File No. 1589
Board Order No. 420A

MEDIATION AND ARBITRATION BOARD

IN THE MATTER OF THE PETROLEUM AND NATURAL GAS ACT, R.S.B.C., C. 361 AS AMENDED
AND IN THE MATTER OF NE ¼ of Section 31 Township 79 Range 16, W6M, Peace River District, except Plans H903 and PGP38729
(The "Lands")

BETWEEN:

SPECTRA ENERGY MIDSTREAM CORPORATION.
("Spectra")

("APPLICANT(S)")

AND:

KENNETH JAMES VAUSE AND
LORETTA VAUSE.
(The "Vauses")

("RESPONDENT(S)")

ARBITRATION ORDER

BOARD ORDER

I. INTRODUCTION

Spectra Energy Midstream Corporation is a Nova Scotia company, operating among others, in the Province of British Columbia.

Spectra intends to construct a pipeline running underground approximately 15 kilometers east from its compressor site at 13-4-80-16 W6M to the Pienza Sunrise well site 1-18-80-17 W6M. The 6" pipeline will run 1.5 meters underground and transport raw sour gas to Spectra's West Doe Gas Plant, located at 02-25-80-15W6, about 15 kilometers north of the compressor site, in the Peace River area of British Columbia. The Plant, which has separators, dehydration facilities, compressors, an amine treatment system, and storage tanks is near completion, and is expected to be in service within the next month. The pipeline will connect three other well sites, at the Pienza compressor site, located at 15-34-79-17 W6M, with the Plant. The pipeline will not connect directly with any of the four well heads but with producer owned pipelines extending from the well heads.

For the purpose of the pipeline, Spectra requires a 15 meter right of way across the land of 17 landowners, including Mr. and Mrs. Vause, the owners of the Lands. All landowners, except the Vauses, entered into right of entry agreements with Spectra. Spectra initially intended to cross the Alaska Highway on the Lands, cutting southeast through the Vauses' field, rather than following an unconstructed road allowance at the edge of the Lands. The Vauses objected to the proposed routing.

Spectra filed an application under Section 16(1) of the ***Petroleum and Natural Gas Act*** (the "***Act***") seeking entry, occupation and use to the Lands. The Board appointed a mediator to mediate the dispute. Following unsuccessful mediation, the mediator issued an order on July 23, 2007 dismissing two objections made by the Vauses, including that the Board lacked jurisdiction to deal with the pipeline because it did not meet the definition of a "flow line" under the ***Pipeline Act***, RSBC 1996, c. 364. The mediator also granted Spectra right of entry for the purpose of an environmental assessment, an archeological assessment, and construction and operation of a pipeline.

Before the scheduled hearings dates, October 29 and 30, 2007 in Fort St. John, British Columbia, the parties reached an agreement on a different routing of the pipeline.

II. ISSUES

The issues before me are the following:

1. whether the proposed pipeline, which does not connect directly with the well heads, is a "flow line" and, therefore, within the jurisdiction of the MAB?
2. if question #1 is answered in the affirmative, and the right of entry order is upheld, what is the appropriate compensation for the right of entry?
3. whether the Vauses are entitled to legal costs and compensation for their time and expenses in connection with their dealings with Spectra?

At the hearing, the parties informed me that they had agreed to defer the issues relating to costs pending my decision on the two first issues.

III. FACTS AND EVIDENCE

Mr. Scott McLeod, a senior project manager with Spectra Energy Corporation, and Mr. Brian Dunn, a land agent with Roy Northern Land Services Ltd., testified on behalf of Spectra. Mr. and Mrs. Vause testified on their own behalf. By consent, they testified together.

a. The Project

Spectra is a subsidiary of Spectra Energy Corporation and part of a larger business venture. In general terms, Spectra's business is gathering, processing, and transporting natural gas and constructing, acquiring, owning, and operating facilities for those purposes. It does not own mineral rights or produce natural gas. It is in the pipeline or infrastructure business. Some of the pipelines in British Columbia fall under the ***Pipeline Act*** and others fall under the ***National Energy Board Act***, RSC 1985, c N-7.

Spectra intends to construct a pipeline running underground approximately 15 kilometers east from its compressor site at 13-4-80-16 W6M to the Pienza Sunrise well site 1-18-80-17 W6M. The 6" pipeline will run 1.5 meters underground and transport raw sour gas to Spectra's West Doe Gas Plant, located at 02-25-80-15W6, about 15 kilometers north of the compressor site, in the Peace River area of British Columbia.

