



**TOWN OF FORT FRANCES**  
**ADMINISTRATION & FINANCE DIVISION**  
**TREASURY REPORT 2013/98**

**To:** Mayor Avis & Members of Council  
**FROM:** Laurie Witherspoon, Treasurer  
**DATE:** October 9, 2013  
**SUBJECT:** MOS – Requests for Reconsideration  
Re: Gas Distributions Lines (2013) Roll #59-12-030-007-24300-0000

---

**BACKGROUND**

At the September 9, 2013 Council Meeting, Treasury Report 2013/84 was approved to appeal the Minutes of Settlement received with regard to Roll Number 5912-030-007-24300-0000 Gas Distribution Lines located within the Town of Fort Frances.

Following that decision of Council, I contacted P. Begall, MPAC Municipal Relations Assistant at the Thunder Bay office to inquire as to the procedure to appeal the received MOS for the Gas Distribution lines. MPAC provided the attached information that she received from the analyst that processed the MOS for Union Gas. Also attached for your reference is the Assessment Act – O. Reg 282/98 that regulates the rates for pipeline assessment for 2013 through to 2016 taxation years and of which includes Table 1 Offshore Pipe Line, Table 2 Plastics Field and Plastic Gas Distribution Pipe Lines, and Table 3 Pipe Lines Other than those to which Tables 1 or 2 applies. In a telephone conversation with P. Begall, she indicated that the municipality would not be able to appeal as legislation sets out the method to determine the assessed value for gas distribution lines. I have requested this in writing from MPAC.

Also attached is further information forwarded to me from Darlene Morgan, MPAC Thunder Bay Office (from Ryan Ford, Property Valuation Specialist – Linear Centralized Properties) that states the municipality maintains the right to appeal the MOS. However the calculated values are legislated by the Ministry of Finance therefore leaving an appeal argument on quantum of pipe assessed or incorrect pipeline rate applied.

## **RECOMMENDATION**

The Administration & Finance Executive Committee recommends that Council first reconsider the previously decided matter to appeal the Minutes of Settlement (M.O.S.) received for Roll Number 59-12-030-007-24300-0000 for Gas Distribution Lines located within the Town of Fort Frances and secondly to receive the MOS for Roll Number 59-12-030-007-24300-0000 for Gas Distribution Lines be processed as originally received. Further, that at the CAO's discretion, a letter be sent to MPAC CEO and the MPAC Board Chair with copy to the Minister of Finance with regard to this matter.

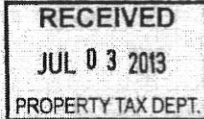
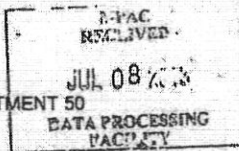
Council Approval of This Report Will Agree to the recommendation of the Administration and Finance Executive Committee to receive the Minutes of Settlement (MOS) for Roll Number 59-12-030-007-24300-0000 being Gas Distribution Lines within the Town of Fort Frances and that the MOS be processed as originally received. Further that at the CAO's discretion, a letter be sent to the MPAC CEO and the MPAC Board Chair with copy to the Minister of Finance with regard to this matter.



MUNICIPAL PROPERTY  
ASSESSMENT CORPORATION  
SOCIÉTÉ D'ÉVALUATION  
FONCIÈRE DES MUNICIPALITÉS

## Request for Reconsideration Minutes of Settlement 2013 Tax Year

UNION GAS LIMITED  
PROPERTY TAX DEPARTMENT 50  
PO BOX 2001 STN MAIN  
CHATHAM ON N7M 5M1



### Questions?

Call 1 866 296-MPAC (6722)  
1 877 889-MPAC (6722) TTY  
Monday to Friday - 8 a.m. to 5 p.m.  
Web [www.mpac.ca](http://www.mpac.ca)  
Fax 1 866 297-6703  
Write P.O. Box 9808 Toronto, ON M1S 5T9

If you have any accessibility needs,  
please contact MPAC for assistance.

