



RP-2003-0253  
EB-2003-0314  
EB-2003-0315  
EB-2003-0316  
EB-2003-0317

**IN THE MATTER OF** the *Ontario Energy Board Act, 1998*;

**AND IN THE MATTER OF** an application by Tribute Resources Inc. and Tipperary Gas Corp. for an order designating a gas storage area;

**AND IN THE MATTER OF** an application by Tribute Resources Inc. and Tipperary Gas Corp. for an order authorizing the injection of gas into, storage of gas in, and removal of gas from a gas storage area;

**AND IN THE MATTER OF** an application by Tribute Resources Inc. and Tipperary Gas Corp. for an order granting leave to drill three wells in the proposed designated storage area;

**AND IN THE MATTER OF** an application by Tribute Resources Inc. and Tipperary Gas Corp. for an order approving or fixing just and reasonable rates for the storage of gas.

**BEFORE:** Bob Betts  
Presiding Member

Paul Sommerville  
Member

Pamela Nowina  
Member

**REASONS FOR THE JUNE 17, 2005 DECISION**

**August 25, 2005**

## Background

Tribute Resources Inc. (“Tribute”) and Tipperary Gas Corp. (“Tipperary”), collectively (the “Applicants”) filed an application dated December 24, 2003, which was amended February 5, 2004 and further amended August 10, 2004. The Application requested the following:

1. An order Designating the Tipperary North pool as a gas storage area under s. 36.1 of the *Ontario Energy Board Act, 1998* (the “Act”);
2. **An order Authorizing Tipperary to inject, store and withdraw gas under s. 38(1) of the Act (the “Injection and Withdrawal Order”);**
3. An order Setting compensation for landowners in the proposed designated area under s.38 (3) of the *Act* (the “Compensation Order”);
4. **An order Fixing rates for the sale of gas storage services under s.36 of the Act (the “Rate Order”);** and,
5. A report to the Minister of Natural Resources (the “MNR”) recommending approval of the Applicants’ applications to drill wells under s. 40 of the *Act* (the “Report”).

Three of the five above requests (1, 3 and 5) have been dealt with in Phases 1 and 2 of this proceeding. Requests 2 and 4, indicated in **bold** script are the subjects of this Board document.

As part of its Interim Decision with Reasons, dated August 25, 2004 (the “Interim Decision”), the Board had expressed concern regarding the Applicant’s business planning and financial structure evidence. In the Board’s view the Applicant’s business planning process was not sufficiently detailed, and did not take into

account a reasonable range of contingencies which could effect the viability of the business, and the orderly development of the project. The Board commented that the lack of apparent financial depth increased the importance of a successful implementation of a business plan to support the viability of the project.

The Board indicated that the Applicant must demonstrate that it has a reasonable probability to successfully manage storage assets in a commercially responsible manner. The Board qualified that by stating that it does not expect any applicant to be able to demonstrate that its technical and financial viability and preparedness guarantees the success of the proposed operation, but that applicants are able to present thoughtful, detailed and adequately supported operational and business plans, which address the key elements of the operation.

The Board also commented that the Applicant did not provide persuasive or convincing evidence respecting the contribution of additional capital, certainty of access to capital or alternate sources of capital adequate to support the development of the intended commercial gas storage operation.

The Board required the Applicants to file additional evidence supporting the viability of the gas storage business. At a minimum, this was to include a five-year business plan detailing:

- Sources of capital;
- A marketing analysis;
- A revenue and earnings forecast;
- Pro-forma cash flows; and,
- Pro-forma balance sheets.

Prior to this case, the Board has not insisted upon a particularly demanding standard of business planning or financial preparedness in considering applications by small operators of independent storage facilities. In fact, the

Board has not had much opportunity to consider the issues raised by such applications. The last such application resulted in a Board approval, which was followed by early failure and bankruptcy of the operation, and the acquisition of the storage facility by one of the two major natural gas distribution companies.

