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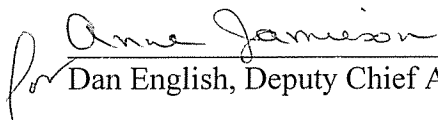
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**Halifax Regional Council**  
**April 27, 2004**

**TO:** Mayor Kelly and Members of Halifax Regional Council

**SUBMITTED BY:**

  
\_\_\_\_\_  
George McLellan, Chief Administrative Officer

  
\_\_\_\_\_  
Dan English, Deputy Chief Administrative Officer

**DATE:** April 27, 2004

**SUBJECT:** Underground Services

**ORIGIN**

Throughout discussions regarding the Harbour Solutions Project and the Heritage Gas natural gas roll-out; members of Council have expressed a desire to take advantage of any opportunities afforded by Harbour Solution trenching to do other underground services at the same time, such as running natural gas line, fibre optic cable conduit, and burying overhead power lines.

HRM staff focus has been on commencing the Harbour Solutions Project and not on incorporating additional elements that would unnecessarily delay the construction schedule. Now that the Harbour Solutions Project is underway, some additional underground service projects have been discussed with Dexter Construction, the Harbour Solutions Team, and Heritage Gas.

**RECOMMENDATIONS**

It is recommended that HRM Council approve Harbour Solutions Project working with Dexter Construction and Heritage Gas to install 4" PVC conduit through which natural gas pipeline can be threaded, along Hollis Street from the Sackville Street intersection to the Morris Street intersection, at a cost of \$118 per metre (\$64,000 total).

## BACKGROUND

The Harbour Solutions project will be starting construction on the Sackville Street block of Hollis Street very shortly. HRM staff have included in the 2004/05 proposed capital budget, \$250,000 to be used to take advantage of underground service opportunities which result as a result of Harbour Solutions trenching, or trenching conducted for other large capital projects. A group of HRM employees involved with different aspects of underground services or utility issues has been considering and evaluating how we can best use our limited financial resources to achieve the maximum value for residents.

### Ongoing related issues which should be coordinated under one umbrella:

- In February of 2004 an RFP for consulting work on Underground Services was issued, and the the RFP will be awarded very shortly. The report will look at operational and financial costs and benefits of underground wiring and co-location of different underground utility lines, in both the core area, and in new subdivisions.
- The Capital District Streetscapes program has identified key areas where there is aesthetic and environmental benefits to burying wires.
- The Harbour Solutions Project will be conducting some major trench work which will afford opportunities and economies of scale to undertake other underground services at the same time. This ultimately saves money for the tax payer, and minimizes disruptions caused by opening and re-opening the street.
- Heritage Gas distribution plans coordinate closely with the Harbour Solutions Project. Heritage Gas will ultimately be required to run along the same area.
- The Cowie Hill/NSPC case will be before the UARB regarding the underground wires in that area.
- Ongoing issues with NSPC regarding tree-trimming and vegetation easements.
- Regional Planning will incorporate recommendations that will help shape the look of new developments. Underground versus Overhead services needs to be addressed.
- HRM already owns two “orphan systems” of natural gas lines on Troop Avenue and Lakeside Terrace in Dartmouth.

HRM staff who are involved in these initiatives are: Phil Francis (PWT), Mary Ellen Donovan (Legal Services), Cathie O’Toole (CAO’s Office), Carol Macomber (Regional Planning), Peter Duncan (Regional Planning), Jacqueline Hamilton (Capital District), Paul Dunphy (Planning and Development) and Denise Schofield (Planning & Development).

It is our intention to send a report to Council in the near future, with options and recommendations on how the municipality will take an integrated approach to sewer, water, natural gas, fibre optic cabling, and opportunities to bury power lines. The information which will be gathered from the RFP for Underground Services (being awarded April 27<sup>th</sup>, 2004) will provide some information crucial to help us develop the municipality's position on integration and co-location of underground services.