The pipeline will connect four well sites that are currently "shut in," meaning that they are not connected to anything. Pienza Sunrise (1-18-80-17 W6M), Terra Sunrise (7-9-80-17 W6M), Terra Sunrise (9-4-80-17 W6M) and Pienza Sunrise (3-3-80-17 W6M). The well sites have producer owned pipelines that in three cases extend beyond the well sites. In the case of Pienza Sunrise (1-18-80-17 W6M), the producer owned pipeline extends to the boundary of the well site. At that point it will be connected to Spectra's pipeline. For a distance of several kilometers, the Spectra pipeline will run parallel with a pipeline operated by Terra Energy and, in fact, bypass Terra Sunrise (7-9-80-17 W6M), Terra Sunrise (9-4-80-17 W6M) and Pienza

Sunrise (3-3-80-17 W6M), and connect with them at the Pienza compressor site (15-34-79-17 W6M). The pipeline is not going through the compressor at the Pienza compressor site at this time; later, however, as pressure decreases, it likely will. The pipeline will not connect directly with any of the four well heads but with producer owned pipelines extending from the well heads.

From the Pienza compressor site, the pipeline will transport the gas to Spectra's compressor site and, from there, on to the West Doe Gas Plant. The plant has separators, dehydration facilities, compressors, an amine treatment system and storage tanks. It is near completion, and is expected to be in service within the next month.

Except with respect to the variation of the routing of the pipeline over the Vauses' property as agreed between the parties, I understand that the Oil and Gas Commission ("OGC") has approved the pipeline. An application to the OGC is pending for the variation.

b. The Pipeline and the Vauses' Lands

Spectra held an open house with respect to its proposal and application to the OGC to construct the Plant and the "associated sour gathering system" in early January 2007. Mr. and Mrs. Vause did not attend the public meeting but learned about the pipeline proposal shortly after. They had some contacts with Spectra's representatives from Roy Northern which were less than satisfactory from their standpoint. They complained that they were only provided with preliminary plans. After a brief meeting on April 4, 2007 between a Roy Northern agent and the Vauses, Spectra filed an application with the MAB for right of entry. The parties were not able to resolve their differences though the Board's process.

One of the issues between Spectra and the Vauses was the routing of the pipeline. The Vauses objected to the pipeline taking a jog down though their field as opposed to following the edge of the property. Spectra viewed the original proposal as the most appropriate routing. The original proposal for crossing the Lands was determined, among other factors, by regulation. BC highways regulations mandate that a "flow line" must cross a highway at a 90 degree angle, and sour gas regulations require a 100 meter setback from residential buildings.

In late September there were direct contacts between Mr. and Mrs. Vause and Spectra. As the result of these contacts, Spectra agreed to revise the routing of the pipeline along the lines proposed by the Vauses.

Under the revised proposal, the pipeline will follow the property line approximately 200 meters to the north, cross the Alaska Highway, and then

generally follow the Highway southeast for about 500 meters, meeting up with the unconstructed road allowance. The routing is approximately 240 m longer and follows the edge of the Vauses' property. It involves a landowner to the north whose property was not originally affected by the pipeline. It will cost Spectra $65,000 - $70,000 more, including compensation to the other land owner. Spectra expects that the new routing will be delay the project by approximately one week. Construction can commence within one week of approval by the OGC. Spectra has engaged a contractor, and construction is expected to take two months, depending on the weather, and labour and supply shortages.

c. Compensation

The Vauses have grown fescue, rotated with other crops, for 25 years. They likely intend to continue using the Lands for those purposes for another 5 – 10 years. The Lands are in the Agricultural Land Reserve (ALR). The 15 meter right of way will take up 7.27 acres which has been used for growing fescue, of which 1.03 acres is temporary work space,.

Spectra paid the other landowners in this project $950/acre for the right of entry, as a one time payment. In Mr. Dunn's experience, no landowners have been paid more than $950/acre. The amount is an "established" industry standard, and is pre-printed on Spectra's Pipeline Compensation Sheet. Other companies and agents use the same amount for pipelines in British Columbia. Spectra and other companies pay $475/acre for temporary work space. Mr. Dunn has used the $950/acre for more than eight years and does not know its origin.

