

Transmittal

To: Gregory Herrett

From: Diana Smith for Allison Coffin

Bus:

Phone:

Fax:

Date: March 29, 2017

Re: Municipal Operating Access Agreement

Gergory,

Please find attached one fully executed copy of the above noted agreement.

Should you have any questions, please contact Allison directly at 902 466 2097.

Thank-you,



Diana Smith
Admin Assistant

RECEIVED
MAR 30 2017
Corporate Services
Amherst, N.S.

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AMHERST MUNICIPAL OPERATING ACCESS AGREEMENT – 2017-2021

THIS MUNICIPAL OPERATING ACCESS AGREEMENT - made this 27th day of February, 2017

BETWEEN:

TOWN OF AMHERST

(hereinafter called the "Town")

-and-

HERITAGE GAS LIMITED

(hereinafter called "Heritage")

WHEREAS the award of the natural gas distribution franchise to Heritage by the Nova Scotia Utility and Review Board was approved by the Province of Nova Scotia by Order in Council dated February 21, 2003 granting Heritage a full regulation class franchise for the construction and operation of a natural gas distribution system in certain areas of Nova Scotia;

AND WHEREAS the Town holds title to the Streets within the Town which it maintains;

AND WHEREAS Heritage wishes to use municipal streets for the installation and operation of a Gas Distribution System;

AND WHEREAS the Town approved in May, 2005 the terms and conditions of the first Municipal Operating Access Agreement ("MOAA") for the period June 1, 2005 to December 31, 2010; and subsequent agreement for the January 1, 2011 to December 31, 2016 time period;

AND WHEREAS the Town and Heritage wish to enter into a new MOAA for a further period of time;

THEREFORE, in consideration of the mutual terms, conditions and covenants contained herein, the parties agree as follows:

Definitions

1. In this Agreement,
 - a. "Engineer" means the Engineer as defined by the Municipal Government Act (Nova Scotia).
 - b. "Gas Distribution System" includes any pipe, pipeline, main, service, trap, vent, vault, manhole, meter, gauge, regulator, valve, appliance, attachment, and any other property located or to be located in, upon, along, across, under or over the Streets of the Town and used or useful in transportation, transmission or distribution of natural gas.
 - c. "Locate" means the process conducted by Heritage to determine the underground location of a natural gas pipeline prior to excavation or disturbance of earth and soil.
 - d. "NSUARB" means the Nova Scotia Utility and Review Board.
 - e. "Permit and Locate Form" means that form used by Heritage to identify specifics and location of infrastructure for customer service connections.

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- f. "Gross negligence" means a conscious and voluntary disregard of the need to use reasonable care, and shall include situations where the Town neglects to request locate information as required by the Regulations made pursuant to the Pipeline Act.
- g. "Project" refers to planned annual construction programs of natural gas pipelines by Heritage.
- h. "Street" means Street as defined by the Municipal Government Act and for the purposes of this Agreement includes the public streets, street right of ways, highways, roads, lanes, sidewalks, and thoroughfares as the same now or may hereafter exist within the Town.
- i. "Town" means the Town of Amherst.

License and Consent

- 2. (1) The Town hereby grants Heritage an exclusive encroachment license for use of its Streets for the purpose of constructing, operating and maintaining the Gas Distribution System.
- (2) This Agreement does not grant a right to attach gas lines to municipally owned bridges; such attachments are subject to the approval of the Engineer on a case by case basis.
- (3) The grant of the license is subject to the terms and conditions of this Agreement, and compliance with all federal, provincial and municipal laws including CSA Code Z662, Pipeline Regulations (Nova Scotia), and applicable By-laws of the Town as amended from time to time.
- (4) To the best of its ability, the Town shall endeavour to notify Heritage well in advance of any proposed municipal law changes that affect this Agreement, and to facilitate consultations between Heritage and the Town regarding the contents of such municipal law changes.
- (5) Without limiting the generality of the foregoing, Heritage confirms that it will comply with all requirements of the Nova Scotia Occupational Health and Safety Act with regard to its Gas Distribution System.

