

**Centra Gas Manitoba Inc.
Franchise Agreement Application**

Amendments to the Schedule of The Greater Winnipeg Gas Distribution Act

Tab 3- Attachment Index

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1	Existing Schedule of <i>The Greater Winnipeg Gas Distribution Act</i>
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SCHEDULE

Provisions of Franchise granted to Greater Winnipeg Gas Company (the Company) under The Greater Winnipeg Gas Distribution Act (the Act) for the Construction, Operation and Maintenance of a Distribution System for Natural Gas in each of the Municipalities (the Municipality) as defined in the Act or included in Greater Winnipeg pursuant to the Act.

1 Subject to the terms and conditions contained in this franchise and in the Act, the Company and its successors and assigns have the full right, power, and liberty to erect and maintain a natural gas distribution system and any necessary or convenient mains, pipes services, and other works thereunto appertaining, in, upon, over, across, under, and along the public streets, roads, squares, lanes, alleys, bridges, and other public highways or places, or any of them, in each Municipality for a period ending on December 31, 2008, and during any extension thereof as provided in the Act, and for that purpose, and in order to transmit, distribute, and sell natural gas through the Municipality for distribution and sale elsewhere, to use, break up, dig, trench, and excavate in the public streets and other places above set forth, and otherwise to do such work as may from time to time be required to locate, construct, lay, operate, maintain, repair, renew, extend, relay and remove the pipe lines and other works of the Company, or to do any of those things.

2(1) During the terms of this franchise the Company shall, subject as in this franchise set out, provide and maintain in the Municipality an adequate natural gas distribution system and operate it so as to meet the requirements for gas of the inhabitants and industries of the Municipality.

2(2) For the purpose of implementing distribution system expansion for the attachment of new customers pursuant to clause 2(1), the Company shall, whenever a request is made for gas service by any inhabitant or industry of the Municipality in a location not served by the existing system of the Company, comply with that request provided the request meets criteria filed with and approved by the Public Utilities Board of Manitoba (the Board) for expansion of the distribution system and does not unduly affect customers on the existing system. Such criteria may include but not be limited to estimates of customers, sales volumes, revenues, costs, return on investment, the effect upon existing customers and any customer contribution in aid of construction. The criteria shall be reviewed by the Board from time to time as the Board deems necessary or as may be requested by the Company.

3 Gas shall be supplied at a total heat content of not less than 950 b.t.u. per cubic foot (35.99 mega joules per cubic meter) at delivery conditions at meter, with pressure of one quarter pound per square inch (1.724 kilopascals) above the atmospheric pressure and delivery temperature of gas.

4(1) The Company shall submit excavation and backfill specifications and a plan showing the exact location and depth and size of all gas pipe lines within the Municipality for the approval of the municipal engineer or other person designated by the council for the Municipality.

4(2) Construction of the distribution system or of any extension thereof shall not begin until the specifications and the plan have been approved by the municipal engineer or other person designated by the council of the Municipality; but if during construction it is found that changes in the approved plan are desirable, the construction shall not be proceeded with until such changes have been approved.

4(3) Plans of the distribution system or any extension thereof as finally constructed shall be filed with the Municipality.

4(4) The pipe, materials and other equipment to be used in the distribution system shall be of kinds and qualities satisfactory to the Board, and shall be in compliance with The Gas Pipe Lines Act and the regulations thereunder.

5 The Company shall give notice to the Clerk of the Municipality, or to such other officer or employee of the Municipality as may be designated in writing by the Clerk, of its intention to open or break up any of the public streets, roads, squares, lanes, alleys and other public highways or places in the Municipality, not less than seven days before the beginning of the work, except in cases of emergency arising from defects or breaking of the pipe or other works, when immediate notice shall suffice; and, subject to the same exception and as otherwise provided in this franchise, the Company shall not begin any such work unless it has obtained approval therefor in writing from the engineer of the Municipality or such other person as may be designated by the council of the Municipality.

6 The Company

(a) in the execution of the powers granted hereby and under the Act, shall do as little damage as possible, and shall keep the passage of the streets, highways, lanes, and other places hereinbefore described, as far as may be practicable, free and uninterrupted;

(b) shall not interfere with any existing pipes or lines of other utilities;

(c) shall, within a reasonable time and from time to time, restore the streets, highways, lanes, and other places hereinbefore described within the limits of the Municipality to a state of repair as nearly as possible equal to their former state and to the satisfaction of the engineer of the Municipality or such other person as may be designated by the council of the Municipality, where such restoration is required by reason of the Company having installed gas pipe lines; and

(d) in the execution of the power granted hereby and under the Act, shall construct and locate its gas pipe lines in such a manner as will not endanger the public health or safety.