Spectra proposed to pay the $950/acre for the entire 7.27 acres, including the temporary workspace. In Mr. Vause's view this offer is "ridiculous." He said it is not possible to buy a small amount of acreage with a pipeline in it for that price. He receives $1,232/acre for a 2.88 acre well site and access road. Mr. Vause wants Spectra to pay $2,000/acre up front and $850/acre per year, less than the surface rate because the pipeline is underground. In cross examination, Mr. Vause agreed that the $2,000 was "negotiable" and "not a big deal." In his view, the pipeline will never be removed and will tie up the land forever and will continue to restrict his use of the land.

Mr. Dunn explained that oil and gas companies do not normally make annual payments for pipelines, because, unlike well sites, there is nothing above ground, and, therefore, no ongoing or continuing loss of use as farm land after the completion of construction.

That does not necessarily mean that there is no ongoing or continuing impact on the landowner. The company may inspect, repair and maintain the pipeline. The landowner cannot build over the right of way. The ***Sour***

Pipeline Regulation, BC Reg 359/98, provides for minimum setbacks from the pipeline of at least 100 meters for different classes of buildings, depending on the release rate for the pipeline. There are no similar setback requirements for sweet gas pipelines. The regulation also requires that an emergency planning zone must be maintained for sour gas pipelines, extending 3000 meters from the pipeline in each direction. It is unlikely that the pipeline will be removed.

The Lands are currently used as farm land. Mr. Vause agreed that the land was not listed for sale, but he said he would or could sell privately. While he asserted that he knew the value of the land, he had not consulted a real estate consultant. He also stated that the Lands could be removed from the ALR and that he could build nine houses on each quarter.

Mr. Dunn testified that fescue is grown in a three-year cycle. In the first and second years, the yield is generally higher than the third year, depending on fertilization, weed control, water and farming practices. After three years, the fields are reworked and re-seeded. Spectra pays for 2.5 years, based on the rationale that the first year is a total loss, there is some crop loss in the second year, and the possibility of loss in the third year. In the Vauses' case, the affected fields are at the end of the cycle. Mr. Vause appeared to disagree with Mr. Dunn's view of the crop cycle for fescue, but his testimony, and particulars of the claim for crop loss, were largely consistent with Mr. Dunn's evidence. Mr. Vause said that a possible fourth year depended on weather, and said that he expected next year to provide a good crop.

Mr. Dunn estimated that the crop loss on the affected Lands was $275/acre. He arrived at this number using an estimated crop of 1,800 pds at the price of $.38/pd, which is a little higher than the average price for fescue for the period 2001 to 2005 according to statistics from the Alberta Ministry of Agriculture. Other affected landowners growing fescue were compensated on the same basis.

Mr. Vause explained that fescue peaks every 4-5 years. He said the current price is $.45/pd and expected it to increase to $.55/pd in the new year. He also said that he had not sold any fescue for the last 5 years. He could not rule out a change to a different crop, such as canola or barley, depending on the prices. The Vauses' claim for anticipated crop loss per acre is as follows:

2008	fescue	800pds@ $.55 =	$440
2009	fescue	700pds@ $.55 =	$385
2010	fescue	500pds@ $.55 =	$275
2011	canola	45bus @ $8.75 =	$393.75
2012	fescue	800pds@ $.55 =	$440
2013	fescue	700pds@ $.55 =	$385

Mr. Dunn testified that Spectra proposed to pay $300/acre for re-seeding, compensating for fertilizer, and the landowner's time. Other landowners were paid the same amount per acre. The Vauses claimed $350/acre.

Spectra proposed $200/acre on account of disturbance, or inconvenience and cost to the landowner from the construction. In this project, 12 landowners were not paid for disturbance.

The Vauses' position is that 4 quarters of land is affected and that Spectra, therefore, should pay $50,000 on account of nuisance or loss of value, based on $12,500 per quarter of land. As far as nuisance was concerned, the Vauses said that they had put up with "garbage" since their initial dealings with Spectra.

IV. ANALYSIS AND DECISION

a. Jurisdiction and Statutory Interpretation

Section 16 of the ***Pipeline Act*** provides that a company may take land or an interest in land for the purposes of building, construction, laying or operation of a pipeline, either by agreement or as provided in Part 4 of that Act. It goes on to say that Part 7 of the ***Railway Act*** applies to "pipelines," and Part 3 of the ***PNG Act*** applies to "flow lines." "Pipeline" is broadly defined to include "all gathering and flow lines used in oil and gas fields to transmit oil and gas." A "flow line" is defined as:

> "flow line" means a pipeline serving to interconnect wellheads with separators, treaters, dehydrators, field storage tanks or field storage batteries;

In general terms, the legislation distinguishes between "flow lines", connecting well heads with treatment, that are within the jurisdiction of the Board, and the pipelines that move the product downstream to market (***Talisman Energy Inc. v. Fay***, ECB No. 09/04/249, 2004, para. 37). Only if the pipeline in question is a "flow line," as the mediator concluded, does the MAB have jurisdiction to deal with Spectra's application for a right of entry. If the pipeline is not a "flow line", the ***Railway Act*** provides for expropriation, and Spectra must proceed under that legislation.