The Board's interest in refining the process for the consideration of independent storage applications is to ensure that such projects are founded upon reasonable prospects for success, and are designed to progress toward the development and operation of the storage area, and not merely the acquisition of a right to develop.

The Board has initiated the Natural Gas Forum, which will, over the next several years, consider the architecture of the gas supply and gas distribution systems in Ontario. The existence of and the orderly development of the kind of storage facilities, which are the subject of this application, may play an important role in the evolution of these systems. It is important that the Board develops a sound regulatory approach to applications such as this one. In this case parties have attempted to establish an appropriate standard for the business planning and financial preparedness aspects of such projects.

The Board's Interim Decision initiated Phase 3 of this proceeding, prescribing a focus on the financial viability of the Applicant and the proposed injection and withdrawal plan. This focus led the evidence and Board's interest to the Applicants' business plan, and the depth and stability of the investment profile.

This should not be taken to indicate that the Board's interest was confined to financial viability and business and operational planning, rather that these were the remaining issues not sufficiently explored in either Phase 1 or 2 of the proceeding.

This phase, Phase 3 of the proceeding, together with the Board's DECISION WITH REASONS TO FOLLOW, issued June 17, 2005 (the "June 17<sup>th</sup> Decision"), attached as Appendix A, and these REASONS FOR THE JUNE 17, 2005 DECISION are directed only to the Applicant's request for:

- o An order authorizing Tipperary to inject, store and withdraw gas under s. 38(1); and,
- o An order fixing rates for the sale of gas storage services under s.36.

With respect to an order to fix storage service rates, the acceptability of adopting Union's C1 range rate schedule was addressed in the Interim Decision; however, the approval of this rate under section 36 was deferred until its effect on the project's financial viability was known, and the appropriateness of issuing an order to inject and withdraw could be finally determined. The June 17<sup>th</sup> Decision attached as Appendix A explains the Phase 3 proceeding, and therefore that will not be repeated here. It was issued "WITH REASONS TO FOLLOW" to allow the Applicants to proceed without undue delay.

The June 17<sup>th</sup> Decision stated two Findings:

1. We found that the Applicants had provided sufficient evidence to support the granting of an authorization pursuant to Section 38(1) of the Act, subject to certain conditions. We wrote, "it is in the public interest to grant the requested order to inject, store, and withdraw gas from the Designated Storage Area described in our previous order of RP-2003-0253/EB-2003-0314 dated October 25, 2004."
2. And we found it reasonable, under section 36 to approve the Applicants' proposal to adopt Union's C1 range rate schedule for its storage service rate, and directed the Applicants to file a draft rate schedule modeled after Union's current rate C1 as reflected in OEB Order RP-2003-0063.

### **Discussion of Findings and Reasons for Decision**

As the Board had hoped, the Applicants provided in Phase 3 a radically different approach to the business planning element of its application. Where before the Applicants had presented a highly non-analytic and tautological series of tables that showed a marginal viability for the business, in Phase 3, they assessed the historic seasonal pricing differentials and placed their business model squarely within those margins. The Applicants were able to demonstrate to a reasonable standard that if the historic performance of the natural gas market is a guide to future performance, the business had a reasonable prospect of viability.

Updated evidence included consideration of the effects of the recently completed Union Gas, M16 rate decision, dated May 19, 2005. This rate is the transportation rate that will apply to the Tipperary operation as it moves gas into and out of the storage facility and is therefore a key cost input for the operation of the storage.

As further tangible support for the Application, the Applicants presented the viva voce testimony of the principal investors in the business, and were able to demonstrate the confidence these investors had in the evolved business model, and their respective commitment to seeing the project through. The investors acknowledged that there were risks, and that their respective commitment to the project was not open-ended. But they expressed confidence in the business plan, the timetable established by the Applicant, and the essential viability of the business plan. Both expected to invest additional sums in the project prior to commissioning.

