

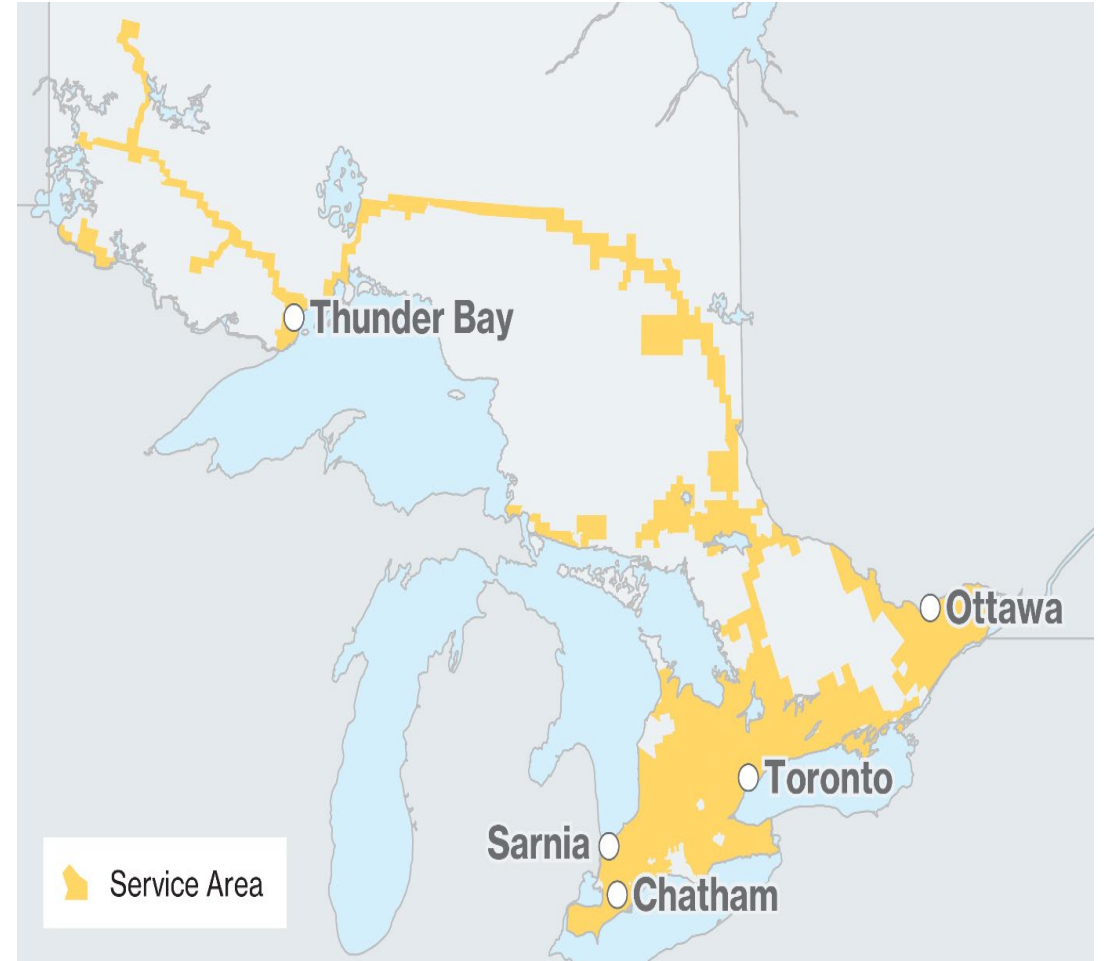
Enbridge Gas Ontario and the Regional Municipality of Waterloo

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