On this issue, the material facts are not in dispute. The Spectra pipeline will connect four well sites that are currently "shut in". These sites have producer owned pipelines that in three cases extend well beyond the well site. Spectra pipeline will run parallel with a producer owned pipeline for several kilometers and, in fact, bypass three wells sites, and connect at the Pienza compressor site. In the future, as pressure in the line decreases, the pipeline will likely be connected with the compressor at the Pienza compressor site. In one case, the producer owned pipeline extends to the

boundary of the well site. From the Pienza compressor site, Spectra's pipeline will transport the natural gas to Spectra's compressor site and, from there, to the West Doe Gas Plant which has dehydration facilities, separators, an anime treatment system, and storage tanks.

There is no dispute that the subject matter of the application is a pipeline, "a continuous conduit between 2 geographical locations through which oil, gas or solids is transported under pressure" (***Pipeline Act***, Section 1). That definition is broad and inclusive. The definition of "flow line", on the other hand, carves out a narrower and more limited type of pipeline, consistent with the two different processes set out in section 16 of the ***Pipeline Act*** – proceeding by way of expropriation or the less onerous right of way route through the MAB.

The real issue is whether the fact that Spectra's pipeline does not connect with wellheads directly, but connects with producer owned pipelines, means that is not a "flow line". In my view, Spectra's pipeline clearly "serves" to "interconnect" wellheads with a treatment facility. To "interconnect" means to "connect with each other" (***Oxford Canadian Dictionary***, Toronto: Oxford University Press, 1998), and that is precisely what the pipeline here is doing; it is joining wellheads with each other and with treatment facilities. In this case, the treatment facility includes dehydration, anime treatment system, separators, and storage tanks. The narrow focus on the change of ownership of the physical pipeline, or the lack of direct connection, would lead to the absurd result that the "shut in" producer owned pipelines are not "flow lines" because they, while connected to the wellheads, are not connected to treatment. By logical extension, the focus on ownership would also prevent different producers from sharing flow lines.

The use of the phrase "serving to interconnect" negates, rather than supports, the need for direct connection. The pipeline need only serve to connect, not connect directly. There is no requirement in the statutory language that wellheads must be joined "directly" with the treatment facilities. If connecting directly had been the legislative intent, it would have been simple to say so.

The Vauses note that Spectra characterized the pipeline as a "gathering line" in public notices, in testimony, and elsewhere, or used that term interchangeably with "flow line." They point to corporate web publications suggesting that the thrust of Spectra's business is as a "common carrier." In my view, Spectra's characterization of the pipeline is immaterial to the application before me; it is the words of the legislation itself that governs.

In my view, the statutory language is clear. The pipeline is a "flow line".

The subject matter of the application is a "flow line" and the Board has the jurisdiction to deal with it. I uphold the mediator's order for right of entry, with the necessary changes to reflect the changed routing of the "flow line" as set out in the maps attached as Appendix "A".

b. Compensation

Under Section 21 of the ***Act***, the MAB has broad remedial powers to award compensation to surface rights holders.

The Vauses argue that they are entitled to compensation on two general bases: first, for the "taking of the right" (***Dome Petroleum Ltd. v. Juell*** (1982), 28 LCR 82 (BCSC), p. 87; ***Murphy Oil Company Ltd. v. Dau et al.*** (1969), 77 WWR 339, p. 341 [reversed on other grounds [1970] SCJ No. 42]), second, for actual damages or harm to the landowner caused by the right of entry (***Fletcher Challenge Energy Canada Inc. v. Sulz***, 2001 CarswellSask 76 (Sask.CA), para. 73). They emphasize that compensation must take into account "not only the value of the lands ... but such factors as adverse effect, general disturbance, nuisance and inconvenience...." (Holmes J, ***Nova, an Alberta Corporation v. Bain et al.***, (1984), 31 LCR 47 (Alta.CA), at p. 53), appeal dismissed (1985), 33 LCR 91 (Alta.CA), at p. 93).

