

No. 24

2nd Session, 14th Legislature, Alberta
9 Elizabeth II

BILL 24

A Bill to amend The Pipe Line Act, 1958

HON. MR. MANNING

Explanatory Note

2. (a) (i) and (ii) Section 2, subsection (1), clause (c) presently reads:

- “(c) “flow line” means a pipe for
- (i) the transmission of oil from a well to a tank or tank battery,
 - (ii) the transmission of water obtained from oil or gas to a point of disposal, or
 - (iii) the transmission of gas or water to be used in the drilling of a well,
- and includes installations in connection therewith;”

(iii) The new definition of “gas” now relates to gaseous substances and propane or butane in whatever state. The new definition of “gas line” now relates to any liquids that may accompany gas in pipe line transmission. Section 2, subsection (1), clauses (d) and (e) presently reads:

- “(d) “gas” means natural gas both before or after it has been subjected to any processing and includes any other hydrocarbon not defined as oil;
- (e) “gas line” means a pipe for the transmission of gas and includes installations in connection therewith but does not include a secondary line or a distribution line or private line within the meaning of Part V;”

(iv) Section 2, subsection (1), clause (h) presently reads:

- “(h) “installation”
- (i) means any equipment, apparatus, mechanism, machinery or instrument incidental to the operation of a pipe line and includes a separator, pumping station, metering facility, connection, tank, pump, rack, storage facility or loading or other terminal facility or any other structure connected to the pipe line for treating the substance being transmitted, but

BILL

No. 24 of 1961

An Act to amend The Pipe Line Act, 1958

(Assented to _____, 1961)

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

1. *The Pipe Line Act, 1958*, being chapter 58 of the Statutes of Alberta, 1958, is hereby amended.

2. Section 2 is amended

(a) as to subsection (1)

- (i) in clause (c), subclause (ii) by striking out the words "to a point of disposal" and by substituting the words "for disposal to other than an underground formation",
- (ii) in clause (c), subclause (iii) by striking out the words "drilling of a well" and by substituting the words "drilling or operating of one well",
- (iii) by striking out clauses (d) and (e) and by substituting the following:
 - (d) "gas" means
 - (i) natural gas both before and after it has been subjected to any processing,
 - (ii) any substance recovered from natural gas, crude oil, oil sands or coal for transmission in a gaseous state,
 - (iii) propane or butane or any combination of them, and
 - (iv) any gaseous substance for injection to an underground formation through a well;
 - (e) "gas line" means a pipe for the transmission of gas and any accompanying liquids and includes installations in connection therewith but does not include a secondary line or flow line or a distribution line or private line within the meaning of Part V;
- (iv) by striking out clause (h) and by substituting the following:
 - (h) "installation" means
 - (i) any equipment, apparatus, mechanism, machinery, or instrument inci-

(ii) does not include a refinery, processing plant or marketing plant;"

(v) The definition of "manufacturing plant" is new and is added to the Act for the purpose of clarification so that the Act will not be construed to extend to pipe lines forming part of plants such as petrochemical plants which utilize natural gas.

(vi) The definition "mineral line" is new. The addition is made in anticipation of pipe line engineering advances—e.g. transmission of sulphur in a liquid.

(vii) The definition of "oil" now relates to crude oil and liquid hydrocarbons other than propane or butane, and associated substances. Section 2, subsection (1), clause (n) presently reads:

"(n) "oil" means crude oil both before or after it has been subjected to any refining or processing and includes
 (i) any hydrocarbon recovered therefrom, or
 (ii) any other carbon compound,
 and any substance in association therewith;"

(viii) The definition of "oil sands" is new and conforms to the definition of oil sands in Part VIA added to The Oil and Gas Conservation Act in 1960.

(ix) See (vi) above. Section 2, subsection (1), clause (r) presently reads:

"(r) "pipe line" means a flow line, gas line, oil line or secondary line or a distribution line or private line within the meaning of Part V;"

dental to the operation of a pipe line and includes a separator, pumping station, compressor station, regulator station, treating plant, purifying plant, metering facility, connection, tank, pump, rack, storage facility or loading or other terminal facility or any other structure connected to the pipe line for treating or handling the substance being transmitted, and

- (ii) any building or structure that houses or protects anything referred to in subclause (i),

but does not include a refinery, processing plant, marketing plant or manufacturing plant;

- (v) by adding immediately after clause (k) the following:

- (k1) "manufacturing plant" means any plant that utilizes a mineral or any substance recovered therefrom as a component of a product manufactured by the plant;