7(1) The Company shall protect and indemnify the Municipality against any damages or expenses in connection with the execution of the powers granted hereby and under the Act, and from and against all claims, demands, and actions by third persons in respect of damages sustained by reason of any operations of the Company and in relation to its distribution system.

7(2) The Company shall satisfy the Board that it has in place at all times liability insurance coverage sufficient to satisfy any potential claim, demand or action against the Company or the Municipality for such damages.

8(1) Before the Municipality makes any repairs of, or alterations to, any of its public services which will involve excavations or which may in any way affect any of the Company's lines, plant or equipment, the Municipality shall give notice as set forth in the regulations in effect at that time and the regulations in effect at that time and made pursuant to The Gas Pipe Line Act.

8(2) Where practicable, the Municipality, shall have regard to the reasonable directions of the Company concerning any such repairs and alterations, but, in any event, the Municipality is free of all liability in connection with any damage done by reason of any such repairs or alterations.

9(1) Subject to clauses 2 and 3 of this franchise agreement and to any applicable Canadian or provincial legislation the Company shall, during the term of this franchise, supply as much natural gas as may be required by the Municipality or the consumers within the limits of the Municipality, or both the Municipality and the consumers, when the places or buildings to be supplied therewith are situated on land lying along the line of any distribution line of the Company.

9(2) The Company shall install a meter, regulator and other equipment and appliances, when required, suitably located on the premises of the customers, and the meter, regulator and other equipment and appliance shall be and remain the property of the Company, and the meter and regulator shall be supplied without charge by the Company, and shall be installed at a location to be determined by the Company.

9(3) The Company shall install the necessary service lines from the distribution line to the meter, and the cost thereof shall be borne

(a) by the Company; or

(b) by the Company and the customer in such proportions as may be approved by the Board.

9(4) All installations of service lines by the Company are subject to any statutory requirements and regulations now or hereafter enacted or made.

9(5) The customer shall pay the Company for natural gas supplied at the rates established by the Board from time to time for the class of service supplied to the customer.

10 This franchise does not prevent the sale or delivery within the Municipality by any other corporation or person of liquefied petroleum gas sold or delivered in tanks or containers and not transmitted by pipe line within the Municipality.

11 Subject to any applicable legislation now or hereafter enacted in that regard the Company shall pay to the Municipality any tax or taxes that may be legally and properly levied by the Municipality against the Company.

12 All the provisions of this franchise are subject as provided in section 17 of the Act.

13 Unless the context otherwise requires, words and expressions used in this franchise have the meanings given to them in the Act.

Schedule of The Greater Winnipeg Gas Distribution Act

Provisions of Franchise granted to **Centra Gas Manitoba Inc., the successor company to ICG Utilities (Manitoba) Ltd.** and Greater Winnipeg Gas Company (the Company) under The Greater Winnipeg Gas Distribution Act (the Act) for the Construction, Operation and Maintenance of a Distribution System for Natural Gas in each of the Municipalities (the Municipality) as defined in the Act or included in Greater Winnipeg pursuant to the Act.

1. Subject to the terms and conditions contained in this franchise and in the Act the Company and its successors and assigns have the full power, right, licence, power, and liberty to enter upon property of the Municipality and break the surface and make the necessary excavations to lay down, take up, relay, connect, disconnect, repair, remove, maintain, replace and operate a gas distribution system and erect and maintain a natural gas distribution system and any and all necessary or convenient mains, pipes, services, and other equipment and appliances as the Company may deem desirable for the supply, transmission and distribution of gas (collectively the "Gas Distribution System") works thereunto appertaining, in, upon, over, across, under, and along the public highways, streets, roads, bridges, walkways, sidewalks, road allowances, squares, lanes, alleys, ditches, drainage systems – bridges, and other public highways or places (collectively the "Highways") within the boundaries of the Municipality as the same may from time to time exist, or any of them in each Municipality for a period ending on December 31, 2036 2008, and during any extension thereof as provided in the Act, as may be necessary for the purpose of transporting, supplying and delivering natural gas to the consumers thereof. and for that purpose, and in order to transmit, distribute, and sell natural gas through the Municipality for distribution and sale elsewhere, to use, break up, dig, trench, and excavate in the public streets and other places above set forth, and otherwise to do such work as may from time to time be required to locate, construct, lay, operate, maintain, repair, renew, extend, relay and remove the pipe lines and other works of the Company, or to do any of those things.

