

February 17, 2021

## **Panhandle Regional Expansion Project Expression of Interest and Capacity Request Form**

To serve a growing demand for natural gas across all sectors in Essex County, including Windsor, LaSalle, Amherstburg, Tecumseh, Essex, Leamington, Lakeshore, Kingsville, and in western Chatham-Kent, Enbridge Gas Inc. (“**Enbridge**”) is pleased to announce this Expression of Interest for natural gas distribution service, which may require incremental facilities to serve this area (see attached map on page 4).

This Panhandle Regional Expansion Project (the “**Project**”) is considering alternatives that could provide 65,000 to 130,000 m<sup>3</sup>/hour of additional natural gas capacity. Depending on customer location additional local reinforcement may also be required to serve new and existing customers in this developing area. The potential Project is targeting incremental net demand from all sectors and is focused on the Large Volume commercial, industrial and greenhouse growth planned over the next five to ten years. Large Volume customers would include those consuming at least 50,000 m<sup>3</sup>/year or more. Small Volume customers interested in capacity should submit their request via the [Get Connected](#) website. The purpose of this expression of interest is to gather Large Volume customer input to help prepare a forecast that identifies the location, timing and magnitude of customer growth. The information gathered through the Expression of Interest process will be used to evaluate and finalize alternatives necessary to meet the demands and timing identified (potentially as early as fall 2023 or 2024).

Enbridge Gas recognizes that with the COVID-19 pandemic, many businesses are currently facing significant challenges; however, many others are planning significant growth. To ensure adequate capacity is available to accommodate the timing of any growth, the process must move forward at this time. Concurrent with this process to express interest in new capacity, all existing contract rate class customers in the Area of Benefit (see attached map on page 4) will be offered the opportunity to “turn back” or de-contract their capacity via a concurrent Reverse Open Season using the same bid form. Bids under the Reverse Open Season will be subject to other customers contracting to take on that “turned back” capacity. In this way, Enbridge will minimize the facilities required to serve incremental demand while optimizing any unwanted existing capacity. Existing customers should submit only one form for each site. Existing customers or potential new customers contemplating an expansion on a new site/address should submit a form for each new site/address.

The development of this Project is contingent upon sufficient net market demand and approval of the Project by the Ontario Energy Board (“**OEB**”). If sufficient demand is demonstrated, Enbridge Gas will file a Leave to Construct application with the OEB, with the goal of making the Project economically viable for customers in the area. Included in that application will be a proposed economic allocation methodology. Assuming the proposed economic allocation methodology is approved; large volume customers would be expected to execute distribution contracts of at least 10 years in order to make an economic contribution towards the transmission component of the Project. The Hourly Allocation Factor process recently approved by the OEB will be used for any additional distribution facilities that may be required related to the demands served by the transmission facilities. By proposing this approach, Enbridge Gas is trying to ensure the Project is economic for customers. This allocation will

address the facilities needed to serve the area shown on the attached map (page 4). This allocation does not include costs that are required to serve each specific customer such as new facilities built at the customer's site. The proposed allocation methodology will be subject to an economic review and approval of the OEB.

Enbridge Gas will consider the size and location of all requests for new capacity in designing the optimal facilities. If insufficient net customer interest or economic approval is not forthcoming, the Project is unlikely to proceed as proposed herein.

Capacity would be available for the following services, depending on market support:

1. New firm distribution service
2. Conversion of existing interruptible distribution service to firm service
3. New interruptible distribution service

This Expression of Interest process closes, and completed Expressions of Interest Bid Forms are due, no later than **12:00 p.m. EDT on Wed. March 31, 2021.**

### **Service Description and Details**

1. As this Project requires a significant capital investment by Enbridge Gas, the term of the customer's natural gas distribution contracts will be no less than five years and not to exceed 20 years; and/or may include upfront payments for capacity and/or negotiated rates above currently OEB approved and posted, which do change over time. The facilities, rates and services included in this Expression of Interest will be subject to OEB approval and sufficient interest being received to justify a Project. The final scope of the proposed facilities will be determined using the demands from the forecast resulting from the EOI process and may change from those contemplated herein.
2. Submitting an Expression of Interest form:  
If you wish to participate in this Expression of Interest in the **Panhandle Regional Expansion Project**, please complete, sign and return the attached non-binding Expression of Interest Bid Form via email to [Economic.Development@enbridge.com](mailto:Economic.Development@enbridge.com). Completed forms must be returned by email on or before 12 p.m. EDT on Wed. March 31, 2021. The returned Bid Forms will be time-stamped by the date on the bidder's email.

