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CANADA



BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER G-89-97

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IN THE MATTER OF
the Utilities Commission Act, RSBC 1996, c. 473

and

An Application by Novagas Canada Limited Partnership
for an Exemption Covering the Transportation and Processing of Natural Gas

BEFORE: L.R. Barr, Deputy Chair)
and Acting Chair) July 31, 1997
K.L. Hall, Commissioner)

O R D E R

WHEREAS:

- A. On January 22, 1997 Novagas Clearinghouse Ltd. ("NCL") applied to the Commission under Section 88(3) of the Utilities Commission Act ("the Act"), for an exemption of the facilities (the "facilities") in British Columbia which it uses to transport or process natural gas for others, from Part 3 of the Act; and
- B. NCL has entered into service contracts with several customers who it proposes to serve through the use of pipelines, gas plants and related facilities which it owns or will own, and intends to enter into additional similar contracts in the future; and
- C. By Order No. G-32-97 dated April 3, 1997, the Commission approved a corporate restructuring which made NCL a wholly-owned subsidiary of NOVA Gas International Ltd.; and
- D. Facilities which have been exempted from Part 3 of the Act continue to be regulated under the Act on a complaint basis, with a complaint taking the form of an application by an interested party under the Common Carrier and Common Processor sections of Part 4 of the Act; and
- E. The Commission has considered the Application and is satisfied that an Order, under Section 88(3) of the Act, exempting the NCL transportation or processing facilities listed in Appendix I from the requirements under Part 3 of the Act, other than Sections 24 and 25, properly conserves the public interest; and
- F. On July 24, 1997 the approval of the Lieutenant Governor in Council was given to the said exemption by Order in Council No. 831, which is attached as Appendix II; and

- G. Order in Council No. 831 provides that the approval to exempt a facility applies to a transportation or processing facility not listed in Schedule A of the Order in Council after NCL advises the Commission in writing that NCL will begin to use the facility to transport or process natural gas for others; and
- H. The name NCL has been changed to Novagas Canada Limited Partnership ("NCLP"), with NCL's natural gas transportation and processing business continuing under NCLP and with NCLP as a wholly-owned subsidiary of NOVA Gas International Ltd.; and
- I. Section 99 of the Act provides that the Commission may reconsider, vary or rescind an Order made by it.

NOW THEREFORE the Commission orders as follows:

1. Pursuant to Section 88(3) of the Act, the Commission approves for NCLP the exemption from Part 3, other than Sections 24 and 25, of the facilities listed in Appendix I which NCLP uses to transport or process natural gas for others, effective July 31, 1997.
2. NCLP is directed to advise the Commission in writing of any facility which is not listed in Appendix I and which NCLP intends to use to transport and process natural gas for others, so that the Commission, on finding that the exemption of such facility is in the public interest, can by Order issue a revised Appendix I.
3. NCLP is responsible for the safe and proper operation of its facilities consistent with the requirement of the Pipeline Act and other regulatory requirements.
4. NCLP is directed to file an annual report regarding each exempted facility in the form set out in Appendix III, or as the Commission may otherwise require, and to distribute copies to the shippers using the facility.
5. NCLP is directed to pay fees to the Commission in the amounts that the Commission determines are required to defray costs associated with the regulation of NCLP facilities.

DATED at the City of Vancouver, in the Province of British Columbia, this 6th day of August, 1997.

BY ORDER

Original signed by:

Lorna R. Barr
Deputy Chair
and Acting Chair

Attachments

NOVAGAS CLEARINGHOUSE LTD.

Transportation and Processing Facilities in Northeastern B.C.
Exempted from Part 3 Regulation

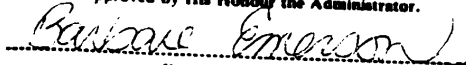
1. Peggo, Midwinter and Tooga area - pipelines, plant and related facilities.
2. Caribou Area - pipelines, plant and related facilities.

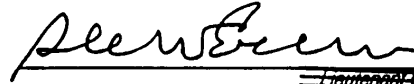
PROVINCE OF BRITISH COLUMBIA

ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

Order in Council No. 0831, Approved and Ordered JUL 24 1997

I hereby certify that the following is a true copy of a Minute of the Honourable the Executive Council of the Province of British Columbia approved by His Honour the Administrator.

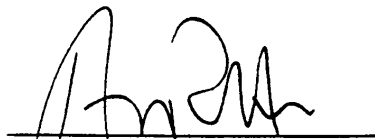

Deputy Order-in-Council Custodian


Administrator

Executive Council Chambers, Victoria

On the recommendation of the undersigned, the ~~Lieutenant Governor~~ ^{Administrator}, by and with the advice and consent of the Executive Council, orders that

- 1 In this order:
 - "commission" means the British Columbia Utilities Commission;
 - "company" means Novagas Clearinghouse Ltd;
 - "facility" means a facility that the company uses to transport or process natural gas for others.
- 2 Approval is given to the commission to
 - (a) subject to section 3, exempt the company from the application of Part 3 of the *Utilities Commission Act*, except sections 24 and 25, in respect of facilities, or
 - (b) rescind an exemption granted under paragraph (a) for a facility if the commission considers that the exemption is not in the public interest.
- 3 Section 2 (a) applies
 - (a) to a facility listed in Schedule A, and
 - (b) to a facility not listed in Schedule A beginning after the company advises the commission in writing that the company will begin to use the facility to transport or process natural gas for others.


Minister of Finance and Corporate Relations


Presiding Member of the Executive Council

(This part is for administrative purposes only and is not part of the Order.)

Authority under which Order is made:

ANNUAL REPORTING REQUIREMENTS

Part 4 Complaint Regulation of Companies that Transport or Process Gas for Others

A Report is required for each Separate, Significant Pipeline System or Processing Facility

(Companies are to file Reports within 90 days after fiscal year end)

1.0 Previous Year Actuals

- Facility name, location, function, capacity.
- Any significant changes in capacity during the year.
- Throughput during the year.
- Names, address, contact name and telephone number for each shipper.