

**ONTARIO ENERGY BOARD**

**IN THE MATTER OF THE *Ontario Energy Board Act*, S.O. 1998, c.15, Schedule B, and in particular Section 21(2) thereof;**

**AND IN THE MATTER OF the *Assessment Act*, R.S.O. 1990, c.A.31, and in particular Section 25(3) thereof;**

**AND IN THE MATTER OF an Application by Lagasco Inc. for an Order determining whether or not the natural gas pipelines owned and operated by Lagasco Inc. in Haldimand County are gas transmission pipelines;**

**SUMMARY OF ORAL SUBMISSIONS OF THE  
MUNICIPAL PROPERTY ASSESSMENT CORPORATION (“MPAC”)**

**Preliminary**

1. The OEB can determine whether Lagasco’s gathering pipe lines are assessable under s.25 of the *Assessment Act*.
2. The OEB cannot determine the ‘valuation for tax purposes’ of any pipe lines or whether the prescribed valuation is ‘unjust’.
3. The OEB’s guidelines / objectives do not permit it to disregard statutory and regulatory requirements [*Yonge Street Hotels Ltd.*, para. 24].

**Tribute Decision**

4. In the 2016 *Tribute Resources* decision, this Board determined that gathering pipe lines are ‘clearly and unambiguously’ used for the *transportation* of gas and are subject to assessment under s.25. Lagasco is asking the Board to give a different answer to the same question.

**Scheme of the Assessment Act**

5. In recognition of the cumbersome, complex, time consuming and costly process to assess pipe lines using the Current Value Method, the *Assessment Act* provides a distinct statutory scheme for their assessment. Lagasco’s position defeats this statutory scheme.

**A. Current Value Methodology Impractical**

6. Pipe lines are assessable. The issue is whether they are assessed to Lagasco using the Linear Method or to hundreds of property owners using the Current Value Method.

7. Lagasco owns approximately 1,500 miles of Pipe Line. Under the Current Value Method, assuming only one property per mile, the Pipe Line will have to be valued in 1,500 segments to 1,500 property owners.

**B. Gathering Pipelines Specifically Regulated**

8. Lagasco says its Pipe Lines are gathering pipe lines. Rates for gathering pipe lines are regulated. If gathering pipe lines were not to be assessed using the Linear Method,

there would be no reason to regulate the rates.

9. Lagasco states that the inclusion of “gathering pipe lines” in the Regulation creates an apparent conflict with the *Act*, but it has not asserted that the Regulation is *ultra vires*.

**C. Pipe Lines’ Dimensions Consistent with Regulated Rates**

10. Similarly, the Regulated Rates include pipe line diameters that are consistent with the linear assessment of the Pipe Lines. Lagasco’s expert states that transmission pipe lines are generally larger than six inches in diameter [Koller, para. 33]. However, pipe diameters beginning at 0.5 inches are included in the Regulated Rates.

**Timing of Relief Sought**

11. Lagasco purchased the Pipe Lines in November 2018. Any relief should be limited to 2019 forward (the first returned assessment after Lagasco’s purchase).

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