



Enbridge Gas Inc.

**Application for the renewal of a Municipal Franchise
Agreement with the Regional Municipality of Waterloo**

**PROCEDURAL ORDER NO. 1
February 23, 2026**

Enbridge Gas Inc. (Enbridge Gas) applied to the Ontario Energy Board (OEB) on December 5, 2025, under section 10 of the *Municipal Franchises Act*, for an order approving the renewal of its natural gas franchise (franchise) with the Regional Municipality of Waterloo (Region) based on the OEB's [Model Franchise Agreement](#).

The application will be heard by commissioner: David Sword.

The OEB issued a Notice of Hearing on January 9, 2026. The intervenor request period closed on February 5, 2026. The Region filed an intervenor request on February 5, 2026. Environmental Defence filed an intervenor request and a request for cost eligibility on February 9, 2026. Enbridge Gas filed an objection letter in response to the Region's request on February 10, 2026, and an objection letter in response to the Environmental Defence's request on February 11, 2026. Environmental Defence filed a response to Enbridge Gas's objection letter on February 17, 2026.

Intervenor Request by the Regional Municipality of Waterloo

For the reasons provided below, the Region is approved as an intervenor.

In its intervention request, the Region stated that it is impacted by the application as a signatory to the *Model Franchise Agreement*. The Region stated that it is seeking amendments to certain terms and conditions in the *Model Franchise Agreement* in furtherance of the following objectives (Region's issues list):

1. Clarify the definition of "highway" that all parts of the Region's right of way are captured.
2. Include a requirement for Region staff to be provided with as-built CAD drawings in UTM NAD83 Zone 17 co-ordinate system in s. 6 of the *Model Franchise Agreement*.

3. Add clarification regarding the use of the words “remove”, “relocate”, and “decommission” in such sections s. 12 and 15 of the *Model Franchise Agreement*.
4. Add clarification regarding the interaction between s. 12 and 15 regarding cost sharing responsibilities.
5. Allow the Region to charge for-profit entities, such as Enbridge Gas, access 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.
6. Add clarification that “project engineering and project administrative costs” listed in s. 12(c)(v) are limited to actual cost incurred.
7. Add language to the *Model Franchise Agreement* that addresses who bears costs for pipeline locates / exposures that Enbridge Gas requests to be done during design and construction of road improvement projects of the Region.
8. Change the date in s.18 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.
9. Any other changes deemed reasonably necessary by the Region.

Enbridge Gas filed a letter on February 10, 2026, in which it did not object to the Region’s intervenor request but did provide commentary on statements made by the Region in its request. In its letter, Enbridge Gas:

- Cited the OEB’s [Natural Gas Facilities Handbook](#) that states that the OEB expects that franchises will be based on the *Model Franchise Agreement*, unless there is a compelling reason for deviation.
- Submitted that the City of Guelph sought similar amendments to the *Model Franchise Agreement* to what the Region is seeking in this case, and that the Region must satisfy the OEB that it is not focused on broad issues that may have implications for communities and natural gas consumers across Ontario, which are not specific to the Region.¹
- Noted that the OEB has previously ordered that issues or evidence relating to any potential future amendments to Ontario Regulation 584/06 are out of scope because any legislative or regulatory changes under consideration remain speculative.²

Rule 22.02 of the OEB’s [Rules of Practice and Procedure](#) require that a person applying for intervenor status satisfy the OEB that they have a substantial interest in the

¹ Procedural Order No. 1, Enbridge Gas application to renew its natural gas franchise agreement with and a new certificate of public convenience and necessity for the City of Guelph, EB-2025-0058

² Ibid., Procedural Order No. 2

proceeding. The OEB finds that as a signatory to the *Model Franchise Agreement*, the Region has a substantial interest in this proceeding. The Region is approved as an intervenor.

Intervenor Request by Environmental Defence

For the reasons provided below, Environmental Defence is approved as an intervenor in this proceeding and is eligible for an award of costs.