- (vi) by adding immediately after clause (l) the following:

- (l1) "mineral line" means a pipe for the transmission of a mineral whether in solution, suspension or other state and includes installations in connection therewith, but does not include a gas line, oil line, secondary line or flow line or a distribution line or private line within the meaning of Part V;

- (vii) by striking out clause (n) and by substituting the following:

- (n) "oil" means

- (i) crude oil both before and after it has been subjected to any refining or processing, and

- (ii) any hydrocarbon, other than propane or butane, recovered from crude oil, oil sands, natural gas or coal for transmission in a liquid state,

and any substance in association therewith;

- (viii) by adding immediately after clause (o) the following:

- (o1) "oil sands" means oil sands within the meaning of Part VIA of *The Oil and Gas Conservation Act*;

- (ix) in clause (r) by adding immediately after the words "oil line" the words ", mineral line".

(x) The reference to "sulphur" is new as sulphur may not come within the meaning of sulphur compound. Section 2, subsection (1), clause (s) presently reads:

"(s) 'processing plant' means any plant for the processing of gas produced from one or more wells for the extraction from the gas of a sulphur compound, carbon dioxide or any hydrocarbon except oil;"

(b) See note in (a) (vi) above. Section 2, subsection (2), presently reads:

"(2) The decision of the Minister is final as to whether or not a pipe line is a gas line, oil line, secondary line or flow line or a distribution line or private line within the meaning of Part V and there is no appeal therefrom."

3. The new clause (a) now refers to a manufacturing plant. (See note to clause 2(a)(v)). The new clause (b) now relates to the National Energy Board Act which repealed the former Pipe Lines Act in 1959. Section 3, clauses (a) and (b) presently reads:

"3. This Act applies to all pipe lines in the Province excepting

- (a) a pipe line situated wholly within the property of a refinery, processing plant or marketing plant,
- (b) a pipe line being constructed or operated by leave of the Board of Transport Commissioners for Canada under the Pipe Lines Act (Canada),".

4. The plan accompanying an application for a pipe line permit will show the information required by the new subclause (ii) of section 5(2) (a).

5. Section 12(4) is amended by the addition of the new clauses (b) and (c) which set out types of changes that may be made in a pipe line without the necessity of making an application to the Department of Mines and Minerals. Section 12, subsection (4) presently reads:

"(4) Subsection (1) does not apply to repairs or maintenance made in the course of operations, or in an emergency."

6. The new subsection (4) of section 13 will require that a flow line, for which no formal licence is required, is not to be operated for any other purpose than a flow line unless a formal licence is obtained.

7. Section 14, subsections (5) and (6) presently reads:

"(5) An application for a licence shall be made to the Superintendent in Form C in the Schedule accompanied by

- (a) a plan in triplicate showing
 - (i) the surveyed location of the land in which an interest has been acquired for the pipe line or where an interest in land has not been acquired, the location of the pipe line,

- (x) in clause (s) by striking out the words "a sulphur compound, carbon dioxide or any hydrocarbon except oil" and by substituting the words "sulphur, a sulphur compound, carbon dioxide or any liquid hydrocarbon",
- (b) as to subsection (2) by adding after the words "oil line," the words "mineral line,".

3. Section 3 is amended by striking out clauses (a) and (b) and by substituting the following:

- (a) a pipe line situated wholly within the property of a refinery, processing plant, marketing plant or manufacturing plant,
- (b) a pipe line for which there is in force
 - (i) a certificate, or
 - (ii) an order exempting the pipe line from a certificate,
 issued or made by the National Energy Board under the *National Energy Board Act* (Canada),

4. Section 5, subsection (2), clause (a) is amended

- (a) as to subclause (i) by striking out the word "and",
- (b) by adding immediately after subclause (i) the following:
 - (ii) the point of any proposed connection with another pipe line and the name of the owner or operator of that pipe line, and

5. Section 12 is amended by striking out subsection (4) and by substituting the following:

- (4) Subsection (1) does not apply to
 - (a) repairs or maintenance made in the course of operations,
 - (b) minor improvements to an existing installation,
 - (c) changes in oil pumping capacity not to exceed the maximum operating pressure of the pipe line, or
 - (d) changes made in an emergency.

6. Section 13 is amended by adding immediately after subsection (3) the following:

- (4) A flow line shall not be operated as an oil line, gas line or secondary line or a distribution line or private line within the meaning of Part V until a licence to so operate the line is granted under section 14.

