

1. APPLICATIONS BY SHELL OIL (NZ) LIMITED AND MOBIL OIL (NZ) LIMITED FOR INSTALLATION OF OIL PIPELINES AND WATER MAIN IN LEGAL ROADS

General Manager responsible:	General Manager City Environment, DDI 941-8656
Officer responsible:	Transport & Greenspace Manager
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PURPOSE OF REPORT

1. The purpose of this report is to submit the Board's recommendation that the Council resolve to grant the right to:
 - (a) Shell Oil (NZ) Ltd to lay new petroleum pipes in that part of Cyrus Williams Quay, Godley Quay and George Seymour Quay as shown on the **attached** plan 22968005 and marked as Sections A to H.
 - (b) Mobil Oil (NZ) Ltd to retain existing petroleum pipes in that part of George Seymour Quay as is marked as Sections C, E and G on the **attached** plan 22968005 and in addition to lay a new 300 mm diameter water main along Charlotte Jane Quay as is shown on the **attached** plan P310N/P/301.

EXECUTIVE SUMMARY

2. The Council has received an application from Shell Oil (NZ) Ltd to seek a right to install petroleum pipelines in Cyrus William Quay, Godley Quay and George Seymour Quay as shown on plan 22968005.
3. The proposal by Shell Oil (NZ) Ltd is part of its upgrading work to the oil tank farm facilities at Lyttelton. Along the proposed route there are already some existing pipelines owned by Mobil Oil (NZ) Ltd and it is therefore appropriate to formalise and address the right of access for Mobil Oil (NZ) Ltd for this part of the road (Sections C, E and G on plan 22968005).
4. There has also been an application received by the Council from Mobil Oil (NZ) Ltd to install a 300 mm diameter water main along Charlotte Jane Quay from the existing fire protection compound to Godley Quay and extending to Naval Point on land owned by the Lyttelton Port Company Limited.
5. All the above requests are related to the upgrading of existing facilities forming part of the oil tank farm.
6. Subsequently, a further report to the Council will be presented to formalise and address the rights of the oil companies in relation to other infrastructure currently on and in legal roads serving the oil tank farm.

FINANCIAL AND LEGAL CONSIDERATIONS

7. There will be a financial return to the Council for the proposed occupation of legal roads by the applicants and it is appropriate that the Corporate Support Manager be authorised to determine the terms and conditions relating to that occupation.
8. The Council has the authority to permit oil companies to install their infrastructure on and in legal roads pursuant to Section 338 of the Local Government Act 1974, that provides:

“[338 Council may grant right to lay petroleum conduit pipes along or under road:

- (1) *Subject to Section 357 of this Act, the Council may grant to any person an easement or other right for such period not exceeding 50 years and on such terms and conditions as the council thinks fit, authorising that person to lay conduit pipes for petroleum or for any other purpose in the district under or along any road or (with the consent of the owners) under or along any private road or private way; but no such grant shall be to the exclusion of like grants to any other person.*
- (2) *The grant of any such right or easement shall be subject to the payment of such rent, and to the observance of such conditions as to size, construction, repair and maintenance of the conduit pipes, and as to repair of any road or private road or private way under or along which they are laid, as the council thinks fit.]”*

BACKGROUND

9. There are already a significant number of oil pipelines on and in Cyrus Williams Quay, George Seymour Quay, Godley Quay and Charlotte Jane Quay. These roads are access ways to the oil tank farm.
10. Some of these pipelines have been in existence since the tank farm was established on land owned by the Lyttelton Port Company.
11. Oil companies do not have automatic access rights to install their infrastructural facilities on or in legal roads, hence the Council's permission is required for such installations.
12. The requests by Shell Oil (NZ) Ltd to install oil pipe lines and Mobil Oil (NZ) Ltd to install a 300 mm diameter water main are required for the companies' upgrading works to their facilities.
13. These requests can be accommodated in the roads and it is also appropriate that the Council's normal conditions for road opening processes be imposed for these works. These conditions will be consistent to utility works occurring in the rest of the City's roads.

STAFF RECOMMENDATION

That the Council resolve that:

- (a) Subject to paragraph (c) of this resolution, and pursuant to s338 of the Local Government Act 1974, that the application of Shell Oil (NZ) Ltd be granted for an easement or right to lay petroleum pipes in those parts of Cyrus Williams Quay, Godley Quay and George Seymour Quay as shown on the attached plan 22968005 as Sections A to H.
- (b) Subject to paragraph (c) of this resolution, and pursuant to s338 of the Local Government Act 1974, that the application of Mobil Oil (NZ) Ltd be granted for an easement or right to lay petroleum pipes in that part of George Seymour Quay as is defined as Sections C, E and G on attached plan 22968005 and in addition to lay a new 300 mm diameter water main along Charlotte Jane Quay as shown on the attached plan P310N/P/301.
- (c) The terms and conditions upon which the said easements or rights shall be granted, and any rent payable, shall be determined by the Corporate Support Manager.

BOARD RECOMMENDATION

That the staff recommendation be adopted.