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June 19, 2012

Ontario Energy Board  
P.O. Box 2319, 27th Floor  
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Attention: Ms. Kirsten Walli, Board Secretary  
Via email [BoardSec@ontarioenergyboard.ca](mailto:BoardSec@ontarioenergyboard.ca).

Dear Ms. Walli:

**Re: Tribute Resources Inc. – Bayfield Storage Project Development**  
**EB-2011-0076**  
**EB-2011-0077**  
**EB-2011-0078**  
**EB-2011-0285**

The Huron County Federation of Agriculture (HCFA) has received Procedural Order No. 3 dated June 13, 2012 and submit the following interrogatories:

DIL – 1 – DESIGNATION OF THE GAS STORAGE POOL

1.2 – *Is the tract of land to be designated appropriately bound and sized to provide for safe operation of the storage pool?*

Binder 2 – Section B4 – Map of Stanley Proposed Well Bores –

Preamble – The easterly buffer zone between the actual reef and the outside of the DSA of only 215m appears inadequate as compared to the other buffer zones shown for this pool. Maps of the Bayfield pool and the Zurich pool shown in other evidence also indicate a much larger buffer zone to the east than is shown in the Stanley pool.

Q1.2a – Please explain why the easterly buffer zone between the actual storage reservoir and the outer limit of the DSA is significantly smaller as compared to the other pools.

1.3 – *Is there a need for this incremental storage capacity in Ontario?*

Binder B1 – Section B3 – Page 1 – Para 1 -

Preamble – Tribute states that planned in-service date of 2016. Later evidence in B1 – Sec. D2 – page 1 – line 13-17, Tribute states they may not complete development until storage becomes more profitable.

Q1.3 - 1a – Please explain why it would be in the landowners’ and publics’ best interest for the OEB to allow Tribute to sit on this valuable public asset for an indefinite period of time and possibly **never** develop this asset.

Binder 1 – Section D1 – Project Summary

Preamble – Tribute states that these projects will result in developing 6 bcf of natural gas storage; however, later in the same summary it states the pipeline facility will have capabilities of servicing up to 18 bcf of storage.

Q1.3 – 2a – Please indicate where the other storage facilities are or would be located that would utilize the capacity of this pipeline and facilities.

DIL – 2 – AUTHORIZATION TO INJECT, STORE AND WITHDRAW

2.1 – *Is the applicant a capable prospective storage operator in terms of technical & financial capabilities to develop & operate the proposed storage facilities?*

Preamble – Given the fact the Union Gas conducts the day to day operations at the Tipperary Pools.

Q2.1 – 1a – Explain what experience Tribute Resources has in operating a gas storage facility?

Binder 1 - Section D1 – Page 6 – Line 6-9 – OPTION TO PARTICIPATE

Preamble – “Tribute has negotiated with Market Hub Partners Inc. (MHP) an option for MHP to participate in the development of Phase 2 of these projects, following successful completion of these proceedings and approval of the projects. MHP would be a 50% partner with Tribute as development proceeds”

Q2.1 - 2a – Who is MHP and what experience does MHP have in developing gas storage facilities?

2b – Will the 50-50 partnership include the pipeline?

2c – Will MHP be responsible for 50% of all cost?

2d – Who will be the actual operator of the completed gas storage facilities?

#### Binder 1 – Section D3 – Page 1 & 2 – Economic & Financial

Preamble – HCFA’s conclusion from the information contained in these 2 pages is that Tribute is asking the OEB to trust Tribute to take control of these provincial assets with NO financial plan in place. Tribute states there is no risk to ratepayers or taxpayers money. Tribute has not acknowledged there is a substantial risk to the 6 municipalities and DSA landowners if the projects cannot be financed to completion.

Q2.1 – 3a – Please provide an accurate estimated cost for the development of the project to completion of construction and up to the point of first injection. (both pools & pipeline)

3b – Please provide evidence on how Tribute intends to finance the entire project.

*2.2 – Will the appropriate safety requirements for proposed injections/withdrawal activities be ensured in accordance with all relevant codes and standards?*

#### Binder B4 – Section E1 – Page 91 – Monitoring

Preamble – Stantec states many times during the Environmental Report that an Environmental Inspector **and** a Chief Inspector should be on site.

Q2.2 – 1a – Are these inspectors provided by a government ministry or is Tribute responsible to secure these people?

