

Bill No. 83 of 1953

A BILL TO PROVIDE FOR A FUND TO ASSIST RURAL  
ELECTRIFICATION ASSOCIATIONS IN DEFRAY-  
ING THE CAPITAL COSTS OF SUPPLYING THEIR  
MEMBERS WITH ELECTRICAL POWER

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NOTE

This Bill enacts a new Act to be known as "*The Rural Electrification Revolving Fund Act*".

A revolving fund to be known as the Rural Electrification Revolving Fund is to be established. The fund will be made up of moneys advanced thereto upon the requisition of the Supervisor of Co-operative Activities, up to ten million dollars. Payment of loans will be made out of the fund; repayment of loans will return to the fund for further loaning while interest payments will go to the General Revenue Fund as earnings.

Loans for terms up to ten years may be made to rural electrification associations upon application, and upon compliance with certain conditions relating to preliminary preparations, services and such matters. The Power Commission will pass upon the application for the purpose of having uniform development and good coverage by rural electrification associations. Thereafter the Supervisor will pass upon the application. If approved by him, the loan will be made from the fund by the Provincial Treasurer upon agreed terms. The Provincial Treasurer is secured by the assets of the association but in addition the members of the association who have not fully paid up their contributions but who have contributed at least one hundred and fifty dollars, make out to the association lien notes for the balance of their contributions. To these the Provincial Treasurer is subrogated in the event of default by the association, and as these notes, by filing notice thereof in the Land Titles Office, become a charge upon the real property to which the electrical service is brought, they constitute security for both the advance of credit by the association and the loan by the Provincial Treasurer to the association.

An association and a member, respectively, may pay their loan or contribution in full at any time during the period of the loan or lien note, and provision for the making of adjustments in interest thereon are provided.

This Bill comes into force upon assent.

J. W. RYAN,  
*Acting Legislative Counsel.*

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



**5.** Moneys received as repayment of principal of loans made under this Act shall be credited to the fund, and moneys received as payment of interest on loans shall be deposited to the General Revenue Fund of the Province. Repayments

**6.** If he deems it advisable, the Provincial Treasurer may transfer from the fund to the General Revenue Fund of the Province any sum lying unused in the fund and any sum so transferred shall be a reduction of the advances outstanding to the fund. Unused sums

**7.** (1) Subject to sections 10, 11, 12 and 13, an association may apply for one or more loans under this Act. Loan

(2) A loan shall be for a period of ten years or such lesser period as may be desired by the association and approved by the Supervisor of Co-operative Activities. Term of loan

(3) A loan shall bear interest at the rate of three and one-half per cent per annum, payable annually. Interest on loan

(4) A loan shall be repaid by annual payments sufficient to pay off the full amount of the principal and interest within ten years or such lesser period as may have been desired and decided upon by the association and the Supervisor of Co-operative Activities. Repayment of loan

(5) Upon an equitable adjustment of interest being made and subject to the approval of the Supervisor of Co-operative Activities, a loan may be repaid in full at any time.

**8.** No application by an association for a loan shall be approved by the Supervisor of Co-operative Activities unless the association complies with and meets all the requirements of sections 10, 11, 12 and 13. Consideration of application for loan

**9.**(1) The association shall obtain from those members who have not fully paid up their share of the cost of constructing the works required by the association a lien note in Form A in the Schedule Lien note

- (a) payable to the order of the association,
- (b) in the amount that remains unpaid by the member to the association,
- (c) bearing interest at the rate of three and one-half per cent per annum,
- (d) setting out
  - (i) the date from which interest is to be computed,
  - (ii) the number and amount of the equal annual instalments of principal and interest by which payment of the note is to be made,
  - (iii) the date when each instalment of principal and interest is to be paid.

(2) The note shall be made and signed in the presence of an officer of the association obtaining it and shall be certified by the officer. Signing of lien note

Statement  
to accompany  
application

**10.** Before applying to the Supervisor of Co-operative Activities for a loan the association shall furnish the Alberta Power Commission with a statement of

- (a) the total estimated cost of constructing the works required,
- (b) the proposed route of the distribution lines,
- (c) the area to be served by its works,
- (d) the number of farmers in the area to be served
  - (i) who are willing to accept service, and
  - (ii) who are not willing to accept service from the works of the association.