In its intervention request, Environmental Defence stated that it wishes to explore the following issues:

1. Whether the agreement terms proposed by Enbridge Gas are appropriate, including from the perspective of fairness to the Regional Municipality of Waterloo (Waterloo Region) residents / taxpayers and to energy customers seeking clean and affordable energy systems.
2. Whether it is necessary to impose terms at this time rather than wait until the generic hearing has concluded.
3. Whether deviations from the *Model Franchise Agreement* are warranted.
4. Whether any of the proposed terms constitute a fossil fuel subsidy (e.g., the provision of access to land without payment of land-based fees), and if yes, whether that is appropriate.

Enbridge Gas filed a letter on February 11, 2026, in which it objected to Environmental Defence's intervenor request. Enbridge Gas also provided commentary on statements made by Environmental Defence's in its request.

In its letter, Enbridge Gas submitted that allowing Environmental Defence to intervene will cause unnecessary delays in this proceeding, given its stated focus on matters that are out of scope and irrelevant. Enbridge Gas cited a recent OEB proceeding in which Environmental Defence was denied intervenor status because the issues of concern to Environmental Defence were³municipality in question.⁴

Enbridge Gas further submitted that it is unclear whether Environmental Defence has any authority to speak for the residents of Waterloo Region. Enbridge Gas submitted that the Region is best positioned to represent its residents and that, following amendments to the *Municipal Franchises Act* that removed the requirement for consent

⁴ Decision on Intervention Request, Enbridge Gas application a new certificate of public convenience and necessity for the Township of Tay Valley, EB-2024-0342

of the electors to franchise agreements, the legislature has clearly assigned municipal responsibility for such matters to elected officials rather than to residents directly, or to interest groups. Enbridge Gas submitted that Environmental Defence should be required to provide the OEB with information in respect of Environmental Defence's supporters within Waterloo Region, including but not limited to their names, addresses, whether they are customers of Enbridge Gas and how they provide instructions to Environmental Defence regarding the representation of their interests in this proceeding.

Similar to its submissions on the Region's intervenor request, Enbridge Gas made further submissions about the scope of Environmental Defence's interests – including citing the OEB's *Natural Gas Facilities Handbook* regarding the need for a compelling reason for deviation from the Model Franchise Agreement, and Ontario Regulation 584/06 being out of scope because any legislative or regulatory changes under consideration remain speculative.

Finally, Enbridge Gas responded to Environmental Defence's question about whether it is necessary to impose terms at this time rather than wait until the generic hearing has concluded. Enbridge Gas submitted that, if the proposed generic proceeding review of the Model Franchise Agreement results in the OEB determining that amendments are appropriate, the OEB has authority to make amendments to existing franchise agreements, subject to the applicable rules of procedural fairness (under the common law and applicable provisions of the *Municipal Franchises Act*, the *Statutory Powers Procedure Act* and the *Ontario Energy Board Act, 1998*). This authority, for instance, includes the power to review and vary decisions and orders that have been issued with respect to franchise agreements. As a result, the proposed generic review is not a reason for the OEB to delay making a determination on a new franchise agreement with the Region.

Environmental Defence filed a letter on February 17, 2026, in which it responded to Enbridge Gas objection letter.

In its response letter, Environmental Defence stated that it has approximately 500 supporters in Waterloo Region. Environmental Defence also stated that it has agreed to assist Nith Valley Eco Boosters, Grand River Environmental Network, and Assuring Protection from Tomorrow's Environment in having their voices and the voices of their supporters heard in this proceeding. Environmental Defence's response letter included letters supporting its intervenor request from these three local interest groups. Environmental Defence submitted that it being a representative of these local interest groups optimizes efficiency by coordinating input through a single intervenor.

