



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

December 5, 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 Approval of Franchise Agreement
Regional Municipality of Waterloo**

Attached is an Application by Enbridge Gas Inc. for Orders of the Ontario Energy Board with respect to a Franchise Agreement with the Regional Municipality of Waterloo pursuant to section 10 of the *Municipal Franchises Act*. There is a disagreement between Enbridge Gas Inc. and the Regional Municipality of Waterloo 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 Regional Municipality of Waterloo 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 Regional Municipality of Waterloo.

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 Regional Municipality of Waterloo (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 106,000 customers in the lower-tier municipalities within the Regional Municipality of Waterloo. Enbridge Gas and its predecessors have been providing access to natural gas distribution services within the lower-tier municipalities in the Regional Municipality of Waterloo since approximately 1886.
3. The Regional Municipality of Waterloo is an upper-tier regional municipality comprised of seven municipalities – the City of Kitchener, the City of Cambridge, the City of Waterloo, the Township of Woolwich, the Township of Wilmot, the Township of Wellesley and the Township of North Dumfries. Enbridge Gas has franchise agreements with and Certificates of Public Convenience and Necessity (CPCNs) for each of the municipalities within the Regional Municipality of Waterloo.
4. Enbridge Gas has an existing franchise agreement in place with the Regional Municipality of Waterloo effective May 24, 2006 (pursuant to Bylaw 06-006) with Union Gas Limited (attached as Schedule B).
5. Enbridge Gas does not have a CPCN for the Regional Municipality of Waterloo. As is noted in the *Natural Gas Facilities Handbook*, the OEB will generally only grant CPCNs at the lower-tier municipal level to avoid duplication.
6. On June 13, 2025, Enbridge Gas advised the Regional Municipality of Waterloo that it wanted to initiate discussions to commence the process to renew a 20-year franchise agreement using the approved Model Franchise Agreement (see Schedule C).

7. At that time, Enbridge Gas informed the Regional Municipality of Waterloo that the current Model Franchise Agreement was to be used as the model for such renewals. Enbridge Gas provided the Regional Municipality of Waterloo with a draft bylaw, a draft resolution and the Model Franchise Agreement to be used for the renewal process. The Regional Municipality of Waterloo was also provided with a copy of the Gas Franchise Handbook as an explanatory supplement to the Model Franchise Agreement.
8. Discussions were initiated between Enbridge Gas and the Regional Municipality of Waterloo in an attempt to come to an agreement with respect to the use of the Model Franchise Agreement.
9. On November 19, 2025, the Regional Municipality of Waterloo passed a resolution requesting that the following changes be made to the Model Franchise Agreement before a new franchise agreement will be executed with Enbridge Gas:
 - Paragraph 1(e) (Definitions) - Expand the definition of “highway” to ensure that all parts of the right of way are captured.
 - Paragraph 6 (as Built Drawings) - Include a requirement for Regional staff to be provided with as-built CAD drawings in UTM NAD83 Zone 17 co-ordinate system.
 - Paragraph 12 (Pipeline Relocation) and Paragraph 15 (Disposition of Gas System) - Add clarification regarding the use of the words “remove”, “relocate”, and “decommission”.
 - Paragraph 12 (Pipeline Relocation) and Paragraph 15 (Disposition of Gas System) - Add clarification regarding the interaction of these paragraphs regarding cost sharing responsibilities.
 - Allow the Region of Waterloo to charge for-profit entities such as Enbridge Gas fees for use of public property if Ontario Regulation 584/06 under the *Municipal Act, 2001* is amended to allow for such charging of fees.
 - Paragraph 12(c)(v) (Pipeline Relocation) - Add clarification that “project engineering and project administrative costs” are limited to actual cost incurred.
 - Paragraph 18 (Other Conditions) - Change the date for when a request for infrastructure owned by Enbridge Gas needs to be removed/replaced triggers Enbridge Gas being 100% responsible for all such costs.
 - Any other changes deemed reasonably necessary by the Regional Solicitor.
10. See attached Schedule D for the Resolution and associated Report PDL-LEG-25-039 dated November 19, 2025 as passed by the Regional Municipality of Waterloo.

11. On November 19, 2025, Enbridge Gas delivered a presentation at the Regional Municipality of Waterloo council meeting (a copy of which is attached as Schedule E). Enbridge Gas explained that the OEB's *Natural Gas Facilities Handbook* directs that franchise agreements be based on the Model Franchise Agreement unless there are compelling reasons to deviate from it. Enbridge Gas does not believe that the Regional Municipality of Waterloo has raised any issues unique to the Regional Municipality of Waterloo that would lead the OEB to consider such a deviation.
12. The OEB adopted the Model Franchise Agreement and its terms and conditions following significant input from the Association of Municipalities of Ontario (AMO) and the natural gas utilities of the day as a tool to efficiently administer the many franchise agreements across Ontario. Enbridge Gas has franchise agreements in place with 316 single/lower-tier municipalities and 28 upper-tier municipalities, all in the form of the current model franchise agreement as determined by the OEB in accordance with its longstanding policy and practice.
13. Without limiting the generality of the foregoing, Enbridge Gas does believe that the parties would benefit from the OEB clarifying and providing guidance interpreting sections 12 and 15 of the Model Franchise Agreement with respect to Enbridge Gas' right to abandon decommissioned pipe in place. To be clear, Enbridge Gas is not seeking an amendment to these provisions but rather is seeking clarity from the OEB on the interpretation and application of these provisions given that the Regional Municipality of Waterloo has taken a position that Enbridge Gas feels is contrary to the intent and plain meaning of those provisions.
14. The Regional Municipality of Waterloo has disputed Enbridge Gas' decisions to leave existing pipelines in place after decommissioning them. Rather, the Regional Municipality of Waterloo believes that Enbridge Gas is required to remove the existing pipelines at Enbridge Gas' cost, in accordance with Paragraph 12(a) of the Model Franchise Agreement. The Regional Municipality of Waterloo has determined that such removal is preferred over leaving the pipelines in place at this location because it frees up underground space for future use by the Regional Municipality of Waterloo.
15. Enbridge Gas believes it has discretion not to remove the existing pipelines in accordance with Paragraph 15(b) of the Model Franchise Agreement and Enbridge Gas has determined to date that there is no operational reason to remove decommissioned pipelines.
16. Since receiving an OEB Staff opinion on this issue in 2023 (see attached Schedule F), the Regional Municipality of Waterloo has stamped all work permits they have issued to Enbridge Gas with wording indicating that Enbridge Gas is responsible for removing all decommissioned pipe and the costs associated with that removal. Enbridge Gas disagrees with this position. Enbridge Gas interprets Paragraph 15(b) to mean that Enbridge Gas has discretion to remove a decommissioned part of its gas system. In the event the municipality requires gas system removal to facilitate works on a highway, Enbridge Gas may elect to relocate and, if applicable, apply the cost sharing formula in Paragraph 12. Alternatively, the municipality may remove that part of the decommissioned gas system at the municipality's cost.

