

ROBERT J. PELLATT COMMISSION SECRETARY

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July 28, 1994

Mr. P.W. Breen
Property Engineering Manager
Foothills/Deep Gas
Husky Oil
707 8th Avenue S.W.
Box 6525, Station D
Calgary, Alberta
T2P 3G7

Dear Mr. Breen:

Re: Application Section 82 of the Utilities Commission Act

The Commission has reviewed your application pursuant to Section 82 of the Utilities Commission Act dated July 19, 1994 requesting settlement of issues related to the use of the Amerada Hess Canada Ltd. natural gas pipeline. The Commission notes your concern that these issues be resolved prior to pipeline startup planned for September 15, 1994.

This application is unprecedented, but since the outstanding issues are limited, the Commission has decided that the application can be addressed by a written hearing. It is expected that the hearing decision will be made effective the date of your application, so that the timing you cite with respect to pipeline startup should not constrain the Commission's review.

The Commission staff intends to retain an external consultant to assist in the preparation and analysis of information requests. Until that decision has been made, it is not possible to set a schedule for the hearing, but the Commission will keep both Husky and Amerada Hess advised of all aspects of this application. As indicated to you in preliminary discussions with Paul Gronert of Commission staff, the costs of addressing this application will be billed to the parties with cost sharing dependent on the outcome.

Please address all communications on this matter to the attention of Brian Williston, Senior Petroleum Engineer at the above address or by phone at (604) 660-4773 or by fax at (604) 660-1102.

Yours truly,

Constance M. Smith

Robert J. Pellatt

PHG/cms

Mr. D.J. Nelson, Manager, Technical Services

Amerada Hess Canada Ltd.