



DECISION AND ORDER

EB-2024-0351

ENBRIDGE GAS INC.

**Application for Approval of a Franchise Agreement with the Town
of Essex**

BEFORE: David Sword
Presiding Commissioner

Fred Cass
Commissioner

Rahbar Shahrzad
Commissioner

August 7, 2025



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1 OVERVIEW

This is the Decision and Order of the Ontario Energy Board (OEB) regarding an application filed by Enbridge Gas Inc. (Enbridge Gas) for renewal of the term of its natural gas franchise with the Town of Essex.

Enbridge Gas operates in the Town of Essex under a franchise agreement that was entered into on December 20, 2004.¹ The franchise agreement is based on the Model Franchise Agreement (Model Agreement), for a twenty-year term and, therefore, the expiration date of the franchise agreement was December 20, 2024. The OEB notes that, in accordance with its terms and conditions, the franchise agreement continues to operate past its expiry date. Section 4. c. of the franchise agreement, entitled “Duration of Agreement and Renewal Procedures”, provides that the terms and conditions of an existing agreement continue until any renewal has been settled, if at any time within two years prior to the expiration of the agreement, either party has given notice to the other that it desires to enter into negotiations for a renewed agreement. Enbridge Gas contacted the Town of Essex about the franchise renewal in May 2024.

The Town of Essex filed a letter of comment in the proceeding opposing the renewal application, submitting that such renewal should not be granted unless there were amendments to several sections of the Model Agreement.

The OEB does not accept the proposed amendments to the Model Agreement advanced by the Town of Essex. The OEB approves the application as filed by Enbridge Gas under section 10 of the *Municipal Franchises Act* for the renewal of its gas franchise with the Town of Essex, based on the terms and conditions of the Model Agreement, without amendment, for a further 20-year term, with an effective date of August 7, 2025, and expiry date of August 7, 2045.

¹ RP-2004-0207/EB-2004-0422

2 CONTEXT AND PROCESS

Enbridge Gas is a corporation incorporated under the laws of the Province of Ontario, with its head office in the City of Toronto. The Town of Essex is a municipal corporation incorporated under the laws of the Province of Ontario.

Enbridge Gas filed an application with the OEB on December 9, 2024, under sections 9 and 10 of the [Municipal Franchises Act](#). The application is for:

1. An Order pursuant to s.10 approving the terms and conditions upon which, and the period for which, the Town of Essex 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.
2. An Order pursuant to s.9(4) directing and declaring that the assent of the municipal electors of the Town of Essex is not necessary for the proposed franchise agreement by-law under the circumstances.

During the proceeding, Enbridge Gas noted that its request for relief under section 9(4) was an oversight, given that an order of the OEB granted under section 10(2) of the *Municipal Franchises Act* is deemed to be a valid by-law of the municipality assented to by the municipal electors.²

Section 10 of the *Municipal Franchises Act* operates where a franchise agreement reaches the end of its term and the parties to the agreement have been unable to agree on the terms and conditions for renewing or extending it. Sections 10 (1) and 10(2) of the *Municipal Franchises Act* provide the following pertaining to the OEB's legislative powers:

10 (1) Where the term of a right referred to in clause 6 (1) (a), (b) or (c) that is related to gas or of a right to operate works for the distribution of gas has expired or will expire within one year, either the municipality or the party having the right may apply to the Ontario Energy Board for an order for a renewal of or an extension of the term of the right.

² Enbridge Gas response to OEB staff 1-a), March 13, 2025

10 (2) The Ontario Energy Board has and may exercise jurisdiction and power necessary for the purposes of this section and, if public convenience and necessity appear to require it, may make an order renewing or extending the term of the right for such period of time and upon such terms and conditions as may be prescribed by the Board, or if public convenience and necessity do not appear to require a renewal or extension of the term of the right, may make an order refusing a renewal or extension of the right.

A Notice of Hearing was issued on January 15, 2025.

The Notice of Hearing was published in the Windsor Star and the Windsor Le Rempart newspapers on January 23, 2025. The notice of hearing was also published on Enbridge Gas's website. Interventions closed on February 3, 2025. No persons sought to become intervenors. The Town of Essex filed a letter of comment on February 3, 2025. Enbridge Gas responded to the Town of Essex's letter of comment on February 21, 2025.

Procedural Order No. 1 was issued on February 27, 2025, and set the dates for the steps in the proceeding. OEB staff filed interrogatories on March 6, 2025; Enbridge Gas filed its responses on March 13, 2025; OEB staff filed a written submission on March 25, 2025; and Enbridge Gas filed a reply submission on March 31, 2025, all in accordance with the dates established in that Procedural Order.