Subsection 38(1) of the Act empowers the Board to authorize the injection of gas into, storage of gas in, and withdrawal of gas from a natural gas storage reservoir. When dealing with such applications the Board considers:

- Whether injection/withdrawal activities will be conducted safely;
- Whether the well(s) to be used for such purposes has been

appropriately designed, constructed and maintained;

- Whether all relevant codes and standards will be followed;
- Whether the maximum operating pressure is safe and prudent;
- The impacts of injection/withdrawal activities and the effectiveness of any proposed mitigation; and,
- The technical and financial capabilities and preparedness of the Applicant to develop and operate the storage facilities described in the Application, and to be appropriately accountable for losses or damages occasioned by its activities.

The standards for considering the final bullet above have not been carefully prescribed to date.

The Board panel finds in this case, that the following information or evidence represents a reasonable standard to enable it to evaluate the Applicant's "capabilities" and "preparedness" in proposing a commercially viable development and operation of a storage facility:

- **Market Analysis**
  - **Market need and conditions including the relationship of the project to market need. This Includes transportation conditions.**
  - **Evaluation of market competition to establish basis for regulated or market rate.**
- **Financial Plan**
  - **Historic performance of the Applicants including past financial statements.**
  - **Pro forma balance sheets, pro forma income statements, and pro forma cash flow analysis, (each for a minimum of 5 years), including base case, worst case and best case scenarios and a description of the factors that cause the variations in the cases;**
  - **Capital structure**
  - **Sources and Uses of Funds**
  - **Insurance coverage, terms, including amounts of 3<sup>rd</sup> party coverage for environmental incidents.**
  - **An assessment of risks**

- **Evidence regarding the financial depth of the Applicant in order to deal with foreseeable downsides**
- **Evidence regarding shareholders' commitment to the long-term operation of the storage facility, including commitment to cover deductibles associated with insurance coverage through performance bonds or like instruments**
  
- **Project Schedule**
  - **Gantt chart**
  - **Discussion of critical path and risk factors**
  
- **Operating plan**
  - **Independent evaluation of risks to the local community and a plan for mitigation including emergency plans and insurance.**
  - **Evidence of reasonable and timely consideration of landowner concerns: financial, environmental and operational**
  - **Evidence of effective management of MNR matters**
  - **Management Profile including depth of skills, experience, knowledge and ability.**

The Board did not request all of the above information in this case and, understandably, the Applicant did not provide all of it. As indicated earlier, this Application has given the Board an opportunity to refine its thinking on the appropriate level of business planning evidence which should normally be submitted in support of such applications. It is expected that this list will evolve as a result of the process contemplated by the NGF, or in adjudicating subsequent cases. Until the Board issues filing guidelines, subsequent applicants should have the benefit of this guidance so that they can formulate their business plans and applications as effectively as possible. The Board has considered this application against the items outlined above, within the limits of the evidence presented in the proceeding. Matters of commercial confidentiality related to financial and business planning details prescribe only a "high-level", non-detailed discussion of the Board's findings with respect to the evidence provided.

The Board determined that the Applicants had the technical and financial capabilities, and had adequately prepared themselves to develop and operate the storage facilities on a sustainable basis, including considerations of

accountability for losses or damages occasioned by its activities. The standard applied in making this finding was that the Applicants had adequately demonstrated that they had a reasonable probability to successfully manage the storage assets in a commercially responsible manner, into the foreseeable future.

This determination was based upon the future use of the new Union M16 rate for transportation costs, and adoption of the Union C1 rate for storage services charges. The Board ordered the fixing of rates for gas storage services under section 36 of the Act as a result of the acceptability of the C1 storage rate in underpinning the revenues of the Business plan, combined with the reasonableness of the rates as outlined in the Interim Decision.

