

Municipality of Lakeshore – Report to Council

Operations

Energy Management and Utilities



To: Mayor & Members of Council
From: Marco Villella, P.Eng., Division Leader – Energy Management and Utilities
Date: April 15, 2024
Subject: Enbridge Gas – Road Use Agreement (RUA) for the Panhandle Project

Recommendation

Direct the Clerk to read By-law 56-2024, being a By-law to execute a Road Use Agreement (RUA) for the Panhandle Project between the Municipality of Lakeshore and Enbridge Gas Inc., during the consideration of By-laws as presented at the May 28, 2024 Council meeting.

Background

Enbridge Gas is proposing to increase the capacity of the Panhandle Transmission System, which serves customers in Windsor, Essex County and Chatham-Kent. The project includes approximately 19 kilometers of new pipeline (approximately 3 km in Lakeshore jurisdiction).

The new 36-inch pipeline will be located adjacent to an existing pipeline corridor (mostly within private property) between Richardson Side Road in Lakeshore and Dover Transmission Station in Chatham-Kent. The Panhandle Loop also includes a new station with access off Richardson Side Road.

Enbridge Gas presented to Council at the December 14, 2021 Council Meeting related to the alternatives. The Municipality provided comments related to alternatives and preferred alternatives on December 15, 2021.

At the May 10, 2022 Council Meeting, Enbridge Gas attended the meeting as a delegate to seek a letter of support from Council for purposes of the Ontario Energy Board (OEB) filing for the application for leave to construct.

The Enbridge Panhandle Project was originally planned for construction in 2023 but has been delayed as the project's scope has changed to a phased approach which required final approval in the regulatory review process through the OEB. The project is now scheduled to start this year with the initial phase anticipated to commence in the next few months.

Comments

In early consultation between both parties and based on the project scope, the Municipality advised Enbridge Gas that a Road Use Agreement (RUA) would be required for the Panhandle Project.

The planned haul route utilizes the Municipality's Class B Road system and is subject to a 5 tonnes per axle weight limit (half load) year-round, as outlined in the Municipality's Traffic By-law 2-2002 as amended by By-law 19-2022.

The RUA will be necessary to accommodate construction traffic and the transportation of any construction materials related to the Panhandle project for the duration of the project. Impacted Lakeshore roads include:

- Richardson Sideroad (between County Road 46 and Desimpel Road);
- Desimpel Road (between Richardson Sideroad and Gray Line); and
- Gray Line (between Desimpel Road and Essex-Kent Road #1).

The Municipality and Enbridge Gas have an existing Franchise Agreement that was executed in 2005 and encompasses all works within the right-of-way by Enbridge Gas. The Franchise Agreement is a broader agreement that is up for renewal in 2025 while the RUA is project specific to the Panhandle Project. Many aspects of the existing Franchise Agreement will still be applicable to this project. The RUA is a supplemental agreement that will address additional language that may not be clear or is non-existent in the Franchise Agreement (project specific for use of Lakeshore's roadways through construction).

The RUA will include language related to Enbridge's duty to conduct a pre-condition and post-condition assessment of the project's haul route and to ensure that any repairs are performed by Enbridge as indicated within these condition assessments. In addition, the RUA will contain specific warranty timelines for any of the repairs (both temporary and permanent) that is not clearly identified within the Franchise Agreement.

Most of the works for the pipeline is within/adjacent existing gas easements on private lands. Enbridge Gas will be conducting a pre-construction and post-construction road assessment of the haul route at their own expense to determine if any road repair work is required at the project's completion. Enbridge Gas will be responsible for completing any required road remediation within the outlined haul route as identified in these assessments.

Administration is recommending that any typical securities that are usually requested through RUA's be waived for this project as the scope of this project is small in nature with minimal anticipated impact to Lakeshore's road system with a commitment to restore as required.

All other project details and submission for permits (entrance permits) have also been submitted by Enbridge and reviewed through the standard permitting process for all crossings. The other project approvals are forthcoming once the RUA has been accepted by Council.

Others Consulted

Enbridge Gas Inc. was consulted.

Financial Impacts

There are no financial impacts associated with this project as all costs will be incurred by Enbridge Gas Inc/ for this project and with respect to this agreement, including third party consultation or inspections.

Report Approval Details

Document Title:	Enbridge Gas - Road Use Agreement (RUA).docx
Attachments:	
Final Approval Date:	May 21, 2024

This report and all of its attachments were approved and signed as outlined below:

Prepared by Marco Villella

Submitted by Krystal Kalbol

Approved by the Corporate Leadership Team