The Municipal Property Assessment Corporation (MPAC) received a Request for Reconsideration (R/R) for the property identified below. As a result of MPAC's review, we recommend your property assessment be revised according to the settlement shown below.

<b>Roll number</b>	59-12-030-007-24300-0000	
<b>Property location and description</b>	GAS DISTRIBUTION LINES	
<b>Municipality</b>	FORT FRANCES TOWN	
<b>Property Assessment</b>	<b>Current</b>	<b>Revised</b>
2012 Current Value	\$2,848,000	\$2,351,000
2008 Current Value	\$2,639,000	\$2,178,472
<b>Property Classification</b>	Pipeline (PT)	Pipeline (PT)
<b>Tax Year</b>	<b>Phased-in Assessment</b>	<b>Phased-in Assessment</b>
2013	\$2,691,250	\$2,221,604
2014	\$2,743,500	\$2,264,736
2015	\$2,795,750	\$2,307,868
2016	\$2,848,000	\$2,351,000

### Reason(s) why your property assessment changed

- Updated property data

Please see reverse

Please check the appropriate box and sign below

☒ I accept my revised assessment.

or

☐ I reject my revised assessment.

By signing, I agree the Request for Reconsideration (RFR) process is completed.

- I understand that if I accept the recommendation;
  - the revised phased-in assessments will be used by my municipality to adjust my property taxes; and
  - if I have already filed an Appeal to the Assessment Review Board (ARB), my Appeal is withdrawn.
- I understand that if I reject the recommendation;
  - my property assessment will remain unchanged for the current year; and
  - I have the option of appealing to the Assessment Review Board by October 02, 2013.
- I understand that a supplementary or omitted assessment may be made for any changes to the property not yet assessed.

You must sign and return this form for the change to take effect this year.

Signature of property owner/representative	Print Name	Date (yyyy/mm/dd)
X <i>Kyle Simpson</i>	X <i>Kyle Simpson</i>	2013/07/03

Signature of MPAC representative	Print Name	Date (yyyy/mm/dd)
X <i>Walter Veneruzzo</i>	Walter Veneruzzo, Director, Valuation and Customer Relations	2013/06/24

Objection by Municipality

Municipal Signature	Print Name	Date (yyyy/mm/dd)
X <i>Mark McCaig</i>	X <i>Mark McCaig, CAO</i>	2013/Sept/10

To finalize your RFR, your signed Minutes can be mailed in the prepaid envelope provided or faxed to 1 866 297-6703.

Last date for a Municipal Appeal: October 9, 2013

PLEASE NOTE: If there is any change in the law that affects the determination of the adjusted 2008 CVA used as the starting point to determine the phased-in assessments in these Minutes of Settlement, MPAC reserves the right to re-state the phase-in amounts included in the Settlement to comply with the statutory or regulatory change.

Tax Year: 2013 Roll Number: 59-12-030-007-24300-0000



"Begall, Paula"  
<PAULA.BEGALL@mpac.ca>

09/10/2013 01:15 PM

To "lwitherspoon@fort-frances.com"  
<lwitherspoon@fort-frances.com>  
cc "Morgan, Darlene" <DARLENE.MORGAN@mpac.ca>  
bcc

Subject Union Gas Section 39.1 Minutes of Settlement

Hi Laurie,

I spoke with the analyst that processed the Minutes for Union Gas – he has advised me that pipeline rates are legislated – (his comments below)

The legislated rates are found in O.Reg 282/98. Sec 41 is the Assessment of Pipe Lines and Part X has the legislated rate tables. You can also see Sec 25 of the Assessment Act.

In regards to roll 5912 030 007 24300 - **Some pipe removed**, some added and change in conditions. 2012 cva from 2,848,000 to 2,351,000 for the **2013 MOS**.

**Omits** issued for **pipeline addition**. Information provided by Spectra Energy in March 2012 report (received April 27 2012). Omits: \$129,000 Eff 2011-09-01 \$129,000 Eff 2012-01-01

If you have any questions, please let me know.