A final item worthy of note was the change to Item 1.8 on the Conditions of Approval which addressed concerns identified by the Huron County Federation of Agriculture (the HCFA) with respect to insurance coverage. That condition now requires the participation of an independent party with expertise in adequacy of insurance coverage in determining the amount of insurance coverage the Applicants must carry.

The HCFA convinced the Board that the Applicants' proposal to provide insurance coverage equivalent to "industry standards" was inadequate in this case, because the Applicant's financial depth was not equivalent to that of other industry members, and as such they would be less able to "back-stop" an extraordinary loss, or claim for damages.

ONTARIO ENERGY BOARD

*Original signed on behalf of the Panel by*

Bob Betts  
Presiding Member

**APPENDIX A**

**TO THE REASONS FOR THE JUNE 17, 2005 DECISION**

**RP-2003-0253**

**EB-2003-0314**

**EB-2003-0315**

**EB-2003-0316**

**EB-2003-0317**

**DATED AUGUST 25, 2005**



RP-2003-0253  
EB-2003-0314  
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EB-2003-0317

**IN THE MATTER OF** the *Ontario Energy Board Act, 1998*;

**AND IN THE MATTER OF** an application by Tribute Resources Inc. and Tipperary Gas Corp. for an order designating a gas storage area;

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**AND IN THE MATTER OF** an application by Tribute Resources Inc. and Tipperary Gas Corp. for an order approving or fixing just and reasonable rates for the storage of gas.

**BEFORE:** Bob Betts  
Presiding Member

Paul Sommerville  
Member

Pamela Nowina  
Member

**DECISION WITH REASONS TO FOLLOW**

**June 17, 2005**

## The Application

Tribute Resources Inc. (“Tribute”) and Tipperary Gas Corp. (“Tipperary”), collectively (the “Applicants”) filed an Application dated December 24, 2003 which was amended February 5, 2004 and further amended August 10, 2004, with the Ontario Energy Board requesting the following:

- An order Designating the Tipperary North pool in the Township of Central Huron area as a gas storage area under s. 36.1 of the *Ontario Energy Board Act, 1998* (the “Act”);
- An order Authorizing Tipperary to inject, store and withdraw gas under s. 38(1) of the *Act* (the “Injection and Withdrawal Order”);
- An order Setting compensation for landowners in the proposed designated area under s.38 (3) of the *Act* (the “Compensation Order”);
- An order Fixing rates for the sale of gas storage services under s.36 of the *Act* (the “Rate Order”);and
- A report to the Minister of Natural Resources (the “MNR”) recommending approval of the Applicants’ applications to drill wells under s. 40 of the *Act* (the “Report”).

Collectively, the orders and report sought by the Applicants will support the conversion of the existing Tipperary North pool in the Township of Central Huron from production of gas to storage of gas.

The Intervenor in this proceeding are Ms. Marilyn R. Broadfoot, Mr. Lenus Yeo, the Tipperary Storage Landowners’ Association (TSLA), Huron County Federation of Agriculture (HCFA), Northern Cross Energy Limited, Union Gas

Limited, the Ministry of Natural Resources (MNR) and Market Hub Partners Canada L.P.

### **Proceeding and the Evidence**

The proceeding has been conducted in three phases due to the complexity and number of issues relevant to the multiple applications. The Board believes that it is important to advise the parties of its decision without further delay. The Board will issue reasons for this decision in due course. Details of the proceeding will be provided as an appendix to reasons that will follow this decision.

A brief description of the issues and the Orders issued by the Board in each of the phases of the proceeding is summarized below:

In Phase 1 the Board granted an order designating the gas storage area and reported favorably to the Minister of Natural Resources on the need to drill three horizontal wells within the designated storage area.

With respect to the Injection and Withdrawal Order, the Board directed that the Applicants file additional evidence, including a five-year business plan, for the proposed storage operation and on the committed capital for the development and operation of the proposed storage business ("Additional Information").

