

Dear Municipal Manager,

Union Gas has experienced an increase in the occurrence of laneways or unopened road allowances ("municipal highways") being sold by a municipality, and the purchaser then looking to build structures on or make modification to the property. In some cases there are natural gas pipelines on these former municipal highways.

To avoid any potential liabilities related to relocation costs, a public safety risk or frustrated relations with ratepayers who have purchased a property from the municipality, we would like to respectfully remind you of the terms under the franchise agreement we have in place. The agreement states that it is necessary to notify Union Gas prior to a sale and, if feasible, to ensure a new easement is in place.

The franchise agreement between your municipality and Union Gas states;

11. Alternative Easement

The Corporation agrees, in the event of the proposed sale or closing of any highway or any part of a highway where there is a gas line in existence, to give the Gas Company reasonable notice of such proposed sale or closing and, if is feasible, to provide the Gas Company with easements over that part of the highway proposed to be sold or closed sufficient to allow the Gas Company to preserve any part of the gas system in its then existing location. In the event that such easements cannot be provided, the Corporation and the Gas Company shall share the cost of relocating or altering the gas system to facilitate continuity of gas service, as provided for in Paragraph 12 of this Agreement.

The definition of "highway" under the franchise agreement;

"highway" means all common and public highways and shall include any bridge, viaduct or structure forming part of a highway, and any public square, road allowance or walkway and shall include not only the travelled portion of such highway, but also ditches, driveways, sidewalks, and sodded areas forming part of the road allowance now or at any time during the term hereof under the jurisdiction of the Corporation; To avoid any issues, we ask that prior to the sale of such land, you contact our Lands Department at <u>ONTUGLLandsINQNorth@uniongas.com</u> if you are in Northern Ontario or <u>ONTUGLLandsINQ@uniongas.com</u> if you are in Southwest, Central or Eastern Ontario. Once notified, Union Gas can confirm whether any natural gas infrastructure is located within the property to be sold.

We would ask that you please circulate this communication to any members of your team who may be involved in this process, including your municipal legal and public works department.

We look forward to working with you to support such land transactions. If you have any questions or concerns, please feel free to contact your local Union Gas representative or Matthew Jackson, Manager, Municipal Affairs & Franchise Relations at <u>mgjackson@uniongas.com</u> or 226-989-2019 for more information.

Sincerely,

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Matthew Jackson Manager, Municipal Affairs & Franchise Relations

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