



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

February 18, 2025

Ms. Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Marconi:

**Re: Enbridge Gas Inc.
Application for Approval of Franchise Agreement and New CPCN
Township of Lanark Highlands**

Attached is an Application by Enbridge Gas Inc. for Orders of the Ontario Energy Board with respect to a Franchise Agreement with and a Certificate of Public Convenience and Necessity for the Township of Lanark Highlands. An agreement has been reached between Enbridge Gas Inc. and the Township of Lanark Highlands 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** Digitally signed by
Patrick McMahon
Date: 2025.02.18
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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 Township of Lanark Highlands 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 Township of Lanark Highlands;

AND IN THE MATTER OF an Application by Enbridge Gas Inc. for an Order directing and declaring that the assent of the municipal electors of the Township of Lanark Highlands to the by-law is not necessary;

AND IN THE MATTER OF an Application by Enbridge Gas Inc. for an Order approving a Certificate of Public Convenience and Necessity to construct works to supply natural gas in the Township of Lanark Highlands.

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 Township of Lanark Highlands (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.
3. The Township of Lanark Highlands is a single-tier municipality located in the County of Lanark. On May 14, 1997, the former Townships of Lavant, Dalhousie and North Sherbrooke and the former Village of Lanark were amalgamated to form the Township of North West Lanark. On July 1, 1997, the former Township of Darling and the former Township of North Lanark were amalgamated with the former Township of North West Lanark to form the Township of Lanark Highlands.
4. On June 9, 2021, the Ministry of Energy, Northern Development and Mines announced which projects would receive financial assistance through Phase 2 of the Natural Gas Expansion Program (NGEP). One of the projects that received NGEP financial assistance will provide access to natural gas distribution service in the community of Lanark within the Township of Lanark Highlands. Enbridge Gas is applying for approval of a new franchise agreement with and a new Certificate of Public Convenience and Necessity for the Township of Lanark Highlands to allow for this system expansion to take place.

5. Enbridge Gas applied to the Council of the Municipality for approval of a franchise agreement permitting Enbridge Gas 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 Township of Lanark Highlands.
6. On January 28, 2025, the Council of the Municipality gave approval to the form of a Franchise Agreement in favour of Enbridge Gas and authorized Enbridge Gas to apply to the Ontario Energy Board for approval of the terms and conditions upon which and the period for which the franchise agreement is proposed to be granted.
7. Attached hereto as Schedule "B1" is a copy of Resolution of the Council of the Municipality approving the form of the draft by-law and franchise agreement, authorizing this submission to the Ontario Energy Board, and requesting an Order declaring and directing that the assent of the municipal electors to the by-law and franchise agreement is not necessary.
8. Attached hereto as Schedule "B2" is a copy of Staff Report #COR-2025-12 explaining to the Municipality's council the need to pass a bylaw related to a franchise agreement.
9. Attached hereto as Schedule "C" is a copy of the proposed draft By-law 2025-1948 and the proposed franchise agreement. The Township of Lanark Highlands has provided first and second readings of its by-law.
10. Enbridge Gas has franchise agreements with and Certificates of Public Convenience and Necessity for the Township of Drummond/North Elmsley, the Township of McNab/Braeside, the Town of Mississippi Mills and the Township of Tay Valley which are immediately adjacent to the Township of Lanark Highlands. Enbridge Gas is not aware of any other natural gas distributor in the area.
11. The proposed franchise agreement is in the form of the 2000 Model Franchise Agreement with no amendments and is for a term of twenty (20) years.
12. The address of the Municipality is as follows:

Township of Lanark Highlands
75 George Street
Lanark, ON K0G 1K0
Attention: Nicole Guthrie, Clerk
Telephone: (613) 259-2398 ext. 231
Email: lhclerk@lanarkhighlands.ca

The address for Enbridge Gas' regional operations office is:

Enbridge Gas Inc.
2571 Lancaster Road
Ottawa, ON K1B 4L5
Attention: Nicole Lehto, Director, Regional Operations
Email: nicole.lehto@enbridge.com

13. Enbridge Gas believes that publishing the Notice of Hearing in the local newspaper, on the OEB web site, on the Enbridge Gas' web site and on the municipality's web site will provide a broad awareness of this application. The newspaper having the highest circulation in the Township of Lanark Highlands is the *Lanark Era*. This is the newspaper used by the Municipality for its notices.
14. Enbridge Gas now applies to the Ontario Energy Board for:
 - (a) an Order under s.9(3) approving the terms and conditions upon which, and the period for which, the Township of Lanark Highlands 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;
 - (b) an Order pursuant to s.9(4) directing and declaring that the assent of the municipal electors of the Township of Lanark Highlands is not necessary for the proposed franchise agreement by-law under the circumstances; and
 - (c) an Order pursuant to s.8 approving a Certificate of Public Convenience and Necessity for Enbridge Gas Inc. to construct works to supply natural gas in the Township of Lanark Highlands.

