

**Application by Mr. Achiel Kimpe to determine the amount and method to calculate storage rights compensation in Bentpath Designated Gas Storage Pool operated by Union Gas Limited, located in the Township of Dawn-Euphemia in Lambton County.**

**EB-2016-0030**

**OEB STAFF INTERROGATORIES**

**FOR**

**MR. ACHIEL KIMPE**

Interrogatory 1

Ref: Application on December 27, 2016; Letter by Mr. Kimpe re: EB-2016-0030 dated May 1, 2017; Letter from Mr. Kimpe re: EB-2016-0030 dated May 8, 2017

Preamble:

In your application you asked that the OEB order Union Gas to pay out storage rights compensation to you based on a 13.9% volume of total storage space in the storage reservoir. You also asked that it be paid retroactively starting in 1974 when Union gas started storage operation of the Bentpath Pool.

In your letter dated May 1, 2017 you asked that the compensation be calculated on a royalty basis.

In a letter dated May 8, 2017 you further explained that you would like the OEB to order compensation in the amount equal to 1/8<sup>th</sup> of the profit Union Gas is making by using "your storage space yearly".

Questions:

- a) Please confirm that you are now requesting compensation on a royalty basis rather than a volume basis.
- b) How did you determine that 1/8<sup>th</sup> of Union Gas profit would be an appropriate share of Union gas profits? Does the 1/8<sup>th</sup> correspond to the percentage of cavern storage space under your property as set in the Unit Operating Agreement?

- c) To your knowledge, are there any other landowners in the Bentpath Pool compensated on by Union Gas on a royalty basis.

### Interrogatory 2

Ref: Application EB-2016-0030 by Mr. Kimpe, dated December 27, 2016

#### Preamble:

In your application you provided a calculation of compensation amounts per year based on your proposed method of 13.9% volume of the reservoir.

You also asked that the amount in the column "Damages \$" be increased by "plus interest due".

#### Questions:

- a) How did you calculate the numbers in the column labeled "Total value of the reservoir (750 acres)"?
- b) Please explain how the proposed interest adjustment is to be calculated to increase the amounts in the "Damages \$" column?

### Interrogatory 3

Ref: Letter by Mr. Kimpe re: EB-2016-0030 dated May 1, 2017 page 1, paragraph 3

#### Preamble:

In support of your application you filed a portion of the Ontario Mining Act Regulation 263/02 and referenced section 16, which deals with Storage Leases on Crown lands.

#### Question:

Please explain how and why the regulation regarding Storage Leases and compensation on Crown lands is relevant and related to your application.

Interrogatory 4

Ref: EB-2016-0030 Amended Application on December 27, 2016, Attachment: Letter by Mr. Kimpe to the Minister of Energy, dated June 27, 2016 page 2 of 5 and page 3 of 5.

Preamble:

You state in your letter to the Minister of Energy dated June 27, 2016:

“I was again denied compensation by volume for my 13.9% of the cavern storage space.”

In the same letter you also stated:

“...the OEB set the compensation at \$24 per surface acre which I maintain is contrary to the Operating Agreement dated December 1, 1970 which clearly shows I own 13.9% of the storage cavern.”

Question:

Please explain your statement that you were “again denied compensation by volume...” and indicate which proceeding you were referring to in your statement.