



BY EMAIL and WEB POSTING

October 15, 2025

To: Association of Municipalities of Ontario
Intervenors in franchise applications filed in 2024 and 2025
Frequent intervenors in 2024 and 2025

Re: 2026 Generic Proceeding Regarding the Model Franchise Agreement

What You Need to Know

- **The Ontario Energy Board intends to commence a generic proceeding to review the Model Franchise Agreement**
- **The exact scope of this generic proceeding has not yet been determined, although it will be narrow and informed by recent Model Franchise Agreement proceedings**
- **The OEB intends to commence the generic proceeding in 2026**

I am writing to advise interested stakeholders that the Ontario Energy Board (OEB) intends to commence a generic proceeding to review the OEB's Model Franchise Agreement in 2026.

Background

To provide gas distribution service in a municipality, a utility must have an OEB-approved franchise from the municipality as required by the *Municipal Franchises Act*.¹ The OEB's current form of Model Franchise Agreement, which was developed with significant input from interested stakeholders, was adopted to provide direction to utilities and municipalities on the terms and conditions that the OEB considers to be reasonable for a franchise agreement, and to allow for the efficient administration of the many franchise agreements across the Province. It has been the OEB's expectation

¹ RSO 1990, c M.55

that franchises that come forward for approval will be in the form of the Model Franchise Agreement unless there is a compelling reason for deviation, and almost all franchise agreements are in that form.

Issue

The current version of the Model Franchise Agreement has been in place since 2003. Issues have surfaced in recent franchise agreement proceedings as to the continued suitability of certain terms and conditions of the Model Franchise Agreement. Generic issues that are not specific to the municipality for which the franchise agreement is sought have been considered out of scope in individual franchise proceedings.

In a number of ongoing proceedings, the OEB signaled that consideration is being given to whether there is a need for a review of generic issues related to the Model Franchise Agreement.

The exact scope of this generic proceeding has not yet been determined, although it is expected to be narrow and informed by recent Model Franchise Agreement proceedings. The generic proceeding will examine the need to update certain provisions of the Model Franchise Agreement and will not be a “from the ground up” review of the entire Model Franchise Agreement. Further details will follow in due course.

The OEB intends to commence this generic proceeding regarding potential amendments to the Model Franchise Agreement in 2026.

Yours truly,

Damien A. Côté
Chief Commissioner