DATED at the Municipality of Chatham-Kent, in the Province of Ontario this 18th day of February, 2025.

ENBRIDGE GAS INC.

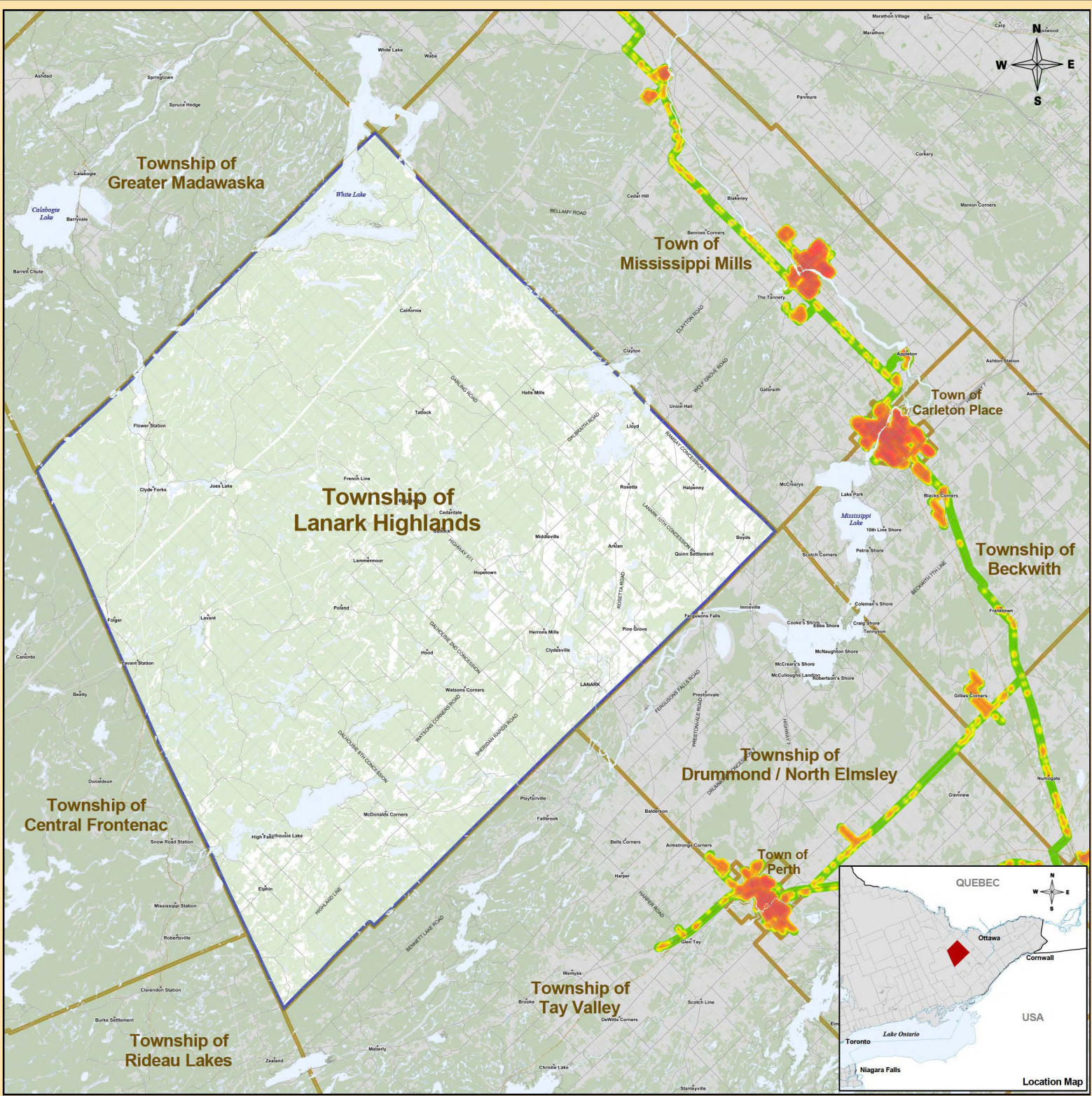
Patrick
McMahon

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Patrick McMahon
Date: 2025.02.18
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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