Gas company ownership changes since 1982:

- Dec., 1989 - The Greater Winnipeg Gas Company and ICG Utilities are merged and operate under the name ICG Utilities (Manitoba) Ltd.
- Jan., 1990 PUB approval for the indirect acquisition of ICG Utilities (Manitoba) Ltd. by Westcoast Energy;
- 1991 name changed to Centra Gas Manitoba Inc.;
- 1999 Centra Gas Manitoba Inc. became wholly owned subsidiary of Manitoba Hydro

Section 1 has the same general intent of existing Schedule, but the language has been updated to conform with language used in the Generic Agreement.

New: The term "drainage systems" has been added for clarity.

Updated: The expiry date changes from 2008 to 2036 to reflect a renewed 25 year term.

New: The word "delivering" has been added as customers now have the option to have their natural gas supplied by a broker and delivered through Centra's distribution system.

2(1) Subject to the provisions hereof, the Company agrees that during the terms of this the franchise the Company shall, subject as in the franchise set out, provide install and maintain an adequate natural gas distribution system within the Municipality and will provide such quantities of natural gas as will an adequate natural gas distribution system and operate it so as to meet the requirements for gas of the inhabitants, businesses and industries in of the Municipality;

2(2) The Company agrees that with respect to any portion of the Municipality which the Company does not supply natural gas to, in the event the Municipality, acting reasonably, requests the Company to supply natural gas upon the same terms and conditions as provided in this franchise, the Company will work together with the Municipality with a view to developing a viable business model in relation to that portion of the Municipality.

2(3) For the purpose of implementing a distribution system expansion for the attachment of new customers pursuant to clause 2(1), the Company shall, whenever a request is made for gas service by any inhabitant or industry of the Municipality in a location not served by the existing system of the Company, comply with the request provided the request meets criteria filed with and approved by the Public Utilities Board of Manitoba (the Board) for expansion of the distribution system and does not unduly affect customers on the existing system. Such criteria may include but not be limited to estimates of customers, sales, volumes, revenues, costs, and return on investment, the effect upon existing customers and any customer contribution in aid of construction. The criteria shall be reviewed by the Board from time to time as the Board deems necessary or as may be requested by the Company.

2(4) The Company shall not be bound to construct or extend its mains or provide natural gas or gas service if the Company is, for any reason, unable to obtain delivery of natural gas at or near the limits of the Municipality, or an adequate supply thereof to warrant the construction or extension of its mains for the provision of natural gas.

Subsection 2(1) has the same general intent as the existing Schedule, but language has been updated to conform with language used in the Generic Agreement.

Subsection 2(2) is adapted from part of Section 1 of the existing Generic Agreement and modified to reflect current practice.

In subsection 2(3) (Subsection 2(2) of the existing Schedule) the word "and" has been added.

Subsection 2(4) is from the first half of Subsection 2(b) of the existing Generic Agreement.

2(5) In the event the amount of natural gas supplied to the Company at or near the limits of the Municipality is insufficient to meet the requirements of connected customers, the Company shall have the right to prescribe reasonable rules and regulations for allocating the available supply of natural gas to domestic, commercial and industrial customers in that order of priority. The allocation of natural gas shall also be subject to the provisions of The Gas Allocation Act and Regulations thereto and any order made pursuant to The Emergency Measures Act.

2(6) In the event that either of the conditions referred to in subsection (4) and (5) occur or are likely to occur, the Company will advise the Municipality thereof as soon as the conditions become apparent to the Company.

~~3 Gas shall be supplied at a total heat content of not less than 950 b.t.u. per cubic foot (35.99 mega joules per cubic meter) at delivery conditions at meter, with pressure of one quarter pound per square inch (1.724 kilopascals) above the atmospheric pressure and delivery temperature of gas.~~

3(1) 4(1) Prior to the installation of any part of the Gas Distribution System, the Company shall file plans with submit excavation plans and backfill specifications and a plan showing the exact location and depth and size of all gas pipe lines within the municipality for the approval of the Municipal Engineer or other person designated by the council for the Municipality, showing the location, depth and size of all mains, pipes or conduits and any other equipment or structures intended to be installed or constructed and shall comply with all by-laws of the Municipality relating to the construction of such works. The Municipality, by its Municipal Engineer, shall approve the plans as to the location of the Gas Distribution System and any changes thereto arising in the course of construction within the Municipality which approval shall not be unreasonably withheld or unduly delayed. The Gas Distribution System shall be placed in such locations as agreed by the Municipal Engineer and the Company in boulevards and other unpaved surfaces rather than in streets when reasonably practicable and where the cost of installation and maintenance will not be unreasonably high.

Subsection 2(5) is from Subsection 2(c) of the existing Generic Agreement.

The term "consumers" has been changed to "customers".

