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Tribute Resources Inc.

and Bayfield Resources Inc. as general partner for Huron Bayfield Limited Partnership and  
Bayfield Pipeline Corp (collectively "Tribute")

Answer to Interrogatory from  
Huron County Federation of Agriculture Interrogatories

Reference: DIL – 1- DESIGNATION OF THE GAS STORAGE POOL

Preamble:

Question 1.2:

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

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**Answer**

Seismic was acquired over both pools to determine the size and shape of the reservoirs. This data was reviewed with MNR staff who concurred in determining the appropriate boundaries for each the proposed DSA to sufficiently protect and provide a safe operation for each of the storage pools. For the Bayfield Pool, please refer to Binder 3, exhibit E9, page 13 of 264. For the Stanley Pool, please refer to Binder 2, E8, page 9 or 115.

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Answer: July 3rd, 2012

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Answer to Interrogatory from  
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Reference: 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 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.

Question 1.2a:

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.

---

### **Answer**

It is important to put an appropriate boundary around a storage pool to protect the integrity of the reservoir, but also not to include too much land and remove those lands from possible future exploration and development.

Many pinnacle reef gas storage pools in Lambton County have an associated A1-Carbonate "sucrosic" component that is attached to the reef reservoir. These often occur on to southeast of the pools. Although this A-1 Carbonate "sucrosic" component is not common around Huron County reefs, its occurrence does deserve consideration.

In the case of the Bayfield reef, a small additional area was included on the eastern border of the proposed DSA to protect the area.

In the case of the Stanley reef, the Imperial 497-McKinley No 1, Stanley 2-7-x1 well well drilled on the eastern edge of the pool encountered dolomite at the top of the section but no A-1 Carbonate "sucrosic" reservoir, no porosity, no gas shows or pressure. This strongly indicates that there is no A-1 Carbonate "sucrosic" development on the eastern side of the Stanley reef, and thus the buffer zone is not required to be as large as other reefs that have no well control in those areas.

The surrounding well data for each reef, as well as possible areas of A-1 “sucrosic” development was discussed in detail with MNR staff, and used in determining the extent of the buffer zone on each side of the reef.

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Reference:

Preamble:

Question 1.3:

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

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Answer:

Please refer to Tribute's Response to Board Staff Interrogatory number one.

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Answer to Interrogatory from

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Reference: Binder 1 – 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 profitable.

Question 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.

---

**Answer:**

Tribute is asking the OEB to allow it the opportunity to develop the project between 2013 and 2015, a  
period of 3 years during which the company will be working with its partner Market Hub Partners  
("MHP") to develop these assets. If a fourth year for development is needed for reasons to be explained  
to the Board, then Tribute and Market Hub will come forward with that information and explanation  
Tribute is not requesting an indefinite period of time to develop these pools.

The Bayfield and Stanley pools are natural gas pinnacle reefs that were discovered in 1956 and 1999  
respectively. Since that time, the pools have operated as natural gas production pools owned and  
operated by natural gas production corporations. Tribute purchased the pools in 2007 and 2000  
respectively along with other assets in Huron County with the vision of developing storage in an area  
previously stranded by lack of pipeline capacity. Union Gas was in the process of expanding service to  
Huron County in the late 1980s and this opened the market and need for storage in the area. Tribute  
has owned the assets since the purchase date and spent approximately \$3 million in addition to the  
purchase price to develop the Bayfield and Stanley pools to the point where they are now shown to be  
suitable candidates for designation.

As a long-term investment, Tribute remains committed to its core strategy of building natural gas  
storage assets in Huron County.

Natural gas storage is crucial to Ontario's future energy requirements. Gas storage is a critical  
infrastructural component in the natural gas market that ensures security of supply to heat homes on the  
coldest days in the winter and provides natural gas generated electricity on the hottest days in the

summer. As development and growth of market in Huron County continues, storage will be necessary to allow this supply of gas.

Tribute has shown its commitment to development in Huron County through the development and building of the first storage pool in Huron County, Tipperary. The development of Bayfield and Stanley, Phase 2 of the Tipperary development, proposes to add pipeline capacity to allow future development in the area.

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Answer to Interrogatory from

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Reference: 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.

Question 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.

