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September 6, 2012

Ontario Energy Board
P.O. Box 2319, 27th Floor
2300 Yonge Street
Toronto, ON M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary
Via email 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

On July 18, 2012, the Huron County Federation of Agriculture (HCFA) filed questions and comments in regard to Tribute's responses to our interrogatories as we felt they were not adequately responded to. Under rule 29.03 of the OEB Rules of Practices and Procedures, please find attached a Notice of Motion seeking an order requiring Tribute Resources to provide full answers to certain interrogatories.

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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Ontario Energy Board

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15, Schedule B; and in particular sections 36.1(1), 38(1), 40(1), 90(1), thereof;

AND IN THE MATTER OF an application by Tribute Resources Inc. for an Order designating the areas known as the Stanley 4-7-XI Pool and the Bayfield Pool, in the County of Huron, as gas storage areas;

AND IN THE MATTER OF an application by Tribute Resources Inc. for authority to inject gas into, store gas in and remove gas from the areas designated as the Stanley 4-7-XI Pool and the Bayfield Pool and to enter into and upon the lands in the said areas and use the land for such purposes;

AND IN THE MATTER OF an application by Tribute Resources Inc. to the Ministry of Natural Resources for a license to drill wells in the said areas;

AND IN THE MATTER OF an application by Tribute Resources Inc. for an Order granting leave to construct natural gas pipelines in the County of Huron and in the County of Middlesex;

AND IN THE MATTER OF an application by Tribute Resources Inc. for a determination in respect of the compensation payable under Section 38 of the *Ontario Energy Board Act, 1998*.

NOTICE OF MOTION

The Huron County Federation of Agriculture (HCFA) is a recognized intervener in the above noted application now before the Ontario Energy Board.

This motion from HCFA is a request to the OEB for an order requiring Tribute Resources, the applicant, to provide more complete answers to the following interrogatories that were submitted by HCFA on June 18, 2012, under OEB Procedural Order #2, dated May 8, 2012.

Grounds for this motion are outlined following each of the interrogatories requiring more complete answers.

Item #1

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?

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.

Grounds for further information –

The former Goderich Twp. is actually north, NOT south of the former Stanley Twp. The dividing line between the two townships is actually the Bayfield River. The Twp. of Goderich is not and never was a part of the municipality of Bluewater! It is part of the Municipality of Central Huron.

Tribute's answer is WRONG. Without a proper interpretation of this map, it is difficult for anyone to understand what significance this map has on this application.

Item #2

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?

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.

Grounds for further information –

Tribute did not answer Q 4b.

Item #3

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?

Answer:

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

Grounds for further information –

“Builders risk insurance” is not a familiar insurance term recognized by HCFA that needs to be clarified.

For the Tipperary Storage Project, by OEB order, Tribute was required to “obtain and maintain in full force and effect insurance coverage, including but not limited to, liability and pollution coverage”.

HCFA seeks clarification if pollution coverage will be carried on this project.

Item #4

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?

Answer:

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

Grounds for further information –

It appears Tribute did not interpret the question properly, as HCFA was asking about bonding on the Bayfield/Stanley future proposed wells, NOT current bonding requirements. It is important to know there is sufficient bonding in place to protect landowners as they can become liable for decommissioning wells under certain circumstances.

Item #5

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 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.

Grounds for further information –

Tribute's answer to 2a, 2b, & 2c, did not include the requested information.

The term "road crossing" depth is vague and meaningless and we need answers that are specific with respect to depth, weight, and possible restrictions.

Item #6

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.

Grounds for further information –

Tribute's answers to 3a & 3b are rather generic in nature and do not properly answer the questions.

The evidence is clear that these additional payments referred to are not part of the normal compensation for inside and outside DSA acres, wellheads, roadways, surface occupation etc. Tribute's evidence states in many places that the reservoir pressures are below 50 psi and that there are no residual gas payments due to landowners.

Tribute states in the evidence that these one-time payments will be calculated by Tribute and explained and delivered individually to each landowner" so Tribute must know exactly what these payments represent.

HCFA is concerned that these additional unidentified payments are setting a new precedent in landowner compensation in Ontario that was NOT enjoyed by previous DSA landowners, but should at least be enjoyed by any future DSA landowners as more natural gas storage projects are developed across Ontario.

HCFA notes that since the names of the recipients and the specific amounts of this additional compensation was published as evidence in the binders, that this issue does not fall under the confidentiality provisions laid out by the OEB.

Therefore, the HCFA requests these payments be identified in detail.

Item #7

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.)?

Answer:

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

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?

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.

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.

Answer:

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

Grounds for further information –

Tribute's answer states that they are aware of the two industrial wind turbine (IWT) projects and their locations; however, neither Tribute nor Stantec has bothered to provide any evidence or mapping regarding the locations or separation distances between the wind generators and the high pressure natural gas wellheads, underground power lines and the high pressure natural gas transmission lines, substations, transformer stations, compressor stations, cathodic protection devices and collection apparatus that automatically disburses natural gas into the atmosphere, etc.

HCFA finds the answers vague, lacking in specific detail and unacceptable.

HCFA's submission on July 18/12 provided 10 pages of EVIDENCE from Wm. Palmer, P. Engineer, outlining risks associated with wind generators being built too close to natural gas storage infrastructure. At the same time, the HCFA requested clarification on 8 points of interest. TRIBUTE DID NOT REPLY.

Both the HCFA and the Municipality of Bluewater have requested additional information from Tribute regarding the interactions between Tribute's proposed natural gas storage facility and the proposed wind generating facilities. In the words of HCFA's consultant, Wm. Palmer, P. Eng., the evidence provided so far "provides no confidence that the interaction has been dealt with" and that this gas project should not be allowed to move forward on a "trust me" basis.

HCFA specifically requested this issue be added to the Issues List because of the associated risks to public safety.

In closing, The HCFA respectfully requests a 10 day period to be able to comment on Tribute's answers after they are received.

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