New: added reference to The Emergency Measures Act.

Section 2(6) is from paragraph 2(d) of the existing Generic Agreement.

This section has been deleted and is now referenced in section IV.D.12(c) of Centra's Schedule of Sales and Transportation Services and Rates (page 21).

Subsection 3(1) has the same general intent as the existing Schedule (sections 4(1) and 4(2)), but the language has been updated to conform with language from the Generic Agreement.

"Municipal Engineer" is defined in subsection 14(2) of the Negotiated Schedule.

New: Text in red has been added for clarity and to reflect current actual practice where the Municipality and Centra discuss alternatives if the one proposed by Centra is not suitable to the Municipality.

New: The phrase under other "unpaved surfaces" is preferred over the word "lanes" used in the existing Generic Agreement because lanes are often paved.

New: Addition of "installation and maintenance", as the cost of maintenance is also an important factor when considering location of the gas distribution system.

3(2) The Company shall supply to the Municipality plans showing the location of its Gas Distribution System within the Municipality on an as-built basis as requested by the Municipality but in no event shall such plans be provided more than twice in any 12 month period. Such plans shall be provided either on paper or in a mutually agreeable format. All of the conditions for the supply of as-builts are to be mutually agreed upon.

3(3) 4(4) The pipe, materials, and other equipment to be used in the distribution system shall be of kinds and qualities satisfactory to the Board, and shall be in compliance with The Gas Pipe Lines Act and the regulations thereunder.

4 5- Unless another process is established through municipal bylaw, the Company shall give notice to the Chief Administrative Officer (CAO) or designate Clerk of the Municipality, or to such other officer or employee of the Municipality as may be designated in writing by the Clerk, of its intension to open or break up any of the public streets, roads, squares, lanes, alleys and other public Highways or places in the Municipality, not less than seven days before the beginning of the work, except in cases of emergency arising from defects or breaking of the pipe or other works, when immediate notice shall suffice; and, subject to the same exception and as otherwise provided in this franchise, the Company shall not begin any such work unless it has obtained approval therefore in writing from the Municipal Engineer. of the Municipality or such other person as may be designated by the council of the Municipality.

4(2) Construction of the distribution system or of any extension thereof shall not begin until the specifications and the plan have been approved by the municipal engineer or other person designated by the council of the Municipality; but if during construction it is found that changes in the approved plan are desirable, the construction shall not be proceed with until such changes have been approved.

4(3) Plans of the distribution system or any extension thereof as finally constructed shall be filed with the Municipality.

Subsection 3(2) is derived from the last part of Section 4 of the existing Generic Agreement, but updated to provide a reasonable response to the needs of the Municipality and what is administratively feasible to Centra.

No change from Subsection 4(4) of the existing Schedule.

Section 4 follows that same general intent as Section 5 of the existing Schedule. The existing Generic Agreement addresses these concerns in a more general way in Section 4.

New: The phrase "Unless another process is established through municipal bylaw" has been added to recognize that some municipalities, such as the City of Winnipeg, have promulgated through by-laws specific processes that the Company would adhere to.

New: It was agreed that the CAO of a municipality is in a better position to know of all proposed works within the municipality and to ensure the notice is provided to appropriate staff.

The intent of Sections 4(1) and 4(2) is now covered in Section 3(1) of this Negotiated Schedule.

The intent of Subsection 4(3) is now covered in Subsection 3(2) of the Negotiated Schedule.

5.6 The Company agrees:

(a) in the execution of the rights and powers granted hereby and in the performance of the work in connection therewith, and under the Act, shall do as little damage as possible and shall keep the passage of the streets, Highways, lanes, and other places hereinbefore described, as far as may be practicable, free and uninterrupted;

(b) shall not interfere with, disturb or damage any existing pipes or lines of other utilities, unless the express consent of such other utilities is first had and received;

(c) it shall, within a reasonable time after any construction work and from time to time, restore the streets, the Highways and other areas where construction has occurred, lanes, and other places hereinbefore described within the limits of the Municipality to a state of repair as nearly as possible equal to their former state, unless another process is established by municipal bylaw. Within thirty (30) days of completion of the restoration work the Company shall give notice in writing to the Municipal Engineer that the work and restoration have been completed and inspected. The Municipal Engineer acting reasonably shall advise the Company in writing of any deficiencies in connection with the construction work or restoration. If the Municipality fails to provide such advice within six (6) months of the Company's notice to the Municipality and unless an extension of time has been mutually agreed, the Municipality will be deemed to have accepted the restoration work; and to the satisfaction of the engineer of the Municipality or such other person as may be designated by the council of the Municipality, where such restoration is required by reason of the Company having installed gas pipe lines; and

(d) in the execution of the power granted hereby and under the Act, shall construct and locate its gas pipe lines in such a manner as will not endanger the public health or safety;

Subsection 5(a) has the same general intent as Section 6(a) of the existing Schedule, text in blue is from Section 3(a) of the existing Generic Agreement.