Term of Agreement

- 3. (1) This Municipal Operating Access Agreement shall be for a period of five (5) years (the "Term") commencing on the January 1, 2017 until December 31, 2021, subject to the earlier abandonment of said franchise, in which case this Agreement shall automatically terminate on the date of the abandonment except as otherwise provided by this Agreement.
- (2) Six months prior to the expiry of the Term, the parties shall enter into negotiations to renew this Agreement upon such terms and conditions as may be agreed. In the event parties do not agree on the terms and conditions of a renewal agreement prior to one month before the end of the Term, the matter shall be determined by the NSUARB pursuant to Section 78 of the Public Utilities Act (Nova Scotia) and Section 9 of the Gas Distribution Act (Nova Scotia). The parties agree that in the interim, in such case, the terms and conditions of this Agreement shall govern until such time that an order is issued on the matter by the NSUARB.

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Training

4. Heritage commits to providing training at no cost to the Town with respect to natural gas awareness and emergency response issues for appropriate Town engineering and operations staff, building/street inspectors and emergency services including fire and police personnel relating to the Gas Distribution System.

Construction Schedule

5. (1) The Town and Heritage each recognize the benefits of joint infrastructure planning between the Town and Heritage. Heritage shall continue the open dialogue process with the Engineer to ensure natural gas project planning is current and the Town shall continue the open dialogue with Heritage to ensure project planning is current. At a minimum, Heritage shall meet with the Engineer, before December 31st of each year, for the purpose of exchanging known or proposed plans of both the Gas Distribution System and the Town's service systems for the following year.
- (2) The Town and Heritage shall jointly promote the "Call Before You Dig" safety program within each organization and the public during the annual construction season and on any other pertinent occasion. The Town shall, at no cost to Heritage, take an active role in promoting Call Before You Dig and excavation safety both within municipal departments and to third parties working in the Street.
- (3) Unless with express approval from the Engineer, no construction shall take place in the travelled portion of the Town's right-of-way after October 31 of each calendar year.

Design

6. (1) The Engineer shall be the final approval authority for the location of all portions of the Gas Distribution System located within municipal Streets, which approval shall not be unreasonably withheld. The location and installation of the Gas Distribution System shall be consistent with applicable Canadian gas codes including CSA Z662 as amended from time to time.
- (2) Heritage is responsible to restore Streets in accordance with the Town's policies, applicable to Heritage operations, as amended from time to time. Notwithstanding the generality of the foregoing, where a pavement cut is made on a Street that has been paved within the previous five (5) years, the Town may, at the sole discretion of the Engineer, apply more stringent specifications to the surface restoration requirements for that Street.

Permits

7. (1) In accordance with the Town's permitting requirements, Heritage shall annually obtain a Street Breaking Permit for every project where the Gas Distribution System is proposed to be installed within the Town. A Street Breaking Permit will remain in force until the project is completed.
- (2) Notwithstanding any other provision herein, Heritage or its contractor shall also provide refundable performance security to the Town in the estimated amount of Street

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restoration costs to guarantee the restoration of Streets to the satisfaction of the Engineer.

- (3) With respect to construction scheduling, the Town will require Heritage or its contractor to follow the Town's policy that will minimize potential traffic and related disruptions to businesses. Construction should be coordinated with the Town's capital budget projects.
- (4) If service connections are not installed during initial construction of the Gas Distribution System on a Street, then Heritage will submit to the Town a copy of Heritage's Permit and Locate Form prior to the construction and installation of the customer service connection. This Form shall be submitted to the Town, on a best effort basis, at least 10 days prior to the construction of the customer service connection.

Fees

- 8. (1) In accordance with section 7 above, the following fee structure will apply and supersede the Town's Street Breaking Policy as it relates to fee for the issuance of Street Breaking Permits to Heritage. The following fees reflect the Town's costs related to the Engineering, administration and inspection of natural gas project conducted by Heritage within the Town:
 - (a) The Street Breaking Policy fee structure of \$500.00 for each Street cut will apply to the installation of natural gas pipelines;
 - (b) No Street Breaking fee shall be applied to the construction of a service line that is installed at the same time as the natural gas pipeline to which it is connected; and
 - (c) Total Street Breaking fees applied to service line installations shall not exceed \$5,000.00 for a given year.