17. Enbridge Gas believes that the wording in Paragraph 15(b) is explicit and clear in this regard. Enbridge Gas reviews its project plans with the Regional Municipality of Waterloo through the municipal consent process with the objective to optimize the design for both Enbridge Gas and the Regional Municipality of Waterloo. The default for Enbridge Gas in the Regional Municipality of Waterloo and elsewhere in Ontario is to abandon its gas system in place unless there are operational reasons to remove the gas system. This is consistent with the Canadian Standards Association Z662-19 standard for the abandonment of gas distribution lines. It is the responsibility of Enbridge Gas to ensure its costs are prudently incurred and abandoning its gas system in place is typically the safest and most efficient method of abandonment, as noted in the OEB's RP-1999-0048 Report dated December 29, 2000.
18. Enbridge Gas respectfully requests guidance from the OEB regarding interpretation of Paragraphs 12 and 15 of the Model Franchise Agreement. Specifically, Enbridge Gas seeks to confirm whether Paragraph 15(b) of the Model Franchise Agreement provides Enbridge Gas with the discretion to abandon its gas system in place, despite a municipality's determination under Paragraph 12(a) of the Model Franchise Agreement that it is necessary or convenient from its perspective to take up, remove or change the location of a part of the gas system to accommodate work on a highway or other municipal works.
19. Enbridge Gas has franchise agreements with and CPCNs for the Township of Mapleton, the Township of Centre Wellington, the Township of Guelph / Eramosa, the City of Guelph, the Township of Puslinch, the City of Hamilton, the County of Brant, the Township of Blandford-Blenheim, the Township of East Zorra – Tavistock, and the Township of Perth East which are immediately adjacent to the Regional Municipality of Waterloo. Enbridge Gas is not aware of any other natural gas distributor in the area other than Kitchener Utilities.
20. The proposed franchise agreement (attached as Schedule G) is in the form of the 2000 Model Franchise Agreement with no amendments and is for a term of twenty (20) years.
21. The address of the Municipality is as follows:

Regional Municipality of Waterloo
150 Frederick Street
Kitchener, ON N2G 4J3
Attention: William Short, Regional Clerk
Email: regionalclerk@regionofwaterloo.ca

The address for Enbridge Gas' regional operations office is:

Enbridge Gas Inc.
109 Commissioners Road
London, ON N6A 4P1
Attention: Don Beauchamp, Director, Utilization
Email: don.beauchamp@enbridge.com

22. Enbridge Gas believes that publishing the Notice of Hearing in the local newspaper, on the OEB website, on Enbridge Gas' web site and on the municipality's website will provide a broad awareness of this application. The newspapers used by the Municipality for its notices are the *Waterloo Chronicle* and the *Waterloo Region Record*.
23. Enbridge Gas hereby applies to the OEB for an Order under section 10 of the *Municipal Franchises Act* approving the terms and conditions upon which, and the period for which, the Regional Municipality of Waterloo 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.

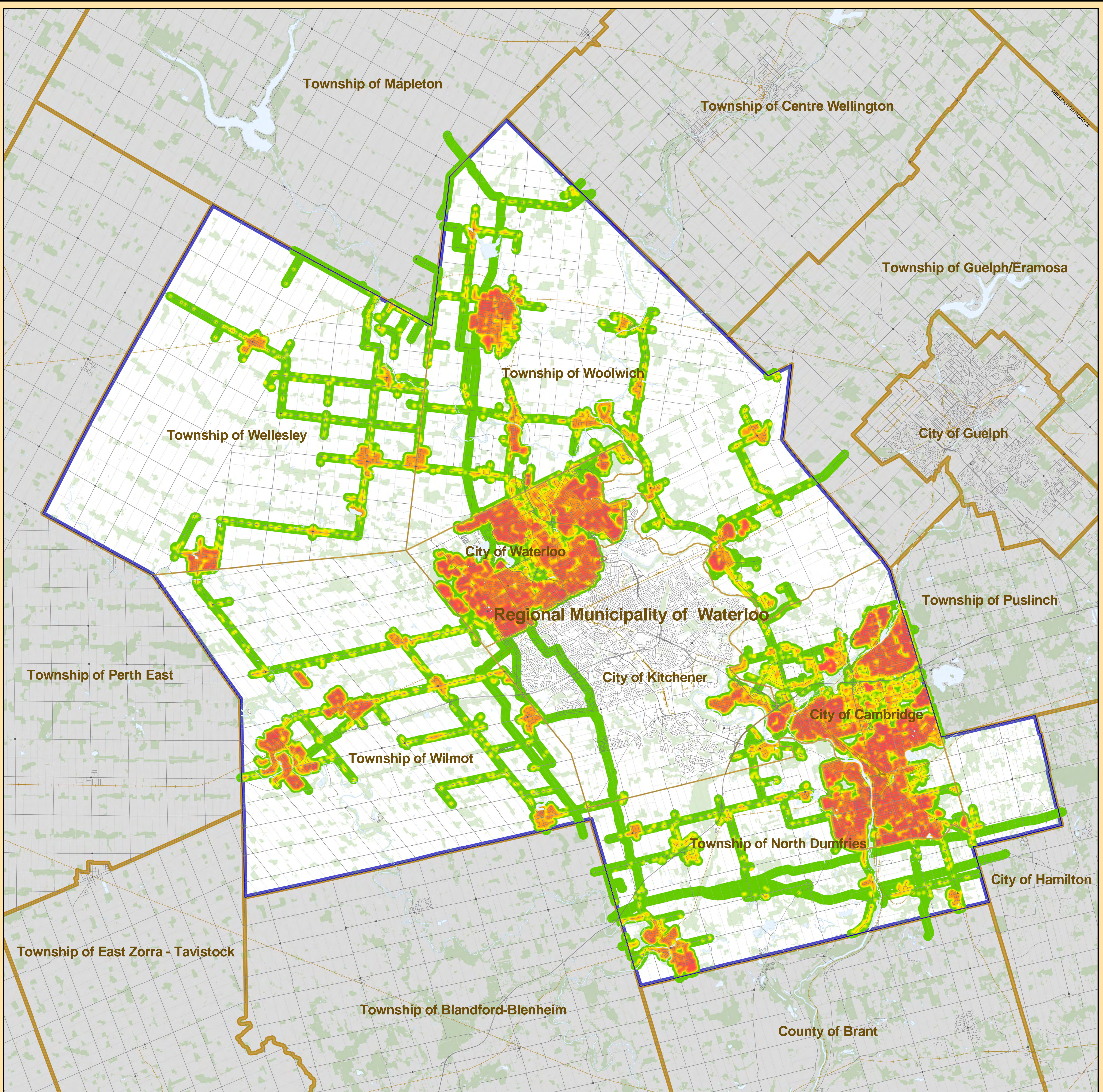
DATED at the Municipality of Chatham-Kent, in the Province of Ontario this 5th day of December, 2025.