Subsection 5(b) is generally the same as Subsection 6(b) of the existing Schedule, text in blue is from subsection 3(b) existing Generic Agreement.

Subsection 5(c) is derived Subsection 6(c) of the existing Schedule and subsection 3(c) from the existing Generic Agreement.

New: "unless another process is established by municipal bylaw" has been added to recognise that In the City of Winnipeg this work is done under a permit system where a fee is paid and the City does the restoration work.

New: The text in red addresses concerns raised by the Negotiating Committee and establishes a process by which the Company and the Municipality can be assured the restoration work has been completed in a timely fashion and to the Municipality's satisfaction.

Subsection 5(d) is the same as Subsection 6(d) of the existing Schedule.

(e) any pipe line found to be not in accordance with the depth of cover requirements established by the Public Utilities Board pursuant to The Gas Pipe Line Act (Manitoba) as a result of improper installation shall be lowered, relocated or suitably protected by, and at the expense of the Company;

(f) all costs in connection with the removal or relocation of any part of the Gas Distribution System, including the cost of repairs to any Highways, shall be the Company's responsibility except where such removal or relocation is required by the Municipality;

(g) notwithstanding paragraph (f) above, where the removal or relocation of any part of the Gas Distribution System is required by the Municipality, the costs and expenses incurred in the removal and replacement or the relocation shall be apportioned between the Company and the Municipality in such a manner as they may agree upon, or in the absence of an agreement, shall be apportioned equally.

~~6(1)~~ ~~7(1)~~ The Company shall protect and indemnify the Municipality against any damages or expenses in connection with the execution of the powers granted hereby and under the Act and The Gas Pipe Line Act (Manitoba), and from and against all claims, demands, and actions by third persons in respect of damages sustained by reason of any operations of the Company and in relation to its distribution system.

~~6(2)~~ ~~7(2)~~ The Company shall satisfy the Board that it has in place at all times liability insurance coverage sufficient to satisfy any potential claim, demand or action against the Company or the Municipality for such damages.

~~7(1)~~ ~~8(1)~~ Before the Municipality makes any repairs of, or alterations to, any of its public services which will involve excavations or which may in any way affect any of the Company's lines, plant or equipment, the Municipality shall give notice as set forth in the regulations in effect at that time and the regulations in effect at that time and made pursuant to The Gas Pipe Line Act (Manitoba).

Subsection 5(e) is new to the Schedule and has been added to address concerns raised by the Negotiating Committee.

Subsection 5(f) is new to the Schedule and is from subsection 7(a) of the existing Generic Agreement.

Subsection 5(g) is new to the Schedule. The existing Schedule is silent on this matter.

Subsection 6(1) of the Proposed Schedule is the same as subsection 7(1) of the existing Schedule with the addition of "and The Gas Pipe Line Act (Manitoba)" from Subsection 5(a) of the existing Generic Agreement.

Subsection 6(2) of the Proposed Schedule is the same as Subsection 7(2) of the existing Schedule.

Subsection 7(1) of the Proposed Schedule is the same as Subsection 8(1) of the existing Schedule, with minor edits for clarity.

~~7(2)~~ ~~8(2)~~ Where practicable, the Municipality shall have regard to the reasonable directions of the Company concerning any such repairs and alterations, but, in any event, the Municipality is free of all liability in connection with any damage done by reason of any such repairs or alterations.

~~9(1)~~ Subject to clauses 2 and 3 of this franchise agreement and to any applicable Canadian or provincial legislation the Company shall, during the term of this franchise, supply as much natural gas as may be required by the Municipality or the consumers within the limits of the Municipality, or both the Municipality and the consumers, when the places or buildings to be supplied therewith are situated on land lying along the line of any distribution line of the Company.

~~9(2)~~ The Company shall install a meter, regulator and other equipment and appliances, when required, suitably located on the premises of the customers, and the meter, regulator and other equipment and appliance shall be and remain the property of the Company, and the meter and regulator shall be supplied without charge by the Company, and shall be installed at a location to be determined by the Company.

~~9(3)~~ The Company shall install the necessary service lines from the distribution line to the meter, and the cost thereof shall be borne
(a) by the Company; or
(b) by the Company and the customer in such proportions as may be approved by the Board.

~~9(4)~~ All installations of service lines by the Company are subject to any statutory requirements and regulations now or hereafter enacted or made.