Environmental Defence submitted that these local groups and their supporters have a genuine interest in the outcome of this proceeding, including related to their position that the proposed franchise agreement constitutes a “fossil fuel subsidy”. Environmental Defence submitted that their interest in environmental protection is relevant to the OEB’s mandate. Environmental Defence submitted that the OEB had granted intervenor status to environmental groups in an Enbridge Gas proceeding and confirmed that they “represent a policy interest relevant to the OEB’s mandate and therefore have a substantial interest in this proceeding.”⁵

Environmental Defence stated that these local groups and their supporters are local residents and taxpayers with a direct interest in the financial impacts of a renewed franchise agreement with the Region and are in distinct parties with separate relevant viewpoints. Environmental Defence cited a previous OEB decision that granted intervenor status to both municipal and community intervenors in a franchise renewal application.⁶

In response to Enbridge Gas’s assertion that its issues are out of scope, Environmental Defence submitted that it is premature for Enbridge Gas to raise such objections before all parties have had the chance to make submissions on the issues. Environmental Defence submitted that, at this stage, it is sufficient for it to establish that it has a substantial interest in the proceeding in order to meet the threshold for intervention.

Rule 22.02 of the OEB’s *Rules of Practice and Procedure* provides that a person has a substantial interest if they have a material interest that is within the scope of the proceeding, including a person that primarily represents the direct interest of consumers. The OEB finds that the letters supporting Environmental Defence’s intervention request confirm that it represents the interests of certain local residents in this proceeding, some of whom are presumably natural gas ratepayers and taxpayers in Waterloo Region. Environmental Defence is approved as an intervenor.

The list of parties in this proceeding is attached as Schedule A to this Procedural Order. Environmental Defence is eligible to apply for an award of costs under the OEB’s [Practice Direction on Cost Awards](#).

Consistent with the OEB’s *Practice Direction on Cost Awards*, Environmental Defence is reminded that, in determining the amount of a cost award, the OEB will consider (among other things) whether Environmental Defence has demonstrated through its

⁵ Procedural Order No. 1, Enbridge Gas application for approval of a multi-year Demand Side Management (conservation) plan, EB-2024-0198

⁶ Procedural Order No. 1, Enbridge Gas application to renew its natural gas franchise agreement with and a new certificate of public convenience and necessity for the City of Guelph, EB-2025-0058

participation and documented in its cost claim that it has made reasonable efforts to ensure that its participation was not unduly repetitive and was focused on relevant and material issues.

Scope of this Proceeding

The OEB's grant of intervenor status to the Region and Environmental Defence shall not be taken as an indication that all of the issues outlined in their intervenor requests are within the scope of this proceeding.

Both the Region and Environmental Defence are reminded that this is not a generic hearing. The scope of this proceeding will be focused on the OEB's consideration of Enbridge Gas's request for the renewal of its franchise agreement with the Region based on the terms and conditions of the *Model Franchise Agreement*. This proceeding will consider the views of the Region and local residents as to whether there are compelling reasons to deviate from the terms and conditions of the *Model Franchise Agreement* with the Region. Broad issues that may have implications for communities and natural gas consumers across Ontario, which are not specific to the Region, will not be within the scope of this proceeding.

The Region and Environmental Defence are reminded that the OEB issued a letter on October 15, 2025, that announced its intentions to commence a generic proceeding to review the *Model Franchise Agreement* in 2026. The OEB noted that 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. 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. It is also expected to address matters related to the implementation of any changes to the *Model Franchise Agreement* as they relate to existing municipal franchise agreements. Further details will follow in due course.

The OEB finds that any efforts to amend Ontario Regulation 548/06 remain speculative at this time and therefore fall outside the scope of this proceeding.

Filing of Intervenor Evidence

The Region stated that it was unable to comment at the time of making its intervenor request on whether it would seek to file evidence. However, the Region did state that it

intends to make policy submissions as to why the order requested by Enbridge Gas is not in the best interest of the public.

Environmental Defence stated that it may seek to file evidence in coordination with organizations and individuals in Waterloo Region.

The OEB will make a determination on requests to file evidence in the current proceeding, and any process associated with that request, at a later date.

Interrogatories

Provision is being made for written interrogatories. In preparing interrogatories, parties should refer to the OEB's approved Issues List. Parties should consult sections 26 and 27 of the OEB's [Rules of Practice and Procedure](#) regarding required naming and numbering conventions and other matters related to interrogatories. The OEB will review the single test year application both in the context of the projects and programs that are requested for the test year and from the perspective of the distributor's plans for the subsequent four years until the next scheduled rebasing application.