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Answer:

With limited Union Gas pipeline networks in Huron County there has been limited exploration for additional Guelph pinnacle reefs in the area. With the larger pipeline available for additional gas storage pools to be added to the system, exploration efforts looking for additional storage-capable pools will increase once this larger pipeline is installed and the gas storage facilities are operating. In addition to increased exploration efforts, there are additional discovered and partially depleted Guelph pinnacle reefs north of the Bayfield pool that could be added to the gas storage infrastructure in the future if there is sufficient need for additional storage.

The key to the development of additional storage is to accumulate enough storage capacity (by adding in additional pools) to justify the costs related to the construction of the pipeline to connect the pools with the Dawn Trafalgar system.

Tribute evaluated pipeline costs of various sizes of pipelines and determined that the lowest transportation cost per MCF would be met by the construction of a 16 " pipeline. Tribute owns the storage rights to four additional pools in Huron County, two of which at this time Tribute believes may be suitable for storage development. Tribute has begun the evaluation process for the Zurich and Canton Shoal pools and has successfully completed a 3D seismic program on these additional two pools. The seismic program has enabled Tribute to better evaluate and delineate the boundaries of these storage pools. Based upon the results of both 2D and 3D seismic programs, the boundaries of reservoirs

have been delineated. Geological and engineering studies have been completed showing additional potential in the reservoirs and additional wells need to be drilled to determine the size of the pools.

Tribute has also identified a number of exploration targets in the area. The exploration program has been placed on hold due to depressed natural gas prices but will be re-activated when market conditions improve.

Additional natural gas producing reefs owned by third parties also exist in the area that may be suitable for storage. To the extent additional capacity exists in the pipeline, these pools could be tied into the system.

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Answer to Interrogatory from  
Huron County Federation of Agriculture Interrogatories

Reference: DIL – 21- AUTHORIZATION TO INJECT, STORE AND WITHDRAW

Preamble:

Question 2.1:

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

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Answer:

Yes, Tribute has considerable experience in these types of projects. The HCFA is aware that the Huron Tipperary Storage facility was designed by Tribute and its employees and expert consultants; construction was undertaken and supervised by Tribute as the developer of the sites and facilities.

Tribute entered into a business relationship/partnership with Union Gas Limited to operate the Tipperary pools on a daily basis, but is periodically involved in the operations and maintenance decisions and procedures.

As a developer of underground storage, Tribute's business model and practice are designed to ensure that Tribute, its owners and its affiliates have sufficient access to financial resources for the purposes of the project.

Tribute and its affiliates anticipate that Market Hub and its affiliates will most likely be the principal operators of the Bayfield and Stanley storage pools once they are fully constructed; Tribute expects to be involved in the operations and maintenance decisions.

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Answer to Interrogatory from  
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Reference:

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

Question 2.1 - 1a:

Explain what experience Tribute Resources has in operating a gas storage facility?

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Answer:

Please refer to Tributes response to Huron County Federation of Agriculture 2.1 above.

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Answer to Interrogatory from

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Reference: 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"

Question:

2.1 – 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?

---

**Answer:**

Market Hub Partners Canada L.P. (MHPC) is a limited partnership formed under the laws of Ontario for the purpose of developing and operating assets related to the underground storage of natural gas. The general partner of MHPC is Market Hub Partners Management Inc. The sole limited partner of MHPC is Westcoast Energy Inc. ("WEI"). Accordingly, WEI, Market Hub Partners Management Inc. and MHPC are indirect, wholly-owned subsidiaries of Spectra Energy. Spectra Energy is one of North America's premier natural gas infrastructure companies serving three key links in the natural gas value chain: gathering and processing; transmission and storage; and distribution.

The Spectra Energy natural gas underground storage portfolio of approximately 305 bcf of working gas capacity, includes approximately 155 bcf operated by Union Gas in Ontario. Spectra Energy, through WEI and its predecessor companies, has operated safe and reliable natural gas systems in Ontario for over 100 years.

As part of the Spectra Energy natural gas underground storage portfolio, MHPC owns and operates the St. Clair Pool, located in the Township of St. Clair, County of Lambton, which brought 1.1 bcf of natural gas storage service to the Ontario storage market in June of 2007. MHPC also owns a 50% interest in the Sarnia Airport Pool, located in the Geographic City of Sarnia, County of Lambton, which brought 5.36 bcf of natural gas storage to the Ontario storage market in June of 2009.