~~8~~ ~~9(5)~~ The customer shall pay the Company for Natural gas **shall be distributed supplied to customers in the Municipality** at the rates **and on the terms and conditions approved or fixed from time to time** established by the Board **or other regulatory authority having jurisdiction**. ~~from time to time for the class of service supplied to the customer.~~

Subsection 7(2) of the Proposed Schedule is the same as Subsection 8(2) of the existing Schedule.

Subsections 9(1) to 9(4) of the Current Schedule have been deleted as these provisions are now included in section IV.B.2 of Centra's Schedule of Sales and Transportation Services and Rates (page 14).

Section 8 of the Negotiated Schedule is similar to Subsection 9(5) of the existing Schedule. Edits are derived from Section 8 of the existing Generic Agreement. The word "distributed" is used instead of "supplied", "Municipality" is used instead of "Territory" and "customers" is used instead of "consumers".

~~9 10~~ This franchise ~~shall does~~ not prevent the sale or delivery within the Municipality by any other ~~corporation or person~~, ~~firm or corporation~~ of liquefied petroleum gas, ~~propane or other product~~ ~~sold or delivered~~ in tanks or containers and not transmitted by pipeline within the Municipality.

~~10 11~~ Subject to any applicable legislation now or hereafter enacted in that regard, the Company shall pay to the Municipality any tax or taxes that may be legally and properly levied by the Municipality against the Company.

~~11 12~~ All the provisions of this franchise are subject as provided in section 17 of the Act.

~~12~~ The Company shall maintain in force during the currency hereof, a policy of insurance provided by an insurance company licensed to do business in the Province of Manitoba, insuring against public liability and property damage in connection with the operations of the Gas Distribution System within the ~~Municipality~~.

~~13~~ Notwithstanding any other term or condition contained herein, neither party shall be liable to the other for failure to carry out its obligations hereunder when such failure is caused by force majeure, as herein defined. The term force majeure means civil disturbances, industrial disturbances (including strikes and lock-outs), interruptions by government or Court orders, present or future valid orders of any regulatory body having proper jurisdiction, acts of the public enemy, wars, riots, blockades, insurrections, failure or inability to secure materials, permits or labourers by reason of priority regulations or orders of government, landslides, lightning, earthquakes, fires, storm, floods, wash-outs, explosions, breakage or accident to machinery of the Gas Distribution System, temporary or permanent failure of gas supply, an act or omission (including failure to deliver gas) reducing supply of gas to the Company's supplier, or any other causes or circumstances to the extent such cause or circumstances was beyond the control of the party prevented from carrying out its obligations by the act of force majeure.

Section 9 of the Negotiated Schedule is similar to Section 10 of the existing Schedule. Wording has been updated to conform with the language from the last half of Section 10 of the existing Generic Agreement.

Section 10 from the Negotiated Schedule is the same as Section 11 from the existing Schedule.

Section 11 from the Negotiated Schedule is the same as Section 12 from the existing Schedule.

Section 12 from the Negotiated Schedule is derived from Section 9 of the existing Generic Agreement. The word "Municipality" has been used in place of "Territory".

Section 13 from the Negotiated Schedule is from Section 12 of the existing Generic Agreement.

~~14(1)-13~~ Unless the context otherwise requires **or as otherwise defined below**, words and expressions used in this franchise have the meanings given to them in the Act.

14(2) “Municipal Engineer” shall mean a Professional Engineer employed directly or indirectly by the Municipality or such other person as may be designated by the council of the Municipality to carry out the functions and duties of the municipal engineer as herein described.

Subsection 14(1) is from Section 13 of the existing Schedule and has been updated to reflect the definition added to the Schedule in subsection 14(2).

The definition of “Municipal Engineer” has been added to the Schedule, under subsection 14(2).

**THE GREATER WINNIPEG GAS DISTRIBUTION ACT
SCHEDULE**

Provisions of Franchise granted to Centra Gas Manitoba Inc., the successor company to ICG Utilities (Manitoba) Ltd. and Greater Winnipeg Gas Company (the Company) under The Greater Winnipeg Gas Distribution Act (the Act) for the Construction, Operation and Maintenance of a Distribution System for Natural Gas in each of the Municipalities (the Municipality) as defined in the Act or included in Greater Winnipeg pursuant to the Act.

