



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

and

An Application by Centra Gas British Columbia Inc.  
for Approval to Conduct an External Underwater Pipeline Inspection

**BEFORE:** P. Ostergaard, Chair )  
P.G. Bradley, Commissioner ) June 17, 1999  
B.L. Clemenhagen, Commissioner )  
K.L. Hall, Commissioner )

**O R D E R**

**WHEREAS:**

- A. On June 3, 1999, Centra Gas British Columbia Inc. ("Centra Gas") filed an amended application to conduct an external inspection of its underwater high pressure transmission pipeline ("the Inspection") and record the cost of the Inspection in a deferral account ("the Application"), pursuant to Section 23(1) of the Utilities Commission Act; and
- B. The Centra Gas 1998/99 negotiated Settlement removed a proposed underwater inspection from the 1999 Operating and Maintenance costs due to uncertainty about the timing and cost of the project. The 1998/99 negotiated Settlement provided that if an inspection must take place in 1999 then Centra Gas was to justify the project to the Commission, record the inspection costs in a deferral account and amortize the costs over one year commencing in the year 2000 following the Commission's review of the inspection costs; and
- C. Centra Gas submitted a consultant's report that reviewed the inspection frequency of marine pipelines and found that the timing of the Inspection is in accordance with the recommended inspection schedule of the pipeline design engineers; and
- D. Centra Gas estimated an Inspection cost of \$462,500 and will be examining competitive bids and cost-sharing opportunities with third parties for some of the inspection costs; and
- E. The Commission has reviewed the Centra Gas Application and finds that approval is necessary.

**NOW THEREFORE** the Commission orders as follows:

1. The Commission approves Centra Gas' Application to conduct a 1999 Inspection.
2. Following the completion of the Inspection, Centra Gas is to report to the Commission on the Inspection bid process including the bids received, the bid selected, the actual Inspection costs incurred, and any cost-sharing and cost-saving actions.
3. Centra Gas is to report to the Commission on the results of the Inspection and the planned or completed capital or expense-related repairs.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 23<sup>rd</sup> day of June 1999.

BY ORDER

*Original signed by:*

Peter Ostergaard  
Chair