### **Expression of Interest Process and Bid Form**

This process is designed to gauge interest in the Project and to assist Enbridge Gas with determining the optimal facility requirements to meet market needs and prepare an application to the Ontario Energy Board. Enbridge Gas will acknowledge receipt of all Bid Forms by email on or before the end of day on Friday, April 2, 2021. Enbridge Gas in its sole discretion reserves the right to reject any and all bids received.

Any suggested contractual Condition(s) Precedent that the customer proposes should be clearly articulated and attached to the Bid Form and will be considered during the capacity allocation process.

Enbridge Gas anticipates allocating capacity on a preliminary and conditional basis to successful

bidders by the end of June 2021. Successful bidders will then be asked to commit to the capacity by executing a Letter of Indemnity or an Enbridge Gas Distribution Contract or Letter of Agreement to more formally support the need for the project. **Any updates to the EOI process or timelines will be posted online here: [www.enbridgegas.com/PanhandleRegionalExpansion](http://www.enbridgegas.com/PanhandleRegionalExpansion)**

If you have any questions about the Panhandle Regional Expansion Project, please contact your account manager or one of the following:

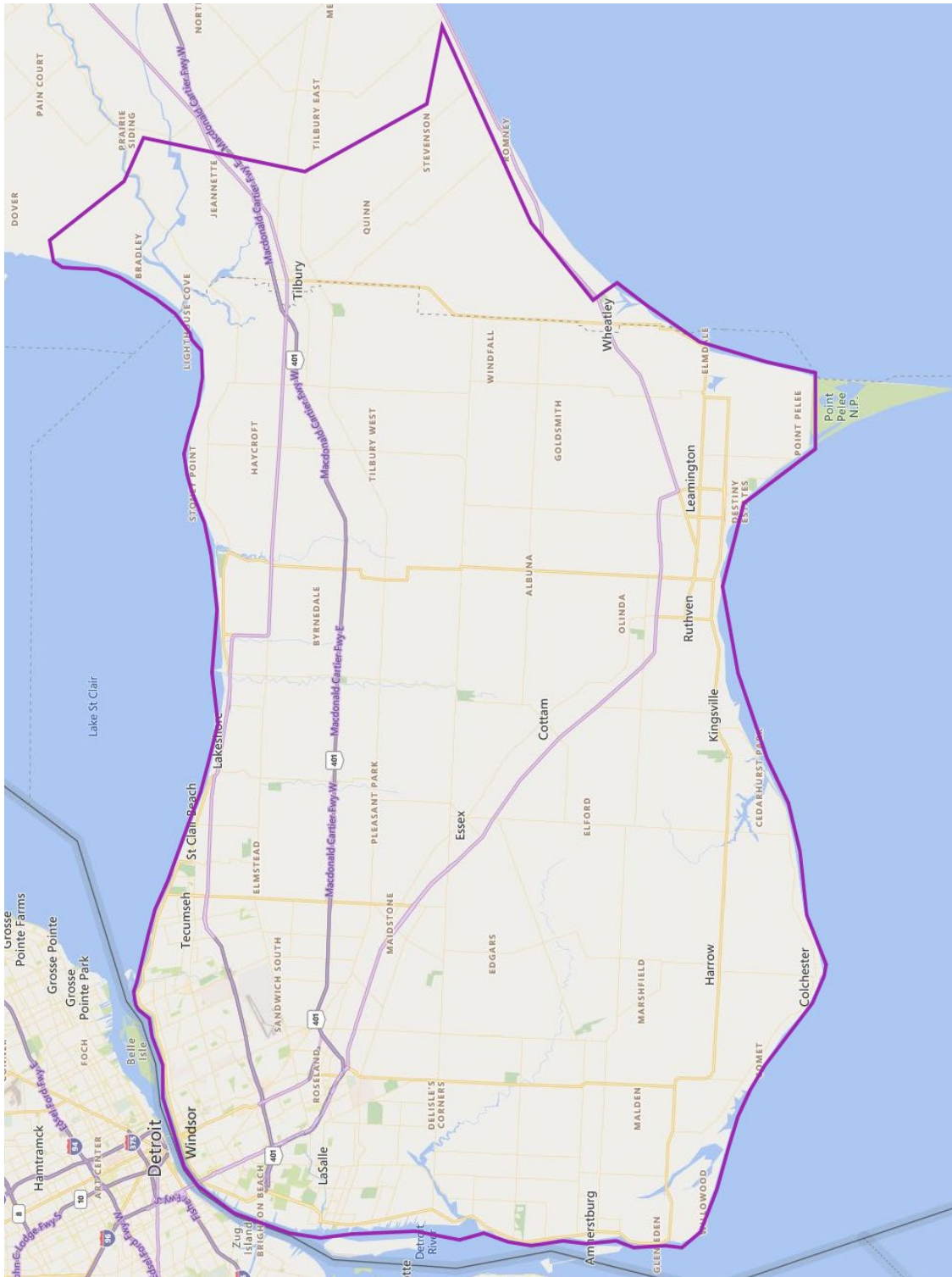
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## Map of proposed project service area

