

Tribute Resources Inc.

Application for the Classification of Certain Natural Gas Pipelines

EB-2015-0206

BOARD STAFF INTERROGATORIES

1. Ref: Tribute's Evidence, page 1, Paragraph 1

Tribute states that the gas pipelines owned by Tribute in the County of Norfolk, the Municipality of Bayham and the Municipality of Malahide are not gas transmission pipelines now and were not gas transmission pipelines at any time from and after January 1, 2012.

Please explain the date of January 1, 2012.

2. Ref: Tribute's Evidence, page 2, Paragraph 6

On or about September 24, 2014 Tribute purchased substantially all of the assets owned by Magnum Gas Corp. (Magnum) and Echo Energy Canada Inc. (Echo). Included in the assets purchased by Tribute were certain gas pipelines previously owned and operated by Magnum and/or Echo, which gas pipelines are located in the County of Norfolk and the Municipalities of Bayham and Malahide.

Please explain if these pipelines were characterized and taxed as transmission lines or gathering lines As transmission

3. Ref: Tribute's Evidence, page 3, Paragraph 9 and Page 7, Paragraphs 23 and 24.

Tribute refers to a 4 inch diameter steel pipeline that connects to Union's transmission system as a "main gathering pipeline".

The definition of pipeline under section 25(1) of the *Assessment Act* is:

"pipe line" means a pipe line for the transportation or transmission of gas that is designated by the owner as a transmission pipe line and..."

Referring to the CSA Standard and the Operating Standard definitions please explain which characteristics, including type of service, qualify this pipeline as a gathering pipeline as opposed to a transmission pipeline.

What is the difference between a gathering pipeline and a gathering line?

Please provide examples of other “gathering pipelines” in the industry which are not considered transmission pipelines as defined in the *Assessment Act*.

4. Ref: Tribute’s Evidence, Page 3, Paragraph 11

“The Pipelines have essentially remained in their current location as depicted on Schedule "A" since 2004 and served as a natural gas Pipeline gathering system for Echo and Magnum since at least 2011 prior to its purchase by Tribute in September of 2014. The purpose of the Pipelines is to efficiently collect the natural gas produced by the Wells and deliver the same for sale to Union at the Delivery Point”.

What evidence does Tribute have to support its statement that the pipelines have served as a “natural gas Pipeline gathering system for Echo and Magnum since at least 2011”?

What purpose did the pipelines serve between 2004 and 2011?

5. Ref: Tribute’s Evidence, Schedule B, MPAC Property Assessment Notices for 2014-2016 Property Tax Years.

Tribute provided copies of MPAC’s Tax Assessment Notices for the pipelines. Please provide copies of MPAC Property Assessment Notices for Tributes other gathering pipelines.

Please discuss all the reasons why Tribute appealed this assessment.

6. Ref: *Assessment Act*, Ontario Regulation 282/98

Ontario Regulation 282/98 sets, among other things, the methodology and rates for the pipeline assessment for taxation years 2013 to 2016 that MPAC should implement. There is a dispute between Tribute and MPAC in interpreting the definition of the pipelines and consequently in applying the regulation.

Referring to Part X “Tables RE: Assessment of Pipelines”, please discuss and explain reasons for Tribute’s view on how rates and methodology set up in this regulation should be applied to tax assessment of Tribute’s pipelines?