In Phase 2 of the proceeding the Applicant filed Additional Information, part of which carried a claim of confidentiality. On February 14, 2005 the Board by way of oral decision adopted the Settlement Agreement on landowner compensation. The Board issued an order reflecting the Settlement Agreement pursuant to section 38 (2) on May 31, 2005.

Phase 3 of the proceeding dealt with the two outstanding applications, namely the application for authorization to operate the storage area under s. 38(1) and the application to determine storage services rates under section 36. The Board had determined in Phases 1 and 2 that it had heard sufficient evidence to support

the rate application. The Board also determined that it required additional evidence with respect to the implications, if any, of Union's applicable M16 transportation rate on the Applicants' business plan and the financial viability of the project. Union had been required by another Panel of the Board to present evidence respecting the appropriate design and quantum of its M16 transportation rate. In separate proceedings the Board considered Union's revised M16 rate proposal. On May 19, 2005, the Board issued its decision on Union's M16 rate application. On May 26, 2005 the Applicants filed a confidential and a redacted version of its revised business plan incorporating the newly approved M16 rates in the schedules.

An oral hearing was conducted on June 2 and June 3, 2005 in Toronto. Part of the hearing was held "in camera" to deal with the confidential information contained in the revised business plan evidence.

In the oral hearing, Tipperary Storage Landowners' Association, Huron County Federation of Agriculture raised the issue of appropriate insurance coverage for environmental and other risks and potential impacts of the proposed gas storage operation in the Tipperary Pool.

### **Board Findings**

1. The Board finds that the Applicants have provided sufficient evidence to support the granting of an authorization pursuant to Section 38(1) of the Act, subject to certain conditions which are stipulated in Appendix "A" to this decision. In the Board's view it is in the public interest to grant the requested order to inject, store, and withdraw gas from the Designated Storage Area described in our previous order of RP-2003-0253/EB-2003-0314 dated October 25, 2004.
2. Regarding the application under section 36 for a storage service rate order the Board finds it reasonable to approve the Applicants' proposal that the

Applicants adopt Union's C1 range rate schedule. The Applicants are directed to file a draft rate schedule modeled after Union's current rate C1 as reflected in OEB Order RP-2003-0063. The Board shall issue the required rate order upon receipt of the stipulated rate schedule. This rate order effective date shall coincide with the date upon which the Applicants commence offering the storage services associated with the operation of the Tipperary designated storage pool.

As indicated earlier, the Board will issue Written Reasons at a later date that will explain rationale for Board's decision presented in this Decision with Reasons to Follow.

The Applicants shall pay the Board's costs upon receipt of the Board's invoice.

ONTARIO ENERGY BOARD

*Original signed by*

Peter H. O'Dell  
Assistant Board Secretary

**APPENDIX A**

**June 17, 2005**

**Order**

**RP-2003-0253/EB-2003-0315**



**RP-2003-0253**  
**EB-2003-0315**

**IN THE MATTER OF** the *Ontario Energy Board Act, 1998*;

**AND IN THE MATTER OF** an application by Tribute Resources Inc. and Tipperary Gas Corp. for an order authorizing the injection of gas into, storage of gas in, and removal of gas from a gas storage area.

**BEFORE:** Bob Betts  
Presiding Member

Paul Sommerville  
Member

Pamela Nowina  
Member

## **ORDER**

Tribute Resources Inc. ("Tribute") and Tipperary Gas Corp. ("Tipperary"), collectively (the "Applicants") filed an Application with the Ontario Energy Board (the Board) dated December 24, 2003 which was amended February 5, 2004 and further amended August 10, 2004, pursuant to section 38(1) of the *Ontario Energy Board Act, 1998* (the Act) for an order for authorization to inject gas into, store gas in and remove gas from a designated storage area known as Tipperary Pool in the geographic Township of Goderich, Municipality of Central Huron, Province of Ontario. The Board assigned the Application for an order to designate gas storage area File No. RP-2003-0253/EB-2003-0315.