Parties should not engage in detailed exploration of items that do not appear to be material. In making its decision on cost awards, the OEB will consider whether intervenors made reasonable efforts to ensure that their participation in the hearing was focused on material issues.

Limits on Interrogatories and Submissions

The OEB may impose a limit on the number of interrogatories (or sub-parts of interrogatories) that may be filed by a party or on the length of a submission. If the OEB imposes limits, details will be provided through future Procedural Orders as may the consequences for failure to adhere to the limits.

The OEB is making provision for the following related to this proceeding. Further procedural orders may be issued by the OEB.

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. OEB staff, the Region, and Environmental Defence may seek information from Enbridge Gas that is in addition to the evidence filed with the OEB and that is relevant to the hearing, by means of written interrogatories filed with the OEB, and delivered to all parties, by **March 2, 2026**.

2. Enbridge Gas shall file with the OEB complete written responses to all interrogatories, and deliver those responses to all parties, by **March 9, 2026**.

Direction for preparing materials

- Parties are responsible for ensuring that any documents they file with the OEB, such as applicant and intervenor evidence, interrogatories and responses to interrogatories or any other type of document, **do not include personal information** (as that phrase is defined in the *Freedom of Information and Protection of Privacy Act*), unless filed in accordance with Rule 9A of the OEB's [Rules of Practice and Procedure](#).
- Filings should clearly state the filing date and the sender's name, postal address, telephone number and e-mail address.
- Other than for applications or as otherwise required or directed by the OEB, parties are not required to submit a cover letter for materials that are self-evident (e.g., interrogatories, submissions) unless the cover letter includes a request or additional information not included in the materials themselves.
- Parties are strongly encouraged to use bookmarks in their filings to aid in navigation.
- Parties should not append to their evidence entire OEB documents (e.g., decisions, policy documents, guidelines). Rather, parties should provide citations to the documents and a clear and concise summary of the relevant part(s) of the document. Parties are encouraged to use hyperlinks for complete, permanent, and publicly available versions of the documents, when possible.
- Parties should refrain from quoting material from documents unless it is essential to support their interrogatories or arguments.
- Parties are not required to provide a summary of the procedural history of a proceeding but may refer to that history where and to the extent needed for context to orient an issue or discussion.
- Parties must: (a) disclose where generative artificial intelligence was used to generate content included in a filing and (b) confirm that the accuracy of the portion of the filing generated by generative artificial intelligence has been verified by the party or its representative without the assistance of generative artificial intelligence.

How to file documents with the OEB

- Parties are required to quote file number (i.e., **EB-2025-0327**) for all materials filed and submit them in **searchable/unrestricted PDF format** (i.e., no printing or copying restrictions) with a digital signature through the [OEB's online filing portal](#).

- Parties should use the document naming conventions and document submission standards outlined in the [Regulatory Electronic Submission System \(RESS\) Document Guidelines](#) found at the [File documents online page](#) on the OEB's website.
- Parties are encouraged to use RESS. Those who have not yet [set up an account](#), or require assistance using the online filing portal can contact registrar@oeb.ca for assistance.
- Cost claims are filed through the OEB's online filing portal. Parties are encouraged to visit the [File documents online page](#) of the OEB's website for more information. Parties that are eligible for a cost award and that do not currently have an account in the cost claim portal should create an account as soon as their cost award eligibility has been confirmed by the OEB. All parties shall download a copy of their submitted cost claim for the purposes of service on the party(ies) paying cost awards as per the [Practice Direction on Cost Awards](#).
- All communications should be directed to the attention of the Registrar and be received by **4:45 p.m.** on the required date.
- With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Cecilia Wang at cecilia.wang@oeb.ca.

Email: registrar@oeb.ca

Tel: 1-877-632-2727 (Toll free)

DATED at Toronto, **February 23, 2026**

ONTARIO ENERGY BOARD

By delegation, before: Ritchie Murray

Ritchie Murray
Acting Registrar

**Enbridge Gas Inc.
EB-2025-0327**

APPLICANT & LIST OF INTERVENORS

February 23, 2026

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February 23, 2026

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