3 DECISION ON THE APPLICATION

Enbridge Gas operates in the Town of Essex under a franchise agreement that was entered into on December 20, 2004. In its application, Enbridge Gas advised that, on May 9, 2024 it forwarded documents related to the renewal of the franchise agreement to the Town of Essex. On December 2, 2024, the Council of the Town of Essex approved a form of the Model Agreement for the renewal with several requested changes, which are detailed by Enbridge Gas in its application and summarized by the Town of Essex in its [Letter of Comment](#).

In its Letter of Comment, the Town of Essex states that most of the suggested amendments are for the purposes of clarification, updating wording to reflect the current titles of the representatives of the Town of Essex and other amendments required to update a twenty-year-old agreement. The Letter of Comment indicates that the more substantial changes are requested to sections 12, 15, 18 and 21 of the agreement.

Section 12 of the Model Agreement – Pipeline Relocation

In its Letter of Comment, the Town of Essex stated that its requested amendments to section 12 of the agreement are to require “reasonable spending and pro-rated costing”.

The changes requested by the Town of Essex to paragraph 12 are indicated in italicized text below:

- 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, *with method and costs being pre-approved by the Director, Infrastructure*, remove and/or relocate within a reasonable period of time such part of the gas system to a location approved by the *Director, Infrastructure (the “Relocation Work”)*.
- b) Where any part of the *Relocation Work* 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 *Relocation Work* 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 *reasonably* paid to Gas Company employees up to and including field supervisors for the hours worked on the *Replacement Work* plus the *pro-rated* current cost of fringe benefits for these employees,
- (ii) the amount paid for rental equipment while in use on the project and a *reasonable* amount, charged at the unit rate, for Gas Company equipment while in use on the *Relocation Work*,
- (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 *Relocation Work*, 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.

Section 15 of the Model Agreement – Disposition of Gas System

In its Letter of Comment, the Town of Essex stated that its requested amendments to section 15 of the agreement are to “reflect that there is a disproportionate balance of power with regard to the control over abandoned mains within Town owned property and the costs of removal and disposal of such mains”.

The changes requested by the Town of Essex to paragraph 15 are indicated in italicized text below:

15 (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 for approval by the *Director, Infrastructure*. 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 *the cost of which will be borne solely by the Gas Company*. 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 13 applies to the cost of relocation.

The Town of Essex seeks the addition of the following clauses to the Model Agreement:

Pavement Cuts Clause: If any pavement cuts are required to perform any of the work under this Agreement, prior to such pavement cuts being performed, the Gas Company shall seek the approval of the Director, Infrastructure. In the event a pavement cut is deemed necessary by the Director, Infrastructure, said Director, Infrastructure may specify the type, thickness, and method of pavement cut restoration, both temporary and permanent. And in return the Gas Company shall make good any setting or subsistence caused by such excavation. All pavement cuts shall be repaired without delay at the expense of the Gas Company. Should the repairs not be carried out without delay, the Corporation shall be entitled to make such repairs and invoice the Gas Company for the cost of restoration, to be paid in accordance with the terms of the invoice.

Drainage Act Clause: The rights and obligations set out in this Agreement are at all times subject to the Drainage Act, RSO, 1990, as amended. Where there is a conflict between this Agreement and the Drainage Act conflict, the Drainage Act shall prevail.

The Town of Essex seeks to change the title of *Engineer/Road Superintendent* to *Director, Infrastructure* throughout the Model.

The Town of Essex seeks to define some terms and change the numbering of several paragraphs in the Model Agreement to correspond with its proposed changes

Submissions

Enbridge Gas submitted that it has been providing gas distribution services in the Town of Essex since 1909 and that its franchise should be renewed based on the standard terms in the Model Agreement. Enbridge Gas also submitted that it currently serves 8,600 customers in the Town of Essex and that there is no other natural gas distributor in the area. Enbridge Gas requested that the OEB issue an order pursuant to section 10 of the *Municipal Franchises Act* renewing its franchise in the Town of Essex. Enbridge Gas further submitted it does not support changes to the Model Agreement and that the Town has not raised any issues that would lead the OEB to consider deviation from the Model Agreement. Enbridge Gas also submitted that “it would be inappropriate for the OEB to consider changes to the Model Franchise Agreement with the Town of Essex in an ad hoc and narrow manner for one lower-tier municipality which, in turn, could have cascading implications on and/or involve considerations applicable to other municipalities which are not involved in this proceeding.”

