

# MODEL NATURAL GAS FRANCHISE PROCEEDING

## RP-1999-0048

The Ontario Energy Board is seeking comment on certain issues which will assist the Board in the formulation of a revised Model Natural Gas Franchise Agreement.

### BACKGROUND

Gas utilities deliver natural gas to consumers in municipalities under franchise agreements between the municipality and the gas utility and the terms and conditions of these franchise agreements are approved by the Ontario Energy Board.

A model agreement containing these terms and conditions has been used as a template for the majority of franchise agreements entered into since 1987. The Association of Municipalities of Ontario (“AMO”) requested that the Board reactivate the committee which worked on the original model gas franchise agreement with the intent to update that model.

The AMO and the gas utilities have been meeting in an attempt to reach agreement on a number of issues. A Report entitled *Summary of Discussions Between AMO and the Gas Companies Regarding Amendments to the Model Gas Franchise Agreement* was filed with the Board on September 24, 1999. Resolution on some issues is still outstanding.

Information on the issues that the Board wishes to receive comments on, the existing Model Gas Franchise Agreement, as well as a report to the Board, dated September 24, 1999 from the Association of Municipalities of Ontario and the gas utilities is available on the Board’s Web site at [www.oeb.gov.on.ca](http://www.oeb.gov.on.ca)

### ISSUES

The issues on which the Board wishes to receive comments are:

- 1) payment of permit fees;
- 2) compensation for the use of municipal right-of-way;
- 3) duration of new and renewable franchise agreements;
- 4) insurance and liability;
- 5) geodetic information;
- 6) as-built drawings;
- 7) no warranty as to condition of highway;
- 8) legislative change effects;
- 9) default provisions; and
- 10) abandoned gas pipe

The AMO/gas utility report referred to above also deals with discussions on an associated franchise handbook. The Board will not be dealing with the franchise handbook at this time.

### PROCESS

If you wish to comment, you must submit fifteen hard copies of your submission, as well as an electronic version, in either WordPerfect or Microsoft Word Version 6, by December 6, 1999.

Your comments will be posted electronically on the Board's Web site under the Natural Gas Franchise Proceeding heading.

The Board also intends to hear oral presentations from interested parties at a date, time and place to be decided. If you wish to make an oral presentation, please indicate this in your submission. Both contributors of written submissions and oral presenters will have the opportunity to file a final response subsequent to the oral presentations.

There will be no Intervenor Cost Awards in this matter.

## **CONTACTS**

Should you wish to receive more information on the process or on how to participate in this process, you may visit the Board's Web site or contact the Board Secretary at (416) 481-1967 or toll free at 1-888-632-6273, by fax at (416) 440-7656, or by E-mail at [boardsec@oeb.gov.on.ca](mailto:boardsec@oeb.gov.on.ca) or by mail at 2300 Yonge Street, Suite 2601, Toronto, Ontario, M4P 1E4.