

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, B.C. V6Z 2N3
CANADA



BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER G-77-98

TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102

IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and

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

BEFORE: P. Ostergaard, Chair)
L.R. Barr, Deputy Chair) August 28, 1998

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 from Part 3 of the Act for the facilities ("the facilities") in British Columbia which it uses to transport or process natural gas for others; and
- B. NCL had entered into service contracts with several customers who it proposed to serve through the use of pipelines, gas plants and related facilities which it owned, and intended 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 may continue to be regulated under the Act on a complaint basis; and
- E. The Commission considered the Application and was satisfied that an Order, under Section 88(3) of the Act, exempting the NCL transportation or processing facilities from the requirements under Part 3, other than Sections 24 and 25, properly conserved 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, 1997, which is attached as Appendix II; and
- G. Order in Council No. 831, 1997, 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 it will begin to use the facility to transport or process natural gas for others; and
- H. As a result of a corporate restructuring and name change, the natural gas transportation and processing business of NCL continued under Novagas Canada Limited Partnership and Novagas Canada Ltd. ("Novagas"); and
- I. On July 31, 1997, by Order No. G-89-97, the Commission approved for Novagas the exemption from Part 3 of the Act, other than Sections 24 and 25, of the facilities listed in Appendix I to the Order, which Novagas uses to transport or process natural gas for others; and

- J. On July 7, 1998, Novagas applied to the Commission for an exemption, pursuant to Section 88(3) of the Act, for its West Stoddart facilities which include a sour gas processing plant, gas gathering pipelines, and a sales gas pipeline and natural gas liquids pipeline that will extend from the West Stoddart plant to Taylor, B.C.; and
- K. The Commission has considered the Novagas request and is satisfied that an Order, under Section 88(3) of the Act, exempting the West Stoddart facilities from the requirements under Part 3, other than Sections 24 and 25, properly conserves the public interest; and
- L. 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 Novagas an exemption from Part 3, other than Sections 24 and 25, of the West Stoddart facilities which Novagas uses to transport or process natural gas for others, effective the date of this Order, and issues the attached revised Appendix I.
- 2. Facilities listed in the revised Appendix I to this Order will continue to be regulated under the Act on a complaint basis, with a complaint taking a form similar to that of an application by an interested party under the Common Carrier and Common Processor sections of Part 4 of the Act, with respect to a facility that has been declared a common carrier or common processor facility.
- 3. Novagas is directed to advise the Commission, in writing, of any facility which is not listed in Appendix I and which Novagas 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.
- 4. Novagas is responsible for the safe and proper operation of its facilities consistent with the requirements of the Pipeline Act and other regulatory requirements.
- 5. Novagas 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.
- 6. Novagas 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 Novagas facilities.

DATED at the City of Vancouver, in the Province of British Columbia, this 16th day of September, 1998.

BY ORDER

Original signed by:

Peter Ostergaard
Chair

Attachments

NOVAGAS CANADA LTD.

**Transportation and Processing Facilities in British Columbia
Exempted from Part 3 Regulation**

1. Peggo, Midwinter and Tooga area - all pipelines, plant and related facilities.
2. Caribou area - all pipelines, plant and related facilities.
3. West Stoddart area - all pipelines, plant and related facilities.

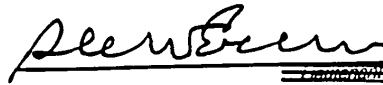
PROVINCE OF BRITISH COLUMBIA

ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

Order in Council No.

0831

, Approved and Ordered JUL 24 1997



Administrator

Executive Council Chambers, Victoria

~~Administrator~~

On the recommendation of the undersigned, the ~~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:

Act and section: Utilities Commission Act, R.S.B.C. 1996, c. 473, section 88 (3)

SCHEDULE A
NOVAGAS CLEARINGHOUSE LTD.

**Natural Gas Transportation and Processing Facilities in
British Columbia Exempted from Part 3 Regulation**

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

ANNUAL REPORTING REQUIREMENTS

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.