OEB Staff submitted that given the large number of natural gas consumers in the Town of Essex, it is clear that public convenience and necessity require a renewal of the franchise.³ OEB Staff also submitted that there is no evidence on the record to support a renewal of the franchise agreement between Enbridge Gas and the Town of Essex based on the terms proposed by the Town of Essex. OEB Staff further submitted “that deviations from the above-referenced paragraphs of the Model in this specific proceeding are unwarranted and would risk creating inconsistencies across the natural gas sector and undermining the broader regulatory framework. Accordingly, such requests – where they are not substantively based on concerns specific to the affected municipality - should be deferred to a more appropriate forum, such as a generic proceeding or policy consultation, where all impacted stakeholders can participate and a consistent, sector-wide approach can be developed.”

In its reply submission, Enbridge Gas stated it agreed with OEB Staff that the changes to the Model Agreement requested by the Town of Essex would have broader implications and that a generic proceeding is the appropriate forum for generic issues raised by the Town of Essex.

³ OEB Staff Submission, page 1, March 25, 2025

Enbridge Gas further submitted that the OEB has the authority to impose the terms of the Model Agreement on the Town of Essex and requested approval for an order pursuant to section 10 of the *Municipal Franchises Act* renewing its existing franchise with the Town of Essex based on the terms and conditions of the Model Agreement without amendment for 20 years.

Findings - Changes to the franchise agreement:

The Town proposed five amendments to the Model Franchise Agreement that was proposed by Enbridge Gas.

The Natural Gas Facilities Handbook indicates that the OEB expects franchises will be based on the Model Agreement unless there is a compelling reason for deviation.⁴

The OEB finds no compelling reasons to approve the Town's proposed amendments to the Model Agreement. In this proceeding, the Town did not provide sufficient detail and reasons to warrant a deviation from the Model Agreement.

Any deviation from the model franchise agreement must be supported by a foundation of facts, including any relevant documents. This evidence is essential to ensure that the Town's position can be fairly evaluated alongside the materials submitted by Enbridge Gas in support of a renewal.

As noted by OEB staff, there was no evidence to support the Town's proposal for deviations from the Model Agreement.

The Town did not submit interrogatories on Enbridge Gas to help explore such topics as potential implications, costs or benefits if the proposed amendments were approved by the OEB.

The OEB approves the renewal of Enbridge Gas's existing franchise with the Town of Essex based on the terms and conditions of the Model Agreement without amendment for 20 years.

In a concurrent proceeding regarding an application for approval of a franchise agreement renewal, the OEB indicated that "the OEB is separately considering whether

⁴ Natural Gas Facilities Handbook, March 31, 2022, p. 11.

there is a need for a review of generic issues related to the Model Franchise Agreement, and if so, the scope and appropriate timing of any such review”.⁵

The OEB notes that the Model Franchise Agreement includes provisions allowing for amendments on the 7th and 14th anniversaries of the passing of a Municipal By-law approving the agreement.

⁵ EB-2025-0058, Procedural Order No. 1, March 15, 2025, p. 3

4 ORDER

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. The terms and conditions upon which, and the period for which, the Town of Essex is 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 municipality, as set out in the municipal franchise agreement attached as Schedule A, are approved. A current map of the Town of Essex is attached as Schedule B.
2. This order shall be deemed to be a valid by-law of the Town of Essex assented to by the municipal electors, with an effective date of August 7, 2025, and expiry date of August 7, 2045.
3. Enbridge Gas Inc. shall pay the OEB's costs incidental to this proceeding upon receipt of the OEB's invoice.

DATED at Toronto August 7, 2025

ONTARIO ENERGY BOARD

Ritchie Murray
Acting Registrar

SCHEDULE A
MUNICIPAL FRANCHISE AGREEMENT
ENBRIDGE GAS INC.
EB-2024-0351
AUGUST 7, 2025

2000 Model Franchise Agreement

THIS AGREEMENT effective this day of , 2025

BETWEEN:

THE CORPORATION OF THE TOWN OF ESSEX

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

Notwithstanding the cost sharing arrangements described in Paragraph 12, if any part of the gas system altered or relocated in accordance with Paragraph 12 was constructed or installed prior to January 1, 1981, the Gas Company shall alter or relocate, at its sole expense, such part of the gas system at the point specified, to a location satisfactory to the Engineer/Road Superintendent.