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



Regional Municipality of Waterloo

Legend

-  Enbridge Gas Pipeline Coverage Area
-  Regional Municipality of Waterloo
-  Roads
-  Railways
-  Municipal and Township Boundaries
-  Indigenous Lands



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



Location map

BY-LAW NUMBER 06-006

OF

THE REGIONAL MUNICIPALITY OF WATERLOO

A By-law to Authorize a Franchise Agreement Between
The Regional Municipality of Waterloo and Union Gas Limited

WHEREAS the Council of The Regional Municipality of Waterloo deems it expedient to enter into the attached franchise agreement (the "Franchise Agreement") with Union Gas Limited;

AND WHEREAS the Ontario Energy Board by its Order issued pursuant to The Municipal Franchises Act on the 28 day of April, 2006 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 the Council of The Regional Municipality of Waterloo enacts as follows:

1. THAT the Franchise Agreement between The Regional Municipality of Waterloo and Union Gas Limited, attached hereto and forming part of this by-law, is hereby authorized and the franchise provided for therein is hereby granted.
2. THAT the Chair and Clerk be and they are hereby authorized and instructed on behalf of The Regional Municipality of Waterloo 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 the following by-law be and the same are hereby repealed:

By-law #17-91 for The Regional Municipality of Waterloo, passed in Council on 28th day of February, 1991.

By-law read a first and second time in the Council Chamber in the Regional Municipality of Waterloo this 15th day of February, A.D., 2006.

[Original Signed By Kris Fletcher]

REGIONAL CLERK

[Original Signed By Ken Seiling]

REGIONAL CHAIR

By-law read a third time and finally passed in the Council Chamber in the Regional Municipality of Waterloo this 24 day of May, A.D., 2006.

[Original Signed By Kris Fletcher]

REGIONAL CLERK

[Original Signed By Ken Seiling]

REGIONAL CHAIR

CERTIFIED TO BE A TRUE COPY

#258835

[Original Signed By Kris Fletcher]

REGIONAL CLERK

2000 Model Franchise Agreement

THIS AGREEMENT effective this 24th day of May, 2006.

BETWEEN:

THE REGIONAL MUNICIPALITY OF WATERLOO

hereinafter called the "Corporation"

- and -



uniongas

LIMITED

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 therefore 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 REGIONAL MUNICIPALITY OF WATERLOO

Per: *[Original Signed By Ken Seiling]*

Ken Seiling, Chair

Per: *[Original Signed By Kris Fletcher]*

~~_____
Kris Fletcher, Clerk~~

UNION GAS LIMITED

Per: *[Original Signed By Rick Birmingham]*

~~_____
Christopher Jackson, Assistant Secretary~~
Michael R. Birmingham, Vice President

Per: *[Original Signed By Curt Bernardi]*

Curt Bernardi, Assistant Secretary



From: [Julie Alexander](mailto:Julie.Alexander@regionofwaterloo.ca)
To: kredman@regionofwaterloo.ca; kmclean@regionofwaterloo.ca
Cc: mgoetzke@regionofwaterloo.ca; regionalclerk@regionofwaterloo.ca
Subject: Franchise Agreement renewal documents from Enbridge
Date: Friday, June 13, 2025 12:03:20 PM
Attachments: [MA3789 - Regional Municipality of Waterloo customer density.pdf](#)
[Gas Franchise Handbook \(May 2002\).pdf](#)
[Bylaw and Franchise Agreement - Regional Municipality of Waterloo \(May 24, 2006\).pdf](#)
[Model Franchise Agreement - Regional Municipality of Waterloo \(Upper-Tier EGI South\).pdf](#)
[Draft Bylaw - Regional Municipality of Waterloo.docx](#)
[Draft Resolution - Regional Municipality of Waterloo.docx](#)
[2025 05 30 - Updated Guidelines to Municipalities.docx](#)

Good afternoon Chair Redman,

On May 24, 2026, the current franchise agreement between the Regional Municipality of Waterloo and the former Union Gas Limited will expire. Based on the most recent customer count report, we currently provide service to approximately 105,600 customers in lower-tier municipalities under the jurisdiction of the Regional Municipality of Waterloo.

Enbridge Gas and its predecessors have been providing access to gas distribution services within the Regional Municipality of Waterloo since approximately 1886.

Note: Enbridge Gas currently provides natural gas distribution services in all 7 lower-tier municipalities under the jurisdiction of the Regional Municipality of Waterloo:

City of Cambridge
City of Kitchener
Township of North Dumfries
City of Waterloo
Township of Wellesley
Township of Wilmot
Township of Woolwich

Provincial legislation requires a franchise agreement between the municipal corporation and the gas company serving that municipality. The Ontario Energy Board has directed that the current 2000 Model Franchise Agreement be used as the model for such agreements.

As a result, Enbridge Gas and the Regional Municipality of Waterloo need to commence the process to renew a 20-year franchise agreement using the approved model.

To assist you in this matter, I am enclosing the following documents for discussions with the Regional Municipality of Waterloo:

1. Franchise Agreement Renewal Documents:
 - Guidelines to Municipalities Respecting the Renewal of Franchise Agreements
 - Draft Resolution of the municipality
 - Draft By-Law of the municipality
 - 2000 Model Franchise Agreement with Enbridge Gas Inc.

2. Historical Background:

- a copy of the current By-Law 06-006 (passed on May 24, 2006) and the current Franchise Agreement effective May 24, 2006

Note: Enbridge Gas does not hold a Certificate of Public Convenience and Necessity for the Regional Municipality of Waterloo because: (1) gas was supplied in the area prior to 1933, and (2) the OEB has determined that a CPCN is not required for upper-tier municipalities.

3. Reference Documents:

- a copy of the Gas Franchise Handbook (an explanatory supplement to the 2000 Model Franchise Agreement)
- customer density map for areas served within the Regional Municipality of Waterloo

Please note: This entire process to get a franchise agreement approved by the Ontario Energy Board can be quite lengthy and may take up to eight months.

Please review the *Guidelines to Municipalities Respecting the Renewal of Franchise Agreements* with the Regional Municipality of Waterloo and arrange to have a Resolution passed by Council in a timely manner so that the regulatory approval process can commence.

