

EB-2015-0206
Municipal Property Assessment Corporation
Responses to Interrogatories from
Tribute Resources Inc.

Reference: In paragraph 2 of MPAC's Evidence, there is a reference to "GRAD document".

Interrogatory 1: Please fully explain the meaning of "GRAD document" including in such explanation what each letter in the acronym "GRAD" stands for.

Interrogatory 1 Response:

"GRAD" stands for "Guidelines for the Release of Assessment Data". "GRAD" is a general term used in the assessment industry to refer to MPAC's valuation for a property.

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Reference: MPAC's Evidence, paragraph 3 states that Tab B to MPAC's Evidence shows all of the pipelines assessed to Tribute Resources Inc. ("Tribute").

Interrogatory 2:

- (a) Please identify which of the pipelines described in the chart at Tab B transport oil and which of the pipelines transport natural gas.
- (b) In assessing the pipelines shown on the table at Tab B of MPAC's Evidence, does MPAC differentiate between gathering pipelines for natural gas and gathering pipelines for oil? If the answer to this question is yes, please provide full and complete details including the basis for such differentiation.
- (c) Please provide full and complete details of all of the evidence that MPAC has indicating that the pipelines described on Tab B are gas "transmission pipe lines" within the meaning of the definition of "pipe line" in section 25(1) of the Assessment Act, R.S.O. 1990, c.A.31, as amended (the "Act").
- (d) Who prepared the chart set out at Tab B and when was this chart first prepared? Please provide full and complete details of all of the information obtained by MPAC in connection with the preparation of the chart at Tab B including copies of all correspondence, documentation and emails received by MPAC from any person designating the pipelines described on the chart at Tab B as gas "transmission pipe lines" with the meaning of the definition of "pipe line" in section 25(1) of the Act.

Interrogatory 2 Response:

- (a) MPAC does not distinguish between pipe lines that transport oil and those that transport natural gas except as required by O.Reg. 282/98, which sets out three tables for the assessment of pipe lines:

| | | |
|---------|---|--|
| Table 1 | - | "Offshore Pipe Lines" |
| Table 2 | - | "Plastic Field Gathering Pipe Lines And Plastic Gas Distribution Pipe Lines" |
| Table 3 | - | "Pipe Lines Other than those to which Table 1 or 2 Applies" |

- (b) No. See MPAC's response to question 2(a).

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- (c) The definition of pipe line in s.25 includes pipe lines that transport or transmit gas or oil. In support of its position that the pipe lines in issue transport or transmit gas or oil, MPAC relies on the evidence included at
- i. tab B of MPAC's Evidence,
 - ii. paragraphs 8-11, and 22 of Ms. Lowrie's pre-filed evidence, and
 - iii. schedule "A" to Tribute's Application.
- (d) The chart is an extract from MPAC's internal records. The document is maintained generally by MPAC analysts in the 'linear valuation' group. As such, multiple analysts will have been involved in its creation and maintenance over the years. Currently, the analyst responsible for these properties is Rick Brisebois. Immediately prior to Mr. Brisebois, the analyst responsible was Ryan Ford.

As set out in response to the OEB's interrogatories, the original source documents for the chart have been destroyed.

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Reference: Paragraph 7 of MPAC's Evidence states, "MPAC relies on pipeline companies to report their pipelines, and assesses pipelines based on the reports received. MPAC deals with 7 or 8 large companies regularly and another 20-30 companies periodically, as changes are reported.

Interrogatory 3:

- (a) Please provide copies of any and all reports received by MPAC from any person relating to the pipelines illustrated in Schedule A of the Application of Tribute in these proceedings. In connection therewith, unless it is evidence from the reports received by MPAC, please include the date of the report, the full name of the person and/or entity who sent the report to MPAC, the date the report was received by MPAC and any and all covering letters of other documentation accompanying the report, whether in written or electronic form.
- (b) Please provide copies of any changes reported to MPAC in respect of the pipelines illustrated in Schedule A to Tribute's Application in these proceedings and include, unless otherwise evident from each change report, the date of the change report, the full name of the person and/or entity who sent the change report to MPAC, the date the change report was received by MPAC and any and all covering letters of other documentation accompanying the change report, whether in written or electronic form.

Interrogatory 3 Response:

- (a) As set out in response to the OEB's interrogatories, the original source documents have been destroyed.
- (b) As set out in response to the OEB's interrogatories, the original source documents have been destroyed. MPAC does not believe that any changes have been made to this information.

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Reference: Paragraph 7 of MPAC's Evidence states, "MPAC relies on pipeline companies to report their pipelines, and assesses pipelines based on the reports received. MPAC deals with 7 or 8 large companies regularly and another 20-30 companies periodically, as changes are reported.

