

To: COUNCIL

Meeting Date: 6/17/2025

Subject: 25-026-CRS Municipal Franchise Agreement with Enbridge Gas Inc.

Submitted By: Danielle Manton, City Clerk

Prepared By: Danielle Manton, City Clerk

Report No.: 25-026-CRS

File No.: C1101

Wards Affected: All Wards

RECOMMENDATION(S):

THAT Report 25-026-CRS Municipal Franchise Agreement with Enbridge Gas Inc be received;

AND That Council approve the form of the Franchise Agreement attached as Appendix A and draft By-law attached as Appendix B and authorize the submission, and any other documents required, to the Ontario Energy Board for approval pursuant to the provisions of Section 9 of the Municipal Franchises Act;

AND That Council request the Ontario Energy Board to make an order dispensing with the assent of the municipal electors of the Franchise Agreement and attached draft By-law, pursuant to the provisions of Section 9 of the Municipal Franchises Act;

AND That the Mayor and Clerk be authorized to enter into the Franchise Agreement with Enbridge Gas Distribution Inc. to give effect to the forgoing, said agreement satisfactory to the Chief Administrative Officer and the City Solicitor;

AND That Staff be authorized and directed to do all things necessary to give effect to this resolution.

EXECUTIVE SUMMARY:

Purpose

This report seeks approval to renew the franchise agreement between The Corporation of the City of Cambridge ("City") and Enbridge Gas Distribution Inc. ("Enbridge") formerly Union Gas.

The proposed new agreement conforms to a Model Franchise Agreement ("Model Agreement") (See Attachment "A") and By-law (See Attachment "B") negotiated between the Association of Municipalities of Ontario ("AMO") and the gas industry and approved by the Ontario Energy Board ("OEB") in 2000.

The purpose of the Model Agreement is to set out the responsibilities of the City and Enbridge with regards to construction and maintenance of gas systems in the City of Cambridge.

Enbridge Gas has requested the Municipality to renew the franchise agreement between the City of Cambridge and Enbridge Gas. This report presents the agreement and requests two readings of the attached by-law with a third and final reading to follow at a future meeting.

Key Findings

- On January 16, 2026, the current franchise agreement between the City of Cambridge and the former Union Gas Limited (Enbridge Gas Distribution Inc.) will expire.
- Enbridge Gas currently serves approximately 45,745 customers within the City of Cambridge and has been providing services since approximately 1886 to Cambridge customers.
- Provincial legislation requires a franchise agreement between the Municipal Corporation and the gas company that serves the municipality.
- The Ontario Energy Board requires that the model franchise agreement be used as the model for renewal of municipal agreements with the gas distribution company.
- The Ontario Energy Board also requires a bylaw be passed to establish the agreement.
- As a result, Enbridge Gas and the City of Cambridge are required to commence the process to renew a 20 year franchise agreement using the required model.

Financial Implications

There are no financial implications associated with this report.

STRATEGIC ALIGNMENT:

☒ Strategic Action

Objective(s): PLANNING FOR GROWTH - Provide for a mix of development, uses and amenities in order to meet the needs of a changing and diverse population

Strategic Action: Lay the foundation for future community-building

OR

☐ Core Service

Program: Not Applicable

Core Service: Not Applicable

Entering into the Agreement with Enbridge Gas aligns with the Strategic Action to lay the foundation for future community building by improving and maintaining quality infrastructure to meet the current and future growth needs of the City.

BACKGROUND:

Enbridge Gas Distribution Inc. (formerly Union Gas Limited) has provided service of gas to City of Cambridge customers since approximately 1886. In 2006, the City of Cambridge entered into the most recent franchise agreement with Enbridge Gas.

This agreement sets out the responsibilities and rights that Enbridge have in relation to our road allowance.

The term of the agreement is twenty (20) years, as such the last agreement will expire in 2026. The proposed new agreement conforms to a Model Franchise Agreement ("Model Agreement") included as Appendix A and draft By-law as Appendix B.

This agreement is general a standard agreement used across Ontario and is virtually identical to the agreement signed in 2006. In order for the two parties to enter into the agreement, a request needs to be sent to the Ontario Energy Board (OEB) for approval.

Once a decision and order are received from the OEB, the by-law can be given third and final reading with the date and order inserted and the appropriate documents signed and dated accordingly by all parties.

Staff will provide a brief summary of this report to the future report where the by-law will have the third and final reading at a future meeting of Council yet to be determined.

The present franchise agreement between the City and Enbridge was executed on January 16, 2006, with a twenty (20) year term ("1996 Franchise Agreement").

The purpose of this agreement was to permit the company to enter on road allowances to install and maintain their distribution system, and to establish conditions of occupancy.

Enbridge Gas currently serves approximately 45,745 customers within the City of Cambridge.

The 1996 Franchise Agreement will expire on January 16, 2026.

Once Council approves this Franchise Agreement, the Council Resolution is sent with the Franchise Agreement and By-law to Enbridge, who will complete the renewal process with the Ontario Energy Board (OEB), which can take up to a few months.

The required third and final reading of the Bylaw should not occur until Enbridge has filed the application for and in receipt of a decision and order from the Ontario Energy Board. Upon notice of this decision/order, staff will provide the bylaw at the next subsequent Council meeting for Council to provide the final reading and approval of the Bylaw.

ANALYSIS:

Staff are recommending entering into the franchise agreement with Enbridge Gas.

The resolution that Council is being asked to approve has been suggested by Enbridge Gas and will satisfy the requirements of the Ontario Energy Board.

The updated model agreement has seen some minor adjustments since 2006 such as updated terminology and enhanced notification processes.

EXISTING POLICY / BY-LAW(S):

This new agreement will require Council to repeal the existing By-law 218-05 passed in January of 2006 and requests Council to provide two readings of the new draft bylaw with a third reading to occur at a later date. The repeal of By-law 218-05 will be formally requested in a future report where the enactment of the draft bylaw attached as Appendix B will be considered by Council.

Notice of this report and Council's support of this report will count as two readings and the draft bylaw will come forward to a future Council meeting for Council to officially complete the third reading permitting the new bylaw to come into effect.

FINANCIAL IMPACT:

There are no financial impacts associated with this report.

PUBLIC VALUE:

This report requests Council's endorsement for the City of Cambridge to proceed with a renewed agreement of service to Cambridge residents. Enbridge Gas's operations in Ontario provide substantial public value through energy reliability.

ADVISORY COMMITTEE INPUT:

Advisory Committees Consulted:

- Not Applicable.

PUBLIC INPUT:

Posted publicly as part of the report process.

INTERNAL / EXTERNAL CONSULTATION:

The City's Legal Services division reviewed the Franchise Agreement and has determined the model agreement to be acceptable to the renewal of the proposed Franchise Agreement.

CONCLUSION:

To ensure the City's built infrastructure stays in a state of good repair, this report recommends that the Mayor and Clerk be authorized to enter into an Agreement with Enbridge Gas.

REPORT IMPACTS:

Agreement: **Yes**

By-law: **Yes**

Budget Amendment: **No**

Policy: **No**

APPROVALS:

This report has gone through the appropriate workflow and has been reviewed and or approved by the following as required:

Director

Deputy City Manager

Chief Financial Officer

City Solicitor

City Manager

ATTACHMENTS:

1. 25-026-CRS Appendix A – Draft Model Agreement between the City of Cambridge and Enbridge Gas

2. 25-026-CRS Appendix B – Draft By-law Re: City of Cambridge and Enbridge Gas