

Report to Council

Report Title:	EPCOR Revised Model Franchise Agreement and New Letter of Support		
Prepared By:	Fiona Hamilton, Director of Legislative and Legal Services (Clerk) and Sonya Watson, Chief Administrative Officer		
Department:	Administration		
Date:	March 7, 2023		
Report Number:	CAO2023-06	File Number:	C11AD
Attachments:	Previous Letter of Support from September 29, 2021		

Recommendation:

That the Council of the Municipality of Brockton hereby approves Report Number CAO2023-06 – EPCOR Revised Model Franchise Agreement and New Letter of Support, prepared by Fiona Hamilton, Director of Legislative and Legal Services (Clerk) and Sonya Watson, Chief Administrative Officer for information purposes and further approves bringing forward an amending By-law to authorize a revised Model Franchise Agreement and further authorizes sending a Letter of Support on behalf of Brockton to the Ontario Energy Board in support of EPCOR's leave to construct application to provide natural gas service to areas of Brockton.

Report:

Background:

Since 2018, Brockton has been advocating to bring natural gas to the rural communities in Brockton. On June 11, 2021, the Ontario government announced \$234 million in the phase 2 of the Natural Gas Expansion, of which \$20.3 million had been awarded to EPCOR's project to provide natural gas servicing to approximately 501 homes and businesses in the communities of Elmwood, Vesta, Glammis, Pinkerton, Cargill, Chepstow, Riversdale, Greenock, Solway and other rural areas. Brockton supported this project by signing a Model Franchise Agreement with EPCOR, and providing a Letter of Support for the project. While other parts of the overall project have been completed in other municipalities, construction for the areas within Brockton was not expected to begin until 2023.

Council further confirmed support for the Natural Gas Expansion Project under the Economic Development category in the 2022-2026 Strategic Plan, which noted that "While the Municipality maintains its huge investment in the rural road system, other forms of infrastructure needed by the modern farm – like natural gas and reliable internet – have been a long time coming".

Analysis:

Staff have recently received an exciting update from EPCOR's Project Developer that EPCOR is hoping to file their Leave To Construct ("LTC") application with the Ontario Energy Board in the near future for the components of the expansion project that would service Brockton.

There are two items that EPCOR has requested from Brockton to support the LTC application. First, while Brockton signed a Model Franchise Agreement with the EPCOR, the Ontario Energy Board has requested one amendment to the Agreement, to include the following two paragraphs:

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.

Or

The consent of the Corporation is hereby given and granted to the Gas Company to distribute, store and transmit gas in and through the Corporation and to the inhabitants of those local or lower tier municipalities within the Municipality from which the Gas Company has a valid franchise agreement for that purpose.

While Brockton's Agreement already contains one of these paragraphs, the Ontario Energy Board has requested that the Agreement be revised to include BOTH of these paragraphs.

Further, EPCOR has requested that Brockton send another Letter of Support for the project to be included in the LTC application to the Ontario Energy Board in substantially the same format the previous letter sent September 29, 2021 and attached to this report.

Staff recommend bringing forward an amending by-law to authorize the changes to the Model Franchise Agreement outlined above and sending the requested Letter to Support to complete the action item in the Strategic Plan and to support Brockton's vibrant and thriving agricultural sector.

Strategic Action Plan Checklist:

What aspect of the Brockton Strategic Action Plan does the content/recommendations in this report help advance?

- | | |
|---|-----|
| • Recommendations help move the Municipality closer to its Vision | Yes |
| • Recommendations contribute to achieving Heritage, Culture, and Community | N/A |
| • Recommendations contribute to achieving Quality of Life | N/A |
| • Recommendations contribute to achieving Land Use Planning and the Natural Environment | Yes |
| • Recommendations contribute to achieving Economic Development | Yes |
| • Recommendations contribute to achieving Municipal Governance | N/A |

Financial Impacts/Source of Funding:

- Do the recommendations represent a sound financial investment from a sustainability perspective? Yes

There is no direct to cost to Brockton associated with the recommendations outlined above.

Reviewed By:

A handwritten signature in black ink, appearing to be 'Trish Serratore', with a stylized, cursive script.

Trish Serratore, Chief Financial Officer

Respectfully Submitted by:

A handwritten signature in black ink, appearing to be 'Fiona Hamilton', with a stylized, cursive script.

Fiona Hamilton, Director of Legislative and Legal Services (Clerk)

Reviewed By:

A handwritten signature in black ink, appearing to be 'Sonya Watson', with a stylized, cursive script.

Sonya Watson, Chief Administrative Officer