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CANADA



BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER G-103-95

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

and

An Application by Centra Gas British Columbia Inc.
for Approval of Copper Service Line Replacement - Port Alice District

BEFORE: M.K. Jaccard, Chairperson; and)
L.R. Barr, Deputy Chairperson) December 7, 1995

O R D E R

WHEREAS:

- A. On April 20, 1995 the Commission, by Order No. G-35-95, approved for Centra Gas British Columbia Inc. - Port Alice District ("Centra Gas") the scope of a corrosion study on the underground grid system and required Centra Gas to obtain Commission approval prior to proceeding with any work that is indicated by the study. The Commission approved an estimated cost of \$11,850 for the corrosion study and repairs to copper service lines and mains; and
- B. On October 26, 1995 Centra Gas issued its findings on the corrosion study identified as the Failure Analysis Report ("the Report") produced by Powertech Labs Inc. which reported on a service line failure and commented on the possibility of failure in Centra Gas' remaining copper service lines; and
- C. The Report indicated that, to provide the best assurance of safety and freedom from leaks, all copper service lines should be replaced with either new copper tubing and cathodic protection or a non-corroding material such as polyethylene ("PE") pipe; and
- D. On October 26, 1995 Centra Gas requested Commission approval to:
 - 1) replace the remaining copper service lines with PE pipe in 1996 at an estimated direct cost of \$73,000;
 - 2) record the actual direct cost of approximately \$16,900 for the corrosion study and repairs to the copper service lines and mains;
 - 3) record full overheads on all capital costs related to items 1) and 2) excluding the cost of the corrosion study; and
- E. The Commission has reviewed the corrosion study application and finds that Centra Gas' service line replacement program should be approved.

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NOW THEREFORE the Commission orders as follows:

1. The Commission approves for Centra Gas the replacement of all copper service lines in the Port Alice underground grid system with PE pipe. The direct costs associated with the replacement program, estimated to be \$73,000, are approved for recording in the existing deferral account set up for the project.
2. The actual direct costs of approximately \$16,900 for the corrosion study and repairs to the copper service lines and mains are approved for recording in the existing deferral account.
3. The Commission approves for Centra Gas the recording of full overheads on all capital costs related to the service line replacement and repairs to the copper service lines and mains. Overheads related to the cost of the corrosion study are not to be capitalized.

DATED at the City of Vancouver, in the Province of British Columbia, this *5th* day of January, 1996.

BY ORDER



Dr. Mark K. Jaccard
Chairperson