1 Subject to the terms and conditions contained in this franchise and in the Act, the Company and its successors and assigns have the full power, right, licence and liberty to enter upon property of the Municipality and to break the surface and make the necessary excavations to lay down, take up, relay, connect, disconnect, repair, remove, maintain, replace and operate a gas distribution system and any and all necessary or convenient mains, pipes, services, and all other equipment and appliances as the Company may deem desirable for the supply, transmission and distribution of gas (collectively the "Gas Distribution System") in, upon, over, across, under and along the public highways, streets, roads, bridges, walkways, sidewalks, road allowances, squares, lanes, alleys, ditches, drainage systems and other public places (collectively the "Highways") within the boundaries of the Municipality as the same may from time to time exist for a period ending on December 31, 2036, and during any extension thereof as provided in the Act, as may be necessary for the purpose of transporting, supplying, and delivering natural gas to the consumers thereof.

2(1) Subject to the provisions hereof, the Company agrees that during the term of the franchise, it will install and maintain an adequate natural gas distribution system within the Municipality and will provide such quantities of natural gas as will meet the requirements of the inhabitants, businesses and industries located in the Municipality.

2(2) The Company agrees that with respect to any portion of the Municipality which the Company does not supply natural gas to, in the event the Municipality, acting reasonably, requests the Company to supply natural gas upon the same terms and conditions as provided in this franchise, the Company will work together with the Municipality with a view to developing a viable business model in relation to that portion of the Municipality.

2(3) For the purpose of implementing a distribution system expansion for the attachment of new customers pursuant to clause 2(1), the Company shall, whenever a request is made for gas service by any inhabitant or industry of the Municipality in a location not served by the existing system of the Company, comply with the request provided the request meets criteria filed with and approved by the Public Utilities Board of Manitoba (the Board) for expansion of the distribution system and does not unduly affect customers on the existing system. Such criteria may include but not be limited to estimates of customers, sales, volumes, revenues, costs, and return on investment, the effect upon existing customers and any customer contribution in aid of construction. The criteria shall be reviewed by the Board from time to time as the Board deems necessary or as may be requested by the Company.

2(4) The Company shall not be bound to construct or extend its mains or provide natural gas or gas service if the Company is for any reason, unable to obtain delivery of natural gas at or near the limits of the Municipality, or an adequate supply thereof to warrant the construction or extension of its mains for the provision of natural gas.

2(5) In the event the amount of natural gas supplied to the Company at or near the limits of the Municipality is insufficient to meet the requirements of connected customers, the Company shall have the right to prescribe reasonable rules and regulations for allocating the available supply of natural gas to domestic, commercial and industrial customers in that order of priority. The allocation of natural gas shall also be subject to the provisions of The Gas Allocation Act and Regulations thereto and any orders made pursuant to The Emergency Measures Act.

2(6) In the event that either of the conditions referred to in subsections (4) and (5) occur or are likely to occur, the Company will advise the Municipality thereof as soon as the conditions become apparent to the Company.

3(1) Prior to the installation of any part of the Gas Distribution System, the Company shall file plans with the Municipal Engineer showing the location, depth and size of all mains, pipes or conduits and any other equipment or structures intended to be installed or constructed and shall comply with all by-laws of the Municipality relating to the construction of such works. The Municipality, by its Municipal Engineer, shall approve the plans as to location of the Gas Distribution System and any changes thereto arising in course of construction within the Municipality which approval shall not be unreasonably withheld or unduly delayed. The Gas Distribution System shall be placed in such locations as agreed by the Municipal Engineer and the Company in boulevards and under other unpaved surfaces rather than in streets when reasonably practicable and where the cost of installation and maintenance will not be unreasonably high.

3(2) The Company shall supply to the Municipality plans showing the location of its Gas Distribution System within the Municipality on an as-built basis as requested by the Municipality but in no event shall such plans be provided more than twice in any 12-month period. Such plans shall be provided either on paper or in a mutually agreeable format. All of the conditions for the supply of as-builts are to be mutually agreed upon.

3(3) The pipe, materials and other equipment to be used in the distribution system shall be of the kinds and qualities satisfactory to the Board, and shall be in compliance with The Gas Pipe Line Act (Manitoba) and the regulations thereunder.

4 Unless another process is established through municipal bylaw, the Company shall give notice to the Chief Administrative Officer (CAO) or designate of the Municipality, of its intention to open or break up any of the Highways in the Municipality, not less than seven

days before the beginning of the work, except in cases of emergency arising from defects or breaking of the pipe or other works, when immediate notice shall suffice; and, subject to the same exception and as otherwise provided in this franchise, the Company shall not begin any such work unless it has obtained approval therefore in writing from the Municipal Engineer.