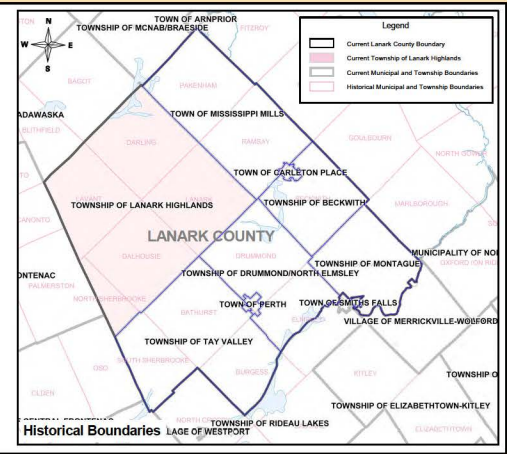


Township of Lanark Highlands

- Legend**
- Enbridge Gas Pipeline Coverage Area
 - Township of Lanark Highlands
 - Roads
 - Railways
 - Municipal and Township Boundaries
 - First Nation Boundaries



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



Lanark
HIGHLANDS
Regular Council Meeting

Title: Enbridge Gas Inc. Franchise Agreement
Date: Tuesday, January 28, 2025

Moved by Deputy Reeve King
Seconded by Councillor Closs

THAT, Council approves the form of draft by-law and franchise agreement attached hereto and authorizes the submission thereof to the Ontario Energy Board for approval pursuant to the provisions of Section 9 of the Municipal Franchises Act.

AND THAT, Council requests that the Ontario Energy Board make an Order declaring and directing that the assent of the municipal electors to the attached draft by-law and franchise agreement pertaining to the Corporation of the Township of Lanark Highlands is not necessary pursuant to the provisions of Section 9(4) of the Municipal Franchises Act.

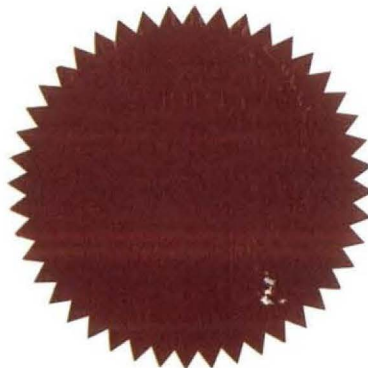
ADOPTED

[Original Signed By Peter McLaren]

[Original Signed By Nicole Guthrie]

Reeve, Peter McLaren

Clerk, Nicole Guthrie





Committee of the Whole

January 14, 2025

Staff Report: #COR-2025-12

REPORT BY: Nicole Guthrie, Clerk

REPORT SUBJECT: Enbridge Franchise Agreement

DEPARTMENT: Corporate Services

RECOMMENDATION(S):

“THAT, Report COR-2025-12 Request for Franchise Agreement with Enbridge Gas be received for information;

***AND THAT,** Council approves the form of draft by-law and franchise agreement attached hereto and authorizes the submission thereof to the Ontario Energy Board for approval pursuant to the provisions of Section 9 of the Municipal Franchises Act.*

***AND THAT,** Council requests that the Ontario Energy Board make an Order declaring and directing that the assent of the municipal electors to the attached draft by-law and franchise agreement pertaining to the Corporation of the Township of Lanark Highlands is not necessary pursuant to the provisions of Section 9(4) of the Municipal Franchises Act.*

***AND FURTHER THAT,** the draft by-law be given first and second reading at the January 28th, 2025 meeting.”*

1. BACKGROUND

Enbridge Gas (Enbridge) proposes to construct approximately 25 kilometers of natural gas pipeline, connecting to existing infrastructure at Highway 511 and Crain Drive. The pipeline includes supply lateral and distribution segments designed to serve the communities of Lanark and Balderson. The project is part of the Ontario Government’s Natural Gas Expansion Program, funded through customer contributions and expansion surcharges.

On June 23, 2020, Council directed staff to send a letter of expression of support for natural gas from the Township of Lanark Highlands to confirm the Township’s interest in fulfilling the Ontario Energy Board’s (OEB) submission requirements (Appendix A). This action underscored the Township’s commitment to pursuing natural gas expansion to benefit residents and businesses.

To facilitate this project, Enbridge Gas requires the municipality to enter into a franchise agreement that sets out the terms and conditions for the installation, operation, and

maintenance of the natural gas infrastructure within municipal boundaries. This agreement is a critical component to ensuring the project's compliance with regulatory requirements and its successful implementation.

