

Bill No. 49 of 1949.

A BILL TO AMEND THE NATURAL GAS UTILITIES  
ACT

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NOTE.

This Bill amends *The Natural Gas Utilities Act*, being chapter 4 of the Statutes of Alberta, 1944.

Section 2, paragraph (c) is amended by changing the reference to the Minister of Lands and Mines to a reference to the Minister of Mines and Minerals.

Section 72 (3) is amended by striking out the word "shall" and by substituting the word "may". The subsection presently requires the Natural Gas Utilities Board to fix the price paid by the operator of an absorption plant to the owner or producer of natural gas. The amendment changes this mandatory power to a permissive one.

Three new sections are added immediately after section 72.

Section 72*a* provides that in lieu of making an order under subsection (3) of section 72 the Board may, with the approval of the Lieutenant Governor in Council, designate an area of land in the Province from which natural gas is produced. The Board may permit the operator of an absorption plant to enter into a contract with any owner or producer of natural gas produced from a designated area fixing the price to be paid by the operator to the owner for the natural gas. The operator is required to enter into similar contracts with each owner of natural gas within the designated area if the owner is willing to sell and if, in the opinion of the Board, the operator can economically process the natural gas.

Section 72*b* provides that any contract approved by the Board shall not be changed or varied by the Board unless the change or variation is mutually agreed upon by the parties to the contract and is approved by the Board. If any contract is changed or varied the operator is required to make a similar change or variation in any similar contract entered into with each owner or producer of natural gas within the designated area if the owner or producer requests the change and if it is approved by the Board.

Section 72*c* provides that in the event the operator is unable to process all the gas produced in a designated area by the owners with whom he is required to enter into contracts the operator shall purchase the natural gas from each owner having a contract approved by the Board on a *pro rata* basis in proportion to his production.

Section 73, subsection (1), paragraph (c), clause (iii), is amended by striking out the reference to the Department of Lands and Mines and substituting a reference to the Department of Mines and Minerals.

The changes in sections 2 and 73 are required by reason of the division of the Department of Lands and Mines into two new Departments, the Department of Mines and Minerals and the Department of Lands and Forests.

KENNETH A. MCKENZIE,  
*Acting Legislative Counsel.*

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

# BILL

No. 49 of 1949.

An Act to amend The Natural Gas Utilities Act.

(Assented to \_\_\_\_\_, 1949.)

**H**IS 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 by striking out the words "Minister of Lands and Mines", where they occur in paragraph (c), and by substituting the words "Minister of Mines and Minerals".

2. The said Act is further amended as to section 72 by striking out the word "shall", where it occurs in subsection (3), and by substituting the word "may".

3. The said Act is further amended by adding immediately after section 72 the following new sections:

"72*a*.—(1) In lieu of making an order under subsection (3) of section 72, the Board may, with the approval of the Lieutenant Governor in Council, designate any area of land in the Province from which natural gas is produced.

"(2) The Board may permit the operator of an absorption plant to enter into a contract with any owner or producer of natural gas produced from a designated area fixing the price to be paid by the operator to the owner or producer for the natural gas.

"(3) Any such contract may be for a fixed period and shall have no force or effect until it is approved by the Board.

"(4) The operator shall enter into similar contracts with each owner or producer of natural gas within the designated area if,—

"(a) the owner or producer is willing to enter into a contract with the operator; and

"(b) the natural gas belonging to the owner or producer can be economically processed by the operator in the opinion of the Board.

"72*b*.—(1) Any such contract approved by the Board pursuant to section 72*a* shall not be changed or varied by the Board except and only in so far as the change or variation is mutually agreed upon by the parties to the contract and is approved by the Board.

“(2) If any contract is changed or varied pursuant to subsection (1) the operator shall make a similar change or variation in any similar contract entered into with each owner or producer of natural gas within the designated area if the owner or producer requests that the change or variation be made and if it is approved by the Board.

“**72c.** In the event that the operator of an absorption plant is unable to process all the gas produced in a designated area by the owners or operators with whom he is required to enter into contracts by subsection (4) of section 72a, the operator shall purchase the natural gas from each owner and producer having a contract approved by the Board on a *pro rata* basis in proportion to his production.”.

**4.** The said Act is further amended as to section 73 by striking out the words “Department of Lands and Mines”, where they occur in clause (iii) of paragraph (c) of subsection (1), and by substituting the words “Department of Mines and Minerals”.

**5.** This Act shall come into force on the first day of April, 1949.

No. 49

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FIRST SESSION  
**ELEVENTH LEGISLATURE**  
13 GEORGE VI  
1949

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**BILL**

An Act to amend The Natural Gas  
Utilities Act.

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Received and read the

First time .....

Second time .....

Third time .....

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HON. MR. TANNER.

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