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 TOWN OF ESSEX

Per: _____
Sherry Bondy, Mayor

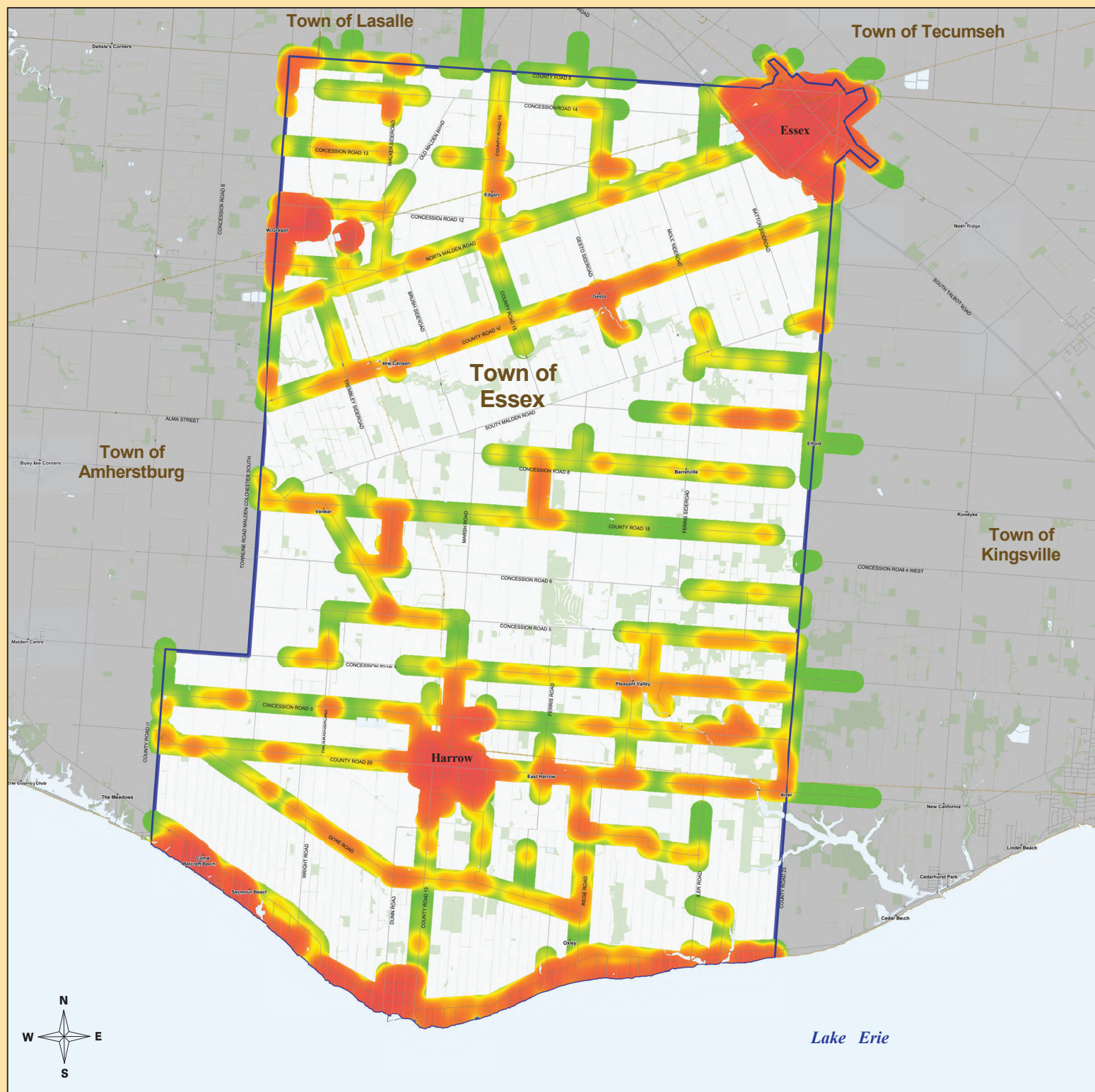
Per: _____
Joseph Malandrucolo, Clerk

ENBRIDGE GAS INC.

Per: _____
Mark Kitchen, Director, Regulatory Affairs

Per: _____
Andrea Seguin, Director, Regional Operations

SCHEDULE B
MAP OF THE TOWN OF ESSEX
ENBRIDGE GAS INC.
EB-2024-0351
AUGUST 7, 2025



Town of Essex

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