2. DISCUSSION

Project Overview

The project involves constructing approximately 25 kilometers of new natural gas pipeline infrastructure. This includes 15 kilometers of 4-inch and 6-inch supply lateral pipeline along Highway 511, 3 kilometers of 2-inch distribution pipeline at various points along the supply lateral, and 9 kilometers of 2-inch distribution pipeline within the community of Lanark. The preliminary preferred route connects to existing infrastructure at Highway 511 and Crain Drive, with alternative routes under evaluation, particularly regarding potential crossing points over the Clyde River in Lanark.

The planning and design process prioritizes environmental and socioeconomic impact assessments, ensuring that the project minimizes disruption while addressing community needs. Consultation with Indigenous communities, landowners, government agencies, and the public is a core component of Enbridge process. These efforts aim to gather input and feedback to develop effective environmental protection and mitigation measures as part of the final project design.

To support community engagement, Enbridge hosted two Public Information Sessions: an in-person session on December 4, 2024, at the Lanark and District Civitan Club, and a virtual session from December 2 to December 16, 2024. These sessions included a presentation and questionnaire to gather public input, with all materials made available on the project's webpage. Input collected by January 6, 2025, will help inform the final planning process.

Enbridge retained Stantec Consulting Ltd. to complete an Environmental Study for the project. The study will adhere to the OEB Environmental Guidelines for hydrocarbon projects. The Environmental Report is expected to be completed in the spring of 2025. Following the report's completion, Enbridge will submit a Leave to Construct application to the OEB. Subject to the approval of all necessary permits, construction is anticipated to commence in 2026.

Council Requirements

The CAO, Clerk and Reeve met with an Enbridge Senior Advisor, Municipal & Stakeholder Affairs, to discuss the requirement for a Franchise Agreement between Enbridge and the Township of Lanark Highlands, and the process.

This agreement is a regulatory requirement and provides the framework for Enbridge to operate within the municipality. It ensures clarity in responsibilities, service delivery, and compliance with provincial guidelines.

Enbridge requires the municipality to pass a By-law that will enable the establishment of a franchise agreement, subject to the approval of the OEB. The process involves multiple steps, including initial By-law readings, application to the OEB, and final execution of the agreement.

First, the draft By-law (attached as appendix B) must be reviewed and receive First and Second Reading only; the Third and Final Reading will not proceed until Enbridge has applied for and obtained a Decision and Order from the OEB. Following the First and Second Readings, the Reeve and Clerk will execute four copies of the Resolution. These executed Resolutions, along with copies of the By-law and Franchise Agreement, will then be forwarded to Enbridge. Upon receipt, Enbridge will apply to the OEB for approval of the franchise agreement. Finally, notice of the application to the OEB will be published in a local newspaper or made available online through a local website.

Once the OEB approves the agreement another staff report will be prepared to authorize the agreement and give the by-law its third and final reading.

3. FINANCIAL IMPLICATIONS

There are no immediate financial implications associated with the initial steps outlined in this report. Costs related to publication and OEB application will be handled by Enbridge.

4. OPTIONS CONSIDERED

Council may consider the following options:

Option 1: Proceed with the Franchise Agreement (Recommended)

Council authorize staff and the Reeve to finalize the required franchise agreement with Enbridge Gas. This option demonstrates full municipal support for the project and ensures timely collaboration with Enbridge to meet regulatory requirements.

Option 2: Reject the Franchise Agreement and Decline Participation in the Project

Council could decide not to enter into a franchise agreement with Enbridge. This option halts the expansion project within the municipality's boundaries, preserving the status quo for local energy services.

5. STRATEGIC PRIORITIES

Not applicable

6. RELEVANT LEGISLATION AND POLICIES

Municipal Act, 2001, S.O. 2001
Ontario Energy Board Act, 1998
Municipal Franchises Act, 1990

7. OTHERS CONSULTED

Department Heads

8. ATTACHMENTS

Appendix A - 23 June 2020 Township Letter of Support
Appendix B – Draft By-Law
Appendix C – Franchise Agreement

Prepared By: Nicole Guthrie, Clerk

Approved By: Suzanne Charbonneau-Dent, CAO



June 26, 2020

Enbridge Gas Inc.
400 Coventry Road
Ottawa, Ontario
K1K 2C7

ATTENTION: Mr. Ian Ross, P. Eng, MBA
Director – Eastern Region Operations

Dear Sir:

RE: Expression of Support for Natural Gas Expansion to the Township of Lanark Highlands

In December 2019, the Government of Ontario announced plans to further increase access to natural gas by making financial support available for new service expansion projects. This Natural Gas Expansion Program will unlock financial support needed to expand natural gas service to new areas across Ontario that are not economically feasible without support. Our municipality is one such area, and we are eager to bring this affordable, reliable fuel source to our residents and businesses.