Kind regards,
Julie

From: Lindsay Mewhiney <LMewhiney@regionofwaterloo.ca>

Sent: Wednesday, November 26, 2025 3:22 PM

To: Julie Alexander <Julie.Alexander@enbridge.com>

Subject: [External] PDL-LEG-25-039, New Franchise Agreement with Enbridge Gas Inc. motion

Good afternoon Julie,

I was made aware that you had requested a copy of the motion related to report PDL-LEG-25-039 that was passed at the November 19 Council meeting. Please see below:

That the Regional Municipality of Waterloo authorize Regional staff to negotiate with Enbridge Gas Inc. the following changes to the draft 2000 Model Franchise Agreement (MFA) between the Region of Waterloo and Enbridge Gas Inc.:

- **Expand the definition of “highway” to ensure that all parts of the right of way are captured;**
- **Include a requirement for Regional staff to be provided with as-built CAD drawings in UTM NAD83 Zone 17 co-ordinate system in s. 6 of the MFA;**
- **Add clarification regarding the use of the words “remove”, “relocate”, and “decommission” in such sections s. 12 and 15 of the MFA;**
- **Add clarification regarding the interaction between s. 12 and 15 regarding cost sharing responsibilities;**
- **Allow the Region of Waterloo to charge for-profit entities such as Enbridge fees for use of public property if Ontario Regulation 584/06 under the Municipal Act 28667 is amended to allow for such charging of fees;**
- **Add clarification that “project engineering and project administrative costs” listed in s. 12(c)(v) are limited to actual cost incurred;**
- **Change the date in s.18 for when a request for infrastructure owned by Enbridge needs to be removed/replaced triggers Enbridge being 100% responsible for all such costs; and**
- **Any other changes deemed reasonably necessary by the Regional Solicitor.**

And that the Regional Municipality of Waterloo authorize Region staff to participate and make submissions in regard to an Ontario Energy Board generic hearing regarding the Model Franchise Agreement which will likely be commenced by the OEB in 2026;

And that the Regional Municipality of Waterloo express its support for an Amendment to Section 9 of Regulation 584/06 under the Municipal Act, 2001 and an update to the Model Franchise Agreement to enable Ontario municipalities to keep pace with leading practices in other Canadian jurisdictions and charge private utilities for fair compensation for use of the municipal right of way.

And that this resolution be forwarded to the Minister of Municipal Affairs and Housing, Rob Flack, Minister of Energy and Electrification, Stephen Lecce, all Waterloo Region municipalities, the Association of Municipalities of Ontario, and its member municipalities.

All as further described in Report PDL-LEG-25-039 dated November 19, 2025.

The full meeting minutes will be available after ratification at December 17 Council.

Let me know if I can provide any further assistance!

Best,

Lindsay Mewhiney (she/her)
Legislative Services Assistant
Region of Waterloo
150 Frederick Street, 2nd Floor | Kitchener, ON | N2G 4J3
Email: lmewhiney@regionofwaterloo.ca

***Confidentiality Notice: This email correspondence (including any attachments) may contain information which is confidential and/or exempt from disclosure under applicable law, and is intended only for the use of the designated recipient(s) listed above. Any unauthorized use or disclosure is strictly prohibited. If you are not the intended recipient, or have otherwise received this message by mistake, please notify the sender by replying via email, and destroy all copies of this original correspondence (including any attachments). Thank you for your cooperation.

Region of Waterloo

Planning, Development, and Legislative Services

Legal Services

To: Regional Council

Meeting Date: November 19, 2025

Report Title: New Franchise Agreement with Enbridge Gas Inc.

1. Recommendation

That the Regional Municipality of Waterloo authorize Regional staff to negotiate with Enbridge Gas Inc. the following changes to the draft 2000 Model Franchise Agreement (MFA) between the Region of Waterloo and Enbridge Gas Inc.:

- Expand the definition of “highway” to ensure that all parts of the right of way are captured;
- Include a requirement for Regional staff to be provided with as-built CAD drawings in UTM NAD83 Zone 17 co-ordinate system in s. 6 of the MFA;
- Add clarification regarding the use of the words “remove”, “relocate”, and “decommission” in such sections s. 12 and 15 of the MFA;
- Add clarification regarding the interaction between s. 12 and 15 regarding cost sharing responsibilities;
- Allow the Region of Waterloo to charge for-profit entities such as Enbridge fees for use of public property if Ontario Regulation 584/06 under the *Municipal Act, 2001* is amended to allow for such charging of fees;
- Add clarification that “project engineering and project administrative costs” listed in s. 12(c)(v) are limited to actual cost incurred;
- Change the date in s.18 for when a request for infrastructure owned by Enbridge needs to be removed/replaced triggers Enbridge being 100% responsible for all such costs; and
- Any other changes deemed reasonably necessary by the Regional Solicitor.

And that the Regional Municipality of Waterloo authorize Region staff to participate and make submissions in regard to an Ontario Energy Board generic hearing regarding the Model Franchise Agreement which will likely be commenced by the OEB in 2026;

And that the Regional Municipality of Waterloo express its support for an Amendment to Section 9 of Regulation 584/06 under the Municipal Act, 2001 and an update to the Model Franchise Agreement to enable Ontario municipalities to keep pace with leading practices in other Canadian jurisdictions and charge private utilities for fair

compensation for use of the municipal right of way.

And that this resolution be forwarded to the Minister of Municipal Affairs and Housing, Rob Flack, Minister of Energy and Electrification, Stephen Lecce, all Waterloo Region municipalities, the Association of Municipalities of Ontario, and its member municipalities.

All as further described in Report PDL-LEG-25-039 dated November 19, 2025.

2. Purpose / Issue:

To address certain issues in the proposed 2000 Model Franchise Agreement (MFA) with Enbridge Gas Inc. (Enbridge).

3. Strategic Plan:

This Report supports the Region's Climate Aligned Growth initiative of its Strategic Plan because it considers the impacts of fossil fuel use and the preference to move towards more sustainable energy sources. This Report also aligns with the Resilient and Future Ready Organization priority of the Strategic Plan by exploring improved service models that support fiscal resilience.

4. Report Highlights:

- On June 13th, 2025 Regional staff received a document package from Enbridge regarding the MFA and its associated documents to initiate the process for Regional Council to approve the MFA as prescribed by the *Municipal Franchises Act*.
- The current MFA, which expires on May 24, 2026, and the proposed MFA are both based on the 2000 Model Franchise Agreement approved by the Ontario Energy Board (OEB).
- Over the 20-year term of the current MFA, Regional staff have identified necessary changes to the agreement that will improve clarity and coordination with Enbridge Gas and better align with Regional priorities. Changes include:
 - Expanding the definition of “highway” to ensure that all parts of the right of way are captured;
 - Requiring Enbridge to share detailed engineering drawings of gas infrastructure to enable the Region to maintain accurate records for mapping and asset management systems;
 - Seek clarifications regarding the use of the words “remove”, “relocate”, and “decommission” in such sections as s. 12 and 15 of the Agreement and when certain cost sharing requirements shall be triggered;

- Allowing the Region to charge for-profit entities like Enbridge fees for use of public property if Ontario Regulation 584/06 under the *Municipal Act, 2001* is amended to allow for such charging of fees;
 - Clarifying that “project engineering and project administrative costs” listed in s. 12(c)(v) are limited to actual cost incurred to reduce financial exposure of the Region; and
 - Changing the date in s.18 for when a request for infrastructure owned by Enbridge needs to be removed/replaced triggers Enbridge being 100% responsible for all such costs.
- The OEB plans to commence a generic proceeding regarding the model Franchise Agreement as stated in the attached letter to the Association of Ontario Municipalities dated October 15, 2025. Regional staff, with Council approval, will seek to participate in this proceeding to propose the above-mentioned changes, if such changes are not agreed to by Enbridge.