1b – If Tribute is responsible, please provide the names and their curriculum vitae that qualifies them for these positions.

#### Binder B4 – Section E1 – Page 355 – TSSA Requirements

Preamble – Letter from Fuels Safety Division states they have no information in their files on Tribute Resources or Bayfield Resources. The operating company will need to obtain a license to transmit natural gas.

Q2.2 – 2a – Given the fact that Tribute claims they were involved with the development of the Tipperary Pools, why is there no information on Tribute Resources Inc. at TSSA?

2b – Have you acquired the license to transmit gas as requested by TSSA?

*2.5 – Is the applicant appropriately accountable and for losses or damages caused by its activities? In particular, will the appropriate insurance coverage be in effect prior to construction/operation commencement?*

Binder B4 – Section E1 – Page 483-484 – EXECUTIVE SUMMARY

Preamble – Stantec indicates that there are several old cemeteries along the pipeline route, unmarked and very close to the road. They also recommend preconstruction excavations to see if any human remains would be uncovered.

Q2.5 – 1a – If human remains were found, would the pipeline route have to be rerouted to a different area?

Binder B4 – Sections B4 – Pages 1-23 – PIPELINE ROUTE MAPS

Preamble – Pages 4 & 10 & 11 indicates areas where trees will be removed.

Q2.5 – 2a – Are these trees on road allowance or on private property?

2b – Do you have agreements with the respective parties and municipalities for such removal?

2c – Does Tribute have a replant policy when trees are removed?

Preamble - On page 23 of these maps there is an arrow pointing south indicating the geographic Township of Goderich.

2d – What is the significance of the arrow and the reasoning of the language?

Binder B3 – Section E11 – Page 4 – WELL WATER MONITORING & PROTECTION

Preamble – “In the Tipperary file, Tribute also agreed to a complete, ongoing protocol of water testing, established by Stantec Consulting Ltd. (“Stantec”)”

The details contained in the well water testing agreement were negotiated by Tipperary Storage Landowners’ Association (TSLA) with Tribute at an OEB ordered Settlement Conference in London. Tribute then agreed with the OEB staff that it would appear as Condition of Approval #1.6.1. **Stantec was not involved!**

Q2.5 – 3a – To date has Tribute signed a well water testing agreement with the Bayfield & Stanley landowners?

Binder B3 – Sections E11 – Pages 10-12 – EMERGENCY WATER RESPONSE PLAN

Preamble – Water Mobilization: states “If necessary water storage tanks would be provided in order to ensure that enough water is available”

Q2.5 – 4a – Does Tribute and the landowners have a written agreement that portable storage tanks would be a permanent solution for a long term water problem?

4b – If no, what would be a mutually agreed solution to a long term well water problem?

Binder B4 – Section B1 – Page 3 – Lines 1-33

Preamble – Tribute indicates they are willing to have insurance coverage if the OEB requests it in a Condition of Approval.

Q2.5 – 5a – Please indicate what types of insurance Tribute is willing to carry on this project.

5b – What are the appropriate amounts of each type of insurance Tribute is willing to carry?

DIL – 3 – WELL DRILLING LICENSE

*3.4 – Does the applicant propose an appropriate program to mitigate the environmental impacts and impacts on directly affected properties?*

Q3.4 – 1a – How much bonding has the MNR required Tribute to provide for each of the new wells being proposed in this project?

Binder B4 – Section E1 – Page 228 – Letters of Comment from Mr. L. Yeo

Preamble – Mr. Yeo spoke of issues he experienced during the pipeline construction for the Tipperary Storage Pool Development. He also made recommendations to Stantec that would mitigate some of his issues.

Q3.4 – 2a – Will any of those recommendations be implemented by Tribute to prevent a reoccurrence of those problems?

DIL – 4 – LEAVE TO CONSTRUCT

*4.2 - What are the environmental impacts associated with construction of the proposed pipelines and are they acceptable?*

Binder 4 – Section E1 – Page 81 – Compressor Station

Preamble – Stantec states the compressor station will be located on lots 16 & 17, Conc 13, former Hay Twp., encompassing an area of 39 hectares (96 acres).

Q4.2 – 1a – Please provide full details on the compressor station and its associated apparatus.

1b – Why is so much land required for this compressor station?