5 The Company agrees:

(a) in the execution of the rights and powers granted hereby and in the performance of the work in connection therewith, it shall do as little damage as possible and shall keep passage of the Highways as far as may be practicable free and uninterrupted;

(b) it shall not interfere with, disturb or damage any existing pipes or lines of other utilities, unless the express consent of such other utilities is first had and received;

(c) it shall within a reasonable time after completion of any construction work, restore the Highways and other areas where construction has occurred to a state of repair as nearly as possible equal to their former state, unless another process is established by municipal bylaw. Within thirty (30) days of completion of the restoration work the Company shall give notice in writing to the Municipal Engineer that the work and restoration have been completed and inspected. The Municipal Engineer acting reasonably shall advise the Company in writing of any deficiencies in connection with the construction work or restoration. If the Municipality fails to provide such advice within six (6) months of the Company's notice to the Municipality and unless an extension of time has been mutually agreed, the Municipality will be deemed to have accepted the restoration work;

(d) in the execution of the power granted hereby and under the Act, shall construct and locate its gas pipe lines in such a manner as will not endanger the public health or safety;

(e) any pipe line found to be not in accordance with the depth of cover requirements established by the Public Utilities Board pursuant to The Gas Pipe line Act (Manitoba) as a result of improper installation shall be lowered, relocated or suitably protected by, and at the expense of the Company;

(f) all costs in connection with the removal or relocation of any part of the Gas Distribution System, including the cost of repairs to any Highways, shall be the Company's responsibility except where such removal or relocation is required by the Municipality;

(g) notwithstanding paragraph (f) above, where the removal or relocation of any part of the Gas Distribution System is required by the Municipality, the costs and expenses incurred in the removal and replacement or the relocation shall be apportioned between the Company and the Municipality in such a manner as they may agree upon, or in the absence of an agreement, shall be apportioned equally.

6(1) The Company shall protect and indemnify the Municipality against any damages or expenses in connection with the execution of the powers granted hereby and under the Act and The Gas Pipe Line Act (Manitoba), and from and against all claims, demands, and actions by third persons in respect of damages sustained by reason of any operations of the Company and in relation to its distribution system.

6(2) The Company shall satisfy the Board that it has in place at all times liability insurance coverage sufficient to satisfy any potential claim, demand or action against the Company or the Municipality for such damages.

7(1) Before the Municipality makes any repairs of, or alterations to, any of its public services which will involve excavations or which may in any way affect any of the Company's lines, plant or equipment, the Municipality shall give notice as set forth in the regulations in effect at that time and made pursuant to The Gas Pipe Line Act (Manitoba).

7(2) Where practicable, the Municipality shall have regard to the reasonable directions of the Company concerning any such repairs and alterations, but, in any event, the Municipality is free of all liability in connection with any damage done by reason of any such repairs or alterations.

8 Natural gas shall be distributed to customers in the Municipality at the rates and on the terms and conditions approved or fixed from time to time by the Board or other regulatory authority having jurisdiction.

9 This franchise shall not prevent the sale or delivery within the Municipality by any other person, firm or corporation of liquefied petroleum gas, propane or other product delivered in tanks or containers and not transmitted by pipeline within the Municipality.

10 Subject to any applicable legislation now or hereafter enacted in that regard, the Company shall pay to the Municipality any tax or taxes that may be legally and properly levied by the Municipality against the Company.

11 All the provisions of this franchise are subject as provided in section 17 of the Act.

12 The Company shall maintain in force during the currency hereof, a policy of insurance provided by an insurance company licensed to do business in the Province of Manitoba, insuring against public liability and property damage in connection with the operations of the Gas Distribution System within the Municipality.

13 Notwithstanding any other term or condition contained herein, neither party shall be liable to the other for failure to carry out its obligations hereunder when such failure is caused by force majeure, as hereinafter defined. The term force majeure means civil disturbances, industrial disturbances (including strikes and lock-outs), interruptions by government or Court orders, present or future valid orders of any regulatory body having

proper jurisdiction, acts of the public enemy, wars, riots, blockades, insurrections, failure or inability to secure materials, permits or labourers by reason of priority regulations or orders of government, landslides, lightning, earthquakes, fires, storm, floods, wash-outs, explosions, breakage or accident to machinery of the Gas Distribution System, temporary or permanent failure of gas supply, an act or omission (including failure to deliver gas) reducing supply of gas to the Company's supplier, or any other causes or circumstances to the extent such cause or circumstances was beyond the control of the party prevented from carrying out its obligations by the act of force majeure.

14(1) Unless the context otherwise requires or as otherwise defined below, words and expressions used in this franchise have the meanings given to them in the Act.

14(2) "*Municipal Engineer*" shall mean a Professional Engineer employed directly or indirectly by the Municipality or such other person as may be designated by the council of the Municipality to carry out the functions and duties of the municipal engineer as herein described.