The Vauses argue that they are entitled to annual compensation: ***Houston Oils Limited v. Berry et al.***, MAB Order No. 91A, 1977. In that decision, a majority of the panel, fixed annual "nominal" compensation at $10 for "having [the] gasline remain under the surface of the ... lands and contemplates that the owners' options ... are limited by the ... line and of the lease."

Spectra does not agree that the right of way amounts to a "taking of rights" and submits there is no basis for annual compensation as the Vauses can continue to enjoy their land in the same manner they have for the past 25 years. The only real impact, Spectra argues, is the construction. Spectra relies on the Board's decision in ***Talisman Energy Inc. v. Beresheim***, MAB Order No. 336A, 2001. In that case, the landowner argued that an underground pipeline would restrict the future use of the land, and any encumbrance on title might impact on the marketability of the land. The panel did not find those positions supported by evidence and declined to make an award for annual payments.

A 6" pipeline running 1.5 meters underground, with no above ground facilities, is unlike a well site. There is no ongoing occupation and use of the surface of the Lands when construction is completed. Once the sour gas pipeline has been put underground, the Vauses can grow fescue, or other crops, as they have for many years, and as they intend to continue doing. While the pipeline will likely remain underground indefinitely, once it is no longer is in use as a pipeline, it is simply a piece of metal in the ground.

However, the Vauses, or a subsequent owner, cannot build on top of the right of way, or within the setbacks created by it (***Sour Pipe Regulation***). Thus, in my view, the pipeline right of way represents a continuing impact on their enjoyment of the Lands and, in that sense; I accept that the right of way is a "taking of rights" (***Dome***). The Vauses lose the right to deal with a part of their property encompassed by the right of way and setbacks in the manner they see fit.

As to the impact of this taking, the interest taken is less of an impact than, for example, a well site which represents ongoing occupation use of the surface. In my view, there is minimal impact on the current use of the Lands for farming after the completion of the construction. Further, there is no evidence that the pipeline would interfere with any current or contemplated use of the land or would adversely affect marketability of the land. Mr. Vause's testimony was that the land was not listed for sale, but it could be sold privately. He had not consulted a real estate consultant. He stated that the Lands could be removed from the ALR and that he could build nine houses on each quarter, but there is no evidence of any actual plans with respect to the Lands, beyond those that lie in the realm of speculation and possibility, other than the continued use as farm land.

Although the landowner has had rights taken, it does not follow that the Board should impose periodic or annual payments, even of the nominal kind. There is little precedent for periodic payments. The ***Houston Oils*** case is the only Board decision that I am aware of that has awarded annual payments. In that case, the award was for a "nominal" amount of $10 per year. The decisions of the MAB show a considerable reluctance to award annual payments (***Talisman Energy***; ***Samson Canada Limited v. Bouffioux et al***, MAB Order No. 355A, 2002), although that may be as much a reflection of the evidence presented as of principle. In my view, a single upfront payment is capable of compensating the rights taken from, or lost by, the Vauses.

The $950/acre offered by Spectra has been the industry practice for a number of years. I appreciate the concern noted by the Vauses that the oil and gas companies, not surprisingly, have been reluctant to establish a precedent for departing from that rate (***Samson Canada***). As noted by the Alberta Court of Appeal in ***Nova v. Bain et al.***, (p. 93), "if the board ... finds a pattern established it not only should apply the results of that pattern, it should not depart from it without good reason for doing so." While, in this case, I question how much the $950/acre was subject to "real" negotiation, given the fact that it was pre-printed on Spectra's Pipeline Compensation Sheet, the amount was nevertheless offered, and accepted, by the other landowners in this project.

That is not to say that parties should not be able to challenge "industry standards" –or patterns – before the Board when there are good reasons for doing so. The Board's power to award compensation, set out in Section 21, provides the Board the necessary discretion to consider a broad range of factors: the compulsory aspect of the entry, occupation or use, the value of the land and the owner's loss of a right or profit with respect to the land, temporary and permanent damage from the entry, occupation or use, compensation for severance, compensation for nuisance and disturbance from the entry, occupation or use, money previously paid to an owner for entry, occupation or use, and "other factors the board considers applicable."

The Vauses pointed out that the figure of $950/acre has been the standard since the early 1980s (***Nova v. Bain***). There can be no doubt that it has been used for a considerable number of years although, on the basis of the submissions and the law, exactly what the amount historically, or over time, has been payment for is somewhat unclear. Mr. Dunn testified to having used the $950/acre for eight years and that he did not know its origin. It may well be appropriate to revisit this standard.