7. Section 14 is amended

- (a) as to subsection (5)
 - (i) by striking out subclause (i) of clause (a) and by substituting the following:
 - (i) the surveyed location of the land in which an interest has been acquired for the pipe

- (ii) the location and capacity of each installation,
- (iii) where the size of the pipe changes, the point at which the change occurs,
- (iv) in an insert, the location of the pipe within the land in which an interest was acquired, and
- (v) the number of the permit or permits granted with respect to the pipe line,
- and
- (b) a specification sheet in Form D in the Schedule.

(6) Upon the granting of a licence, a copy of the plan supplied under subsection (5) identified as the plan referred to in the licence shall be returned to the applicant."

8. See note to clause 2(a) (viii). Section 18 presently reads:

"18. A licensee who has been declared to be a common carrier under The Oil and Gas Conservation Act, if his pipe line could, in the opinion of the Minister, reasonably be used to transport oil that has been obtained or produced from bituminous sands as defined in The Mines and Minerals Act and processed to make it marketable, shall not unreasonably discriminate between that oil and any other oil."

9. The new subsections (2a) and (2b) will provide additional procedure in cases where it is only desired to transfer a pipe line licence in part.

10. The new clause (a1) will enable an insurance company to acquire a permit or licence. Section 20, subsection (1) presently reads:

"20. (1) No company shall acquire or hold a permit or licence unless it is a company

- (a) registered under the provisions of The Companies Act of the Province,
- (b) incorporated by an Act of the Province and approved by the Minister as a company that may acquire or hold a permit or licence, or
- (c) incorporated under the Bank Act (Canada)."

11. The present section 27 is no longer considered necessary having regard to the information now compiled by the Department of Mines and Minerals. The new section 27 will facilitate the construction and financing of pipe lines where it is necessary to cross the beds or shores of lakes, rivers, streams, etc., not indicated in a privately held certificate of title. Section 5(2) of The Public Lands Act is to the effect that such beds or shores are not vested in the registered owner notwithstanding anything in the certificate of title. In the absence of the new provision the holder of a pipe line permit is not able to acquire any part of the bed or shore for the purposes of his pipe line right of way. Section 27 presently reads:

"27. (1) Where a pipe line has been constructed under a river or stream that has an average general width of twenty-five feet or over at the low water stage, the operator shall

- (a) within three months of the date that construction was completed if under this Act, or
 - (b) within six months of the date of the coming into force of this Act if construction were completed prior to that date,
- furnish the Superintendent with a plan and profile of the crossing.

(2) At each crossing under subsection (1), signs shall be erected and maintained in accordance with section 28 at points above the high water mark of the river or stream."

line with the points of commencement and termination of the pipe line indicated in red or where an interest in land has not been acquired, the location of the pipe line coloured in red,

- (ii) by striking out subclause (iv) of clause (a) and by substituting the following:
 - (iv) in an insert, the relative locations of any other pipe lines within the land in which an interest was acquired, and
- (iii) in clause (b) by adding immediately after the words "specification sheet" the words "in triplicate",
- (b) by striking out subsection (6) and by substituting the following:
 - (6) Upon the granting of a licence, a copy each of the plan and specification sheet supplied under subsection (5) identified as the plan and specification sheet referred to in the licence shall be returned to the applicant.

8. Section 18 is amended by striking out the words "bituminous sands as defined in *The Mines and Minerals Act*" and by substituting the words "oil sands".

9. Section 19 is amended by adding the following new subsections immediately after subsection (2):

(2a) Where a part of a licence is to be transferred the transfer in Form E in the Schedule shall be modified to refer to an attached plan indicating the portion of the pipe line to which the part of the licence relates.

(2b) Upon registration of an instrument of transfer of a part of a licence the Superintendent shall issue a new licence for the part transferred and amend the original licence accordingly.

10. Section 20, subsection (1) is amended by adding immediately after clause (a) the following:

(a1) licensed under the provisions of *The Alberta Insurance Act*,

11. Section 27 is struck out and the following is substituted:

27. Where the description of land in a certificate of title issued to a person other than the Crown does not except, reserve or otherwise refer to land, owned by the Crown, that comprises at any time the bed or shore of a lake, river, stream or other body of water then, notwithstanding anything in *The Public Lands Act*, any person who has the right to construct or operate a pipe line under this Act has the right to do so on, across, over or under such bed or shore.