Conditions  
of approval  
of applica-  
tion

**11.** (1) If, after receiving an application from an association, the Alberta Power Commission considers

- (a) that the proposed works of the association are not in the best interest of the majority of the inhabitants in the area to be served by the works, or
- (b) that the association does not contain sufficient members in all the circumstances of the case, or
- (c) that the proposed works of the association, in the opinion of the Alberta Power Commission, is uneconomical or incapable of reasonable expansion, or not properly planned, or
- (d) that any other act, matter or thing with respect to the membership, association, or works of the association should first be done or made,

the Alberta Power Commission may require the association to do any act or execute any agreement or instrument within the powers of the association before it approves the application of the association.

Certificate  
of approval

**12.** If the Alberta Power Commission is satisfied that the application with respect to the works or membership of the association is in order, and that the association and its proposed works are in the public interest and that the proposed plan is economically feasible, the Alberta Power Commission shall approve the application and issue a certificate of approval thereof to the association and to the Supervisor of Co-operative Activities.

Application  
for loan

**13.** (1) Where an association

- (a) has entered into an agreement with an electric power company whereby the power company has agreed to supply the association and its members, or an extension thereof, with electricity, and
- (b) has determined the cost of constructing the works required to supply each member of the association with electricity, and
- (c) has received from its members to meet the cost of constructing the works required at least fifteen per cent of the total construction cost, and

- (d) has received from each member at least one hundred and fifty dollars to meet the cost of constructing the works required to supply the member with electricity,

it may make an application in the prescribed form to the Supervisor of Co-operative Activities for a loan under this Act.

(2) With its application the association shall furnish the Supervisor of Co-operative Activities with a statement of Statement to accompany application for loan

- (a) the total estimated cost of constructing the works required,
- (b) the total amount of the moneys received from its members and the disposition, if any, made of the moneys,
- (c) the membership of the association and the amount each member has paid the association,
- (d) the amount each member is required to pay the association to meet the cost of constructing the works required to supply him with electricity and the period within which the payment is to be made,
- (e) particulars concerning each lien note received by the association from a member who has not fully paid his share of the cost of constructing the necessary works of the association.

14. (1) Upon receipt of the Alberta Power Commission's certificate of approval, the Supervisor of Co-operative Activities in his discretion may either approve or disapprove the loan. Agreement re loan

(2) If the Supervisor of Co-operative Activities approves the loan he shall enter into an agreement with the association in respect of the loan.

(3) The agreement shall provide for

- (a) the amount of the loan and the events or times upon which advances of the loan are to be made,
- (b) the amounts and periods of repayment,
- (c) the duties of the association in connection with the collection of instalments of payments from the members,
- (d) such other matters or things as the Supervisor of Co-operative Activities deems advisable.

(4) When the agreement has been executed, the Supervisor of Co-operative Activities shall notify the Provincial Treasurer.

(5) Upon receipt of the notice referred to in subsection (4), Advances

- (a) the Provincial Treasurer shall advance the amount of the loan to the Supervisor of Co-operative Activities who shall advance the same to the association in accordance with the terms of the loan, and

(b) the Provincial Treasurer shall have a first charge upon all the works of the association constructed and paid for wholly or in part out of the moneys loaned to the association.

(6) If default is made by the association in any of its payments under the agreement referred to in subsection (2) the Provincial Treasurer is subrogated to the rights of the association in respect of lien notes of the members held by the association and may enforce payment of the lien notes in the same manner and to the same extent as the association could enforce payment.

**Collections**      **15.**(1) The association shall collect from its members the amount of their annual payments and remit such moneys to the Supervisor of Co-operative Activities at the times set out in the agreement referred to in section 14 and the Supervisor shall pay the moneys to the Provincial Treasurer for deposit in the fund.

**Enforcement of payment**      (2) If default is made by a member in the due payment of any moneys payable by him in respect of any lien note made by him under section 9, all instalments payable by the member under his lien note become due and payable, and upon default of due payment thereof the association shall instruct the power company to discontinue electric service to the member in question and then in its discretion at any time thereafter shall take such action as is necessary to enforce payment of the lien note.

