



AORS

PROMOTING **KNOWLEDGE**. PURSUING **EXCELLENCE**

March 27, 2023

Dear Heads of Councils and Councillors,

We, the Association of Ontario Road Supervisors (AORS), are writing you on behalf of all our municipal members to raise awareness and solicit your support by objecting to a new fee proposed by Enbridge Gas. Enbridge has announced their intention to implement a new charge to third-party contractors and other utilities for utility locates. Third-party contractors will include Ontario municipalities and contractors working on their behalf. Enbridge Gas will apply a charge of \$200 CAD (plus applicable taxes) per locate request where a field locate is required. The need for municipalities and their contractors to request these locates when doing road construction and maintenance is due to utilities being present in municipal right of ways, which municipalities across the province have allowed at no cost to the utility.

Enbridge has stated that the *Getting Ontario Connected Act* passed into law in April 2022 has resulted in changes to the *Ontario Underground Infrastructure Notification System Act* and has caused Enbridge to make significant investments in associated operational investments. The concern being raised by our members, your public works staff, is that Enbridge will be just the beginning of these additional fees, with other utility companies implementing similar charges. These new charges will have significant impacts on municipal budgets.

As examples of what impacts this announcement might have on municipalities, based on 2022 municipal locate requests alone, it is estimated that this new fee would directly cost the Municipality of Central Huron approximately \$35,000 annually, the City of Belleville approximately \$90,000 annually and the Town of Espanola approximately \$7,300 annually. It is important to note that these are direct costs alone. Any subcontractors working on behalf the municipality requesting locates will be charged this same cost, and these costs will have to be borne by someone – meaning the subcontractors will put this cost back to the municipality. Then there will be the added administrative costs at both ends of the transaction. It is difficult to determine this quickly the true fulsome costs to your budget. This will also add an extra item into tendering projects, as it will create concerns on both sides on who is responsible for these costs.

By Enbridge Gas passing on these locate costs to municipalities, these costs are borne by all ratepayers across the municipality, and not only those who use this utility.

We would like to request your Council consider passing the following resolution:

WHEREAS, Enbridge recently made an announcement of their intention to begin charging third-party contractors and other utilities \$200 CAD (plus applicable taxes) for utility locates where a field locate is required;

AND WHEREAS, third-party contractors include Ontario municipalities;

AND WHEREAS, these locate requests are only required as Ontario municipalities have allowed utilities to use municipal right of ways at no charge to the utilities;

AND WHEREAS, this announcement of new downloaded costs will negatively impact the budgets of Ontario municipalities which are already burdened;

AND WHEREAS, if Enbridge is successful in implementing this new charge, a precedence is set for other utility companies to also begin charging for locates;

THEREFORE IT BE RESOLVED, that the <insert your municipality name> strongly opposes these utility locate costs being downloaded to Ontario municipalities by Enbridge Gas or other utilities;

AND THAT, the Province of Ontario's Ministry of Public and Business Service Delivery make it clear that these costs must be borne by the utilities themselves;

AND THAT, this decision be forwarded to Minister of Public and Business Service Delivery Kaleed Rasheed, Minister of Infrastructure Kinga Surma, Minister of Energy Todd Smith, Premier Doug Ford, <insert your municipality name>'s MPP, the Association of Ontario Road Supervisors and the Association of Municipalities of Ontario.

Furthermore, AORS will be sending your public works senior managers and directors a survey to further investigate the true costs of this proposed fee on your budgets. We ask you to encourage your staff to complete this survey so we can better advocate on your behalf.

If you require additional information, please do not hesitate to contact us.

Sincerely,



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