Damage to Municipal Property

- 9. (1) If any portion of any Street or municipal infrastructure is damaged by reason of defects in any portion of the Gas Distribution System, or by reason of any other cause arising directly from the installation or presence of the Gas Distribution System, Heritage shall, at its own cost and expense, immediately repair any such damage and restore such portion of such damaged Street to as good or better condition than existed before such defect or other cause of damage occurred, such work to be done under the direction and to the satisfaction of the Engineer.
- (2) Heritage agrees that trees on municipal property are to be protected at all times. The Gas Distribution System is to be designed on the premise that, unless approved by the Engineer, municipal trees are not to be adversely affected by the installation or operation of the Gas Distribution System.
- (3) If any tree is damaged or destroyed by reason of a defect in any portion of the Gas Distribution System, or by reason of any other cause arising directly from the construction or the operation of the Gas Distribution System, Heritage shall, at its own cost and expense, repair such damage or replace such trees under the direction and to the satisfaction of the Engineer.

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Emergency Response

10. (1) Heritage shall provide:
- (a) to the Engineer a list of emergency contact personnel from Heritage available at all times and shall ensure that the aforementioned list is always current;
 - (b) an electronic copy of Heritage's Emergency Response Manual; and
 - (c) a person to liaise in developing the joint Emergency Measures gas response program.
- (2) It is agreed that the Emergency Measures gas response program shall be reviewed periodically by appropriate representatives of the Town and Heritage.

Record Information and GIS

11. (1) Heritage shall provide, at its expense, to the Town record drawings in an electronic format compatible with the Town's corporate geographic information system (GIS) within three (3) months of the end of construction season each year, or as requested by the Town.
- (2) Both parties are aware that the steel pipelines constructed by Heritage are located in xyz Geographic coordinate system using total station surveying equipment and/or Global Positioning System, whereas PE mains are located only in xy coordinates by measuring offsets from above-ground landmarks.
- (3) The Town shall provide, at its expense, to Heritage existing GIS information that may assist in the development of the natural Gas Distribution System. The GIS information will be used solely by Heritage for the planning and construction of natural gas pipelines and shall not be distributed to any party not associated with Heritage projects within the Town.

Locate Requirement

12. (1) The Town shall request line locates for all municipal activities associated with ground disturbance, soil excavation or sign installations that could result in damage to buried natural gas pipelines, including but not limited to light standard and sign installation, traffic loop modifications, tree planting, and any other municipal project undertaken by the Town.
- (2) Upon receiving a request from the Town, Heritage shall, at no cost to the Town and using reasonable best efforts, provide locations of its Gas Distribution System:
- (a) Within one (1) hours in the event of an emergency;
 - (b) Within twelve (12) hours in the event of a priority request;
 - (c) Within forty-eight (48) hours in all other cases.

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Relocations

13. (1) Subject to 13(2) upon receipt of one hundred and twenty (120) days notice from the Town, Heritage, at its own expense, shall relocate its Gas Distribution System within a Street, or perform any other work in connection with the Street as may be required by the Town for municipal purposes or by law. In case of an emergency, Heritage shall respond promptly in accordance to the provisions of its Emergency Response Manual referred to in section 10 above.
- (2) Where any part of the Gas Distribution System relocated in accordance with this section is located other than on a bridge, viaduct or structure, the costs of relocation shall be shared between the Town and Heritage on the basis of the total relocation costs, excluding the value of any upgrading of the Gas Distribution System, and deducting any contribution paid to Heritage by others in respect to such relocation as follows:
- (a) where the relocation is a result of Streets work or conflicts in elevation with any sewer or water main crossing(s) and occurs within two years of the installation of the portion of the Gas Distribution System to be relocated, the costs shall be paid 100% by the Town;
 - (b) where the relocation is a result of Streets work or conflicts in elevation with any sewer or water main crossing(s) and occurs after the end of the second year following the installation of the portion of the Gas Distribution System to be relocated, but not more than five years, the costs shall be shared 65% by Heritage and 35% by the Town;
 - (c) where the relocation is a result of Streets work or conflicts in elevation with any sewer or water main crossing(s) and occurs after the end of the fifth year following the installation of the portion of the Gas Distribution System to be relocated, the costs shall be paid 100% by Heritage; and
 - (d) where the relocation is a result of any municipal infrastructure other than Streets work, water mains or conflicts in elevation with any sewer crossing(s), the costs shall be paid 100% by the Town.
- (3) Heritage shall not be required to bear the expense of any removal or relocation made at the request of the Town on behalf or for the benefit of any private developer or other third party.
- (4) At the request of the Engineer, Heritage shall structurally support any portion of its Gas Distribution System at its own cost, where necessary, as part of the process of implementing any municipal improvements.