On behalf of the Township of Lanark Highlands, I would like to formally express our interest to have the Natural Gas Expansion to the Township of Lanark Highlands included on Enbridge Gas' list of projects being proposed to the Ontario Energy Board (OEB) for consideration for financial support through the Natural Gas Expansion Program.

Based on the draft Guidelines issued by the OEB (EB-2019-0255), we are aware that Enbridge Gas Inc. may be required to include support for the proposed project from Band Council(s) and/or local government, as applicable, demonstrated through a written expression of support and/or a commitment to financial support in its project submissions.

Natural gas is the most common, affordable heating fuel in Ontario. We fully support the efforts of Enbridge Gas Inc., the OEB and the Ministry of Energy, Northern Development and Mines. We look forward to working together to expand natural gas access in our community to attract new opportunities, help create jobs and lower monthly costs for our residents.

Sincerely,

[Original Signed By Peter McLaren]

Peter McLaren
Reeve

**THE CORPORATION OF THE
TOWNSHIP OF LANARK
HIGHLANDS**

BY-LAW NO. 2025-1948

**BEING A BY-LAW TO AUTHORIZE A FRANCHISE AGREEMENT
BETWEEN THE CORPORATION OF THE TOWNSHIP OF LANARK
HIGHLANDS AND ENBRIDGE GAS INC.**

WHEREAS the Council of the Corporation of the Township of Lanark Highlands deems it expedient to enter into the attached franchise agreement (the "Franchise Agreement") with Enbridge Gas Inc.;

AND WHEREAS the Ontario Energy Board by its Order issued pursuant to the *Municipal Franchises Act* on the day of , 2025 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 Corporation of the Township of Lanark Highlands enacts as follows:

1. **THAT** the Franchise Agreement between the Corporation of the Township of Lanark Highlands and Enbridge Gas Inc. attached hereto and forming part of this by-law, is hereby authorized and the franchise provided for therein is hereby granted.

2. **THAT** the Reeve and Clerk be and they are hereby authorized and instructed on behalf of the Corporation of the Township of Lanark Highlands 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** this by-law shall come into force and take effect as of the final passing thereof.

Read a first time this 28th day of January , 2025.

Read a second time this 28th day of January , 2025.

Read a third time and finally passed this day of , 2025.

Peter McLaren, Reeve

Nicole Guthrie, Clerk

2000 Model Franchise Agreement

THIS AGREEMENT effective this day of , 2025

BETWEEN:

THE CORPORATION OF THE TOWNSHIP OF LANARK HIGHLANDS

hereinafter called the "Corporation"

- and -

ENBRIDGE GAS INC.

hereinafter called the "Gas Company"

WHEREAS the Gas Company desires to distribute, store and transmit gas in the Municipality upon the terms and conditions of this Agreement;

AND WHEREAS by by-law passed by the Council of the Corporation (the "By-law"), the duly authorized officers have been authorized and directed to execute this Agreement on behalf of the Corporation;

THEREFORE, the Corporation and the Gas Company agree as follows:

Part I - Definitions

1. In this Agreement

- (a) "decommissioned" and "decommissions" when used in connection with parts of the gas system, mean any parts of the gas system taken out of active use and purged in accordance with the applicable CSA standards and in no way affects the use of the term 'abandoned' pipeline for the purposes of the *Assessment Act*;
- (b) "Engineer/Road Superintendent" means the most senior individual employed by the Corporation with responsibilities for highways within the Municipality or the person designated by such senior employee or such other person as may from time to time be designated by the Council of the Corporation;

- (c) "gas" means natural gas, manufactured gas, synthetic natural gas, liquefied petroleum gas or propane-air gas, or a mixture of any of them, but does not include a liquefied petroleum gas that is distributed by means other than a pipeline;
- (d) "gas system" means such mains, plants, pipes, conduits, services, valves, regulators, curb boxes, stations, drips or such other equipment as the Gas Company may require or deem desirable for the distribution, storage and transmission of gas in or through the Municipality;
- (e) "highway" means all common and public highways and shall include any bridge, viaduct or structure forming part of a highway, and any public square, road allowance or walkway and shall include not only the travelled portion of such highway, but also ditches, driveways, sidewalks, and sodded areas forming part of the road allowance now or at any time during the term hereof under the jurisdiction of the Corporation;
- (f) "Model Franchise Agreement" means the form of agreement which the Ontario Energy Board uses as a standard when considering applications under the *Municipal Franchises Act*. The Model Franchise Agreement may be changed from time to time by the Ontario Energy Board;
- (g) "Municipality" means the territorial limits of the Corporation on the date when this Agreement takes effect, and any territory which may thereafter be brought within the jurisdiction of the Corporation;
- (h) "Plan" means the plan described in Paragraph 5 of this Agreement required to be filed by the Gas Company with the Engineer/Road Superintendent prior to commencement of work on the gas system; and
- (i) whenever the singular, masculine or feminine is used in this Agreement, it shall be considered as if the plural, feminine or masculine has been used where the context of the Agreement so requires.

