

May 29, 2017

BY COURIER & EMAIL

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Union Gas Limited (“Union”)
Kimpe Storage Compensation
EB-2016-0030**

Pursuant to Procedural Order No. 1, attached please find Union’s interrogatories to Mr. Kimpe.

In the event that you have any questions on the above, please do not hesitate to contact me.

Yours truly,

[original signed by]

W.T. (Bill) Wachsmuth, RPF
Senior Administrator, Regulatory Projects
:sb
Attach.

cc: Zora Cronojacki
Nancy Marconi
Achiel Kimpe, Via Courier
Mr. Anthony Rizetto c/o MP Bob Bailey’s Office, bob.baileyco@pc.ola.org

Application by Mr. Achiel Kimpe to determine the amount and method to calculate storage rights compensation in the Bentpath Designated Storage Pool operated by Union Gas Limited, located in the Township of Dawn Euphemia in Lambton County

Union Gas Limited Interrogatories to Mr. Kimpe

Board File EB-2016-0030

May 29, 2017

1 Preamble

In procedural Order No. 1, the Ontario Energy Board states that *“Mr. Kimpe does not have a storage rights agreement with Union. He is therefore eligible to apply under Section 38(3) of the OEB act to ask the OEB to determine the appropriate compensation in respect to the right to store gas.”* The preamble to the Procedural Order also states that this is an *“application by Mr. Kimpe to determine the amount and method to calculate storage rights compensation in the Bentpath Storage Pool”*.

- a) Please provide the specific annual compensation that Mr. Kimpe believes the Board should order Union to pay him for the rights to store gas under his property in the Bentpath Pool.
- b) Please provide working papers or other documents to justify this annual compensation and explain the methodology used to develop this annual payment.
- c) Please provide examples of other jurisdictions in Canada where annual compensation for storage rights used the above-noted methodology.
- d) Please provide justification as to why this amount of compensation is just and equitable.
- e) Please provide the term for these annual compensation payments.
- f) Please identify if there are to be any annual increases in these annual compensation payments and what these increases are to be referenced to.

2 Preamble

In the preamble to procedural Order No. 1 the Board states that this is an *“application by Mr. Kimpe to determine the amount and method to calculate storage rights compensation in the Bentpath Storage Pool”*

- a) Is the compensation being proposed by Mr. Kimpe only to be ordered for Mr. Kimpe, or is it to be applicable to all landowners in the Bentpath Pool?
- b) Could a result of Mr. Kimpe’s proposal be that some landowners who currently receive annual compensation will no longer receive annual compensation?
- c) If the response to part B is yes, please explain the rationale for why these landowners should no longer receive an annual payment.

- d) Union's current practice is to compensate landowners for outside acres. What is Mr. Kimpe's proposal in relation to outside acres?