1c – Is this land considered class 1, 2 or 3 farmland?

1d – Is the property owned by Tribute or leased from others?

1e – How far is this compressor station from the nearest occupied house?

**Binder B4 – Section B5 – Page 1 – Pipe Specs**

Preamble – Evidence that both Cat 1 and Cat 2 pipe will be used along the road allowances.

Q4.2 – 2a – What is the proposed depth below surface for the 16” high pressure roadside pipeline?

2b – How much weight can Cat 1 & Cat 2 pipeline support before jeopardizing its integrity resulting in safety issues?

2c – Will there be any restrictions placed on landowners from crossing this pipeline with heavy equipment (particularly where ditches are flat and no improved entrances are immediately available)?

*4.3 – Are there any outstanding landowner matters for the proposed pipelines routing and construction?*

Binder B1 – Section D1 – Page 4 – Lines 3-10 – Municipal User Agreements

Preamble – Tribute states all agreements will be completed prior to the commencement of the restart of the hearing.

Q4.3 – 1a – Does Tribute now have agreements with all of the involved municipalities?

1b – If not, which ones are still outstanding?

Binder B2 – Section E1 – Page 2 – Lines 16-21 – Storage Issue

Preamble – In this paragraph, Tribute states they have gas storage rights under a PNG lease that was originally signed in 1977 to another company.

Q4.3 – 2a – If this is true, for what reason would you need McKinley Farms to sign another gas storage lease on Sept 24, 1998?

Binder B3 – Section E9 – Pages 33, 44, 137, 215 & 226

Preamble – These 5 pages show large unidentified additional payments to certain landowners (not all) who form the Bayfield DSA which totals \$118,132.00. A similar situation is also outlined in Binder 2 for the Stanly Pool (E8 – pages 46-74).

Q4.3 – 3a – Please identify in detail what these payments represent.

3b – Why weren't all landowners in the DSA given additional payments?

Binder B3 – Section E9 – Pages 1-264 – COMPENSATION OFFERS

Preamble – On page 104, the landowner is offered compensation for 1 well head and 1 acre of surface occupation. Later on page 136, this same landowner is offered compensation for 2 well heads and 6 acres of surface occupation. Both offers are on the same PIN #41452-0091(LT).

Q4.3 – 4a – Please explain why 1 more well head would require 5 more acres of surface occupation?

Binder B4 – Section E1 – Page 49 – Soybean Cyst Nematode

Q 4.3 – 5a – Will the aggregate and any other soils delivered to the project sites for roads or well pads etc. be tested negative for soybean cyst nematodes before transporting?

Binder B5 – Section E11 – Pages 3-12 – Comprehensive Settlement Agreement

Preamble – Most of the landowner agreements appear to have been made in 2009.

Q4.3 – 6a – Have there been any changes to the agreements that do not appear in this evidence?

6b – Are there any outstanding landowner agreements or issues now (except the McKinley legal proceedings)?

*4.5 – Will there be any issues with the proposed Industrial Wind Turbine Projects and the associated infrastructure in this area on Tribute’s Gas Storage Project (i.e. storage lands and facilities, including equipment, pipelines, wellheads, compressor station etc.)?*

Binder – Section E1 – Page 87 – Wind Power Development in Huron County

Preamble – Stantec mentions that there is a high probability of wind power development in Huron County. There is a second mention on Page 382 in a letter from Huron County Planning Department dated Dec 23, 2008 on Industrial Wind Turbines (IWT). It is now a fact that there are two IWT projects very close to development in the Municipality of Bluewater, the Nextera Varna Project – 37 IWTs and the Nextera Goshen Project – 63 IWTs. There is also a third project proposed in Bluewater belonging to Northland Power, an additional 48 IWTs. The two Nextera projects are in the same immediate area as the Tribute gas storage project and pipeline.

Q4.5 – 1a – Are you aware of these projects and the locations of the IWTs as related to your gas storage project?

1b – Do you foresee any issues that the IWT projects could have on the gas storage project? i.e. safety issues, construction issues, sharing of municipal road allowances where pipelines and hydro lines (underground and above ground) share the same road allowance, the location of IWTs relative to the DSA lands or the proposed compressor station land.

Yours truly,

Marinus Bakker  
HCFA President

Copy: see list at end of correspondence

All inquiries for the HCFA on this issue can be directed to:

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