

Bill No. 72 of 1945.

A BILL TO AMEND THE NATURAL GAS UTILITIES
ACT

NOTE.

Paragraph (a) of section 1 of the Bill amends the definition of "pipe line". The new definition for the most part is the same as the present. The principal change is the addition of the following words beginning on line 5 'including any pipe line used for the transporting of gas from any field or area where such gas is produced to or through any municipality but excluding any distribution system used for the distribution of any such gas to the consumers in any such municipality'. Paragraph (b) enacts a new definition of "public utility". Clauses (i) and (ii) correct errors in references to other paragraphs. Clause (iii) extends the present definition by the addition of the last three lines. Paragraph (c) introduces a new definition—"storage area".

Section 2 of the Bill adds a new section 35*a*. This enables the Board to make temporary orders in cases where notice of a hearing or investigation into rates, charges or other matters have been given by the Board. The Board may exercise this jurisdiction when of opinion that the public interest or the interest of a proprietor, etc., of a public utility so requires and after notice has been given and representations heard. Subsection (3) authorizes and directs the Board, when it has completed its investigation and made its final order, to consider the effect of the interim order and make such adjustments, etc., as may seem just and reasonable. Provision is made by subsection (4) for any person affected by an interim order who has not received the notice provided for in subsection (1) to apply to the Board to rescind or vary the order. These provisions are made retroactive to March 24th, 1944 (See section 6).

Section 3 of the Bill introduces a new section 67*a* which provides that orders of the Board override the terms of a contract which conflict with the order after it has been served upon the parties to the contract. Subsection (3) provides for a party to contract in conflict with a Board order applying to the Board to vary or rescind the order.

Section 4 of the Bill amends section 72.

(a) Subsection (1) of this section now reads "Notwithstanding the terms of any contract, the Board shall fix and determine," which made the fixing of prices, etc., compulsory. The change makes this compulsory only when directed by Order in Council.

(b) The proviso to paragraph (a) is to take from the Board the duty or power to fix the price of gasoline, the jurisdiction to do so being considered doubtful for constitutional reasons.

(c) Paragraphs (e) and (f) added to subsection (1) of section 72 extend the power of the Board to determine the prices therein mentioned.

(d) The new subsection (1a) exempts the Board from the necessity of dealing with individual wells in fixing prices and authorizes it to fix prices with respect to all the wells in a field, or different sections of a field or groups of wells in a field.

Section 5 of the Bill enacts a new section 80a to provide for cases where there may be an overlapping of jurisdiction between the Natural Gas Utilities Board and the Petroleum and Natural Gas Conservation Board, and provides that in such a case no order of the former Board will be effective until approved by the latter Board.

W. S. GRAY,
Legislative Counsel.

(This note does not form any part of the Bill but is offered in explanation of its provisions.)

BILL

No. 72 of 1945.

An Act to amend The Natural Gas Utilities Act.

(Assented to _____, 1945.)

HIS MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Alberta, enacts as follows:

1. *The Natural Gas Utilities Act*, being chapter 4 of the Statutes of Alberta, 1944, is hereby amended as to section 2,—

(a) by striking out paragraph (h) thereof and by substituting therefor the following:

“(h) ‘Pipe Line’ means any pipe or any system or arrangement of pipes whereby natural gas is conveyed from any well-head or other place at which it is produced to any other place, or from any other place where it is processed or treated to any other place, including any pipe line used for the transporting of gas from any field or area where such gas is produced to or through any municipality, but excluding any distribution system used for the distribution of any such gas to the consumers in any such municipality, and includes all property of any kind used for the purpose of, or in connection with, or incidental to the operation of a pipe line in the gathering, transporting and handling including delivery of natural gas excepting temporary drilling fuel pipe lines and other temporary pipe lines used as a common practice for the drilling of a well, reworking of a well, reconditioning of a well and the operation of a producing well and without restricting the generality of the foregoing means and includes tanks, surface reservoirs, pumps, compressors and compressor stations, pressure measuring and controlling equipment and fixtures of all kinds, flow controlling and measuring equipment and fixtures, metering equipment and fixtures, heating, cooling and dehydrating equipment and fixtures, and without limitation including all other equipment for the efficient and economical gathering and transportation of natural gas and facilities incidental to delivery”;

(b) by striking out paragraph (*k*) thereof and by substituting therefore the following:

“(*k*) ‘Public Utility’ means,—

“(i) any pipe line as defined in paragraph (*h*) of this section;

“(ii) any scrubbing plant as defined in paragraph (*l*) of this section;

“(iii) any well, any system, and works, and plant, any equipment or service used for the purpose of, or in connection with, or incidental to the production, transportation, purifying, drying, scrubbing, compressing or repressuring natural gas;”;

(c) by adding immediately after paragraph (*l*) thereof the following new paragraph:

“(*m*) ‘Storage area’ means any specified parcel of land directed by an order of the Board with the approval of the Petroleum and Natural Gas Conservation Board to be used as an area into which natural gas is or may be put for storage.”

