

1970 Bill 125

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Third Session, 16th Legislature, 19 Elizabeth II

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THE LEGISLATIVE ASSEMBLY OF ALBERTA

## **BILL 125**

**An Act to amend The Gas Utilities Act**

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HON. MR. PATRICK

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**First Reading** .....

**Second Reading** .....

**Third Reading** .....

# BILL 125

1970

An Act to amend The Gas Utilities Act

(Assented to \_\_\_\_\_, 1970)

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

1. *The Gas Utilities Act* is hereby amended.
2. Section 2 is amended as to clause (g) by adding after the word "means" the words "crude bitumen and".
3. Section 6, subsection (1) is amended
  - (a) as to the part of the subsection preceding clause (a) by striking out the words "fix and determine the just and reasonable price or prices to be paid for gas in any or all of the following cases, that is to say:" and by substituting the words "with respect to gas to be used, consumed, stored or retained within Alberta, fix and determine in any or all of the following cases:",
  - (b) as to clause (a)
    - (i) by striking out in subclause (ii) the words "such gas" and by substituting the word "it",
    - (ii) by striking out in subclause (iii) the words "such gas" and by substituting the word "it", and by striking out the word "and" at the end of the subclause,
    - (iii) by striking out in subclause (iv) the words "such gas" and by substituting the word "it",
    - (iv) by adding the following subclause after subclause (iv):
      - (v) at any point on a gas pipe line;
    - (v) by striking out the part of the clause following the new subclause (v),

## Explanatory Notes

1. This Bill amends chapter 37 of the Statutes of Alberta, 1960.

2. Necessary in order to clarify the meaning of gas. Section 2, clauses (d) and (g) presently read:

(d) "gas" means all natural gas both before and after it has been subjected to any treatment or process by absorption, purification, scrubbing or otherwise, and includes all fluid hydrocarbons not defined by clause (g) as oil;

.....

(g) "oil" means crude oil and all other hydrocarbons, regardless of gravity, that are recovered in liquid form from a pool by ordinary production methods;

3. Updates section 6, subsection (1). Section 6, subsection (1), clauses (a), (c) and (f) presently read:

6. (1) Notwithstanding the terms of any contract, the Board upon the application of an interested party or municipality or upon its own motion may, and upon an order of the Lieutenant Governor in Council shall, fix and determine the just and reasonable price or prices to be paid for gas in any or all of the following cases, that is to say:

(a) the just and reasonable price or prices to be paid for gas

(i) in its natural state as and when produced from the earth at the gas exit from the separator, where a separator is employed, and in all other cases as and when produced from the well-head either alone or in association or conjunction with other petroleum products or hydrocarbons,

(ii) before such gas has been delivered into any gas pipe line,

(iii) before such gas has been subjected to treating or processing by absorption or otherwise for the extraction therefrom of natural gasoline or other hydrocarbons, and

(iv) before such gas has been purified, scrubbed or otherwise treated for the extraction or removal therefrom of hydrogen sulphide or other deleterious substance,

and also the price or prices of gas at any point on the gas pipe line or lines connecting the well-head or the gas exit from the separator, as the case may be, with any absorption plant or scrubbing plant, but the price or prices fixed pursuant to any of the provisions of this clause shall not include any price or value of any component part of the gas to be extracted therefrom and sold before delivery of the gas to a gas utility for distribution to the ultimate consumer;

.....

(c) the just and reasonable price or prices to be paid for gas after it has been purified, scrubbed or otherwise treated, for the extraction or removal therefrom of hydrogen sulphide or other deleterious substance, including the price to be paid for such purified gas by an owner of a gas utility purchasing the same for distribution to the ultimate consumer or otherwise;

.....

(f) the just and reasonable price or prices to be paid for all commodities and services that, pursuant to the provisions of The Oil and Gas Conservation Act, are required to be fixed by the Board;

- (c) as to clause (c) by striking out the words “, including the price to be paid for such purified gas by an owner of a gas utility purchasing the same for distribution to the ultimate consumer or otherwise”,
- (d) as to clause (f) by striking out the words “*The Oil and Gas Conservation Act*” and by substituting the words “*The Oil and Gas Conservation Act, 1969*”.

**4.** Section 11 is amended by striking out subsection (1) and by substituting the following:

**11.** (1) The Board may, with the approval of the Lieutenant Governor in Council, designate any area of land in Alberta from which gas is produced, and may permit

- (a) the operator of an absorption plant, or
- (b) a person, firm or corporation that has been given an order under section 37, or has been granted approval under section 38, or has filed particulars under section 42 of *The Oil and Gas Conservation Act, 1969*,

to enter into a contract, with any owner or producer of gas produced from the designated area, to fix the price to be paid by the operator, person, firm or corporation to the owner or producer for the gas.

**5.** Sections 49b and 49c are amended by striking out wherever they occur the words “*The Oil and Gas Conservation Act*” and by substituting the words “*The Oil and Gas Conservation Act, 1969*”.

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

**4. Section 11, subsection (1) presently reads:**

11. (1) In lieu of making an order under section 7 the Board may, with the approval of the Lieutenant Governor in Council, designate any area of land in the Province from which gas is produced, and may permit the operator of an absorption plant, or a person, firm or corporation that has been granted a permit pursuant to section 45 of The Oil and Gas Conservation Act or approval pursuant to section 38 of that Act, to enter into a contract, with any owner or producer of gas produced from the designated area, to fix the price to be paid by the operator, person, firm or corporation to the owner or producer for the gas.

The subsection is rewritten for the purpose only of adding the reference to orders under section 37 of The Oil and Gas Conservation Act, 1969 and to update the reference to a permit under section 45 of the old Oil and Gas Conservation Act.

**5. Consequential to the enactment of The Oil and Gas Conservation Act, 1969.**