**Default**      (3) Notwithstanding subsection (2), if a member who is in default of payment of instalments in respect of a lien note later pays the arrears of instalments, the association in its discretion may

(a) cancel its instructions to the power company and the power company may thereafter resume electric service to the member upon payment of reconnection fees and other charges as are required of him,

(b) reinstate the lien note of the member and thereafter the member shall continue to pay the instalments in accordance with the terms of his lien note.

**Notice to members**      **16.** After the agreement referred to in section 14 has been executed, the association shall advise those members who have made lien notes that payment of instalments is to be made to the association upon the due dates thereof.

**Notice of loan**      **17.** (1) Within thirty days after a loan is approved by the Supervisor of Co-operative Activities the secretary of the association shall cause a notice of the lien note in Form B in the Schedule to be filed in the office of the Land Titles Office in the district in which is situated the land upon which the member resides in respect of whom the association holds a lien note.

(2) Every Registrar of Land Titles shall without fee endorse upon the title to the land described in the notice in

Form B situate in his land registration district standing in the name of the member of the association named in the notice, a memorandum in Form C in the Schedule.

(3) Upon receiving notice in writing in Form D in the Schedule from the Supervisor of Co-operative Activities that a lien note in respect of which a memorandum has been endorsed against the title of any land has been discharged by a member, the Registrar of Land Titles shall without fee cancel the memorandum on the title to the land standing in the name of the member.

**18.** (1) Upon the filing of a notice in Form B the association has a lien upon the interest of a member in the land to which electricity is to be conveyed by the association to the amount of the lien note of the member held by the association, which lien has the same priority as if a mortgage under *The Land Titles Act* to secure the total amount of the note of the member has been registered in the proper Land Titles Office at the time at which the notice referred to in section 17 was filed in such Land Titles Office.

Notice of  
lien

(2) Land to which electricity is conveyed or to be conveyed by an association and in respect of which notice of a lien note has been filed shall be deemed for the purposes of this Act, not a homestead within the meaning of *The Dower Act*.

**19.** (1) If the estimated cost of constructing the works of the association exceeds the actual cost and the power company constructing the works makes a refund to the association, after making any provision that the association deems fit for its deposit reserve, the association shall compute the amount of the refund remaining and due each member.

Refunds

(2) Where a lien note of a member is held by the association, that member's share of the refund shall be credited as a payment on the last mentioned instalment or instalments, as the case may be, set out in his lien note.

(3) Where no lien note is held by the association in respect of a member, his share of the refund shall be paid to him in cash.

(4) Any sums credited to the instalments of members pursuant to subsection (2) shall be remitted to the Supervisor of Co-operative Activities by the association irrespective of the dates for remittance by the association to the Supervisor of Co-operative Activities specified in the agreement referred to in section 14.

**20.** (1) A member may at any time with the approval of the association and upon such adjustment of interest as is equitable pay a lien note in full in advance of payment of all unpaid instalments.

Payment in  
advance of  
maturity

(2) The sums received by the association from any member who pays a lien note in full in advance of all instalments shall be remitted forthwith to the Supervisor of

Co-operative Activities irrespective of the dates for remittance specified in the agreement referred to in section 14.

(3) Upon receipt of any sums pursuant to subsection (2) the Supervisor of Co-operative Activities and the association shall vary the amounts payable under the agreement in order to compensate for the change in the interest payable annually by the association arising out of the depletion of the principal of the loan occasioned by a member's payment of a lien note in full.

Regulations

**21.** Subject to the provisions of this Act, the Lieutenant Governor in Council, by regulation, may

- (a) prescribe forms to be used under this Act,
- (b) provide for the assignment, compromise, release or discharge of any security given for a loan,
- (c) make provision for any other matters concerning which regulations are deemed necessary or advisable to carry out the purpose and intention of this Act.

Priority of construction of works

**22.** Where an electric power company has entered into an agreement with two or more associations that have made applications for and received loans under this Act whereby the electric power company has agreed to construct, maintain, repair or administer works to supply electricity to the associations and their members, the Alberta Power Commission may direct the company to proceed with the construction of the works of the associations in the order which to it seems advisable in the public interest.

Supervision of Board of Public Utility Commissioners

**23.** Nothing in this Act shall be construed to restrict any power of the Board of Public Utility Commissioners to fix rates and otherwise supervise the operation of electric power companies in the Province.

Administration of Act

**24.** This Act shall be administered by that member of the Executive Council who is charged with its administration for the time being by the Lieutenant Governor in Council.