2. The said Act is further amended by adding immediately after section 35 thereof the following new section:

“**35a** —(1) In addition to, and without limiting or restricting any other powers or jurisdiction conferred on it by the provisions of this Act, in any case where notice has been given by the Board of any hearing or investigation (in this subsection referred to as ‘the final hearing’) to be held or conducted by it for the determination or fixing of rates, prices, charges or any other matter or thing within its jurisdiction, the Board,—

“(a) if it be of the opinion that the public interest or the interest of any proprietor or of any person affected by the operations of a public utility so requires; and

“(b) after notice to, and hearing any oral or written representations that may be made by any person interested in or to be affected thereby,—

may make such interim or temporary order or orders relative to the matters with respect to which notice of a final hearing has been given, as it may deem just and reasonable, to be effective until the determination of the final hearing and the making of the Board’s decision or order giving effect thereto (in this subsection referred to as ‘the final order’).

“(2) Subject to the provisions of subsection (4), the temporary rates, prices, charges or other matters or things authorized, made, approved, ordered or directed by any such interim or temporary order shall be effective until the making of the final order, or until such earlier date as the Board may direct.

“(3) The Board is hereby authorized, empowered and directed, on the final hearing, to give consideration to the effect of the operation of such interim or temporary order

and in the final order to make, allow or provide for such adjustments, allowances or other factors, as to the Board may seem just and reasonable.

“(4) Any person interested in or affected by any such interim or temporary order to whom notice may not have been given as provided in paragraph (b) of subsection (1) may, at any time within ten days after becoming aware of such interim or temporary order, apply to the Board to vary, amend or rescind the same and the Board may, after notice to other parties interested and after hearing any oral or written representations that may be made by the applicant and any person interested in or affected by the order, either amend, alter or rescind such interim or temporary order or dismiss the application as to it may seem just.”

3. The said Act is further amended by adding immediately after section 67 thereof the following new section:

“**67a.**—(1) Subject to the provisions of subsections (2) and (3) any order of the Board with respect to any matter over which it has jurisdiction shall over-ride the terms and conditions of any contract or other arrangement conflicting with the terms of such order and no terms or conditions of any contract or other arrangement which conflict with the terms of such order shall be enforceable or give rise to any cause of action by any party against any other party to such contract or other arrangement.

“(2) Any such order shall only become effective and operate so as to vary any such contract or other arrangement on its being served on or otherwise communicated to each of the parties to such contract or arrangement.

“(3) Any person, a party to any contract or arrangement the terms or conditions of which conflict with and are overridden by the terms of any order of the Board, may within ten days after becoming aware of any such order or decision, or within such further time as the Board may allow, apply to the Board to vary, amend or rescind the order or decision, and the Board shall thereupon, on such notice, if any, to other parties interested, as it may in its discretion think desirable hear the application and either amend, alter or rescind the order or decision, or dismiss the application, as may seem to it just.”

4. The said Act is further amended as to section 72,—

- (a) by striking out the words “Notwithstanding the terms of any contract, the Board shall fix and determine”, where the same occur at the beginning of subsection (1) thereof, and by substituting therefor the following: “Notwithstanding the terms of any contract the Board may and by order of the Lieutenant Governor in Council shall fix and determine”;
- (b) by adding immediately at the end of paragraph (a) of subsection (1) thereof the following proviso:

“Provided always that the price or prices fixed pursuant to any of the provisions of this paragraph

shall not include any price or value of any component part of the natural gas to be extracted therefrom and sold before delivery of the natural gas to a public utility as defined by this Act or by *The Public Utilities Act* for distribution to the ultimate consumer;”;

(c) by adding immediately after paragraph (d) of subsection (1) thereof the following new paragraphs:

“(e) the just and reasonable prices to be paid for all commodities not hereinbefore provided for over which the Board has jurisdiction according to the exigencies of each particular case in such manner as the Board shall see fit;

“(f) the just and reasonable prices to be paid for all services over which the Board has jurisdiction.”

(d) by adding immediately after subsection (1) thereof the following new subsection:

“(1a) Notwithstanding any of the other provisions of this Act in fixing and determining the just and reasonable price or prices as provided for in paragraphs (a) and (b) of subsection (1), the Board shall not be required or compelled to fix or determine the price or prices for, in respect of, or on the basis of any individual well or wells or of the value or cost thereof or the investment therein or a rate of return thereon but may instead fix and determine such price or prices as shall be applicable generally to all wells in a field, or may fix and determine different prices for or in respect of different sections or areas of a field, or may classify wells in a field in groups and fix prices paid for natural gas produced from such classifications or groups and in the fixing and determining of such price or prices the Board may adopt any just or reasonable basis or method of arriving at or computing such price or prices as the Board may deem to be applicable or proper having regard to all circumstances and factors involved.”

5. The said Act is further amended by adding immediately after section 80 thereof, the following new section:

“**80a.** In case any order is made by the Board under any of the provisions of this Act concerning any matter over which the Petroleum and Natural Gas Conservation Board, constituted pursuant to the provisions of *The Oil and Gas Resources Conservation Act*, being chapter 66 of the Revised Statutes of Alberta, 1942, has concurrent jurisdiction, such order shall have no force or effect until the same has been concurred in by the Petroleum and Natural Gas Conservation Board.”

6. This Act shall come into force on the day upon which it is assented to, and upon so coming into force section 2 shall be deemed to have been in force at all times on and after the twenty-fourth day of March, 1944.

No. 72.

FIRST SESSION
TENTH LEGISLATURE
9 GEORGE VI
1945

BILL

An Act to amend The Natural Gas
Utilities Act.

Received and read the

First time.....

Second time.....

Third time.....

HON. MR. TANNER.

EDMONTON:
A. Shnitka, King's Printer
1945