Municipality of Kincardine 1475, Con. 5, RR #5 Kincardine, ON, N2Z 2X6 Phone: 519-396-3468 Township of Huron-Kinloss 21 Queen Street, P.O. Box 130 Ripley, ON, NOG 2RO 519-395-3735 Municipality of Arran-Elderslie Bruce Road #10 Chesley, ON, NOG 1LO 519-363-3039

## For Immediate Release (V2)

## February 22, 2016

## Kincardine, Arran-Elderslie & Huron-Kinloss approve Natural Gas Franchise Agreement with EPCOR

The Municipalities of Kincardine and Arran-Elderslie and the Township of Huron-Kinloss (the Municipalities) have approved and signed a Municipal Franchise Agreement which provides EPCOR Utilities Inc. with the right to distribute natural gas within the three Municipalities. In September, 2015 the Municipalities selected EPCOR as the preferred proponent to bring natural gas to their three Southern Bruce communities. The selection of EPCOR followed a 6 month competitive Request for Information process which identified multiple potential developers to construct, own and operate a new natural gas distribution utility.

Kincardine Mayor Eadie said "Council's approval of the Franchise Agreement is the next important step in allowing EPCOR to start implementing its plan to create a new gas utility for our area. We are very pleased that EPCOR continues to make progress and move forward on this critical community initiative." The Ontario Energy Board must approve the Franchise Agreement and EPCOR's plans to construct and operate a new gas utility.

Last month the Ontario Energy Board announced that it will hold a public hearing in April, 2016 to consider the common issues across Ontario regarding natural gas expansions. Arran-Elderslie Mayor Paul Eagleson said "we take the recently announced hearing as a positive sign that the Energy Board recognizes that new entrants like EPCOR want to participate and invest in our communities to provide new gas service. Fairness demands that whatever new rules the Energy Board establishes for gas expansion must apply in the same way to everyone regardless of whether they are existing utilities or a new major player like EPCOR".

Once the OEB makes its decision on the new gas expansion rules, which is expected by the fall of this year, EPCOR intends to make a Leave to Construct application to the Energy Board for approval to build the new gas distribution network. Huron-Kinloss Mayor Twolan said "our three municipalities began exploring the topic of gas expansion a few years ago with one simple goal in mind: to bring natural gas to as many of our residents, farms and businesses as possible. We did not expect to change the entire provincial regulatory landscape in the process, but this is exactly what appears to be happening. If our efforts can help other municipalities in achieving gas service as well, then we are very pleased to have done so".

Mayor Eadie said "to access natural gas in our area will be a significant economic boost for the entire region. EPCOR continues to be an excellent, supportive partner in helping us achieve this outcome".

EPCOR considers the Municipal Franchise Agreement as an important milestone.

"We are pleased that the agreements have been approved by each of the municipalities," said Stephen Stanley, EPCOR Senior Vice-President, Commercial Services. "It will ultimately bring natural gas to these communities. We can now proceed to the next phase, which is preparing and submitting our applications to the Ontario Energy Board."

## **About EPCOR**

EPCOR's wholly owned subsidiaries build, own and operate electrical transmission and distribution networks, water and wastewater treatment facilities and infrastructure in Canada and the United States. The company's subsidiaries also provide electricity, water and natural gas services and products to residential and commercial customers. EPCOR, headquartered in Edmonton, is an Alberta Top 70 Employer and one of Canada's Top Employers for Young People.

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