Part II - Rights Granted

2. To provide gas service

The consent of the Corporation is hereby given and granted to the Gas Company to distribute, store and transmit gas in and through the Municipality to the Corporation and to the inhabitants of the Municipality.

3. To Use Highways

Subject to the terms and conditions of this Agreement the consent of the Corporation is hereby given and granted to the Gas Company to enter upon all highways now or at any time hereafter under the jurisdiction of the Corporation and to lay, construct, maintain, replace, remove, operate and repair a gas system for the distribution, storage and transmission of gas in and through the Municipality.

4. Duration of Agreement and Renewal Procedures

(a) If the Corporation has not previously received gas distribution services, the rights hereby given and granted shall be for a term of 20 years from the date of final passing of the By-law.

or

(b) If the Corporation has previously received gas distribution services, the rights hereby given and granted shall be for a term of 20 years from the date of final passing of the By-law provided that, if during the 20 year term of this Agreement, the Model Franchise Agreement is changed, then on the 7th anniversary and on the 14th anniversary of the date of the passing of the By-law, this Agreement shall be deemed to be amended to incorporate any changes in the Model Franchise Agreement in effect on such anniversary dates. Such deemed amendments shall not apply to alter the 20 year term.

(c) At any time within two years prior to the expiration of this Agreement, either party may give notice to the other that it desires to enter into negotiations for a renewed franchise upon such terms and conditions as may be agreed upon. Until such renewal has been settled, the terms and conditions of this Agreement shall continue, notwithstanding the expiration of this Agreement. This shall not preclude either party from applying to the Ontario Energy Board for a renewal of the Agreement pursuant to section 10 of the *Municipal Franchises Act*.

Part III – Conditions

5. Approval of Construction

- (a) The Gas Company shall not undertake any excavation, opening or work which will disturb or interfere with the surface of the travelled portion of any highway unless a permit therefor has first been obtained from the Engineer/Road Superintendent and all work done by the Gas Company shall be to his satisfaction.
- (b) Prior to the commencement of work on the gas system, or any extensions or changes to it (except service laterals which do not interfere with municipal works in the highway), the Gas Company shall file with the Engineer/Road Superintendent a Plan, satisfactory to the Engineer/Road Superintendent, drawn to scale and of sufficient detail considering the complexity of the specific locations involved, showing the highways in which it proposes to lay its gas system and the particular parts thereof it proposes to occupy.
- (c) The Plan filed by the Gas Company shall include geodetic information for a particular location:
 - (i) where circumstances are complex, in order to facilitate known projects, including projects which are reasonably anticipated by the Engineer/Road Superintendent, or
 - (ii) when requested, where the Corporation has geodetic information for its own services and all others at the same location.
- (d) The Engineer/Road Superintendent may require sections of the gas system to be laid at greater depth than required by the latest CSA standard for gas pipeline systems to facilitate known projects or to correct known highway deficiencies.
- (e) Prior to the commencement of work on the gas system, the Engineer/Road Superintendent must approve the location of the work as shown on the Plan filed by the Gas Company, the timing of the work and any terms and conditions relating to the installation of the work.
- (f) In addition to the requirements of this Agreement, if the Gas Company proposes to affix any part of the gas system to a bridge, viaduct or other structure, if the Engineer/Road Superintendent approves this proposal, he may require the Gas Company to comply with special conditions or to enter into a separate agreement as a condition of the approval of this part of the construction of the gas system.

- (g) Where the gas system may affect a municipal drain, the Gas Company shall also file a copy of the Plan with the Corporation's Drainage Superintendent for purposes of the *Drainage Act*, or such other person designated by the Corporation as responsible for the drain.
- (h) The Gas Company shall not deviate from the approved location for any part of the gas system unless the prior approval of the Engineer/Road Superintendent to do so is received.
- (i) The Engineer/Road Superintendent's approval, where required throughout this Paragraph, shall not be unreasonably withheld.
- (j) The approval of the Engineer/Road Superintendent is not a representation or warranty as to the state of repair of the highway or the suitability of the highway for the gas system.