5. Background:

The intent of the MFA is to outline the terms and conditions under which Enbridge installs, operates, and maintains its natural gas infrastructure (e.g. gas mains, plants, pipes, conduits, services, valves, regulators, curb boxes, stations, drips etc.) within Regional road allowances and other public properties. These agreements are standardized across Ontario and typically last for 20 years, after which new agreements must be entered into with approval from the Ontario Energy Board (OEB). MFAs are based on an OEB approved template, referred to as a “Model Franchise Agreement” and its approval process by a municipality is governed by the *Municipal Franchises Act*, R.S.O. 1990, c. M.55. The last Model Franchise Agreement was approved by the OEB in the year 2000 and last revised on September 11, 2003.

The MFA requires changes to better align with the Region’s evolving needs and priorities. Proposed updates would clarify cost-sharing responsibilities, recognize newer infrastructure such as multi-use trails, improve data sharing for asset management, and allow the Region to recover fair costs for the use of public property.

As related to cost recovery, several Ontario municipalities, including the Cities of Guelph, Toronto, and London, are requesting changes to the *Municipal Act, 2001* and the MFA that would allow municipalities to charge for-profit gas utilities fees for the use of public property, as is common in most provinces. In the absence of such fees, taxpayers are bearing a portion of the costs of this infrastructure. This results in an indirect subsidy for the fossil-fuel sector, which does not align with the Region’s commitment to reducing community reliance on fossil fuels, as stated in our 2023-2027 Strategic Plan and the Council-endorsed TransformWR strategy.

The structure of the current agreement requires the Region to periodically incur costs

associated with the removal of abandoned natural gas infrastructure when requested by the Region in relation to Regional projects, as well as when Enbridge elects to decommission certain infrastructure without request from the Region. Access fees would defray the costs to remove abandoned infrastructure.

The Region's current MFA expires on May 24, 2026, but does have a holdover provision stating that if a new agreement is not signed by that date, the old MFA will continue to be in force until a new MFA is signed by the parties. On June 13th, 2025, Regional staff received a document package from Enbridge regarding the MFA and its associated documents to initiate the process for Regional Council to approve the MFA as prescribed by the *Municipal Franchises Act*.

Should the Region engage in the negotiations with Enbridge for changes to the MFA and they are not accepted by Enbridge, then the Region may participate in the OEB's 2026 Generic Proceeding Regarding the Model Franchise Agreement as stated in the attached letter to the Association of Ontario Municipalities dated October 15, 2025. The OEB has recognized that the current Model MFA has been in place since 2003 and that issues have surfaced in recent franchise agreement proceedings as to the continued suitability of certain terms and conditions of the Model Franchise Agreement. A generic hearing will allow multiple parties to make submissions, including municipalities in Ontario. No date has been named in 2026 for the hearing as of yet by the OEB.

6. Communication and Engagement with Area Municipalities and the Public

Area Municipalities: Staff have had discussions with area municipalities on whether they are currently renewing their agreements with Enbridge, and all have confirmed that they are not. Also, staff are investigating how the Region works with area municipal utilities.

Public: This matter has the potential to benefit the general public by creating efficiencies within the Region with cost savings and action against fossil fuel use.

7. Financial Implications:

	Current Year	Future Year(s)
Budget Impact?	NA	NA
Capital Plan Impact?	NA	To be determined

The terms and conditions of this agreement may impact future cost sharing which will have to be accommodated across the Region's capital budget. The impacts at this point

are not currently known.

8. Conclusion / Next Steps:

Should Regional Council approve staff negotiating the aforementioned changes to the MFA, staff shall commence negotiations with Enbridge, and if needed, make submissions to the OEB generic hearing that will likely be commenced in 2026.

9. Attachments:

Appendix A: Proposed 2000 Model Franchise Agreement

Appendix B: Letter entitled 2026 Generic Proceeding Regarding the Model Franchise Agreement dated October 15, 2025

Prepared By: Liam Legate, Solicitor (Corporate)

Approved By: Fiona McCrea, Regional Solicitor and Director of Legal Services

2000 Model Franchise Agreement

THIS AGREEMENT effective this day of , 2025

BETWEEN:

THE REGIONAL MUNICIPALITY OF WATERLOO

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

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 REGIONAL MUNICIPALITY OF WATERLOO

Per: _____
Karen Redman, Regional Chair

Per: _____
William Short, Regional Clerk

ENBRIDGE GAS INC.

Per: _____
Mark Kitchen, Director, Regulatory Affairs

Per: _____
Andrea Seguin, Director, Utilization

Appendix B: Letter entitled 2026 Generic Proceeding Regarding the Model Franchise Agreement dated October 15, 2025



Ontario
Energy
Board | Commission
de l'énergie
de l'Ontario

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

Digitally signed by
Damien A. Côté
Date: 2025.10.15
09:32:39 -04'00'

