

<b>POLICY NO:</b>	NG 011
<b>POLICY TITLE:</b>	GAS MONITORING UNITS
<b>DEPARTMENT:</b>	NATURAL GAS UTILITY
<b>APPROVAL DATE:</b>	15-05-12 (May 8, 2012)
<b>REVISION DATE:</b>	
<b>REVIEW DATE:</b>	2017-04-51 (April 25, 2017)

**Policy Statement:**

Permission to allow a third party to accommodate the transfer of natural gas from a potential natural gas supplier to the County of Vermilion River Gas Utility.

**Background:**

With the abundant supply of natural gas produced as a bi-product of heavy oil production within the County of Vermilion River, there is the potential to gain additional gas supplies onto the County of Vermilion River Gas Utility distribution system. Due to the costs associated with capturing & utilizing solution gas (or vent gas) internally, many oil producing companies deem such projects as uneconomical. An outside third party organization / entity could promote mutually beneficial venture(s) between the County of Vermilion River and potential suppliers, as well as construct the equipment necessary to transfer natural gas, thus permitting County of Vermilion River Gas Utility staff can remain focused on core business responsibilities.

**Purpose:**

To establish requirements and criteria that a third party contractor / entity must fulfill in assisting in the transfer of natural gas from a supplier to the County of Vermilion River Gas Utility.

**Procedure:**

At no time may a third party organization, or its employees, suggest or imply that it represents the interests of the County of Vermilion River or the County of Vermilion River Gas Utility. County Council, at its absolute discretion, shall make the final determination of which projects, if any, will proceed and/or be undertaken.

1. A third party organization may approach potential natural gas supplier(s) and suggest collaborative efforts between the County of Vermilion River and the supplier. However, it is the potential supplier's responsibility to contact the County Gas Utility to discuss a proposed natural gas transfer.

2. County Gas Utility staff will review the proposal, choose a suitable location to accept natural gas onto the system, and compile a cost estimate quote for any materials and/or labor required to complete installation.
3. County Council must be provided with a proposal, along with any associated materials, and must give its approval to proceed.
4. An agreement or contract must be signed between the County Gas Utility and the supplier to either transport or purchase an agreed upon volume of natural gas.
5. An agreement or contract must be signed between the County Gas Utility and the third party entity, from our approved contractor's list, detailing any requirements and responsibilities (i.e. WCB, liability insurance, etc.)
6. The third party organization must construct & test, at its own cost, any relevant equipment necessary to facilitate the transfer of natural gas from the supplier onto the County Gas Utility distribution system. The County Gas Utility is not responsible for any construction, manufacturing or fabrication costs.
7. Prior to any gas entering the County Gas distribution system, a connection fee for each initial site must be paid in full by the third party entity. The fee shall include a one-time charge, as determined by County Council, plus all costs associated to provide a connection point into the County natural gas distribution system. Once the initial one-time fee has been paid, any subsequent move of the equipment to a new site will only require the costs to provide a connection point to be paid.
8. Any and all equipment provided by the third party entity used to facilitate natural gas transfer shall be moved, at the expense of the third party organization, to the agreed upon location. Additions or modifications to County Gas Utility owned facilities at the agreed upon location must not take place without direct supervision or explicit permission of County Gas Utility staff.
9. The third party organization must prepare, commission or otherwise make ready said manufactured equipment for use prior to full operation, and provide instruction in the use & operation of any equipment it provides if necessary.
10. County Gas Utility staff must perform a safety check to ensure all materials and components of the natural gas transfer equipment are acceptable and appropriate.
11. The third party organization shall be granted access to the above mentioned equipment for maintenance and repair purposes only, and shall provide reasonable notification to the County Gas Utility of any work intended to be undertaken.
12. Threshold levels of alarms for monitoring purposes will be determined and set by County Gas Utility staff. At no time will these levels be changed or altered without the County Gas Utility's permission.
13. The County Gas Utility will provide appropriate natural gas odorant (i.e. mercaptan) and maintain necessary levels for operation. Only County Gas Utility staff shall alter or adjust odorant levels entering the County Gas Utility distribution system.
14. The County Gas Utility will undertake the periodic inspection of the transfer meter, as set forth by Measurement Canada, and assume any and all costs associated with the inspection.

15. In the event of a component failure, the County Gas Utility will inform the third party entity in a timely manner. The third party organization assumes responsibility for the replacement and any associated costs of any component failure. Any transfer of gas will be suspended until any and all equipment is repaired to the satisfaction of the County Gas Utility.