PUBLIC UTILITIES BOARD OF MANITOBA
116 EDMONTON STREET,
WINNIPEG 1, MANITOBA

Annex "A"

MANITOBA

THE PUBLIC UTILITIES BOARD

ACT

Order No. 58/63

March 26, 1963

BEFORE: R. L. McDonald, Chairman
D. L. Campbell, Q.C., Member
H. A. A. DeLeeuw, Member

GREATER WINNIPEG GAS COMPANY -
RELOCATION OF GAS PIPE LINES -
MADISON STREET AND PORTAGE AVENUE
AREA, ST. JAMES, MANITOBA

UPON APPLICATION of Messrs. Pitblado, Hoskin & Co. on behalf of Greater Winnipeg Gas Company for a ruling of The Public Utilities Board concerning a difference which had arisen between the Greater Winnipeg Gas Company and The Metropolitan Corporation of Greater Winnipeg regarding the cost of relocating certain gas pipe lines of Greater Winnipeg Gas Company as set forth in the application to the Board dated September 11th, 1962, and as described at a hearing of the application held at 10:00 a.m., Friday, October 5th, 1962, in Winnipeg, Manitoba, the Board, by its Order No. 163/62, directed that Greater Winnipeg Gas Company take the necessary steps to relocate the gas pipe lines in question.

Decision as to the apportionment of costs and expenses incurred thereby between The Metropolitan Corporation of Greater Winnipeg and Greater Winnipeg Gas Company was reserved.

The mains of the Greater Winnipeg Gas Company are laid in the streets and lanes of the various municipa corporations of Greater Winnipeg some of which are now under the jurisdiction of The Metropolitan Corporation of Greater Winnipeg. This is the accepted practice for public utilities distribution in the urban areas of Manitoba. In the case of privately owned gas distributio systems the assets are assessed and the company pay taxes

The ultimate benefactors of any privilege enjoyed by the utility in placing its distribution syste on the streets are the residents of the community who subscribe to the use of gas. These are also the people who pay any cost accruing to the utility from the placing or replacing of the mains in the streets.

It might be fair to assume that having obtained the consent of the municipal authority having jurisdiction to place its mains in the streets at a location specified by that authority the utility is entitled to believe that its mains will remain there until the cost of construction has been recovered in the ordinary way by charging to the consumers a rate of depreciation calculated to return that cost over the estimated life of the mains.

If, however, by reason of some relocation of the streets initiated by a municipality, and in the absence of any provision in the franchise agreement to the contrary, it is necessary before that time to remove the mains, it would seem reasonable that the municipality should compensate the gas utility for that portion of the original cost of placing these particular mains which has not been recovered through depreciation less the value of any salvage that may be realized. Such being the case, it would then appear reasonable to expect that the gas utility would construct its new mains in such new location as may be designated by the municipality having jurisdiction at its own expense and that it would be entitled to proceed to recover from its consumers the cost of this construction through depreciation charges in the ordinary way.

IT IS THEREFORE ORDERED:

1. That as its portion of the cost of relocating gas pipe lines at the location in question The Metropolitan Corporation of Greater Winnipeg shall pay to the Greater Winnipeg Gas Company an amount equal to the cost of labour and material required in the original construction of those mains, less depreciation and the value of any material salvaged.

2. That Greater Winnipeg Gas Company shall bear the entire cost of construction of gas mains in the new location.

Fees payable upon this Order: $10.00.

THE PUBLIC UTILITIES BOARD

"R. L. McDonald"
Chairman

"F. C. Tapley"
Secretary

Certified a true copy of Order No. 58/63 issued by The Public Utilities Board.

Secretary