Damien A. Côté
Chief Commissioner

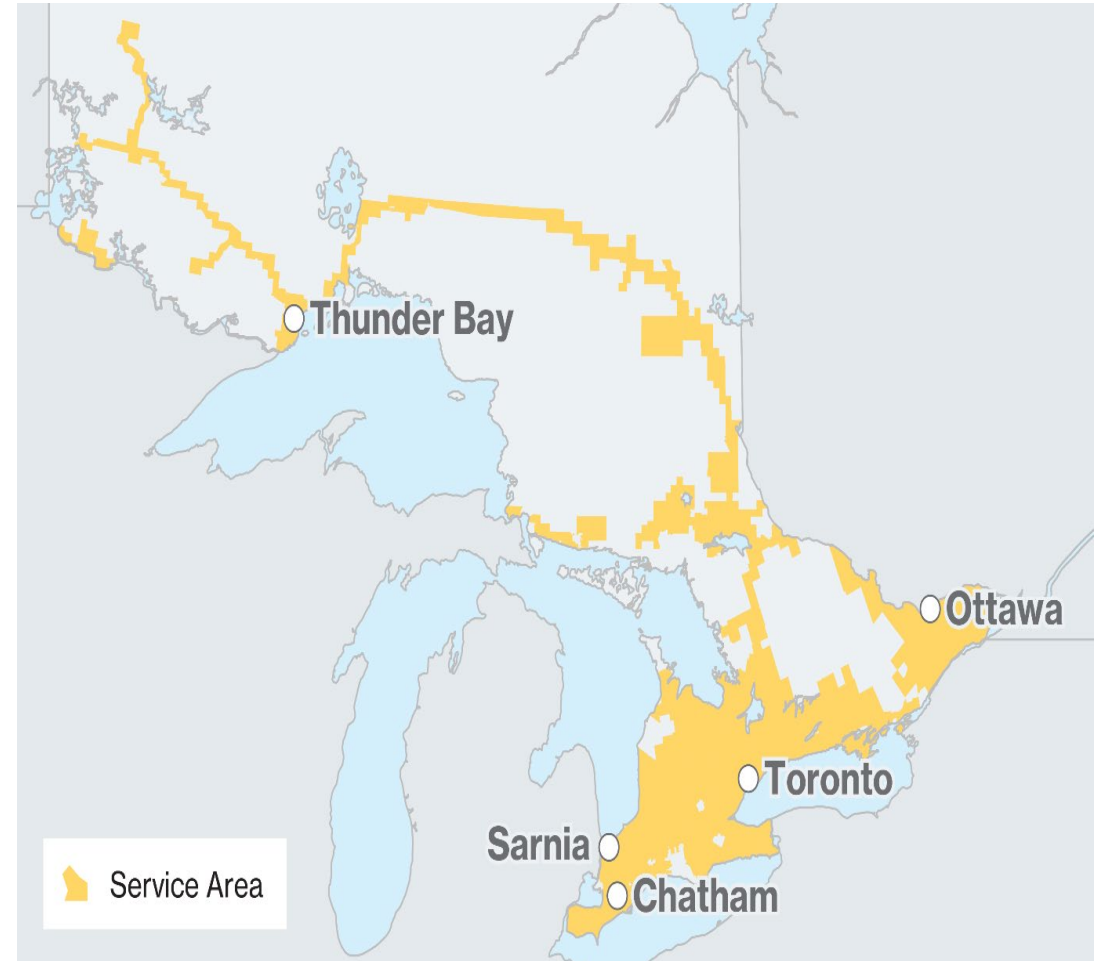
Enbridge Gas Ontario and the Regional Municipality of Waterloo

Enbridge Gas and the Region of Waterloo

- Enbridge Gas has served Ontario for over 175 years.
- We provide safe, reliable natural gas to nearly 4 million customers—about 75% of Ontario homes.
- In the Region of Waterloo, we’ve been operating since 1886 and currently serve over 105,000 customers.

The Role of Natural Gas in Ontario

- It supports Ontario’s energy needs by providing reliable, scalable power—especially during peak demand and while nuclear plants are refurbished.
- The province’s energy plan confirms natural gas is essential for affordability, reliability, and economic growth.



Community Investment and Local Impact

- Enbridge Gas supports local fire departments through Project Zero and Project Assist.
- We've contributed to regional initiatives like Canada's Innovation Corridor Summit, Caribana Ignite, and local non-profits.
- In 2024, we paid \$146.9M in property taxes across Ontario, including close to \$4.2M in property taxes to the Region's seven lower-tier municipalities, with the Region's portion being \$1.6M.

Franchise Agreement Renewal

- The Franchise Agreement between the Regional Municipality of Waterloo and Enbridge Gas is scheduled for renewal on May 24, 2026. The current Model Franchise Agreement has been in place since January 2000. It was developed collaboratively by the Ontario Energy Board (OEB), the Association of Municipalities of Ontario (AMO), and gas distribution utilities operating at the time. The agreement provides a consistent regulatory framework across the province and outlines terms the OEB considers reasonable under the Municipal Franchises Act.
- Under the agreement, operational costs such as permits or other reasonable municipal fees (as permitted under the Municipal Act) are recoverable from Enbridge Gas customers, as consistently upheld by the OEB.
- The OEB has regularly denied municipal proposals to amend the Model Franchise Agreement, favoring consistency to support regulatory efficiency. It is our understanding that the OEB is considering a narrowly scoped, generic review of the Model Franchise Agreement in 2026. The OEB will determine how any resulting changes will be applied to active agreements across the province.
- Signing the Franchise Agreement does not obligate customers to continue using natural gas. Enbridge Gas offers incentives to eligible homeowners and businesses to help reduce natural gas consumption.
- Among the 344 franchise agreements Enbridge Gas holds across Ontario, only one includes additional language beyond the standard Model Franchise Agreement, specifically related to a restricted service area.

Decommissioned Pipe

- **As per Section 12(a) – Pipeline Relocation in the Model Franchise Agreement:**

If in the course of constructing, reconstructing, changing, altering or improving any highway or any municipal works, the municipality 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.

- **As per Section 12(d) – Pipeline Relocation in the Model Franchise Agreement:**

The total relocation costs as calculated above shall be paid 35% by the municipality 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 municipality has not approved its location, in which case the Gas Company shall pay 100% of the relocation costs.

Decommissioned Pipe

- **As per Section 15(b) – Disposition of Gas System in the Model Franchise Agreement:**

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.

Decommissioned Pipe Abandonment

- The default for Enbridge Gas in Waterloo Region and elsewhere in Ontario is to abandon any decommissioned parts of its gas system in place unless there are operational reasons to remove those decommissioned parts. This is consistent with the Canadian Standards Association Z662-19 standard for the abandonment of gas distribution lines and has been a practice accepted by the OEB as being in the public interest.
- It is the responsibility of Enbridge Gas to ensure its costs are prudently incurred and abandoning its decommissioned gas system in place is typically the safest and most cost-efficient method of operation, as noted in the OEB's report which approved the current Model Franchise Agreement.
- In its November 2020 decision in the proceeding reviewing Enbridge Gas' Windsor Line Replacement project, the OEB addressed decommissioned pipe abandonment issues. In that proceeding, Enbridge Gas was seeking, amongst other things, an OEB order to abandon its existing NPS 10-inch pipeline in place. The County of Essex argued that Enbridge Gas should be required to remove the decommissioned pipeline from the right-of-way rather than permitting it to be abandoned in place. Enbridge Gas estimated \$5.9 million in additional costs for removal of the decommissioned pipeline which would have been added to the costs recovered from ratepayers throughout Ontario. The OEB agreed in that proceeding and in other similar situations that abandoning the decommissioned pipe in place was the prudent approach.