The Board issued a Notice of Application dated February 25, 2004. The Applicants served and published this Notice according to the Board's Letter of Direction. The Board has issued seven Procedural Orders in connection with the Application. The Board held 10

days of oral hearings in 3 Phases in August 2004, February 2005 and June 2005. Argument was completed on June 3, 2005.

**THE BOARD ORDERS THAT:**

1. Tipperary Gas Corp. is authorized to inject gas into, store gas in and remove gas from the area known as Tipperary Pool in the geographic Township of Goderich, Municipality of Central Huron, Province of Ontario, which has been designated as a gas storage area by OEB Order RP-2003-0253/EB-2003-0314 and to enter into and upon the land in the area for such purposes, subject to Conditions of Approval set forth in Appendix "A" to this Order.

DATED at Toronto, June 17, 2005

ONTARIO ENERGY BOARD

*Original signed by*

Peter H. O'Dell  
Assistant Board Secretary

APPENDIX A  
CONDITIONS OF APPROVAL  
RP-2003-0253/EB-2003-0315  
JUNE 17, 2005

**Tipperary Gas Corp.**  
**Tipperary Pool Development Project**  
**RP-2003-0253/EB-2003-315**  
**Conditions of Approval**  
**Authorization to Inject, Store and Remove Gas**

1. Operation of the Tipperary Pool
  - 1.1 Tipperary Gas Corp. (“Tipperary”) shall adhere to the evidence filed with the Board and the undertakings given to the Board and comply with applicable laws, regulations and codes to the satisfaction of the responsible agency pertaining to the construction, operation and maintenance of the proposed project and, without limiting the generality of the foregoing, Tipperary shall comply with the following specific requirements:
    - 1.1.1 Prior to commencement of any injection, storage or withdrawal operations, Tipperary shall conduct and file with the Board, Ministry of Natural Resources and any party or intervener to these proceedings, a thorough evaluation of all subsurface activities and their potential impact on the integrity of storage facility as required by Section 7.1 of the CSA Z341.1-02, including assessment of:
      - a) existing or abandoned wells within 1km of the subsurface perimeter of the storage zone, including activities within those wells, such as fracture treatments;
      - b) existing operations within 5km radius of the proposed storage scheme, including operation, and minimum and maximum operating pressures; and
      - c) for any existing wellbore penetrating the storage zone, the integrity of the well, including casing inspections, cement inspections, and hydraulic isolation of the storage zone from any overlying porous zones;. provided that, should such evaluation identify any risk and / or specify necessary remedial work, Tipperary agrees to implement, complete, and maintain such works prior to commencement of any injection, storage, or withdrawal.
    - 1.1.2 Prior to commencement of any injection, storage or withdrawal operations, Tipperary shall complete and file with the Board, the Ministry of Natural Resources, and all parties and interveners of these proceedings, the following plans and procedures as required by CSA 341.1-02:
      - 1.1.2.1 Operations and Maintenance Procedures (s 10.1.1)

1.1.2.2 Emergency Response Plan (s. 10.1.2)

and thereafter comply with any and all on-going obligations as required in respect of such procedures and plans pursuant to CSA Z341. 1-02 or any successor version thereto.