6. **As Built Drawings**

The Gas Company shall, within six months of completing the installation of any part of the gas system, provide two copies of "as built" drawings to the Engineer/Road Superintendent. These drawings must be sufficient to accurately establish the location, depth (measurement between the top of the gas system and the ground surface at the time of installation) and distance of the gas system. The "as built" drawings shall be of the same quality as the Plan and, if the approved pre-construction plan included elevations that were geodetically referenced, the "as built" drawings shall similarly include elevations that are geodetically referenced. Upon the request of the Engineer/Road Superintendent, the Gas Company shall provide one copy of the drawings in an electronic format and one copy as a hard copy drawing.

7. **Emergencies**

In the event of an emergency involving the gas system, the Gas Company shall proceed with the work required to deal with the emergency, and in any instance where prior approval of the Engineer/Road Superintendent is normally required for the work, the Gas Company shall use its best efforts to immediately notify the Engineer/Road Superintendent of the location and nature of the emergency and the work being done and, if it deems appropriate, notify the police force, fire or other emergency services having jurisdiction. The Gas Company shall provide the Engineer/Road Superintendent with at least one 24 hour emergency contact for the Gas Company and shall ensure the contacts are current.

8. **Restoration**

The Gas Company shall well and sufficiently restore, to the reasonable satisfaction of the Engineer/Road Superintendent, all highways, municipal works or improvements which it may excavate or interfere with in the course of laying, constructing, repairing or removing its gas system, and shall make good any settling or subsidence thereafter caused by such excavation or interference. If the Gas Company fails at any time to do any work required by this Paragraph within a reasonable period of time, the Corporation may do or cause such work to be done and the Gas Company shall, on demand, pay the Corporation's reasonably incurred costs, as certified by the Engineer/Road Superintendent.

9. **Indemnification**

The Gas Company shall, at all times, indemnify and save harmless the Corporation from and against all claims, including costs related thereto, for all damages or injuries including death to any person or persons and for damage to any property, arising out of the Gas Company operating, constructing, and maintaining its gas system in the Municipality, or utilizing its gas system for the carriage of gas owned by others. Provided that the Gas Company shall not be required to indemnify or save harmless the Corporation from and against claims, including costs related thereto, which it may incur by reason of damages or injuries including death to any person or persons and for damage to any property, resulting from the negligence or wrongful act of the Corporation, its servants, agents or employees.

10. **Insurance**

- (a) The Gas Company shall maintain Comprehensive General Liability Insurance in sufficient amount and description as shall protect the Gas Company and the Corporation from claims for which the Gas Company is obliged to indemnify the Corporation under Paragraph 9. The insurance policy shall identify the Corporation as an additional named insured, but only with respect to the operation of the named insured (the Gas Company). The insurance policy shall not lapse or be cancelled without sixty (60) days' prior written notice to the Corporation by the Gas Company.
- (b) The issuance of an insurance policy as provided in this Paragraph shall not be construed as relieving the Gas Company of liability not covered by such insurance or in excess of the policy limits of such insurance.
- (c) Upon request by the Corporation, the Gas Company shall confirm that premiums for such insurance have been paid and that such insurance is in full force and effect.

11. Alternative Easement

The Corporation agrees, in the event of the proposed sale or closing of any highway or any part of a highway where there is a gas line in existence, to give the Gas Company reasonable notice of such proposed sale or closing and, if it is feasible, to provide the Gas Company with easements over that part of the highway proposed to be sold or closed sufficient to allow the Gas Company to preserve any part of the gas system in its then existing location. In the event that such easements cannot be provided, the Corporation and the Gas Company shall share the cost of relocating or altering the gas system to facilitate continuity of gas service, as provided for in Paragraph 12 of this Agreement.

12. Pipeline Relocation

- (a) If in the course of constructing, reconstructing, changing, altering or improving any highway or any municipal works, the Corporation deems that it is necessary to take up, remove or change the location of any part of the gas system, the Gas Company shall, upon notice to do so, remove and/or relocate within a reasonable period of time such part of the gas system to a location approved by the Engineer/Road Superintendent.
- (b) Where any part of the gas system relocated in accordance with this Paragraph is located on a bridge, viaduct or structure, the Gas Company shall alter or relocate that part of the gas system at its sole expense.
- (c) Where any part of the gas system relocated in accordance with this Paragraph is located other than on a bridge, viaduct or structure, the costs of relocation shall be shared between the Corporation and the Gas Company on the basis of the total relocation costs, excluding the value of any upgrading of the gas system, and deducting any contribution paid to the Gas Company by others in respect to such relocation; and for these purposes, the total relocation costs shall be the aggregate of the following:
 - (i) the amount paid to Gas Company employees up to and including field supervisors for the hours worked on the project plus the current cost of fringe benefits for these employees,
 - (ii) the amount paid for rental equipment while in use on the project and an amount, charged at the unit rate, for Gas Company equipment while in use on the project,
 - (iii) the amount paid by the Gas Company to contractors for work related to the project,