Q&A

Thank you



Ontario
Energy
Board | Commission
de l'énergie
de l'Ontario

May 2, 2023

BY EMAIL: patrick.mcmahon@enbridge.com

Patrick McMahon, Technical Manager
Regulatory Research and Records
Enbridge Gas Inc.
50 Keil Drive North
Chatham, Ontario, N7M 5M1
Canada

Liam Legate, Solicitor, Corporate
Region of Waterloo
150 Frederick St,
Kitchener, Ontario, N2G 4J3
Canada

BY EMAIL: llegate@regionofwaterloo.ca

Dear Sirs:

Re: Request for an Interpretation of the Model Franchise Agreement

The following is Ontario Energy Board (OEB) staff's response to the August 26, 2022 request from Enbridge Gas Inc. (Enbridge Gas) for guidance and clarification related to certain provisions of the municipal franchise agreement currently in place between Enbridge Gas and the Region of Waterloo (Region), which is in the form of the OEB-approved 2000 Model Franchise Agreement (MFA). The request was made in the context of the Region's multi-year municipal construction project underway in the City of Cambridge (Project). By letter dated September 2, 2022, the Region provided its views on the matter.

OEB staff has considered the information provided by Enbridge Gas and the Region in the above-referenced letters. The following provides OEB staff's views and conclusions on the issues raised therein.

In summary, Enbridge Gas and the Region disagree in particular on the application of paragraphs 12, 15 and 18 of the MFA in relation to a part of Enbridge Gas's gas system impacted by the Project. The fundamental question being asked is, essentially: *under the terms of the MFA, does the municipal corporation hold the right to require the gas company to remove and relocate an active part of the gas company's gas system and*



2300 Yonge Street, 27th floor, P.O. Box 2319, Toronto, ON, M4P 1E4
2300, rue Yonge, 27^e étage, C.P. 2319, Toronto (Ontario) M4P 1E4

T 416-481-1967 1-888-632-6273
F 416-440-7656 **OEB.ca**

pay for the costs of such removal and relocation? In OEB staff's view, and as detailed in the analysis below, the answer is "yes"; the municipal corporation holds this right in limited circumstances in accordance with paragraphs 12(a) and 18 of the MFA.

Specifically, the Region states that, in October 2019, it gave notice to Enbridge Gas under paragraph 12(a) of the MFA requiring it to "remove" and "relocate" an active part of its gas system that impeded the Project. In OEB staff's view, upon having received such notice from the Region, Enbridge Gas should have, in accordance with paragraph 12(a), removed and relocated that part of its gas system within a reasonable period of time. And, given that that part of the gas system was constructed prior to January 1, 1981, paragraph 18 was triggered, thus requiring that Enbridge Gas pay for the cost of the relocation, including the associated removal. (In OEB staff's view, had that part of the gas system been constructed on or after January 1, 1981, paragraph 18 would not apply, and the cost-sharing provisions set out in paragraphs 12(c) and 12(d) would have governed the cost of the removal and relocation). If, however, the Region gave notice requiring only a "relocation", then Enbridge Gas would have been obligated only to relocate that part of its active gas system within a reasonable time (which it appears to have done), and could have used its discretion, in accordance with paragraph 15(b) over whether or not to remove the part of the gas system it would be decommissioning in the course of the relocation work. In such instance, the Region could not then give notice at some later date requiring the removal of the previously decommissioned part of the gas system.

Background

Enbridge Gas and the Region have differing opinions on the interpretation of Paragraphs 12, 15 and 18 of the MFA, most recently in relation to the Project underway in the City of Cambridge.

The statements of fact made, and the general position taken by, Enbridge Gas are set out in pages 2 and 3 of its letter, under the headings Project Information and (i) General, as follows:

- Enbridge Gas states: "The Region is completing a multi-year construction project along Dundas Street, from Franklin Boulevard to Hespeler Road, in the City of Cambridge (the Project). Work under the Project includes reconstruction of deteriorated road base, replacement of deteriorated sewers and watermain, improvements to cycling facilities, and intersection improvements to improve traffic operations along the corridor. Included in the intersection improvements are a roundabout at the intersection of Dundas Street and Beverly Street and a roundabout at Dundas Street and Main Street."
- Enbridge Gas states that the reconstruction of Dundas Street "started in 2020, and the first stage of construction was completed in 2021 for the section between Shade Street and Briercrest Avenue [and that] the second stage of construction is scheduled for 2022 and 2023 and will include the construction of the roundabout at Dundas Street and Beverly Street (Roundabout) as well as the reconstruction of Dundas Street from Shade Street to Hespeler Road."

- Enbridge Gas states: “The issue at hand is the relocation of the gas system for this second stage of construction, which is currently in progress. The construction diagram (see Appendix I attached) indicates the location of the existing Enbridge Gas pipelines at the intersection of Dundas Street and Beverly Street (blue dotted lines) and the location for the proposed replacement pipelines (black dotted lines). Enbridge Gas plans to decommission the sections of pipelines indicated in light blue superimposed with several x’s.”
- Enbridge Gas submits: “In October 2019, Region staff met with Enbridge Gas to discuss the required gas system relocations for the second stage of the Dundas Street project, including the location of the Roundabout in question pursuant to Paragraph 12(a) of the Franchise Agreement. Since the existing gas system was installed before 1981, the costs of the relocation were deemed to be the sole responsibility of Enbridge Gas in this location pursuant to Paragraph 18 of the Franchise Agreement.”
- Enbridge Gas acknowledges: “To accommodate the Roundabout, Enbridge Gas installed new pipelines outside of the travelled portion of the roads at this intersection, as requested by the Region, to minimize the impacts of any future maintenance and service attachments pursuant to Paragraph 15 of the Franchise Agreement. Enbridge Gas has asked that the Region pay for all costs to remove the decommissioned gas system, if it chooses to do so, pursuant to Paragraph 15 of the Franchise Agreement.”
- According to Enbridge Gas: “The existing pipelines were in good working order. If not for the Region’s request, Enbridge Gas would not have conducted any maintenance or relocation of the pipelines at this time. Enbridge Gas commenced its work this project on September 27, 2021 and completed the required decommissioning in March 2022”.
- Enbridge Gas submits that its “total project costs were approximately \$1.2 million, attributable to Enbridge Gas in accordance with Paragraph 18 ... because the subject pipelines were installed prior to 1981 [and this] cost includes relocation of the gas system and the decommissioning of the existing pipeline (that has been abandoned in place).”

At page 2 of its letter, Enbridge Gas summarizes the dispute between it and the Region in this way:

“The Region has disputed Enbridge Gas’ decision to leave the existing pipelines in place after decommissioning them. Rather, the Region believes that Enbridge Gas is required to remove the existing pipelines at Enbridge’s cost, in accordance with Paragraph 12(a) of the Franchise Agreement because the Region has determined that such removal is preferred over leaving the pipelines in place at this location, because it frees up underground space for future use by the Region.

Enbridge Gas believes it has discretion not to remove the existing pipelines in accordance with Paragraph 15(b) of the Franchise Agreement and, in this case, Enbridge Gas has determined there is no operational reason to remove the decommissioned pipelines.”

The Region’s recitation of the facts generally align with those of Enbridge Gas, except that the Region states that, via a written request in October 2019, it specifically “requested the gas system located at the Roundabout be removed” (this is set out in the Region Conclusion section, at page 3 of the Region’s letter).

