

## Bulletin RUB-2004-03

March 23, 2004

### *A reminder and affirmation on the requirements for construction applications*

- In each new construction year, a gas distributor should satisfy all tendering requirements with the Branch before any field activity begins. Our Branch has to accomplish our mandate that Government funded projects are appropriately tendered. Until this is done no approvals, blanket notwithstanding, are in effect. If you or your consultant are submitting the first application, be aware that **tender results must at some point, come together with this first application before any approvals can be issued.**
- Blanket approvals do not have to be renewed each year but construction activity under this procedure is limited to single service line installations only. Every other project should have a formal technical application forwarded to this Branch for approval.
- This technical application should contain a Construction Application Summary Report, an appropriate estimate, and an alignment plan with necessary details clearly presented. Infills installed under the blanket permit have to be reported to the Branch for advance grant disposition and tracking. This report can be in the form of a table that should provide names, locations, classifications and costs for the various customer classification groups. Where required, include copies of applications to the Energy Utilities Board where high-pressure pipelines are involved. Applications must be submitted before the actual installation proceeds.
- Uncompleted projects from a previous year do not automatically have funds in place to cover carryover costs. Details of uncompleted projects and costs to complete projects should be identified and submitted as a revised construction application for the new budget year.
- Capital projects, which are classified as upgrading, should be supported with a technical analysis identifying customer growth and new gas load requirements. The strategic objective for managing the grant program today is to focus on providing financial assistance almost exclusively for new rural domestic growth. Capital upgrading projects can have inherent benefits to routine operation and maintenance. We need to identify and separate inherent operating and maintenance cost benefits from costs dedicated to capital projects that are eligible for grant support.
- And finally as a point of note, our Branch does a comparison of construction approvals with as-built submissions in conjunction with the Distributors year-end audit of costs. **Discrepancies that are found must be reconciled and approved before costs for these can be included in the final grant calculation.** Unreported construction activities are non-budget and may remain non-budget if funds are not be available at the time of the year-end audit.

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