- (iv) the cost to the Gas Company for materials used in connection with the project, and
 - (v) a reasonable amount for project engineering and project administrative costs which shall be 22.5% of the aggregate of the amounts determined in items (i), (ii), (iii) and (iv) above.
- (d) The total relocation costs as calculated above shall be paid 35% by the Corporation and 65% by the Gas Company, except where the part of the gas system required to be moved is located in an unassumed road or in an unopened road allowance and the Corporation has not approved its location, in which case the Gas Company shall pay 100% of the relocation costs.

Part IV - Procedural And Other Matters

13. Municipal By-laws of General Application

The Agreement is subject to the provisions of all regulating statutes and all municipal by-laws of general application, except by-laws which have the effect of amending this Agreement.

14. Giving Notice

Notices may be delivered to, sent by facsimile or mailed by prepaid registered post to the Gas Company at its head office or to the authorized officers of the Corporation at its municipal offices, as the case may be.

15. Disposition of Gas System

- (a) If the Gas Company decommissions part of its gas system affixed to a bridge, viaduct or structure, the Gas Company shall, at its sole expense, remove the part of its gas system affixed to the bridge, viaduct or structure.
- (b) If the Gas Company decommissions any other part of its gas system, it shall have the right, but is not required, to remove that part of its gas system. It may exercise its right to remove the decommissioned parts of its gas system by giving notice of its intention to do so by filing a Plan as required by Paragraph 5 of this Agreement for approval by the Engineer/Road Superintendent. If the Gas Company does not remove the part of the gas system it has decommissioned and the Corporation requires the removal of all or any part of the decommissioned gas system for the purpose of altering or improving a highway or in order to facilitate the construction of utility or other works in any highway, the Corporation may remove and dispose of so much of the decommissioned gas system as the Corporation may require for such purposes and neither party shall have recourse against the other for any loss, cost, expense or damage occasioned thereby. If the Gas Company has

not removed the part of the gas system it has decommissioned and the Corporation requires the removal of all or any part of the decommissioned gas system for the purpose of altering or improving a highway or in order to facilitate the construction of utility or other works in a highway, the Gas Company may elect to relocate the decommissioned gas system and in that event Paragraph 12 applies to the cost of relocation.

16. **Use of Decommissioned Gas System**

- (a) The Gas Company shall provide promptly to the Corporation, to the extent such information is known:
 - (i) the names and addresses of all third parties who use decommissioned parts of the gas system for purposes other than the transmission or distribution of gas; and
 - (ii) the location of all proposed and existing decommissioned parts of the gas system used for purposes other than the transmission or distribution of gas.
- (b) The Gas Company may allow a third party to use a decommissioned part of the gas system for purposes other than the transmission or distribution of gas and may charge a fee for that third party use, provided
 - (i) the third party has entered into a municipal access agreement with the Corporation; and
 - (ii) the Gas Company does not charge a fee for the third party's right of access to the highways.
- (c) Decommissioned parts of the gas system used for purposes other than the transmission or distribution of gas are not subject to the provisions of this Agreement. For decommissioned parts of the gas system used for purposes other than the transmission and distribution of gas, issues such as relocation costs will be governed by the relevant municipal access agreement.

17. **Franchise Handbook**

The Parties acknowledge that operating decisions sometimes require a greater level of detail than that which is appropriately included in this Agreement. The Parties agree to look for guidance on such matters to the Franchise Handbook prepared by the Association of Municipalities of Ontario and the gas utility companies, as may be amended from time to time.

18. **Other Conditions**

None.

19. **Agreement Binding Parties**

This Agreement shall extend to, benefit and bind the parties thereto, their successors and assigns, respectively.

IN WITNESS WHEREOF the parties have executed this Agreement effective from the date written above.

THE CORPORATION OF THE TOWNSHIP OF LANARK HIGHLANDS

Per: _____
Peter McLaren, Reeve

Per: _____
Nicole Guthrie, Clerk

ENBRIDGE GAS INC.

Per: _____
Mark Kitchen, Director, Regulatory Affairs

Per: _____
Nicole Lehto, Director, Regional Operations