

12 September 2002

Your ref: CB1/BC/10/01

Our ref: ND/As/02/01/078

Legislative Council Secretariat
3rd Floor, Citibank Tower
3 Garden Road, Central
Hong Kong

BY FAX (2121 0420)

For the Attention of Miss Winnie Cheng

Dear Miss Cheng

**Bills Committee on
Land (Miscellaneous Provisions) (Amendment) Bill 2002**

We refer to your letter dated 10 July 2002 on this subject and would like to provide the view points of The Hong Kong and China Gas Company Limited as follows.

- 1) It is unfair to put the blame on utility undertakings. Fundamentally there is no incentive for any utility to delay its works in the public road. A delay will increase the overheads and affect the supply requirement date and we have always been trying our best endeavour to avoid that.
- 2) There are not sufficient data to substantiate the proposed fee structure especially the Economic Cost.
- 3) Utility services diversion works as requested by Highways or other government related entities are already carried out free of charge by the utility undertakings. It is unreasonable to add a 'permit fee' for such diversion works.
- 4) The determination of the initial permit period should be on an objective and fair basis, while allowing flexibility to cope with unforeseeable circumstances. The methodology shall be worked out with the utility undertakings beforehand.
- 5) In the light of the proposed permit fee structure, the existing Conditions of Permit should be thoroughly reviewed with the utility undertakings in order to eliminate any subjective, immeasurable or ambiguous items.
- 6) There is no clear definition to differentiate between the liability of the permittee (utility undertaking) and the nominated permittee (its contractor).

Yours sincerely

Simon Ngo
Chief Network Officer

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