- b. Yes, the partnership will include the pipeline
- c. MHP will be responsible for 50% of the cost
- d. The operator of the completed facility will be Bayfield Resources Inc. This structure is similar to that successfully implemented for the operation of the Tipperary Pools

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Reference: 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.

Question 2.1-3:

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.

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Answer:

Please refer to Tribute's response to Board Staff Interrogatory 2 (a) and 2 (b), which describes the development schedule. Tribute intends to issue units in Bayfield LP to fund the development of Bayfield and Stanley. This method of financing is similar to that successfully implemented for the construction of the Tipperary pools.

All other references to financing are not available and form a part of the competitive dynamic in such developments and will not be shared publicly. The Ontario Energy Board hearing panel and staff will be in confidential possession of the draft Business Plan for the development of the pools and the interconnecting pipeline, and as such, they will have an opportunity to examine that document in exercising their public interest mandate.

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Answer to Interrogatory from  
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Reference:

Preamble:

Question 2.2:

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

---

Answer:

The development of the two storage pools will be done at per CSA Z341: *Storage of Hydrocarbons in Underground Formations*, which governs the design and construction of the wells penetrating the pools and the operation of the pools once they are developed. The pipeline and compressor infrastructure connecting the storage pools to the Union Gas pipeline interconnects will be designed, constructed, and maintained as per CSA Z662.11: *Oil and Gas Pipeline Systems*.

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Answer to Interrogatory from  
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Reference: 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.

Question 2.2

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.

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Answer:

The Environmental Inspector will be a qualified individual employed or contracted by the constructor.  
The Chief Inspector will be an individual employed or contracted by the constructor and will hold a valid Pipeline Inspector's Certificate as issued by the Technical Standards and Safety Authority.

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Answer to Interrogatory from  
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Reference: Binder B4 – Section E1 – Page 355 – TSSA Requirements

Preamble:

Letter from Fuels Safety Division States they have no information in their files of Tribute Resources or Bayfield Resources. The operating company will need to obtain a licence to transmit natural gas.

Question 2.2:

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?

---

Answer:

Tipperary Gas Corp., an affiliate of Tribute Resources Inc., was the developer of the Tipperary Gas Storage Project. tribute contracted with Tipperary to construct the facilities. The operation of the pool was contracted to Union Gas Limited and as such the pipeline operation was licensed through Union. It is anticipated that Union Gas Limited will operate the Bayfield system and the pipeline will be included in their licence

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Answer to Interrogatory from  
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Reference:

Preamble:

Question 2.5:

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

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Answer:

The Applicant will have the appropriate insurance in place prior to construction and operation.

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Reference: 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.

Question 2.5 – 1a:

If human remains were found, would the pipeline route have to be rerouted to a different area?

---

Answer:

Trenchless installations are planned in the areas adjacent to the cemeteries. The drilling in this area will be at such sufficient depth in this area so as to avoid disruption of any human remains. Although it is not anticipated that any routing changes will be required, the Applicant will make all reasonable efforts to ensure there is an increased awareness in the areas adjacent to the cemeteries.

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

Preamble:

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

Question 2.5

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?

---

Answer:

The trees noted in the report are on the road allowance.

The subject of tree removal and replanting forms an integral part of negotiations and agreements with municipal and private landowners. The subject of tree removal and replacement will form part of the Road User Agreement.

Tribute will replant two trees for every one tree removed. Some municipalities have advised that the replanted trees must be located off the road allowance on other private or public lands.

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

Preamble:

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

Question 2.5 – 2d:

What is the significance of the arrow and the reasoning of the language?

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Answer:

The notation indicates the dividing line between the former Township of Stanley and the former Township of Goderich both of which are now part of the Municipality of Bluewater.

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Reference: 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!**

Question 2.5 – 3a:

To date has Tribute signed a well water testing agreement with the Bayfield & Stanley landowners?

---

Answer:

With the exception of one landowner in the Stanley pool, Tribute has met with all the other landowners on several occasions, and has agreed as part of the company's development practices, to undertake a comprehensive well water testing program before, during and post-construction of the injection and withdrawal wells into the pools. The agreement also includes Tribute's commitments to a water mitigation plan and provision of adequate insurance coverage.

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Reference: 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".

Question 2.5:

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?

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Answer:

There is no written agreement that portable storage tanks would be a permanent solution. The company considers it highly unlikely that there would be a long term water problem given industry experience and the drilling methods currently proposed for the project.

