



BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER..... G-25-91.....

IN THE MATTER OF the Utilities Commission
Act, S.B.C. 1980, c. 60, as amended

and

IN THE MATTER OF Commission Decision
and Order No. G-13-91

BEFORE: N. Martin,)
Commissioner and)
Chairman of the Division;)
H.J. Page,) March 7, 1991
Commissioner; and)
K.L. Hall,)
Commissioner)

O R D E R

WHEREAS:

- A. On February 8, 1991 the Commission, by Decision and Order No. G-13-91, approved the Pro-Forma Interim Municipal Gas Operating Agreement ("the Agreement") to be used by Centra Gas Vancouver Island Inc. and Centra Gas Victoria Inc. ("Centra Gas") for the purpose of gas distribution in its service area; and
- B. On February 14, 1991 Centra Gas advised the Commission that it was concerned with the wording in the Agreement pertaining to Sections 13A - Depth of Cover and 63B; and
- C. On February 22, 1991 the representative counsels for the municipalities responded to the Commission's February 15, 1991 request for comments; and
- D. The Commission has considered the supplementary evidence and information filed respecting the matter and herewith issues Supplementary Reasons for Decision issued concurrently with this Order.

NOW THEREFORE the Commission hereby orders as follows:

- 1. The request for wording changes in the Agreement, as submitted by Centra Gas on February 14, 1991, is accepted for Section 63B and rejected for Section 13A, all as set forth in Supplementary Reasons for Decision, attached as Appendix A to this Order.
- 2. Commission Order No. G-13-91 inadvertently did not refer to Mr. H.J. Page, Commissioner as part of the Division of the Commission hearing the matter. In this respect, attached as Appendix B, is corrected Order No. G-13-91.

DATED at the City of Vancouver, in the Province of British Columbia, this 8th day of March, 1991.

BY ORDER

N. Martin
Commissioner and
Chairman of the Division

BCUC/Orders/Comm.Dec.&Order G-13-91

Appendix A

IN THE MATTER OF an Application by
Vancouver Island Gas Company Ltd. and
Victoria Gas Company (1988) Ltd. and
Commission Orders No. G-98-90 and G-106-90

SUPPLEMENTARY REASONS FOR DECISION

Subsequent to the issue of the Commission's Decision dated February 8, 1991, the Commission Received a submission from Mr. R.J. Bauman representing Centra Gas (British Columbia) Inc. ("the utility") and requesting clarifications regarding the intention of wording contained in Sections 13A and 63B of the pro-forma Interim Municipal Gas Operating Agreement ("the Agreement") contained in the Decision.

The Commission, via Commission Counsel, immediately approached Counsel for the municipalities to seek their views on the issues raised by Mr. Bauman. The Commission Secretary subsequently confirmed this request by letter dated February 15, 1991. On February 22, 1991, responses were received from both Mr. Anderson and Mr. McDannold, who between them represent the municipalities.

With regard to Section 63B, all parties are in agreement that in the seventh line, the word "its" should be replaced by the words "the Company's" in order to remove any possibility of ambiguity in the interpretation of this section. The Commission is prepared to modify the Agreement to reflect this change.

With regard to Section 13A, there is no similar consensus. On the one hand the utility wishes to restrict the application of this section to Gas Mains installed in the travelled portion of the Highway on the basis that a broader application "would increase the project costs substantially." The municipalities do not accept the revisions proposed by the utility. Mr. McDannold states that "... the Agreement properly reflects the evidence and concerns of the municipalities and ought not be changed as suggested by the Utilities." Mr. Anderson, in his response, points out circumstances where relocations outside the travelled roadway may be required.

In the Commission's view, the wording for Section 13A proposed by Mr. Bauman restricts the application of that Section in a way not reflected in Section 13 of Exhibit 9 and not discussed before the hearing, hence not contemplated by the Commission in its Decision. In particular, the Commission did intend that where a municipality had any specific plans for reconstruction within 5 years, such as road widening, or curb, gutter and sidewalk installation, then the gas distribution system (not just Mains) should be installed to a depth specified by the municipality so as to preclude the need for future relocation. For those municipal works not planned for reconstruction within 5 years, Section 13A(b) places a maximum limit of 75 cm on the depth of cover which the municipality can specify. This limit in Section 13A(b) recognizes that costs to avoid long term relocations should be limited.

For these reasons, the Commission believes that the wording for Section 13A contained in the Agreement should not be changed.