

1970 Bill 105

Third Session, 16th Legislature, 19 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 105

**An Act to amend
The Alberta Gas Trunk Line Company Act**

HON. R. A. PATRICK

First Reading

Second Reading

Third Reading

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An Act to amend The Alberta Gas Trunk Line
Company Act

(Assented to , 1970)

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

1. *The Alberta Gas Trunk Line Company Act* is hereby
amended.

2. Section 2 is amended

- (a) by striking out clause (g),
- (b) by striking out clause (h) and by substituting the
following:
 - (h) “utility company” means any company own-
ing or operating a gas utility to which *The Gas
Utilities Act* applies and whose principal busi-
ness is supplying gas for use or consumption
by the public within Alberta.

3. Section 5, clause (c) is amended by striking out the
words “one million” and by substituting the words “two
million”.

4. Section 13 is amended by striking out subsection (2)
and by substituting the following:

(2) In the exercise of its powers the company has the
right to commingle gas in its pipe lines or other facilities
or any part or parts thereof irrespective of the ownership
of the gases commingled.

5. Section 15 is amended by striking out subsection (1)
and by substituting the following:

15. (1) The company shall not enter into any agreement
or other contract with a gas export company whereby the
gas export company gains or might gain any control over

Explanatory Notes

1. This Bill amends chapter 37 of the Statutes of Alberta, 1954.

2. Section 2, clauses (g) and (h) presently read:

- (g) "Petroleum and Natural Gas Conservation Board" means that Board as constituted and established under The Oil and Gas Resources Conservation Act, 1950;
- (h) "utility company" means any company that operates any system, works, plant, equipment or service for the transporting, delivery, furnishing, or supplying of gas by retail or wholesale, either directly or indirectly, to or for the public of Alberta, and that is a proprietor of a public utility as defined under The Public Utilities Act.

3. Authorizes increase in preferred share capital. Section 5, clause (c) presently reads:

5. The capital stock of the company shall consist of

.....

- (c) one million preferred shares of the par value of one hundred dollars with no voting rights attached to the shares.

4. Applicable orders of the Oil and Gas Conservation Board are enforceable without specific mention. Power to commingle clarified. Section 13, subsection (2) presently reads:

- (2) In the exercise of the powers set out in subsection (1), the company is subject to any order of the Petroleum and Natural Gas Conservation Board made pursuant to any Act under which that Board has jurisdiction to make orders.

5. Subsection (1) is amended to conform with subsection (2). Section 15 presently reads:

- 15. (1) Notwithstanding the provisions of section 13, the company shall not enter into any contract, agreement or arrangement with a gas export company whereby the gas export company gains or might gain any control over the affairs, functions, operations, management or business of the company or its trunk lines or pipe lines.

- (2) Any contract that the company enters into in contravention of subsection (1) is void.

the affairs, functions, operations, management or business of the company or over any of its pipe lines or other facilities.

6. Section 16 is struck out and the following is substituted:

16. *The Gas Utilities Act* does not apply to the company or to its operations excepting with respect to gas purchased or owned by the company.

7. Section 21 is amended

(a) as to subsection (1) by striking out the words "of a director pursuant to section 25",

(b) by striking out subsection (3) and by substituting the following:

(3) If a dispute arises as to the qualification of any Class "B" common shareholder to vote a share, the dispute may be referred for decision to the Trial Division of the Supreme Court of Alberta on application by originating notice.

8. Section 30 is struck out and the following are substituted:

30. (1) The company shall from time to time fix the rates, tolls and other charges for the gathering, treating, transporting, storing, distributing, handling and delivery of gas carried by its pipe lines and other facilities or any part or parts thereof, or for any service performed by the company in relation to the gathering, treating, transporting, storing, distributing, handling or delivery of any gas.

(2) Upon complaint in writing of an interested party the Public Utilities Board may, or upon the direction of the Lieutenant Governor in Council shall, after notice to and hearing of the parties interested, determine the justness and reasonableness of any rate, toll or charge fixed by the company and by order in writing may vary or confirm the rate, toll or charge.

