



BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER G-96-00

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

and

An Application by Canadian Midstream Services Ltd.
for an Exemption Covering the Transportation and Processing of Natural Gas

BEFORE: P. Ostergaard, Chair)
L.R. Barr, Deputy Chair) October 5, 2000
K.L. Hall, Commissioner)

O R D E R

WHEREAS:

- A. On July 31, 1997 by Order No. G-89-97 and on August 28, 1998 by Order No. G-77-98, with the approval of the Lieutenant Governor in Council, the Commission, pursuant to Section 88(3) of the Utilities Commission Act ("the Act"), approved for Novagas Clearinghouse Ltd. ("NCL") an exemption from Part 3 of the Act for the facilities ("the facilities") in British Columbia which NCL used to transport or process natural gas for others; and
- B. NCL had entered into service contracts with several customers who it served through the use of pipelines, gas plants and related facilities which it owned; and
- C. Facilities which have been exempted from Part 3, other than Sections 24 and 25, may continue to be regulated under the Act on a complaint basis; and
- D. On April 17, 2000, Canadian Midstream Services Ltd. ("CMSL") applied to the Commission for an exemption from Part 3 of the Act for the natural gas gathering and processing facilities in the Peggo, Midwinter and Tooga areas in British Columbia which it purchased from TransCanada Midstream, the successor in interest to NCL, and which CMSL uses to transport and process natural gas for others; and
- E. CMSL has assumed or 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 may enter into additional similar contracts in the future; and
- F. The Commission has considered the application and is satisfied that an Order, under Section 88(3) of the Act, exempting the CMSL transportation and processing facilities from the requirements under Part 3, other than Sections 24 and 25, properly conserves the public interest; and
- G. On September 15, 2000, the approval of the Lieutenant Governor in Council was given to the said exemption by Order in Council No. 1302, 2000 which is attached as Appendix II; and
- H. Order in Council No. 1302, 2000 grants approval for an exemption substantially in the form of the draft Commission Order that was attached to the Order in Council, which provides that a transportation or processing facility not listed in Appendix I of the Commission Order may be exempted by the Commission after CMSL advises the Commission, in writing, that CMSL will begin to use the facility to transport or process natural gas for others; and

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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 CMSL the exemption from Part 3 of the Act, other than Sections 24 and 25, of the facilities listed in Appendix I which CMSL uses to transport or process natural gas for others, effective the date of this Order.
2. Facilities listed in Appendix I to this Order will 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 facilities operated by a person declared to be a common carrier or common processor.
3. CMSL is directed to advise the Commission, in writing, of any facility that is not listed in Appendix I and which CMSL 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. CMSL is responsible for the safe and proper operation of its facilities consistent with the requirements of the Pipeline Act and other regulatory requirements.
5. CMSL 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. CMSL 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 CMSL facilities.

DATED at the City of Vancouver, in the Province of British Columbia, this 12th day of October 2000.

BY ORDER

Original signed by:

Peter Ostergaard
Chair

Attachments

CANADIAN MIDSTREAM SERVICES 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.

PROVINCE OF BRITISH COLUMBIA
ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

Order in Council No. 1302, Approved and Ordered SEP 15 2000

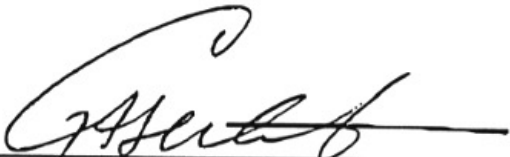


Lieutenant Governor

Executive Council Chambers, Victoria

On the recommendation of the undersigned, the Lieutenant Governor, by and with the advice and consent of the Executive Council, orders that

approval is given to the British Columbia Utilities Commission to exempt Canadian Midstream Services Ltd. from provisions of the Utilities Commission Act for the purposes and subject to the terms substantially set out in the attached draft order of the British Columbia Utilities Commission.



Minister of Employment and Investment



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, section 88 (3)

Other (specify): _____

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.