As well, the Region’s position with respect to the meaning of the terms “remove” and “relocate” is contrary to Enbridge Gas’s interpretation of those terms (the Region explains this in the General section, at page 2 of its letter). Because of this, the Region disputes that Enbridge Gas relocated the parts of the gas system in question pursuant to paragraph 18 of the MFA. The Region’s position on this issue is stated as follows:

“Enbridge did not relocate the gas systems in question at the Roundabout (i.e. old lines) as requested by the Region, but rather decommissioned them and built new pipelines outside of the travelled portion of the roads at this Roundabout (i.e. new lines). The Region agrees that Enbridge Gas paid for 100% of the costs for building the new lines. However, Enbridge did not comply with the Region’s request to relocate the old lines. Paragraph 18 of the MFA requires, seeing that the old lines were built before 1981, that upon request from the Region that they shall relocate the old lines at their sole cost, which Enbridge Gas has not done. The Region asserts that “relocate” as used in Paragraph 12 and 18 of the MFA means physically removing the gas system from the ground.”

For reference, paragraphs 12, 15 and 18 are included in Appendix A.

Analysis

OEB staff is not aware of any OEB decision to date that has ruled on the interplay between paragraphs 12, 15 and 18 of the MFA in the manner being raised by Enbridge Gas and the Region. It also does not appear to have been addressed in either the December 29, 2000 *Report to the Board* (in the RP-1999-0048 proceeding) relating to the 2000 Model Franchise Agreement, nor the May 21, 1986 *Report of the Board* (in the E.B.O. 125 proceeding) relating to the review of franchise agreements and certificates of public convenience and necessity.

The starting point of any analysis of the MFA, and paragraphs 12, 15 and 18, in particular, is the understanding that, in exchange for granting the use of its highways, bridges, viaducts, etc., the municipal corporation reserves certain important rights.

As set out in paragraph 12(a), in respect of its highways, the municipal corporation can require the gas company to, “...remove and/or relocate” parts of the gas system from those highways. The terms “remove and relocate” and “relocate” are clearly intended to represent two separate actions, and therefore mean different things. Under paragraph

12(a), the municipal corporation can give notice requiring the gas company to relocate a part of its gas system, or to remove and relocate a part of its gas system (in OEB staff's view, a municipal corporation could not request just a removal as that would cause discontinuance of the gas service). This is an important distinction, because there is a cost associated with removal of decommissioned pipeline that in many cases may be avoided. Paragraph 12(b) applies to above-ground structures and is not relevant to this analysis. Paragraphs 12(c) and (d) set out specific cost-sharing provisions binding on parties to the MFA. In OEB staff's view, relocation work that is subject to cost-sharing under these provisions is inclusive of an associated request for removal.

Paragraph 15(b) of the MFA is an important provision for the gas company, because it makes clear that the municipal corporation's right (under paragraph 12(a)), to require the gas company to remove parts of its gas system is not unfettered. The effect of this clause is to limit the ability of the municipality to avail itself of its right to require a removal under paragraph 12(a) to only those parts of the gas company's gas system that are not already decommissioned.

In the light of the foregoing, it is OEB staff's view that, based on the statements of the Region that it gave notice to Enbridge Gas in October 2019 to remove and relocate part of its active gas system from the Region's road allowance in the context of the Project, then Enbridge Gas should have removed and relocated that part of its gas system within a reasonable period of time (and at Enbridge Gas's sole cost because paragraph 18 of the MFA is triggered). On this point, OEB staff disagrees with the view purportedly being taken by Enbridge Gas that, in such instance, Enbridge Gas could rely on paragraph 15(b) to essentially render the Region's right to require a removal under Paragraph 12(a) hollow and meaningless. Had paragraph 18 not applied in this circumstance, then OEB staff takes the view that the cost of the removal and relocation would have been payable 35% by the Region and 65% by Enbridge Gas, in accordance with paragraphs 12(c) and 12(d).

However, if the Region gave notice requiring only a "relocation", then Enbridge Gas would be obligated only to relocate that part of its active gas system within a reasonable time and could use its discretion as to whether or not to remove the part of the gas system it would be decommissioning in the course of the relocation work. In such an instance, the Region could not give further notice at some later date requiring the removal of the previously decommissioned part of the gas system. This is clearly set out under paragraph 15(b) of the MFA, which provides that the gas company cannot be required to remove previously decommissioned parts of its gas system. On this point, OEB staff disagrees with the Region's assertion to the effect that building a new gas system, and decommissioning the old gas system, does not meet the requirement to "relocate".

OEB staff also notes that Enbridge Gas relied on the November 2020 decision of the OEB in the Windsor Line Replacement Project proceeding (EB-2020-0160) (Windsor Decision). Enbridge Gas stated that the case is informative of the OEB's views in respect of utilities not unnecessarily paying removal costs if there is no demonstrated need to do so. While this may generally be true, in OEB staff's view, the Windsor Decision is not

particularly helpful to Enbridge Gas in this matter given that it was based on materially different facts, for example: (i) the decision was based on the review of a franchise agreement that was entered into in 1957, which pre-dated the MFA and had substantially different terms and conditions; (ii) the Region's right to require a removal and relocation is at the Region's discretion under paragraph 12(a) of the MFA, i.e. there is no onus on the Region to have to demonstrate "need"; and (iii) the Windsor Decision was based on the request for removal in respect of a decommissioned part of the gas system whereas, in this matter, the Region's request was for removal and relocation in respect of an active part of the gas system.

If either the Region or Enbridge Gas wishes to provide further documentation relevant to this matter, OEB staff would be pleased to consider it. Should you have any questions about the conclusions set out in this letter, you may please contact me by email or at (416) 721-4986.

Yours truly,

A handwritten signature in black ink, appearing to be 'BH', with a long horizontal line extending to the right.

Brian Hewson
Vice President, Consumer Protection & Industry Performance

Attached: Appendix

APPENDIX

Paragraph 12 (under **Part III – Conditions**), and paragraphs 15 and 18 (under **Part IV – Procedural and Other Matters**), provide as follows:

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.

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.

18. Other Conditions

The following paragraph shall be inserted as a special condition in the old Union Gas franchise area, which is understood to be the franchise area of Union Gas in southwestern Ontario prior to its merger with Centra Gas.

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.

2000 Model Franchise Agreement

THIS AGREEMENT effective this day of , 2026

BETWEEN:

THE REGIONAL MUNICIPALITY OF WATERLOO

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

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 REGIONAL MUNICIPALITY OF WATERLOO

Per: _____
Karen Redman, Regional Chair

Per: _____
William Short, Regional Clerk

ENBRIDGE GAS INC.

Per: _____
Mark Kitchen, Director, Regulatory Affairs

Per: _____
Don Beauchamp, Director, Utilization