The Vauses request a $2,000/acre initial payment (and $850/acre, thereafter, in the context of annual payments). I have already indicated that I do not think annual payments are appropriate in this case. Mr. Vause stated that the $2,000 was "negotiable" and "not a big deal." The evidentiary basis for this amount was unclear and, accordingly, I am reluctant to use this amount as an appropriate payment for the right of way.

The $950/acre offered here is payment for the right of way only. In addition, compensation will paid for crop loss, re-seeding and nuisance/disturbance. Except that Spectra is offering $200/acre for nuisance/disturbance, it is quite similar to the compensation provided in ***Nova v. Bain***. In the 2002 ***Samson*** case, the parties agreed at the arbitration to an amount of $1,000 for "right of entry on a 15 m wide flow line assessment, this amount to include all compensation for crop loss, re-seeding, nuisance and disturbance." Regardless of the minor differences, I am concerned that this standard has been in place for many years. In the absence of an appropriate measure suggested by the parties, I am of the view that I may take notice of the fact that the cost of living has increased over the years. Between 1985 and 2006, the Consumer Price Index (the CPI) increased from 60.6 to 109.1 (2002 = 100), or almost 50% (Statistics Canada). The CPI indicates changes in consumer prices experience by Canadians and provides some measure of changes to the purchasing power of the Canadian Dollar over time. In the circumstances, I am reluctant to accept that the $950/acre is an appropriate amount for the right of way. In my view, it is appropriate and

reasonable to consider changes in the value of money and I set the rate at $1,425/acre for the right of way

As far as crop loss is concerned, Spectra emphasizes that the Vauses have not sold any fescue for the last 5 years, and that the prices in the last 5 years have varied between $.25 and $.44. These numbers came from the Alberta Ministry of Agriculture. The Vauses' claim for crop loss for 6 years, presuming that they will grow nothing on the land for that length of time, is based on crop prices that are little more than speculation. While I appreciate their evidence that crop prices are expected to increase in the near future, there was no independent evidence to support the estimated increase. Mr. Vause testified that the lowest yield in the last 5 years was 275pds/acre and that the yield in 2006 was 600pds/acre. He could not recall the yield for 2005. In the circumstances, I find the offer of $275/acre, reflecting a price of $.38, for 2.5 years is fair and reasonable.

With respect to re-seeding, there is not much difference between the amounts offered and claimed, $300 and $350. I find $350/acre is reasonable.

The Vauses seek $50,000 for loss of land value based on the value of the four quarters of land they say are affected by the right of entry order ($12,500 per quarter). I reject that claim. My review of the maps and plans indicates that the new pipeline route only crosses two quarters. In any event, whether the route crosses two or four quarters, there was no real evidence of the market value of the property affected or of any impact on market value. The Vauses' evidence on this point amounted to little more than bald assertions. They did not provide an appraisal of the property. They asserted that they knew the value. With respect, in my view, an assertion unsupported by market evidence is insufficient (***Rhyason Ranch***, p. 28). There was also no evidence of any actual plans for the property inconsistent with the current use. The value of the land means the value attributable to the present day use of the land, "not some hypothetical future value as the site of a shopping center or housing development" (***Samson Canada***, p. 3). I find no evidentiary or legal basis to support this claim.

The Vauses also claim $12,000 for nuisance. Mr. Vause justified that claim with reference to the cost, time and expenses incurred in dealing with Spectra's application. Spectra says the claim is more in the nature of a claim for costs, not compensation, a matter that has been deferred. There is little evidence before me to challenge the amount offered by Spectra, namely $200/acre for nuisance and disturbance.

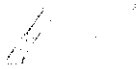
THEREFORE THE BOARD MAKES THE FOLLOWING ORDERS:

1. Upon payment by the Applicant to the Respondents of the following amounts, calculated on the basis of 7.27 acres:

a.	Right of way (acres@$1,425/acre):	$10,359.75
b.	Crop loss ($275/acre for 2.5 years):	$4,998.13
c.	Re-seeding ($350/acre):	$2,544.50
d.	Nuisance/disturbance ($200/acre):	$1,454.00

   the Applicant shall have entry to, occupation and use of the Lands for the purposes of construction and operation of a pipeline.
2. The mediator's order for entry, occupation and use of the Lands is confirmed, except as varied to reflect the new routing of the pipeline as agreed between the parties.

DATED: December 11, 2007, Vancouver, British Columbia



Ib Skov Petersen
Vice Chair

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