchise agreements with municipalities, no such list exists. All stakeholders are advised of franchise agreement applications through the notice process followed by the OEB pursuant to its *Rules of Practice and Procedure*. Enbridge Gas supports the continuation of this process rather than the creation of a new list of stakeholders.

Should you have any questions on this submission, please do not hesitate to contact me.

Yours truly,

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

cc (email only): Gaby Kalapos, Clean Air Partnership