Interrogatory 4:

- (a) Is it MPAC's position that the pipelines at issue in this Application are gas "transmission pipe lines"? In connection with MPAC's answer, please provide full and complete details and reasons including references to any definition or other material in support of such answer.
- (b) Is there a difference between a gas "transmission pipe line" and a gas "gathering pipeline"? Please provide full and complete details in connection with MPAC's answer including references to any definitions or other resource material used by MPAC in giving its answer.
- (c) If the pipelines at issues in this Application are determined by the Ontario Energy Board to be something other than gas "transmission pipe lines" within the meaning of section 25(1) of the Act, it is MPAC's position that they are liable for assessment and taxation under the Act and Ontario Regulation 282/98 made under the Act? If MPAC's answer to this question is yes, please provide full and complete details including its legal justification for such answer.
- (d) If not already included in MPAC's answer to one of the questions above, please provide full and complete copies of all reports received by MPAC and referred to in Paragraph 9 of MPAC's Evidence, including copies of any and all covering letters or other correspondence, whether in written or electronic format, accompanying such reports.

Interrogatory 4 Response:

- (a) The pipe lines are for the "transportation or transmission" of gas or oil pursuant to s.25 of the *Assessment Act*.
- (b) There is a difference between a pipe line for the "transportation" of gas and a pipe line for the "transmission" of gas. In this regard, MPAC relies on s.25 of the *Assessment Act*.

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(c) If the OEB finds that the pipe lines at issue in this Application are not subject to assessment under s.25 of the *Assessment Act*, they will be assessable to the owner(s) of the land over which they run pursuant to ss.1 ("land"), 3 and 19 of the *Assessment Act*, which provide (in part) as follows:

- s. 1 "land", "real property" and "real estate" include, ...
 - (c) all mines, minerals, gas, oil, salt quarries and fossils in and under land,
 - (d) all buildings, or any part of any building, and all structures, machinery and fixtures erected or placed upon, in, over, under or affixed to land,
 - (e) all structures and fixtures erected or placed upon, in, over, under or affixed to a highway, lane or other public communication or water, but not the rolling stock of a transportation system;

- s. 3(1) All real property in Ontario is liable to assessment and taxation ...

- s.19(1) The assessment of land shall be based on its current value.

(d) As previously stated, these documents have been destroyed.

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Reference: Paragraph 9 of MPAC's Evidence which states, "The pipelines at issue in this Application were reported to MPAC under s. 25 of the Assessment Act"

Reference: See email strings attached as Addendum

Interrogatory 5:

- (a) In addition to what is set forth in the Addendum attached hereto, please provide copies of any and all communications received by MPAC from Tribute or its predecessors, Magnum Gas Corp. and Echo Energy Canada Inc. (or any of their affiliated entities) designating the pipelines at issue in this Application or any part thereof as gas "transmission pipe lines" within the meaning of s.25(1) of the Act. Please provide full and complete details of the same including copies of all such designations, communications and correspondence, whether in written or electronic form.
- (b) Has any person designated the pipelines at issue in this Application as gas "transmission pipe lines" within the meaning of section 25(1) of the Act on or before March 1st of each of 2012, 2013, 2014 and 2015? If so, please provide copies of all such designations, including, without limitation, any covering letters or other correspondence directly related to such designations.
- (c) Please provide copies of all notifications received by MPAC pursuant to subsection 25(2) of the Act from January 1, 2012 to the present and prior to January 2012.
- (d) In reference to Rick Brisebois' e-mail to James Gilpin dated September 25, 2014 as set out in the Addendum, which states in part as follows, "As per Sec 25 of the Assessment Act, pipe line companies are to submit a report of their pipe every March. For these three properties we have not received a report for years. Could you please ensure a report is issued even if there are no changes.", would MPAC please clarify whether they expect a pipeline company like Tribute to submit a report to MPAC of all pipelines that they own, including gathering pipelines or just gas "transmission pipe lines" as defined in s.25(1) of the Act.

Interrogatory 5 Response:

- (a) Other than correspondence received in connection with Tribute's assessment appeals and this application, MPAC has no correspondence in its files concerning the roll numbers in issue.

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- (b) The pipe lines in issue in this Application have been designated as 'pipe lines' pursuant to s.25 of the *Act*. The classification of the pipe lines as Table 2 or Table 3 would have been done by MPAC in consultation with the owner of the pipe line at the time of the initial assessment in 2005. As stated above, any documents have been destroyed.
- (c) See question 4(d) and 5(b), above.
- (d) MPAC expects pipe line companies to submit reports as required by s.25. However, in practice, pipe line companies only report changes to their information to MPAC.