### **DISCUSSION**

The immediate issue at hand is obtaining approval to proceed with incorporating conduit to run natural gas with the Hollis Street phase of the Harbour Solutions project. Heritage Gas would either purchase the "orphan system" outright from HRM, or the Hollis Street line would form part of the basis of an equity investment in Heritage Gas by the Halifax Regional Municipality. HRM and Heritage Gas are still in discussion regarding the details of an equity investment, subject to approval by the Province. There would be a small element of risk that Heritage Gas may abandon their plans to distribute gas before they reach the Halifax side of the harbour. In this case, HRM would be left with a \$64,000 asset (PVC conduit) in the ground along Hollis Street. This asset would likely have some value for other use, e.g., to run fibre optic cabling, or to other companies who may someday wish to distribute natural gas in Halifax.

Telecom and power underground conduit systems already exist along Hollis Street from Sackville to Bishop Street, however such conduits are not in place from Bishop to Morris. Within the next few weeks, staff would like to return to Council with a report and recommendation regarding installing underground telecom and power lines along the Bishop to Morris block of Hollis Street. This block is within the pole-free zone established by HRM Council in agreement with Nova Scotia Power.

### **BUDGET IMPLICATIONS**

The natural gas PVC conduit along Hollis Street from Sackville to Morris will cost \$64,000 and is included in the approved 2004/05 Capital Budget.

### **FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN**

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

### **ALTERNATIVES**

HRM could choose not to take advantage of opportunities to co-locate conduit for other utilities in the Harbour Solutions trenching on Hollis Street. Hollis Street is very congested with services, and when the project reaches the Bishop to Morris Street block, which is within the pole-free zone, HRM

may have no choice but to install the conduit system to locate power and telecom underground to complete the pole-free area. Any future intervention in Hollis Street not incorporated with the Harbour Solutions work, will incrementally be more costly and disruptive.

**ATTACHMENTS**

Letter from Heritage Gas to HRM regarding Hollis Street conduit  
Map of Hollis Street/Harbour Solutions build

Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Cathie O'Toole, CGA - Executive Assistant, CAO's Office  
Phil Francis, P. Eng. - Right of Way Engineer



Putting Our Energy Here Naturally

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April 16, 2004

Mr. P. Francis, P.Eng.  
Halifax Regional Municipality  
21 Mount Hope Avenue  
Eric Spicer Building  
Dartmouth, NS B3J 3A5

**Call Before You Dig**  
**1-866-313-3030**

Dear Mr. Francis:

**Re: Natural Gas Distribution - Installation of Conduit in Hollis Street**

Further to recent discussions between you, Dexter Construction and Heritage Gas, we understand that the Halifax Regional Municipality is currently contemplating the construction of a perforated conduit in Hollis Street for purposes of future natural gas pipeline extension. This perforated conduit will be installed to Heritage Gas standards by Dexter Construction, in the same trench as the new sewer collector system in accordance with attached Figure No. 04-08-C2. This is an excellent opportunity.

The total length of the conduit is estimated to be 535 m. The conduit will be 100 mm diameter PVC for a future NPS 2 gas pipeline insertion. The price quoted by Dexter Construction for installing this conduit will be \$118 per m; however, Dexter Construction will monitor and report their actual costs for the information of all parties. The total cost is not to exceed \$63,130.

Heritage Gas' is working very hard on securing the necessary agreements from major customers that will enable gas distribution to proceed on the Halifax Peninsula. We are encouraged by the initial responses. We will keep you apprised of our progress.

This is to confirm to the HRM that, when Heritage Gas succeeds in bringing natural gas to the Halifax Peninsula and customer demand meets the economic feasibility requirements for the area in question, Heritage Gas will acquire the system and reimburse HRM for the cost paid to Dexter Construction, not to exceed \$118 per m.

We truly appreciate HRM's proactive position and we also recognize the value of this initiative. This is a one-time opportunity to provide cost effective natural gas service to potential customers on Hollis Street. We thank HRM for this opportunity.

Should you have any questions or require additional information, please contact the undersigned at (902) 466-2019.