(3) Where the Public Utilities Board varies a rate, toll or charge fixed by the company, its order shall specify that the variation shall remain in force and effect until a specified date or until the date of the happening of a specified event but in no case shall the period involved exceed 12 months.

(4) The provisions of Part I of *The Public Utilities Board Act* apply with respect to matters within the jurisdiction of the Public Utilities Board under this section in so far as they do not conflict with the provisions of this section.

6. New section 16 limits the application of The Gas Utilities Act. The other statutes are general legislation and will apply to the company. Section 16 presently reads:

16. (1) Subject to subsection (3) and except where inconsistent with this Act, the provisions of

- (a) The Oil and Gas Resources Conservation Act, 1950,
- (b) The Public Utilities Act,
- (c) The Pipe Line Act, 1952,
- (d) The Securities Act, and
- (e) The Gas Resources Preservation Act,

with whatever changes are necessary are applicable to the company incorporated by this Act.

(2) The Lieutenant Governor in Council may declare that the application of an Act mentioned in subsection (1) or any part or provision thereof to the company is suspended for an indefinite period or for a fixed period.

(3) When a suspending order is made under this section the Act, the part or provision thereof declared suspended in its application to the company shall be deemed not to apply from a date which shall be specified in the suspending order.

(4) A suspending order may be amended, substituted or rescinded at any time and from time to time by the Lieutenant Governor in Council.

7. Section 21, subsection (1) is amended to remove a restriction on special elections. The new subsection (3) refers share qualification disputes to the Supreme Court.

Section 21, subsections (1) and (3) presently read:

21. (1) No person shall vote a Class "B" common share at any election of directors or at any special election of a director pursuant to section 25 unless he has established his right to vote a Class "B" common share for a director representing the Group of Class "B" common share that he holds by an affidavit filed with the secretary-treasurer of the company within the month immediately preceding the election.

(3) If a dispute arises as to the qualification of any Class "B" common shareholder to vote his share, the dispute shall be referred to the Board of Public Utility Commissioners whose decision thereupon is final.

8. Powers of company and provisions for appeals clarified.

Section 30 presently reads:

30. (1) The Directors shall fix the just and reasonable rates, tolls and other charges for the gathering, transporting, distributing, handling and delivery of all gas carried by the company's pipe lines and other facilities or any part or parts thereof.

(2) Upon the application of the company or any interested party or by direction of the Lieutenant Governor in Council, the Board of Public Utility Commissioners may vary or fix the rates so fixed by the company whether or not the company has been declared to be a common carrier by the Petroleum and Natural Gas Conservation Board and the provisions of The Public Utilities Act, with whatever changes are necessary, apply to such application or direction.

30a. Rates, tolls or other charges fixed by the company shall be filed in the head office of the company and shall be available for inspection during normal business hours.

30b. (1) The company shall from time to time define or prescribe terms and conditions of service applicable to its pipe lines and other facilities or any part or parts thereof.

(2) Before accepting custody of gas the company may require the gas to be processed or otherwise treated to a standard or quality specification determined by the company.

(3) Where gas owned by a person is commingled with gas owned by another person within a pipe line or other facility of the company, the company when transferring custody of gas is authorized to make whatever compensating adjustments in volume, heating value and component content as in its opinion are warranted.

(4) Upon application for service or for any variation in service through or by any pipe line or other facility of the company, the company may vary or adjust to the extent it deems necessary any existing contract or arrangement with any person in respect of that pipe line or facility.

30c. (1) Upon complaint in writing of an interested party respecting a decision made by the company under section 30b, the Oil and Gas Conservation Board established under *The Oil and Gas Conservation Act, 1969*, may, after notice to and hearing of the parties interested, determine the reasonableness of the decision made by the company and by order in writing may vary or confirm the decision.

(2) Before issuing an order regarding terms and conditions of service or with respect to the operation of any pipe line or other facility, the Oil and Gas Conservation Board shall consult with the Department of Mines and Minerals.

(3) In the event of conflict between any term or condition of an order made under subsection (1) with any provision of an existing contract or arrangement, the term or condition of the order shall prevail.

9. Section 31, subsection (1) is amended by striking out the words "*The Securities Act*" and by substituting the words "*The Securities Act, 1967*".

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

9. Updates a cross-reference.