Warranty Concerning Condition of Streets

14. The Town has made no representations or warranties as to the state of repair of the Streets or the suitability of the Streets for any business, activity or purpose whatsoever and Heritage hereby agrees to install pipelines within Streets on an "as is" basis.

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Liability

15. (1) Except for the gross negligence of the Town, Heritage agrees that the Town is not responsible, either directly or indirectly, for any damage to the Gas Distribution System that may result from the activities of the Town, its officers, employees, contractors or agents. The Town assumes responsibility and will reimburse Heritage for any and all loss or damage caused to the Gas Distribution System due to the Town's own gross negligence.
- (2) Except for the negligence of Heritage, the Town agrees that Heritage is not responsible, either directly or indirectly, for any damage to the Municipality's facilities located on, in or under the Street that may result from the activities of Heritage, its officers, employees, contractors or agents. Heritage assumes responsibility and will reimburse the Municipality for any and all loss or damage caused to the Street due to Heritage's own negligence.
- (3) Notwithstanding subsections (1) and (2), Heritage and the Town are not liable one to the other either on the basis of gross negligence or on any other basis for any consequential or economic losses due to the actions of the other party, its agents or employees working in, under, over, along, upon or across the Streets and roads or other owned or occupied property of the Town, or to the Gas Distribution System.

Indemnification

16. (1) Save and except for loss or damage caused by the gross negligence of the Town, Heritage covenants and agrees to indemnify and save harmless the Town's agents, officers, elected officials, employees and assigns from any and all losses, claims, including any claim for injurious affection, charges, damages and expenses which the Town may at anytime bear, sustain or suffer, by reason, or on account of the placement, installation, relocation, maintenance or use of Heritage facilities in, on, under, over, along or across a Street or road, and Heritage will, upon demand and at its own sole risk and expense, defend any and all suits, actions or other legal proceedings which may be brought or instituted by third persons against the Town on any such claim, demand or cause of action, and will pay and satisfy any judgment or decree which may be rendered against the Town for any and all legal expenses incurred in connection therewith. Heritage's obligation to indemnify and save harmless the Town shall survive the termination of this Agreement.
- (2) Subject to the provisions of this Agreement, the Town covenants and agrees to indemnify and save harmless Heritage's agents, officers, employees and assigns from any and all losses, claims, including any claim for injurious affection, charges, damages and expenses which Heritage may at any time bear, sustain or suffer, by reason, or on account of the gross negligence of the Town and the Town will, upon demand and at its own sole risk and expense, defend any and all suits, actions or other legal proceedings which may be brought or instituted by third persons against Heritage on any such claim, demand or cause of action, and will pay and satisfy any judgment or decree which may be rendered against Heritage for any and all legal expenses incurred in connection therewith. The Town's obligation to indemnify and save harmless Heritage shall survive the termination of this Agreement.

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Insurance

17. Heritage confirms that it has and shall maintain insurance in sufficient amount and description as will protect Heritage from claims for damages, personal injury including death, and for claims for property damage which may arise from Heritage's operations in the Town under this Agreement, including the use or maintenance of its Gas Distribution System in its Streets or any act or omission of Heritage's agents or employees while engaged in the work of placing, maintaining, renewing or removing any portion of its Gas Distribution System and such coverage shall include all costs, charges and expenses reasonably incurred with any injury or damage. Heritage confirms that the insurance that it presently has meets the requirements of the terms and conditions of its franchise grant pursuant to the Gas Distribution Regulations. A copy of the Heritage's insurance policy will be made available upon written request of the Town.

Abandonment or Discontinued Use of Pipeline Infrastructure

18. In the event of the abandonment or the discontinued use of all or any part of the Gas Distribution System, any removal is subject to the consent of the Town but subject always to any overriding direction or order of the NSUARB.