- 1.1.3 Tipperary shall implement and comply with the schedules for pressuring of the designated storage area facility (delta pressuring) as set out in the document entitled North Pool Proposed Storage Schedule dated November 17, 2004.
- 1.1.4 Tipperary shall comply with the revised Proposed Reservoir Monitoring Program for Tipperary North Storage Operations (as originally proposed in the name of Tribute) as dated February 14, 2005.
- 1.2. Tipperary shall design, construct, operate, maintain and abandon the wells and facilities in accordance with the CSA Z341 Storage of Hydrocarbons in Underground Formations and in accordance with the Oil, Gas and Salt Resources Act and its regulations and operating standards.
- 1.3. Tipperary shall protect the integrity of the reservoir and ensure the safe operation of the Tipperary Pool by complying with the requirements of the Provincial Operating Standard, CSA Standard Z341 and any other applicable laws, regulations and codes.
- 1.4. Tipperary shall advise the Board's designated representative of any proposed material change or abnormal events in construction or restoration procedures that are reported to authorities. In the event of an emergency, the Board shall be informed immediately after the fact.
- 1.5. Tipperary shall not operate the Tipperary Pool above a maximum allowed operating pressure representing a pressure gradient of 0.7 psi per ft depth (15.8 kPa/m). Tipperary shall operate the Tipperary Pool at a pressure not greater than the discovery pressure 400 psig (2,750kPag), until the conditions of section 7.5.2. of CSA Z341 are satisfied and without the leave of the Board.
- 1.6 Tipperary shall ensure that the construction, operation and maintenance of the Tipperary Pool do not affect the quality or supply of potable water. Tipperary shall conduct a water well test prior to and after the first cycle of gas storage and implement a Water Well Monitoring Program using the baseline water quality data provided in the evidence and in accordance with paragraph 1.6.1 below. In the event that the quality of the potable water is impacted by the construction, operation and maintenance of the Tipperary Pool, Tipperary shall provide adequate fresh water supplies to

all affected landowners until the problem is rectified.

1.6.1 Tipperary shall, at Tipperary's sole expense, conduct water tests:

- (a) in accordance with the procedures and protocols mandated by Stantec; and
- (b) on water from each well in the DSA that was tested by Stantec in the spring of 2004; and
- (c) using tests conducted by individuals qualified to conduct such tests on samples of water collected by individuals qualified in the Province of Ontario to collect water samples; and
- (d) that provide analyses identical to the analyses conducted on the water samples taken by Stantec in the spring of 2004 within the DSA at the following times:
  - (i) before spudding each vertical well to be drilled by Tipperary in the DSA, and
  - (ii) during the drilling of the intermediate string of each vertical well, and
  - (iii) within sixty (60) days of the completion of each such vertical well by Tipperary in the DSA, and
  - (iv) annually in each of the five (5) years following the year in which Tipperary first injects gas into the geological reservoirs, or either of them, in the DSA (the "post first year injection tests")

provided that it is understood and agreed that:

- A. Tipperary shall forthwith and in any event within 45 days of receipt thereof by Tipperary, deliver to TSLA and to each of its members, full and complete copies of the water test results.
- B. With reference to the post first year injection tests, Tipperary shall:
  - 1. notify TSLA in writing when the gas injection cycle for each such year is complete, and

2. retain the services of a qualified water sampler and instruct the sampler to schedule the collection of water samples during the month requested in writing by TSLA, and
  3. instruct the qualified water sampler to notify each member of the TSLA not less than 48 hours of his intention to attend and take samples of water from that member's well.
- 1.7. Should Tipperary fail to inject sufficient gas to achieve a reservoir pressure of 320 psig (2,200 kPa) before December 31, 2006, Tipperary shall be required to apply to the Board for an extension of the authority granted under the Board's Order and will be required to submit evidence to show why such an extension shall be granted.
- 1.8. Tipperary shall, after the date on which the OEB grants an order pursuant to Section 38(1) of the OEB Act and before commencement of construction operations to use the DSA for storage, and thereafter while the DSA or any part thereof is being used for storage operations, obtain and maintain in full force and effect insurance coverage, including but not limited to, liability and pollution coverage, in the amount that is determined by an independent party with expertise in adequacy of insurance coverage for environmental and other risks and potential impacts of gas storage operations in southwestern Ontario. Tipperary shall select and retain an independent expert from a list of experts that is prepared by the Board and placed on public file.
2. General
  - 2.1. The authority granted under this Order to Tipperary is not transferable to another party, without leave of the Board.
  - 2.2. The Board's designated representative for the purpose of these conditions shall be the Manager, Licensing/Facilities.