Thank-you,

*Paula Begall*

Municipal Relations Assistant

807 622-1400 x249

[Paula.Begall@mpac.ca](mailto:Paula.Begall@mpac.ca)

Fax: 807 622-1404

Toll free: 877 268 9231 x249

NOTICE: This e-mail message and any attachments are confidential, subject to copyright and may be privileged. Any unauthorized use, copying or disclosure is prohibited. If you are not the intended recipient, please delete and contact the sender immediately. Please consider the environment before printing this e-mail. AVIS : le présent courriel et toute pièce jointe qui l'accompagne sont confidentiels, protégés par le droit d'auteur et peuvent être couverts par le secret professionnel. Toute utilisation, copie ou divulgation non autorisée est interdite. Si vous n'êtes pas le destinataire prévu de ce courriel, supprimez-le et contactez immédiatement l'expéditeur. Veuillez penser à l'environnement avant d'imprimer le présent courriel



**PART VIII  
ASSESSMENT OF PIPE LINES**

**ASSESSED VALUE FOR SPECIFIED YEARS**

**41.** (1) For the 2013, 2014, 2015 and 2016 taxation years, the assessed value of a pipe line shall be determined as follows:

1. The length of the pipe line in feet shall be multiplied by the applicable rate in Table 1, 2 or 3 of Part X. Table 1 applies to offshore pipe lines. Table 2 applies to plastic field gathering pipe lines and plastic distribution pipe lines. Table 3 applies to other pipe lines.
2. The amount determined under paragraph 1 shall be depreciated by reducing the amount by the applicable percentage in Table 4 for offshore pipe lines and in Table 5 for plastic field gathering pipe lines, plastic gas distribution pipe lines and other pipe lines.
3. After the reduction under paragraph 2, \$250 shall be added for each connection to an end user. O. Reg. 338/12, s. 1.

(2) If Table 1, 2 or 3 applies, but the outside diameter of the pipe line is not included in the Table, the applicable rate for the purposes of paragraph 1 of subsection (1) is the rate for the closest outside diameter or range of outside diameter that is included in the Table. O. Reg. 338/12, s. 1.

**41.1, 41.2** Revoked: O. Reg. 338/12, s. 2.

**PART X**  
**TABLES RE ASSESSMENT OF PIPE LINES**

TABLE 1  
OFFSHORE PIPE LINES — 2013 TO 2016 TAXATION YEARS

Outside Diameter (in inches)	Rate (in dollars per foot)
1	4.77
1.25 to 1.5	8.08
2 to 2.5	13.16
3	19.11
4 to 4.5	21.43
5 to 5 <sup>5</sup> / <sub>8</sub>	23.54
6 to less than 8	28.05
8	39.94

O. Reg. 338/12, s. 3.

TABLE 2  
PLASTIC FIELD GATHERING PIPE LINES AND PLASTIC GAS DISTRIBUTION PIPE LINES — 2013 TO 2016 TAXATION YEARS

Outside Diameter (in inches)	Rate (in dollars per foot)
0.5	4.18
1	5.02
1.25 to 1.5	5.87
2 to 2.5	7.56
3	12.15
4 to 4.5	14.63
6 to less than 8	31.10
8	38.83

O. Reg. 338/12, s. 3.

TABLE 3  
PIPE LINES OTHER THAN THOSE TO WHICH TABLE 1 OR 2 APPLIES — 2013 TO 2016 TAXATION YEARS

Outside Diameter (in inches)	Rate (in dollars per foot)
0.75 to 1.0	12.40
1.25 to 1.5	14.70
2 to 2.5	17.33
3	24.82
4 to 4.5	28.89
5 to 5 <sup>5</sup> / <sub>8</sub>	32.96
6 to 6 <sup>5</sup> / <sub>8</sub>	37.21
8	48.00
10	56.77
12	72.83
14	89.06
16	116.83
18	139.61
20	154.82
22	183.46