12. Section 29 of the Act relates to the taking up or removal of pipe lines with the consent of the Superintendent.

13. Self-explanatory.

14. Self-explanatory.

15. Definition of "building" is clarified. Section 36, clause (a) presently reads:

"36. In this Part,

(a) "building" means any structure whether fixed to the land or not but does not include an installation;"

16. See note to clause 17.

17. The effect of the new provisions in clauses 16 and 17 is to permit the expropriation of land for processing plants but limiting the plant area in any case to five acres.

12. Section 29 is amended by adding immediately after subsection (1) the following:

(1a) An application for consent of the Superintendent under subsection (1) shall be accompanied by a plan in triplicate showing in green the pipe line or part thereof to be taken up or removed.

13. The following new section is added immediately after section 32:

32a. (1) Where a break occurs in a pipe line, the permittee or licensee shall as soon as possible cause the Superintendent or an inspector to be informed of the location of the break.

(2) When a break in a pipe line has been repaired, the permittee or licensee shall make a report in writing to the Superintendent showing

- (a) the time the break occurred,
- (b) the approximate quantity of the substance lost, and
- (c) the conditions that caused or contributed to the break, if they are known.

14. The following new section is added immediately after section 34:

34a. (1) No pipe line shall be constructed under a building used or capable of being used as a public building, residence, office, warehouse or factory without the approval of the Superintendent, and the Superintendent may make his approval subject to such terms and conditions as he may prescribe.

(2) Subsection (1) does not apply where the pipe line will transmit a substance delivered for use to the building.

15. Section 36 is amended by striking out clause (a) and by substituting the following:

- (a) "building" means any structure on, within or under which gas is or is capable of being used for any purpose but does not include an installation;

16. Section 38 is amended by adding immediately after clause (b) the following:

- (c) "pipe line" includes a processing plant.

17. Section 42 is amended by adding immediately after subsection (2) the following:

(2a) Notwithstanding anything in this Part, where an order or orders are made under subsection (2) with respect to a processing plant, the area of land in which an interest is vested under the order or orders shall not exceed five acres in the aggregate.

18. Section 47 deals with the termination of “final orders” for the expropriation of pipe line rights of way, etc. The new subsection (4) is added to make it clear that the relevant board also has power to deal with the termination of “interim orders”.

19. Self-explanatory. See note to clause 2(a)(vi).

20. Form B in the Schedule of the Act sets out forms of specification sheets to accompany applications for pipe line permits. The effect of the amendment of two of the forms is to require information in the case of pipe lines that transmit “sour gas”, where additional safety precautions may have to be taken.

21. Form D in the Schedule to the Act is a form of specification sheet to accompany an application for a licence to operate a pipe line. “Compressor station” is more commonly accepted in the pipe line industry than “compressor plants”.

18. Section 47 is amended by adding immediately after subsection (3) the following:

(4) A board established or designated pursuant to section 41, upon application shall, or of its own motion may, make an inquiry as to whether or not an interim order referred to in subsection (3) or (4) of section 42 should be rescinded in whole or in part and, if the circumstances in the opinion of the board so warrant, the board may by an order

- (a) rescind the interim order as to the whole or any part of the land to which it relates, and
- (b) determine the person or persons to whom any deposit held in connection with the interim order shall be paid or returned.

19. The following new section is added immediately after section 51:

51a. (1) Subject to subsection (2), all the provisions of this Act that apply to oil lines apply *mutatis mutandis* to mineral lines.

(2) The Lieutenant Governor in Council may, with respect to mineral lines or any class of mineral lines, make regulations varying, substituting, adding to or making inapplicable any provisions of this Act.

20. Form B in the Schedule is amended

- (a) as to the form of specification sheet for a secondary line, by striking out the figure and word "11. Remarks" and by substituting the following:

11. In the case of a secondary line for gas, where percentage of hydrogen sulphide will be 1% or more by volume, show percentage by volume of:

- (a) hydrogen sulphide;
- (b) carbon dioxide;
- (c) water.

12. Remarks.

- (b) as to the form of specification sheet for a gas line, by striking out the figure and word "13. Remarks" and by substituting the following:

13. Where percentage of hydrogen sulphide will be 1% or more by volume, show percentage by volume of:

- (a) hydrogen sulphide;
- (b) carbon dioxide;
- (c) water.

14. Remarks.

21. Form D in the Schedule is amended by striking out the words "compressor plants" and by substituting the words "compressor stations".

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

No. 24

SECOND SESSION

FOURTEENTH LEGISLATURE

9 ELIZABETH II

1961

BILL

An Act to amend The Pipe Line Act,
1958

Received and read the

First time.....

Second time.....

Third time.....

HON. MR. MANNING