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Reference: 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.

Question 2.5:

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?

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Answer:

The Applicant will carry appropriate builders' risk insurance during construction and general liability insurance at all times.

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Reference:

Preamble:

Question 3.4:

Does the applicant proposed an appropriate program to mitigate the environmental impacts on directly affected properties?

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Answer:

Yes. Tribute will adhere to its established practices, procedures and programs to mitigate any environmental impacts and impacts on directly affected properties.

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Answer to Interrogatory from  
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Reference: DIL – 3 – WELL DRILLING LICENSE

Preamble:

Question 3.4 – 1a:

How much bonding has the MNR required Tribute to provide for each of the new wells being proposed in this project?

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Answer:

Bayfield Resources Inc, has posted bonding security in the amount of \$36,000 to meet its current bonding requirements.

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Reference: 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.

Question 3.4 -2a:

Will any of those recommendations be implemented by Tribute to prevent a reoccurrence of those problems?

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Answer:

The applicant has reviewed Mr. Yeo's comments and recommendations and believes the construction and contracting procedures will be appropriate for this project.

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Tribute Resources Inc.

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Answer to Interrogatory from  
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Reference: DIL – 4 – LEAVE TO CONSTRUCT

Preamble:

Question 4.2:

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

---

Answer:

The assessment of the environmental impacts associated with the project are included in the Stantec Environmental Report which can be found in Binder 4, tab E1. The applicant believes they are acceptable.

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Reference: 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).

Question 4.2

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?

---

Answer:

At the time of the original application filing, Tribute had entered into an option agreement with the landowner of the proposed compressor station site. Due to delays in the application and hearing process, that option has expired. The acreage optioned was the 39 hectares parcel, and was the entire piece of property. It would have been owned by Tribute. The west part of the property contained an old gravel pit, where the actual compressor station was planned to be located, below a small knoll to minimize sound travel. The nearest house was up at the township road to the east, a distance of about 1500 ft. The facilities to be located at the compressor station are outlined in Binder 4, Section C2 and include the following: inlet separator, compressor(s), dehydrator, filters, measurement equipment, tanks, and a control room. A suitable location for the compressor site will be determined and negotiated with private landowners at the time of the decision to build.

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Reference: 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.

Question 4.2:

2a) What is the proposed depth below surface 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 landowner from crossing this pipeline with heavy equipment (particularly where ditches are flat and no improved entrances are immediately available?)

---

Answer:

The pipeline will be designed and installed as per CSA Z662.11: *Oil and Gas Pipeline Systems* which details burial depths in all installations. The code specifies burial depths (to top of pipe) along both the edge of the road allowance and the travelled portion of the road allowance. The depth of burial listed in the Pipeline Design Specifications sheet are to the top of pipe and are designed to allow heavy equipment crossing over the pipeline. If there are sections of the road allowance where farm equipment gets access to fields without culverted accesses, Tribute will install the pipeline with "Road Crossing" depth of burial.

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Reference:

Preamble:

Question 4.3:

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

---

Answer:

Tribute and its affiliates have been working with Stantec Consulting on the pipeline routing for several years. Tribute anticipates that the majority of the pipeline route will remain unchanged, and it is located on municipal road allowances. To the extent that there are any deviations from the Stantec report or inconveniences to the landowners and their operations, which require private landowner involvement, Tribute and its staff will continue to work closely with its landowners, both in and around the storage pools, and along the pipeline route to minimize inconvenience to them before, during and after construction of the pipeline.

Tribute enjoys good landowner relations and will work hard to keep its landowners notified of its activities and to remain attentive to their issues of concern and their needs, as well as to compensate landowners for any damages caused by the pipeline or storage construction to their property.

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Reference: 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.

Question 4.3:

1a) Does Tribute now have agreements with all of the involved municipalities?

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

---

Answer:

Tribute is working toward completing these agreements with all of the municipalities in as timely a manner as possible. Please refer to Binder 4, B1, Leave to Construct, in which the municipal consultation is referenced at page 4 and 5 of 6.

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Reference: 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

Question 4.3 - 2a

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

---

Answer:

As outlined in Tribute's pre-filed evidence and elsewhere, Tribute does not *need* to have a new gas storage lease executed by the McKinley family or its numbered company; it is Tribute's position that it has these storage rights adequately entrenched in the valid PNG lease, and reflected and repeated in the Unitization Agreement.