Assignment

19. This Agreement may be transferred or assigned by Heritage with the approval of the NSUARB and with the consent of the Town, which consent shall not be unreasonably withheld.

Breach

20. The Town and Heritage agree that should Heritage or the Town materially fail to carry out any of the terms, covenants and conditions herein contained or default in any of its obligations under the terms hereof and fail within thirty (30) days after receiving written notice from the other party to correct any such failure which is capable of correction, then this Agreement may, at the option of the non-defaulting party, and subject to the approval of the NSUARB, thereupon be terminated by giving written notice to be effective upon receipt, provided that Heritage shall continue to be liable to the Town for all payments due and obligations incurred under this Agreement prior to such termination.

Agreement Interpretation

21. Subject to the right of either party to apply to the NSUARB for the resolution of disputes arising under this Agreement, the Town and Heritage agree that any disputes concerning the interpretation or application of this Agreement shall be resolved through arbitration pursuant to the terms of the Commercial Arbitration Act, Stats. N.S. 1999, c.5.

Termination

22. Subject to the approval of the NSUARB, if this Agreement is terminated by the Town pursuant to section 20, all the unfulfilled covenants, indemnities and obligations of Heritage hereunder shall survive such termination.

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Confidentiality

23. Heritage agrees that this Agreement is a public document and to the extent that the Freedom of Information and Protection of Privacy provisions of the Municipality Government Act S.N.S 1998, c.18 apply, such provisions are hereby waived.

Notices

24. Any notice required or permitted to be given hereunder or any tender or delivery of documents may be given by personal delivery or, if other than the delivery of an original document, by facsimile transmission to:

the Town: Town of Amherst
 PO Box 516
 Amherst, NS B4H 4A1
 Fax: (902) 667-3356

Heritage: Heritage Gas Limited
 Suite 200 – 238 Brownlow Avenue
 Dartmouth, Nova Scotia B3B 1Y2
 Fax: (902) 466-2140
 Attn: VP Engineering, Construction and Operations

Entire Agreement

25. This Agreement is the entire agreement between the Town and Heritage regarding the subject of this Agreement and it can be amended or supplemented only by a document executed in writing by both the Town and Heritage.

Binding

26. This Agreement benefits and binds the Town and Heritage, their assigns and the successors of each of them.

Waiver

27. (1) No alleged waiver or breach of this Agreement is effective unless it is an express waiver in writing of the breach in respect of which it is asserted against the party alleged to have given the waiver. No waiver by a party of any breach of this Agreement operates as a waiver of any other breach of this Agreement.
- (2) The parties to this Agreement shall be entitled to resort to any remedies available to them in law or in equity in some or all combination in their discretion. No delay or failure of either party to exercise any right or remedy will operate as a waiver thereof, except where specifically provided herein to the contrary.

Unenforceability

28. In the event that any covenant or provision herein shall be determined to be void or unenforceable in whole or in part for any reason whatsoever, such unenforceability or invalidity shall not affect the enforceability or validity of the remaining covenants or provisions or parts

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thereof contained in this Agreement and such void or unenforceable covenants or provisions shall be deemed to be severable from the others herein provided.

Time

29. Time shall be of the essence of this Agreement and of each and every part hereto.

Interpretation

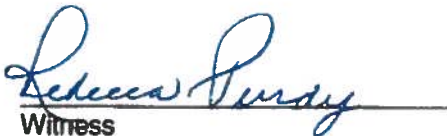
30. In this Agreement, unless the context otherwise requires, the singular includes the plural and the masculine includes the feminine gender and a corporation.

Conflict of Laws

31. This Agreement shall be construed and enforced in accordance with the laws of the Province of Nova Scotia and the laws of Canada applicable hereto and the parties irrevocably attorn to the jurisdiction of the Courts of Nova Scotia.

IN WITNESS WHEREOF the parties hereto have executed this Agreement by their duly authorized representatives on the day first above written.

SIGNED, SEALED AND DELIVERED
in the presence of:


Witness


Witness

TOWN OF AMHERST

Mayor

Clerk

HERITAGE GAS LIMITED

Per

Chris Smith, President

John Hawkins
Interim President