The map below outlines the area that is under consideration for a potential project to expand natural gas capacity. All potential large volume commercial, greenhouse or industrial customers considering developments within this area over the next five to ten years are encouraged to participate in this Non-Binding Expression of Interest.



**Expression of Interest Non-Binding Bid Form:**

Please complete, sign and return this Expression of Interest Non-Binding Bid Form (“**Bid Form**”) on or before **12:00 p.m. EDT on Wed. March, 31, 2021**, via email to [Economic.Development@enbridge.com](mailto:Economic.Development@enbridge.com)

Based on the responses received through this Bid Form and the Reverse Open Season, Enbridge Gas will be able to define the optimal facilities required to support market needs. Enbridge Gas will determine whether to proceed with the Project, as proposed or with a refined scope, or not at all, based on the assessment of the results from this signed Bid Form and project economics. Customers may only submit one Bid Form per property. Bid Forms will be treated as confidential and only aggregated or non-identifiable data will be used to support any application to the Ontario Energy Board.

Property address: \_\_\_\_\_ SA: \_\_\_\_\_  
911 address X,Y (latitude and longitude, if known) (if known)

**New FIRM natural gas needs.** An increase of firm gas needs at the above location (i.e. new equipment, new processes), or a new firm gas load as a result of a new build.

Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Incremental (m <sup>3</sup> /h)											
Cumulative											

Ultimate incremental **firm** gas needs over planning horizon: \_\_\_\_\_ m<sup>3</sup>/hour (please provide details on estimated timing above)

**Conversion from interruptible distribution service to firm distribution service.** The amount of incremental firm distribution service needed net of any existing firm distribution service resulting from conversion of existing interruptible service to firm distribution service.

Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Incremental (m <sup>3</sup> /h)											
Cumulative											

**New INTERRUPTIBLE natural gas needs.** An increase of interruptible gas needs at the above location (i.e. new equipment, new processes), or a new interruptible gas load as a result of a new build where customer is willing to accept the terms and conditions of interruptible service (for example periodic curtailment of gas distribution service).

Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Incremental (m <sup>3</sup> /h)											
Cumulative											

Ultimate incremental **interruptible** gas needs (over planning horizon): \_\_\_\_\_ m<sup>3</sup>/hour (please provide details on estimated timing above)

**Economic Development impacts related to incremental gas needs:**

Number of net new jobs related to this expansion: \_\_\_\_\_ direct + \_\_\_\_\_ indirect = \_\_\_\_\_ total

Number of current jobs at risk if economical access to gas is not available: \_\_\_\_\_

Capital investment by Customer at the site conditional on economical access to gas: \$ \_\_\_\_\_

Please detail any other benefits from increased access to gas (lower GHG emissions or costs by displacing an alternative energy source etc.): \_\_\_\_\_

Total Incremental distribution service capacity (New firm + conversion of Interruptible): \_\_\_\_\_ m<sup>3</sup>/hour.

Total job impacts related to economical access to natural gas (total new + current “at risk”): \_\_\_\_\_ jobs

**Customer Conditions Precedent for growth:** If the Customer’s Expression of Interest for growth is subject to Conditions Precedent, (please attach a separate page with details if space insufficient):

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Option for Reverse Open Season (Turnback of existing capacity under contract at an existing site)

**Turn back existing FIRM distribution service.** The amount of **firm** distribution service at the identified location no longer required by the customer.

Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Turnback (m <sup>3</sup> /h)											
Cumulative											

**Turn back existing INTERRUPTIBLE distribution service.** The amount of **interruptible** distribution service at the identified location no longer required by the customer.

Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Turnback (m <sup>3</sup> /h)											
Cumulative											

**Customer Conditions Precedent for turnback of capacity:** If the Customer’s request to turn back excess or unwanted capacity is subject to Conditions Precedent, (please attach a separate page with details if space insufficient):

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Customer’s legal name: \_\_\_\_\_

Name of Authorized Representative: \_\_\_\_\_  
Please Print Signature

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

Dated this \_\_\_\_ day of \_\_\_\_\_, 2021