24	216.85
26	243.36
28	285.60
30	303.09
32	352.90
34	388.68
36	420.37
38	456.82
40	490.57
42	535.93
44	589.13
46	642.74
48	672.59

O. Reg. 338/12, s. 3.

TABLE 4  
DEPRECIATION RATES FOR OFFSHORE PIPE LINES — 2013 TO 2016 TAXATION  
YEARS

Year of Installation of Pipe Line	Percentage Reduction
1981 or earlier	80
1982	79
1983	78
1984	76
1985	75
1986	73
1987	72
1988	71
1989	70
1990	68
1991	67
1992	66
1993	65
1994	63
1995	62
1996	61
1997	59
1998	57
1999	57
2000	56
2001	54
2002	52
2003	51
2004	49
2005	44
2006	39
2007	33
2008	27
2009	21
2010	15
2011	10
2012	5
2013	0



O. Reg. 338/12, s. 3.

TABLE 5  
PIPE LINES OTHER THAN THOSE TO WHICH TABLE 4 APPLIES — 2013 TO 2016  
TAXATION YEARS

Year of Installation of Pipe Line	Percentage Reduction
1944 or earlier	80
1945	79
1946	78
1947	78
1948	78
1949	76
1950	76
1951	75
1952	75
1953	74
1954	73
1955	73
1956	73
1957	71
1958	71
1959	70
1960	69
1961	69
1962	68
1963	68
1964	67
1965	66
1966	65
1967	65
1968	64
1969	64
1970	63
1971	62
1972	61
1973	61
1974	60
1975	60
1976	59
1977	58
1978	57
1979	57
1980	56
1981	56
1982	55
1983	55
1984	54
1985	53
1986	52
1987	52
1988	51
1989	50

1990	49
1991	47
1992	44
1993	42
1994	40
1995	37
1996	35
1997	32
1998	30
1999	27
2000	24
2001	22
2002	20
2003	18
2004	16
2005	14
2006	12
2007	10
2008	8
2009	8
2010	7
2011	4
2012	2
2013	0

O. Reg. 338/12, s. 3.

[Back to top](#)



"Morgan, Darlene"  
<DARLENE.MORGAN@mpac.ca>  
10/04/2013 02:26 PM

To Laurie Witherspoon <lwitherspoon@fort-frances.com>  
cc "Begall, Paula" <PAULA.BEGALL@mpac.ca>, "Mick, Bonnie" <BONNIE.MICK@mpac.ca>  
bcc  
Subject FW: Union Gas Section 39.1 Minutes of Settlement

Good Afternoon Laurie:

See the response below, if you have additional questions or concerns, please do not hesitate to contact me.

d

**From:** Ford, Ryan  
**Sent:** Friday, October 04, 2013 3:25 PM  
**To:** Morgan, Darlene  
**Cc:** Cranney, Mike; Brisebois, Rick  
**Subject:** RE: Union Gas Section 39.1 Minutes of Settlement

Hi Darlene,

The municipality maintains the right to appeal the Minutes of Settlement as they would on other property types. The difference in this case is that the rates used to calculate the values are legislated by the Ministry of Finance in section 41 of O.Reg 282/98 and cannot be argued. Therefore that leaves an argument based on quantum of pipe assessed or incorrect pipeline rate applied.

The subject property has had approximately 77,000 lf of pipe demolished in 2012. The majority of pipe demolished was steel.

The increase in pipe laid was 2010 lf. This was captured in the omit issued in 2012 for \$129,000. There is a difference in the rates applied for steel and plastic in O.Reg 282/98. There is an average difference of approximately \$10.00/foot between the two types of pipe.

Sincerely,

Ryan Ford  
Property Valuation Specialist – Linear  
Centralized Properties  
905.432.9470 ext 217  
289-387-2506 (cell)

**From:** Morgan, Darlene [<mailto:DARLENE.MORGAN@mpac.ca>]  
**Sent:** Thursday, October 03, 2013 2:24 PM  
**To:** Ford, Ryan  
**Cc:** Cranney, Mike