Coming into force

**25.** This Act comes into force on the day upon which it is assented to.

Schedule

**SCHEDULE**

Form A

**FORM A**

(Section 9)

**MEMBER'S LIEN NOTE**

I ..... of ..... in the Province of Alberta, ..... a member of the ..... Rural Electrification Association Limited, hereby promises to pay the.....

Rural Electrification Association Limited, within .....  
years from the ..... day of ..... A.D.,  
19 ....., being the day from which interest shall be computed,  
the following sum, that is, .....  
dollars with interest at the rate of three and one-half per  
cent per annum, the said .....  
dollars being the amount that I have undertaken to pay  
the aforesaid Association to defray my share of the con-  
struction costs of the electrical distribution works and  
system of the aforesaid Association and which remain un-  
paid as of this date.

The said ..... dollars,  
with interest at the rate of three and one-half per cent per  
annum, shall be paid to the said Association in equal  
annual instalments of principal and interest in the amount  
and on the dates shown after each instalment as follows:

- 1st instalment ..... dollars on the ..... day of ..... 19 .....
- 2nd instalment ..... dollars on the ..... day of ..... 19 .....
- 3rd instalment ..... dollars on the ..... day of ..... 19 .....
- 4th instalment ..... dollars on the ..... day of ..... 19 .....
- 5th instalment ..... dollars on the ..... day of ..... 19 .....
- 6th instalment ..... dollars on the ..... day of ..... 19 .....
- 7th instalment ..... dollars on the ..... day of ..... 19 .....
- 8th instalment ..... dollars on the ..... day of ..... 19 .....
- 9th instalment ..... dollars on the ..... day of ..... 19 .....
- 10th instalment ..... dollars on the ..... day of ..... 19 .....

Until otherwise advised in writing by the Secretary of  
the said Association I shall pay the above instalments when  
due to the Secretary-Treasurer of the ..... Rural  
Electrification Association Limited at .....  
in the Province of Alberta.

Dated at ..... in the Province of Alberta,  
this ..... day of ..... 19 .....

.....  
Signature of Member

The above was made and signed in my presence by the  
said ..... this ..... day of .....  
19 .....

.....  
Signature of Officer

.....  
Office in Association

FORM B

Form B

(Section 17)

NOTICE OF LIEN

Take notice that the ..... Rural  
Electrification Association Limited of ..... in the  
Province of Alberta, under *The Rural Electrification Re-*

*volving Fund Act*, holds a lien note executed and made by one..... of ..... in the Province of Alberta..... a member

(occupation)

of the said Association, dated the ..... day of ..... 19 ....., and that pursuant to the provisions of section 9 of the aforesaid Act the said Association has a lien upon the interest of the said member in ..... to the amount of the note of the said member held by the said Association, which charge has the same priority as if a mortgage under *The Land Titles Act* to secure the total amount of the note of the said member had been registered in the proper Land Titles Office at the time at which this notice was filed in the Land Titles Office, and the said lien is to secure the payment of moneys advanced to the said Association under the said Act in part upon the security of the lien note of the aforesaid member.

Dated at ..... this ..... day of ....., 19 .....

Secretary ..... Rural Electrification Association Limited

Form C

FORM C

(Section 17(2) )

MEMORANDUM

The land comprised in this title is subject to a lien under *The Rural Electrification Revolving Fund Act* in favour of the..... received by me on the..... day of....., 19.....

Endorsed by me this..... day of....., 19.....

Registrar

Form D

FORM D

(Section 17)

To the Registrar, ..... Land Registration District.

Take notice that ..... has repaid in full the amounts owing upon his lien note

under *The Rural Electrification Revolving Fund Act*, notice of which note was endorsed by memorandum upon the title to the following land, namely

.....  
.....  
and therefore the said memorandum is to be cancelled forthwith.

Dated this.....day of....., 19.....

.....  
Supervisor of  
Co-operative Activities.

No. 83

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FIRST SESSION  
TWELFTH LEGISLATURE  
2 ELIZABETH II

1953

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**BILL**

An Act to Provide for a Fund to Assist Rural Electrification Associations in Defraying the Capital Costs of Supplying Their Members with Electric Power

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Received and read the

First time .....

Second time .....

Third time .....

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HON. DR. ROBINSON

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