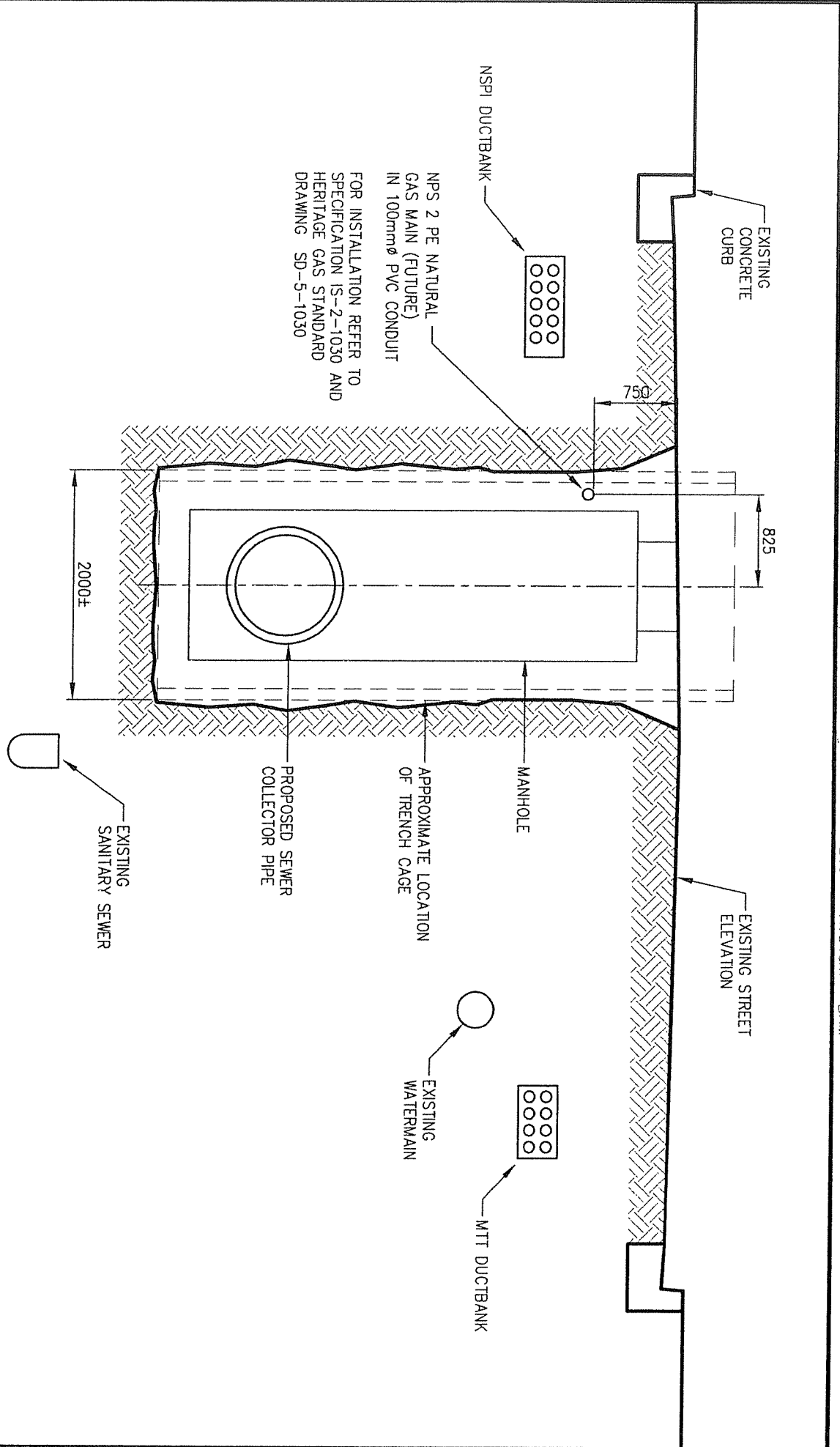
Yours truly,

**HERITAGE GAS LIMITED**

Ray Ritcey  
President

Enclosure (1)

cc: Harvey Fedyk - Heritage Gas  
Michel Sarrouy - Heritage Gas



HOLLIS STREET SECTION AT STA. 0+375 (FACING NORTH)

HERITAGE GAS

|          |           |          |
|----------|-----------|----------|
| REV. NO. | DATE      | APPROVED |
| 1        | APR, 2004 |          |

TITLE: TYPICAL STREET CROSS-SECTION NATURAL GAS & SEWER COLLECTOR

FIGURE NO. 04-08-C2

SCALE: 1 : 50  
REV. NO. 1



Map User: PHILF  
19-APR-2004  
ReGIS  
DVR Colour Laser Plot

# Hollis St.



This plan was prepared for the internal purposes of Halifax Regional Municipality (HRM).  
HRM does not guarantee the accuracy of any representation on the plan.

Scale 1: 2957



for 2004