The reason Tribute acquired the Tribute Gas Storage Lease in 1998 was to supplement the storage rights that it held under the 1997 Tribute Oil and Gas Lease and the 1984 Unit Agreement with a broader range of storage rights and other privileges as set forth in this modern form of gas storage lease agreement. These other rights and privileges include storage rights in perpetuity, a specific right to install compressors, a mechanism for computing and paying the residual gas payments and additional acreage rental and a method for calculating crop damage payments. Tribute also wished to hold a modern form of gas storage lease agreement when it applied to the Ontario Energy Board ("OEB") for the designation of the Stanley Pool as a designated gas storage area because this modern form of Tribute Gas Storage Lease was in a form familiar to the OEB.

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Reference: 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 Stanley Pool (E8 – pages 46-74).

Question 4.3 - 3:

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

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

---

Answer:

a. These payments represent a negotiated settlement with the landowners presented to Tribute by the landowners association. This settlement took into account a number of factors that were important to the landowners and the breakdown was agreed to by the landowners association. Tribute examined the amount requested in aggregate and approved the payments upon designation of the pool by the Ontario Energy Board.

b. The breakdown of payments was decided by the landowners association. Tribute was presented with the total to be paid as part of a package negotiation.

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Reference: 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).

Question 4.3 - 4a:

Please explain why 1 more well head would require 5 more acres of surface occupation?

---

Answer:

The Hill and Hill property in the Bayfield pool currently contains the Grainger #1 well. Future plans call for drilling a second well, a horizontal well, with the surface location on the Hill and Hill property, so there will potentially be 2 wells on the property. The exact location of the Bayfield Pool Metering Station (Binder 3, D3) has not been finalized. If the facility is located on the Hill and Hill property, additional surface occupation will be due to them. The actual footprint of the access road to the second well head and the Metering Station will determine the surface occupation area calculation, which should be less than the 6 acres listed on the form.

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

Preamble:

Question 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?

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**Answer**

Tribute will work with Stantec to design protocols to be followed for sourcing and transporting aggregate and other materials to the sites to ensure the material tests negative for soybean cyst nematodes.

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

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

Question 4.5 - 6:

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)?

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**Answer**

6a. There have been no changes to these agreements. However, a new surface lease has been taken with Stephen Eilers on May 7, 2012 to compensate him for crop damages caused by a well pad that was installed in 2010 and the laneway leading thereto (which is still on his property).

6b. No.

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Answer to Interrogatory

From Ontario Energy Board

Reference:

Preamble:

Question 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.)?

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Answer:

Please refer to responses for 4.5-1a and b.

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Answer to Interrogatory from

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Reference: 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, and additional 48 IWTs. The two Nextera projects are in the same immediate area as the Tribute gas storage project and pipeline.

Question 4.5 - 1a:

Are you aware of these projects and the locations of the IWTs as related to your gas storage project?

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Answer:

Tribute is aware of these two wind projects and their locations. Tribute is familiar with each of these companies and their representatives and will be meeting with them to discuss the locations for the injection and withdrawal wells, which are already planned and established. Tribute has already provided maps of the project locations, proposed well locations and DSA's to NextEra for the Bayfield and Stanley pools, as well as other potential future development pools (Zurich, Canton Shoal, Dashwood, Grand Bend, etc.). Tribute is in the process of arranging meetings to discuss these maps and the interaction of both projects.

It is not anticipated that there will be any major constraints in respect of both projects being located on the same lands or use of municipal rights of way. The base of each IWT occupies less than one acre and usually only one turbine is located on 50 – 100 acres of land. Additionally, IWT foundations usually excavate and remove subsoil for several meters in depth, but in no way does that activity affect drilling, casing and cementing and gas injection and withdrawal operations, which extend well into bedrock. IWT locations are subject to changes through the REA process and even up until the time of construction. As well, the connecting pipeline network will be limited and will be all underground, with

a coordinated effort to ensure compatibility and non-interference with the underground electric infrastructure.

It may be possible that there is an opportunity for NextEra, Tribute and Northland to work together in terms of road placements for the facilities, which work well for our joint landowners.

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Question 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.

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Answer:

Please refer to the Answer to Question 4.5 - 1a above.

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